Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated interim financial statements
for the period ended September 30, 2016
&
Review report

Contents

KPMG
Hazem Hassan
Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) as at September 30, 2016 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these 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 limited review.

Scope of limited review

We conducted our limited review in accordance with Egyptian Standard on 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 in the Company, 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 financial statements.

Conclusion

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 consolidated financial position of the Company as at September 30, 2016 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan
Public Accountants and Consultants
1 KPMG Hazem Hassan

Cairo, December 15, 2016

Consolidated statement of financial position as at September 30, 2016

	Note	30/9/2016	31/12/2015 (*)
(in EGP)			
Assets			
Non- current assets			
Fixed assets (net)	(5)	4 948 855 502	5 132 944 455
Projects under construction (net)	(6)	23 293 772 712	17 142 868 847
Intangible assets (net)	(7)	1 113 709 503	1 862 436 797
Goodwill (net)	(8)	569 304 818	649 801 051
Biological assets (net)	(9)	200 747 197	196 044 381
Trade and other receivables (net)	(16)	1 031 255 399	710 407 485
Investment property	(10)	24 000 000	24 000 000
Investments in associates (net)	(11)	768 514 527	893 874 077
Available-for-sale investments (net)	(12)	56 522 643	54 311 317
Payments for investments (net)	(13)	106 671 327	80 997 503
Other investments	(14)	351 478 983	269 800 533
Deferred tax assets	(27)	127 709 472	395 240 419
Total non- current assets		**32 592 542 083**	**27 412 726 865**
Current assets			
Inventories (net)	(15)	1 015 994 819	1 029 071 832
Biological assets (net)	(9)	8 515 067	25 063 763
Work in process		29 955 222	17 768 790
Investments at fair value through profit or loss	(17)	1 070 627	33 789 381
Due from related parties (net)	(18)	791 335 894	601 917 640
Trade and other receivables (net)	(16)	1 307 211 913	1 167 538 152
Debtors and other debit balances (net)	(19)	1 068 484 565	1 294 182 515
Cash and cash equivalents	(20)	1 597 274 640	3 353 000 479
Assets classified as held-for-sale	(21-1)	3 962 603 638	2 534 418 749
Total current assets		**9 782 446 385**	**10 056 751 301**
Total assets		**42 374 988 468**	**37 469 478 166**

to be continued ...

Consolidated statement of financial position as at September 30, 2016 (continued)

(in EGP)	Note	30/9/2016	31/12/2015 (*)
Equity			
Share capital	(23)	9 100 000 000	9 100 000 000
Treasury shares	(23.1)	(3 338 658)	-
Reserves		552 504 348	346 980 641
Retained losses		(7 339 522 501)	(6 587 703 421)
Total		2 309 643 189	2 859 277 220
Shareholders' credit balances	(24)	-	1 464 311
Equity attributable to owners of the Company		**2 309 643 189**	**2 860 741 531**
Non - controlling interests		**8 616 631 594**	**8 249 822 566**
Total equity		**10 926 274 783**	**11 110 564 097**
Non- current liabilities			
Long term loans and borrowings	(25)	17 398 804 724	13 675 665 666
Long term liabilities and derivatives	(26)	669 723 645	436 369 089
Loans from related parties	(25)	23 139 046	24 484 249
Deferred tax liabilities	(27)	489 067 682	681 758 544
Total non-current liabilities		**18 580 735 097**	**14 818 277 548**
Current liabilities			
Banks overdraft	(28)	517 203 686	508 626 802
Short term loans and borrowings	(25)	2 817 034 512	2 933 157 562
Loans from related parties	(25)	899 235 816	714 822 280
Due to related parties	(29)	850 313 183	721 085 406
Trade and other payables	(30)	1 479 886 562	2 855 366 230
Creditors and other credit balances	(31)	1 793 336 614	1 482 824 805
Provisions	(32)	712 319 954	620 451 082
Provision for financial guarantees contracts	(33)	-	5 077 970
Liabilities classified as held-for-sale	(21-2)	3 023 057 932	1 010 369 295
Due to Tax Authority		775 590 329	688 855 089
Total current liabilities		**12 867 978 588**	**11 540 636 521**
Total liabilities		**31 448 713 685**	**26 358 914 069**
Total equity and liabilities		**42 374 988 468**	**37 469 478 166**

* Restated - Note (51)

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

Review report "attached"

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

Consolidated income statement for the period ended September 30, 2016

(in EGP)	Note	For the period from 1/7/2016 to 30/9/2016	For the period from 1/1/2016 to 30/9/2016	For the period from 1/7/2015 to 30/9/2015	For the period from 1/1/2015 to 30/9/2015 (*)
Continuing operations					
Operating revenues	(36)	1 792 854 966	5 323 685 591	1 481 314 184	4 179 344 514
Operating costs	(37)	(1 582 840 582)	(4 590 439 677)	(1 299 514 810)	(3 529 530 288)
Gross profit		210 014 384	733 245 914	181 799 374	649 814 226
Advisory fee	(34)	2 624 126	7 644 325	3 561 446	9 967 031
Administrative expenses	(38)	(235 901 314)	(775 593 041)	(229 862 595)	(593 086 685)
Other (expenses) / income	(39)	(60 064 799)	(135 413 107)	803 101	74 568 169
Share of loss / profit of investments in associates	(35)	(1 191 036)	50 979 497	18 881 358	62 736 557
Operating (loss) profit		(84 518 639)	(119 136 412)	(24 817 316)	203 999 298
Finance costs - net	(40)	(130 506 632)	(519 808 143)	(149 674 513)	(512 204 897)
Loss before tax		(215 025 271)	(638 944 555)	(174 491 829)	(308 205 599)
Income tax expense	(41)	(17 506 808)	(80 376 882)	(1 831 147)	(56 709 353)
Loss from continuing operations		(232 532 079)	(719 321 437)	(176 322 976)	(364 914 952)
Discontinued operations					
Operating revenues		107 556 420	450 465 686	565 874 455	1 919 090 241
Operating costs		(114 828 074)	(551 490 104)	(434 558 947)	(1 502 560 144)
Share of loss / profit of investment in associate		-	-	(1 759 197)	50 769 176
Administrative expenses		(25 770 427)	(79 414 891)	(89 415 559)	(304 526 788)
Other (expenses) / income		(9 045 724)	(251 934 335)	(1 439 186)	2 754 592
Finance costs - net		(53 003 937)	(143 304 913)	(110 988 549)	(291 389 740)
Results from operating activities		(95 091 742)	(575 678 557)	(72 286 983)	(125 862 663)
Income tax expense		-	(428 726)	(14 117 064)	(59 542 748)
Results from operating activities, net of tax		(95 091 742)	(576 107 283)	(86 404 047)	(185 405 411)
(Loss) gain on sale of discontinued operations,net of tax	(22.1)	(15 890 933)	3 630 779	33 046 896	99 698 245
(Loss) gain from discontinued operations, net of tax	(22)	(110 982 675)	(572 476 504)	(53 357 151)	(85 707 166)
Loss for the period		(343 514 754)	(1 291 797 941)	(229 680 127)	(450 622 118)
Attributable to:					
Owners of the Company		(207 934 705)	(737 677 570)	(135 352 652)	(230 765 279)
Non - controlling interests		(135 580 049)	(554 120 371)	(94 327 475)	(219 856 839)
		(343 514 754)	(1 291 797 941)	(229 680 127)	(450 622 118)
Earnings per share	(42)	(0.11)	(0.41)	(0.08)	(0.14)

* Restated - Note (51)

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

Consolidated statement of comprehensive income for the period ended September 30, 2016

(in EGP)	For the period from 1/7/2016 to 30/9/2016	For the period from 1/1/2016 to 30/9/2016	For the period from 1/7/2015 to 30/9/2015	For the period from 1/1/2015 to 30/9/2015
Loss for the period	(343 514 754)	(1 291 797 941)	(229 680 127)	(450 622 118)
Other comprehensive income items:				
Items that are or may be reclassified to profit or loss				
Foreign operations - foreign currency translation differences	8 776 441	419 178 952	10 829 966	181 536 116
Available-for-sale - net change in fair value	(91 124)	(91 124)	(176 479)	(260 682)
Change in the fair value of hedge reserve-swap contract	26 768 138	(38 387 754)	(32 834 841)	(29 446 673)
Other comprehensive income, net of tax	35 453 455	380 700 074	(22 181 354)	151 828 761
Total comprehensive income	(308 061 299)	(911 097 867)	(251 861 481)	(298 793 357)
Total comprehensive income attributable to :				
Owners of the Company	(194 237 789)	(532 153 863)	(179 541 902)	(254 330 517)
Non-controlling interests	(113 823 510)	(378 944 004)	(72 319 579)	(44 462 840)
	(308 061 299)	(911 097 867)	(251 861 481)	(298 793 357)

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

Consolidated statement of changes in equity for the period ended September 30, 2016 (Continued)

(in EGP)	Note	Share capital	Reserves					Retained loss	Shareholders' credit balances	Treasury shares	Total	Non - controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associates' equity	Change in the fair value of hedge reserve-swap contract						
Balance as at December 31, 2015 (as previously issued)		9 100 000 000	89 578 478	(976 696)	369 449 580	(77 428 646)	(33 642 075)	(6 650 504 492)	1 464 311	-	2 797 940 460	8 152 325 712	10 950 266 172
Adjustments	(51)	-	-	-	-	-	-	62 801 071	-	-	62 801 071	97 496 854	160 297 925
Balance as at December 31, 2015 (after adjustments)		9 100 000 000	89 578 478	(976 696)	369 449 580	(77 428 646)	(33 642 075)	(6 587 703 421)	1 464 311	-	2 860 741 531	8 249 822 566	11 110 564 097
Total comprehensive income													
Loss for the period ended September 30, 2016		-	-	-	-	-	-	(737 677 570)	-	-	(737 677 570)	(554 120 371)	(1 291 797 941)
Other comprehensive income		-	-	(91 124)	244 002 585	-	(38 387 754)	-	-	-	205 523 707	175 176 367	380 700 074
Total comprehensive income		-	-	(91 124)	244 002 585	-	(38 387 754)	(737 677 570)	-	-	(532 153 863)	(378 944 004)	(911 097 867)
Transactions with owners of the company													
Board of directors and employees profit share		-	-	-	-	-	-	(11 812 651)	-	-	(11 812 651)	(11 911 566)	(23 724 217)
Acquisition of non - controlling interests without change in control		-	-	-	-	-	-	(2 328 859)	-	-	(2 328 859)	2 328 859	-
Treasury shares purchase	(23.1)	-	-	-	-	-	-	-	-	(3 338 658)	(3 338 658)	-	(3 338 658)
Reclassification of shareholders' credit balances		-	-	-	-	-	-	-	(1 464 311)	-	(1 464 311)	-	(1 464 311)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	755 335 739	755 335 739
Balance as at September 30, 2016		9 100 000 000	89 578 478	(1 067 820)	613 452 165	(77 428 646)	(72 029 829)	(7 339 522 501)	-	(3 338 658)	2 309 643 189	8 616 631 594	10 926 274 783

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

Consolidated statement of changes in equity for the period ended September 30, 2016

(in EGP)	Note	Share capital	Reserves: Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associates' equity	Change in the fair value of hedge reserve-swap contract	Acquisition of subsidiaries	Retained loss	Shareholders' credit balances	Total	Non - controlling Interests	Total equity
Balance as at December 31, 2014 (as previously issued)		8 000 000 000	89 578 478	(581 020)	446 559 328	(75 655 628)	(37 306 310)	-	(5 798 471 631)	836 842 865	3 460 966 082	8 419 273 206	11 880 239 288
Adjustments		-	-	-	-	-	-	-	358 756 937	-	358 756 937	(405 904 161)	(47 147 224)
Balance as at December 31, 2014 (after adjustments)		8 000 000 000	89 578 478	(581 020)	446 559 328	(75 655 628)	(37 306 310)	-	(5 439 714 694)	836 842 865	3 819 723 019	8 013 369 045	11 833 092 064
Total comprehensive income													
Loss for the period ended September 30, 2015		-	-	-	-	-	-	-	(230 765 279)	-	(230 765 279)	(219 856 839)	(450 622 118)
Other comprehensive income		-	-	(260 682)	6 142 117	-	(29 446 673)	-	-	-	(23 565 238)	175 393 999	151 828 761
Total comprehensive income		-	-	(260 682)	6 142 117	-	(29 446 673)	-	(230 765 279)	-	(254 330 517)	(44 462 840)	(298 793 357)
Transactions with owners of the Company													
Share capital increase	(23)	1 100 000 000	-	-	-	-	-	-	-	(840 000 000)	260 000 000	-	260 000 000
Board of directors and employees profit share		-	-	-	-	-	-	-	(5 915 921)	-	(5 915 921)	(3 665 790)	(9 581 711)
Acquisition of subsidiaries		-	-	-	-	-	-	2 962 580	-	-	2 962 580	-	2 962 580
Acquisition of non - controlling interests without change in control		-	-	-	-	-	-	-	(44 354 981)	-	(44 354 981)	-	(44 354 981)
Company's share of changes in associates' equity		-	-	-	-	(1 773 018)	-	-	1 829 626	-	56 608	-	56 608
Shareholders' credit balance		-	-	-	-	-	-	-	-	4 621 446	4 621 446	-	4 621 446
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	579 162 040	579 162 040
Balance as at September 30, 2015		9 100 000 000	89 578 478	(841 702)	452 701 445	(77 428 646)	(66 752 983)	2 962 580	(5 718 921 249)	1 464 311	3 782 762 234	8 544 402 455	12 327 164 689

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

Consolidated statement of cash flows for the period ended September 30, 2016

(in EGP)	for the period ended 30/9/2016	30/9/2015
Cash flows from operating activities		
Loss before income tax	(638 944 555)	(308 205 599)
Adjustments :		
Loss from discontinued operations,net of tax	(572 476 504)	(85 707 166)
Gains on sale of discontinued operations,net of tax	(3 630 779)	(99 698 245)
Depreciation and amortization	343 825 422	327 497 223
Company's share of profit / (loss) of equity - accounted investees	(50 979 497)	(62 736 557)
Net change in the fair value of investments at fair value through profit or loss	244 627	473 924
Foreign currency translation differences	382 843 814	309 359 448
Foreign currencies exchange differences	101 288 820	34 202 704
Interest income	(75 642 499)	(178 464 752)
(Gain) loss on sale of fixed and biological assets	(7 894 882)	4 516 601
Gain from financial guarantee contracts	-	(2 012 485)
Interest expenses	494 161 822	656 466 945
Provisions formed	126 447 897	55 001 219
Impairment on assets	27 224 895	10 527 666
Impairment of inventories	211 229	348 012
Provisions no longer needed	(6 010 749)	(9 802 601)
Provision used	(33 799 868)	(30 413 716)
Operating profit before changes in working capital	86 869 193	621 352 621
Change in :		
Assets		
Inventories	(13 898 176)	(225 488 641)
Work in process	(36 430 944)	58 856 266
Investments at fair value through profit or loss	-	(10 051 794)
Due from related parties	(331 844 801)	(335 543 496)
Trade and other receivables	(274 962 524)	231 694 449
Debtors and other debit balances	82 841 319	(150 646 389)
Liabilities		
Due to related parties	(65 666 470)	(110 595 084)
Trade and other payables	(1 019 225 776)	(577 619 271)
Creditors, other credit balances and long term liabilities	74 273 609	292 739 208
Income tax paid	(49 071 648)	(16 781 240)
Discontinued operations	164 413 488	36 468 772
Net cash used in operating activities	(1 382 702 730)	(185 614 599)

to be continued ...

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

Consolidated statement of cash flows for the period ended September 30, 2016 (continued)

	for the period ended	
(in EGP)	30/9/2016	30/9/2015
Cash flows from investing activities		
Payments to purchase of fixed assets and projects under construction	(3 322 077 063)	(1 745 079 108)
Proceeds from sale of fixed assets and projects under construction	6 985 166	10 664 117
Payments for purchase of biological assets	(44 257 633)	(40 210 703)
Proceeds from sale of biological assets	18 446 599	16 421 675
Payments for purchase of intangible assets	(223 200)	(58 626 360)
(Payments for) / proceeds from sale of assets classified as held for sale	(78 550 119)	704 183 922
(Payments for) / proceeds from loans to related parties	(105 435 396)	67 893 541
Payments for investments	(25 251 600)	(21 000 000)
Payments for purchase of investment property	-	(38 938)
(Payments for) / proceeds from other investments	(2 473 920)	1 027 985
Dividends income	6 585 835	27 228 383
Interest received	4 476 774	14 764 669
Net cash used in investing activities	(3 541 774 557)	(1 022 770 817)
Cash flows from financing activities		
Proceeds from share capital increase	-	260 000 000
Payments of shareholders' credit balances	-	(23 630 169)
Proceeds from loans	2 968 547 355	2 969 483 056
Payments for loans	(178 212 466)	(957 009 102)
Proceeds from banks overdraft	190 996 613	26 128 000
Proceeds from non-controlling interests	346 489 218	629 959 473
Dividends paid	(23 724 217)	(9 581 711)
Interest paid	(49 984 936)	(360 594 602)
Net cash provided from financing activities	3 254 111 567	2 534 754 945
Net changes in cash and cash equivalents during the period	(1 670 365 720)	1 326 369 529
Assets held for sale	4 761 616	-
Acquisition of subsidiaries	-	32 989 684
Deconsolidation of subsidiaries	9 425 918	(575 912)
Cash and cash equivalents at the beginning of the period - (Note 20)	3 253 452 826	2 226 945 782
Cash and cash equivalents at the end of the period - (Note 20)	1 597 274 640	3 585 729 083

The accompanying notes and accounting policies from page (9) to page (111) are an integral part of these consolidated interim financial statements and are to be read therewith.

1. Company background

1.1 Legal status and activity

Citadel Capital Company - an Egyptian Joint Stock Company - was founded in accordance with the applicable Egyptian laws and in pursuance to law no. (159) of 1981 and its executive regulations. The Company has been registered in the commercial register at Giza under number 11121 on April 13, 2004.

1.2 Purposes of the company

- The Company's basic activity extends to the region of the Middle East and north East Africa, especially Egypt, Algeria, Libya, Syria and Sudan. The purpose of the Company is represented as follows:
  - Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, technological, engineering, marketing, financing, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
  - Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
  - Managing, executing and restructuring of projects.
- On October 20, 2013 the extra-ordinary general assembly has agreed on amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no. (27) of the Capital Market Law and article no.(122) of its executive regulations, provided that required legal procedures for amending the statute of the company will take place after completing the required legal procedures for the aforementioned capital increase.
- The company will be known as "Qalaa Holdings" in the English language. Qalaa has been the firm's Arabic name since it was founded in 2004. Subsequently to the successful completion of the capital increase, the company has transformed its business model from being a private equity company to an investment company with a focus on business segments of energy, cement, agrifoods, transportation & logistics, and mining. The required procedures to amend the Company's commercial register are taking place.

1.3 Registered headquarters

The Company performs its activities from its branch located on 1089 Nile Corniche, Four Season Nile Plaza – Garden City, Cairo.

1.4 Frame work

The consolidated financial statements of the Company for the period ended September 30, 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

The consolidated interim financial statements have been prepared in accordance with the Egyptian Accounting Standards and applicable laws and regulations.

2-2 Authorization of the financial statements

The consolidated interim financial statements were authorized for issue in accordance with a resolution of the board of directors on December 15, 2016.

3. Functional and presentation currency

These consolidated interim financial statements are presented in Egyptian Pound, which is the Company's functional currency.

4. Use of estimate and judgements

In preparing these consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

- Estimates and assumptions about them are re-viewed on regular basis.
- The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

4-1 Fair value measurement

- The fair value of financial instruments are determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs.
- The value of financial assets are determined by the values of the current purchase prices for those assets, while the value of financial liabilities is determined by the current prices that can be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other similar tools substantially - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.
- When using the discounted cash flow method as a way to evaluate, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined in the light of the prevailing market price at the date of the financial statements that are similar in nature and conditions.

(In the notes all amounts are shown in EGP unless otherwise stated)

5. Fixed assets (net)

For the period ended September 30, 2016

	Land	Buildings	Lease hold improvements	Machinery, equipment and tools	Furniture, fixtures and electric	Computer equipment	Transportation means and barges	Total
Balance as at 1/1/2016 (Note 51)	1 394 103 556	1 207 861 606	113 288 302	3 749 621 609	241 111 418	58 520 242	538 616 084	7 303 122 817
Additions ***	400 760	12 341 705	3 182 989	54 733 158	11 089 481	1 396 897	6 827 139	89 972 129
Reclassification to assets held for sale (Note 21.1)	--	(8 524 370)	(8 182 304)	(267 754 193)	(8 307 914)	(15 860 149)	(6 374 432)	(315 003 362)
Reclassification from assets held for sale**	4 232 967	23 027 836	9 142 636	31 476 813	16 705 937	451 563	1 713 662	86 751 414
Disposals	--	(7 280 309)	(19 526 229)	(36 852 544)	(36 724 634)	(14 847 859)	(3 885 027)	(119 116 602)
Foreign currency translation differences	54 617 140	31 171 995	8 623 324	225 314 715	3 981 012	3 462 060	19 961 186	347 131 432
Total cost as at 30/9/2016	1 453 354 423	1 258 598 463	106 528 718	3 756 539 558	227 855 300	33 122 754	556 858 612	7 392 857 828
Accumulated depreciation and impairment as at 1/1/2016 (Note 51)	143 596	252 187 150	41 761 596	1 407 872 490	207 220 383	47 032 145	213 961 002	2 170 178 362
Depreciation for the period*	54 684	33 700 581	6 063 645	210 641 372	9 436 857	2 631 459	22 741 199	285 269 797
Reclassification to assets held for sale (Note 21.1)	--	(2 685 934)	(6 862 708)	(32 785 462)	(4 648 317)	(14 443 023)	(5 952 488)	(67 377 932)
Reclassification from assets held for sale**	--	5 763 848	6 661 792	19 605 970	27 806 164	451 562	1 275 852	61 565 188
Accumulated depreciation of disposals	--	(2 872 128)	(14 652 122)	(30 643 075)	(32 957 539)	(9 494 515)	(3 364 792)	(93 984 171)
Foreign currency translation differences	41 856	8 005 603	1 860 245	65 264 140	3 418 386	1 533 121	8 227 731	88 351 082
Accumulated depreciation as at 30/9/2016	240 136	294 099 120	34 832 448	1 639 955 435	210 275 934	27 710 749	236 888 504	2 444 002 326
Carrying amounts								
At 30/9/2016	1 453 114 287	964 499 343	71 696 270	2 116 584 123	17 579 366	5 412 005	319 970 108	4 948 855 502
At 31/12/2015	1 393 959 960	955 674 456	71 526 706	2 341 749 119	33 891 035	11 488 097	324 655 082	5 132 944 455

(In the notes all amounts are shown in EGP unless otherwise stated)

For the period ended September 30, 2015

	Land	Buildings	Lease hold improvements	Machinery, equipment and tools	Furniture & fixtures	Computer equipment	Transportation means and barges	Total
Cost as at 1/1/2015	1 413 488 920	1 418 326 164	104 736 708	3 758 604 639	261 764 912	41 931 222	521 815 260	7 520 667 825
Adjustments on the beginning balance	--	(3 502 720)	--	248 686	(478 246)	--	--	(3 732 280)
Acquisition of subsidiaries	13 984 171	172 240 125	930 115	751 560 198	6 309 824	8 254 312	54 341 626	1 007 620 371
Additions	17 058	65 537 861	4 067 479	106 963 510	7 118 853	2 577 294	9 414 758	195 696 813
Transferred to assets held for sale	(5 985 000)	--	--	(607 224)	(14 782 738)	--	(1 144 806)	(22 519 768)
Transferred from assets held for sale	--	43 762	--	6 586 309	457 622	--	--	7 087 693
Disposals	--	(1 649 160)	--	(8 620 843)	(2 268 159)	(6 631)	(4 328 612)	(16 873 405)
Foreign currency translation differences	29 098 977	11 991 294	2 275 099	97 894 978	2 376 171	1 414 949	9 011 421	154 062 889
Cost as at 30/9/2015	1 450 604 126	1 662 987 326	112 009 401	4 712 630 253	260 498 239	54 171 146	589 109 647	8 842 010 138
Accumulated depreciation and impairment as at 1/1/2015	303 898	241 056 830	33 476 770	1 002 520 235	204 165 231	33 916 732	168 663 862	1 684 103 558
Adjustments on the beginning balance	--	(3 408 787)	--	(776 102)	(445 677)	--	972	(4 629 594)
Acquisition of subsidiaries	--	16 430 466	730 274	295 259 018	4 808 603	7 521 248	37 822 041	362 571 650
Depreciation for the period*	22 763	44 365 435	5 605 138	167 825 948	13 760 634	3 094 873	26 814 320	261 489 111
Transferred to assets held for sale (Note 23.1)	--	--	--	(603 536)	(12 664 148)	--	(1 144 808)	(14 412 492)
Transferred from assets held for sale**	--	43 762	--	1 221 624	428 285	--	--	1 693 671
Accumulated depreciation of disposals	--	(1 053 891)	--	(6 978 981)	(2 249 395)	(4 169)	(3 496 927)	(13 783 363)
Foreign currency translation differences	19 544	4 016 380	315 846	23 611 744	1 792 824	1 286 282	1 720 091	32 762 711
Accumulated depreciation as at 30/9/2015	346 205	301 450 195	40 128 028	1 482 079 950	209 596 357	45 814 966	230 379 551	2 309 795 252
Carrying amounts								
At 30/9/2015	1 450 257 921	1 361 537 131	71 881 373	3 230 550 303	50 901 882	8 356 180	358 730 096	6 532 214 886

(In the notes all amounts are shown in EGP unless otherwise stated)

* Administrative depreciation for the period has been recognized in administrative expenses (Note 38) and operating depreciation has been recognized in operating costs (Note 37).

** Transferred from assets held for sale are represented in assets related to Bright Living Company. (one of the subsidiaries in the real estate segment) and ESACO for Manufacturing Engineering and Construction (one of the subsidiaries in the Cement segment).

*** Additions include the amount transferred from project under construction (Note 6).

6. Projects under construction (net)

6.1 Projects under construction represented in the following:

	30/9/2016	31/12/2015 (Restated) **
Balance at the beginning of the period / year	17 236 599 739	11 927 228 869
Adjustments	--	(108 345 442)
Acquisition of subsidiaries	--	18 264 896
Disposals of the period / year	(17 523 650)	(317 475 317)
Reclassification to assets held for sale (Note 21.1)	(19 185 216)	(188 539 627)
Additions of the period / year	3 732 972 763	4 934 982 149
Reclassification to fixed assets (Note 5)	(8 694 209)	(131 021 810)
Foreign currency translation differences	2 476 192 133	1 101 506 021
Balance	23 400 361 560	17 236 599 739
Accumulated impairment in value	(106 588 848)	(93 730 892)
Net	23 293 772 712	17 142 868 847

6.2 Projects under construction are represented in:

	30/9/2016	31/12/2015
Agriculture and food sector	145 273 019	124 353 800
Energy sector *	22 955 197 299	16 847 265 279
Transportation and logistics sector	45 172 116	69 503 038
Cement sector	97 321 354	53 869 088
Financial services sector	29 956 418	29 080 396
Mining sector	20 852 506	18 797 246
Total	23 293 772 712	17 142 868 847

* Projects under construction - Energy sector include an amount of EGP 22 910 750 818 as at September 30, 2016 versus EGP16 837 704 055 as at December 31, 2015 which represents the projects of ERC Company-subsidiary.

** (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

7. Intangible assets (net)

	Note	30/9/2016	31/12/2015
Software	(7-1)	12 889 059	13 151 204
Concession	(7-2)	--	792 230 640
Exploration and valuation assets	(7-3)	290 827 074	246 288 076
Trade name	(7-4)	346 210 520	346 210 520
Customer contracts	(7-5)	461 637 000	461 637 000
Other intangible assets	(7-6)	2 145 850	2 919 357
Balance		1 113 709 503	1 862 436 797

7.1 Software

	30/9/2016	31/12/2015
Cost at the beginning of the period / year	59 044 102	51 841 773
Additions of the period / year	227 075	3 582 517
Disposals of the period / year	(212 438)	(190 958)
Reclassification to assets held for sale (Note 21.1)	(24 196 704)	--
Foreign currency translation differences	5 104 197	3 810 770
Cost at the end of the period / year	39 966 232	59 044 102
Accumulated amortization at the beginning of the period / year	(45 892 898)	(35 813 479)
Amortization for the period / year	(424 382)	(5 777 840)
Reclassification to assets held for sale (Note 21.1)	21 352 884	--
Foreign currency translation differences	(2 112 777)	(4 301 579)
Accumulated amortization at the end of the period / year	27 077 173	(45 892 898)
Net	12 889 059	13 151 204

(In the notes all amounts are shown in EGP unless otherwise stated)

7.2 Concession

	30/9/2016	31/12/2015
Cost at the beginning of the period / year	966 882 501	829 321 993
Additions of the period / year	--	104 991 901
Foreign currency translation differences	50 201 806	32 568 607
Reclassification to assets held for sale (Note 21.1)	(1 017 084 307)	--
Cost at the end of the period / year	--	966 882 501
Accumulated amortization at the beginning of the period / year	(174 651 861)	(98 026 228)
Amortization for the period / year	(39 231 528)	(46 865 713)
Foreign currency translation differences	2 701 593	(29 759 920)
Reclassification to assets held for sale (Note 21.1)	211 181 796	--
Accumulated amortization at the end of the period / year	--	(174 651 861)
Net	--	792 230 640

7.3 Exploration and valuation assets

7.3.1 Site preparation expenses

	30/9/2016	31/12/2015
Cost at the beginning of the period / year	463 588	--
Acquisition of subsidiaries	--	456 786
Amortization for the period / year	(15 696)	(231 359)
Foreign currency translation differences	50 337	238 161
Balance	498 229	463 588

7.3.2 Search and exploration expenses

	30/9/2016	31/12/2015
Cost at the beginning of the period / year	234 391 228	--
Acquisition of subsidiaries	--	220 137 282
Additions of the period / year	27 469 083	10 966 330
Foreign currency translation differences	15 929 432	3 287 616
Balance	277 789 743	234 391 228

(In the notes all amounts are shown in EGP unless otherwise stated)

7.3.3 License

Cost at the beginning of the period / year	14 953 666	--
Acquisition of subsidiaries	--	16 006 690
Amortization for the period / year	(43 377)	(27 352)
Foreign currency translation differences	1 634 728	(1 025 672)
Balance	16 545 017	14 953 666
Total	294 832 989	249 808 482
Accumulated impairment *	(4 005 915)	(3 520 406)
Net	290 827 074	246 288 076

***Accumulated impairment**

Balance at the beginning of the period / year	3 520 406	--
Acquisition of subsidiaries	--	6 707 064
Reversal of impairment loss of the period / year	--	(376 641)
Foreign currency translation differences	485 509	(2 810 017)
Balance	4 005 915	3 520 406

7.4 Trade mark

Silverstone Capital Investment Ltd. Group	108 279 000	108 279 000
Falcon for Agricultural Investments Ltd. *	129 485 000	129 485 000
National Development and Trading Company *	246 277 987	246 277 987
Total	484 041 987	484 041 987
Impairment *	(137 831 467)	(137 831 467)
Net	346 210 520	346 210 520

7.5 Customer contracts

Global for Energy (Distribution)	92 709 000	92 709 000
Global for Energy (Generation)	76 357 000	76 357 000
Gas & Energy Company (Genco Group)	292 571 000	292 571 000
Balance	461 637 000	461 637 000

(In the notes all amounts are shown in EGP unless otherwise stated)

7.6 Other intangible assets

	30/9/2016	31/12/2015
Payment for waiving of the license to establish a black cement factory for ASEC Syria	1 752 400	2 384 079
Compensation paid for project workers	393 450	535 278
Net	2 145 850	2 919 357

8. Goodwill (net)

	Balance as at 1/1/2016 (Restated) *	Foreign currency translation differences	Transferred to assets held for sale **	Balance as at 30/9/2016
National Development and Trading Group	143 299 628	--	(81 058 922)	62 240 706
Citadel Capital Transportation Opportunities Ltd.- Group – BVI	179 739 380	--	--	179 739 380
Falcon for Agriculture Investments Ltd.- Group - BVI	281 157 503	--	--	281 157 503
Silverstone Capital Investment Ltd. Group	12 993 229	562 689	--	13 555 918
Tawazon for Solid Waste Management (Tawazon)	32 611 311	--	--	32 611 311
Balance	649 801 051	562 689	(81 058 922)	569 304 818

* (Note 51)
** (Note 21.1)

(In the notes all amounts are shown in EGP unless otherwise stated)

9. Biological assets (net)

	Note	30/9/2016	31/12/2015
Non-current			
Fruitful fruit gardens and orchards	(9.1)	6 279 277	4 661 225
Fruitless fruit gardens and orchards	(9.2)	3 077 855	5 318 485
Pregnant heifer, dry and dairy cows	(9.3)	103 761 800	110 123 996
Heifers	(9.4)	87 628 265	75 940 675
		200 747 197	196 044 381
Current			
Plants (cotton , corn , sun flower)		1 241 800	1 092 000
Others		7 273 267	23 971 763
		8 515 067	25 063 763
Balance		209 262 264	221 108 144

9.1 Fruitful fruit gardens and orchards

	30/9/2016	31/12/2015
Costs		
Balance at the beginning of the period / year	10 028 124	8 681 337
Transferred from fruitless fruit gardens and orchards	2 552 333	1 346 787
Disposals during the period / year	(87 252)	--
Foreign currency translation differences	90 779	--
	12 583 984	10 028 124
Accumulated depreciation		
Balance at the beginning of the period / year	5 366 899	4 044 655
Depreciation for the period / year	953 027	1 303 601
Disposals during the period / year	(48 533)	--
Foreign currency translation differences	33 314	18 643
	6 304 707	5 366 899
Net	6 279 277	4 661 225

9.2 Fruitless fruit gardens and orchards

	30/9/2016	31/12/2015
Costs		
Balance at the beginning of the period / year	5 318 485	8 160 938
Additions of the period / year	391 280	1 122 271
Disposals of the period / year	--	(2 719 961)
Transferred to fruitful fruit gardens and orchards	(2 552 333)	(1 346 787)
Foreign currency translation differences	(79 577)	102 024
Balance	3 077 855	5 318 485

(In the notes all amounts are shown in EGP unless otherwise stated)

9.3 Pregnant heifer, dry and dairy cows

Costs		
Balance at the beginning of the period / year	179 534 550	159 723 914
Transferred from heifers	31 077 492	57 785 668
Foreign currency translation differences	(46 292)	--
Disposals for the period / year	(32 334 675)	(37 975 032)
	178 231 075	179 534 550
Accumulated depreciation		
Balance at the beginning of the period / year	69 410 554	61 015 111
Depreciation for the period /year	17 887 615	22 048 299
Disposals of the period / year	(13 008 528)	(13 771 252)
Foreign currency translation differences	179 634	118 396
	74 469 275	69 410 554
Net	103 761 800	110 123 996

9.4 Heifers

	30/9/2016	31/12/2015
Costs		
Balance at the beginning of the period / year	75 940 675	77 536 388
Additions of the period / year	43 866 353	57 069 074
Transferred to pregnant heifer, dry and dairy cows	(31 077 492)	(57 785 668)
Disposals of the period / year	(1 516 331)	(1 695 447)
Foreign currency translation differences	415 060	816 328
Balance	87 628 265	75 940 675

10. Investment property

	30/9/2016	31/12/2015
Land *	24 000 000	24 000 000

* Investment property represent the book value of the two plots in Smart Village.

(In the notes all amounts are shown in EGP unless otherwise stated)

11. Investments in associates (net)

11.1 The Group investments in associates (equity-accounted investees) are represented in:

	Percentage		Carrying amounts	
	2016	**2015**	**30/9/2016**	**31/12/2015**
	%	**%**		**(Restated) ****
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 098 469	1 304 723
El Sharq Book Stores Co.	40.00	40.00	13 608 513	13 785 001
Dar El-Sherouk Ltd. *	58.51	58.51	123 218 650	127 869 996
Mena Glass Ltd.	47.64	47.64	289 083 584	434 014 696
Soiete Des Ciments De Zahana	35.00	35.00	425 172 643	407 218 685
Ostool for Land Transportation S.A.E.	27.70	27.70	16 332 668	9 680 976
Total			868 514 527	993 874 077
Accumulated impairment			(100 000 000)	(100 000 000)
Net			768 514 527	893 874 077

* The Company does not consolidate this company as the control does not exist as the company has no power to govern the financial and operational policies of this company according to the shareholders' signed agreements.

** (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

11.2 Summary of significant financial statements of associates

	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses
30/9/2016								
El Kateb for Marketing & Distribution Co.	9 304 354	9 099 040	18 403 394	4 240 694	5 640 437	9 881 131	6 352 980	6 774 928
Soiete Des Ciments De Zahana	133 584 244	83 172 965	216 757 209	14 341 011	19 582 428	33 923 439	103 060 900	19 867 828
El Sharq Book Stores Co.	10 661 932	3 079 931	13 741 863	5 218 043	8 523 821	13 741 864	17 413 171	17 854 391
Dar El-Sherouk Ltd.	120 052 767	112 009 773	232 062 540	92 751 856	6 375 576	99 127 432	36 747 962	43 297 532
Mena Glass Ltd. *	604 635 924	--	604 635 924	93 090 038	--	93 090 038	72 214 406	23 757 260

- Note (35).
* Note (22.1).

(In the notes all amounts are shown in EGP unless otherwise stated)

12. Available-for-sale investments (net)

	30/9/2016	31/12/2015
Logria Holding Ltd. *	576 550 000	507 000 000
Golden Crescent Investment Ltd. *	562 069 725	494 266 500
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	31 907 865	28 058 776
Modern Company for Isolating Materials	43 396	43 396
MEFEK Co. *	872 388	872 388
ASEC Automation Co. - Free Zone	116 300	116 300
Med Grid	--	1 610 411
Ecligo Design Ltd.	1 000	1 000
Sharming Sharm	701 209	700 207
Medcom National Company	1 000	1 000
Cayman Resources *	31 331 774	31 331 774
Total	1 227 299 946	1 087 707 041
Accumulated impairment *	(1 170 777 303)	(1 033 395 724)
Net	56 522 643	54 311 317

* Accumulated impairment in available-for-sale investments of the Company is represented in:

	Balance as at 1/1/2016	Foreign currency translation differences	Formed during the period**	Balance as at 30/9/2016
Logria Holding Ltd.	507 000 000	69 550 000	--	576 550 000
Golden Crescent Investment Ltd.	494 266 500	67 803 225	--	562 069 725
MEFEK Co.	872 388	--	--	872 388
Cayman Resources	31 256 836	--	28 354	31 285 190
Balance	1 033 395 724	137 353 225	28 354	1 170 777 303

** Note (39).

(In the notes all amounts are shown in EGP unless otherwise stated)

13. Payments for investments (net)

	30/9/2016	31/12/2015
Nile Valley Petroleum Ltd. *	66 386 859	58 378 523
Citadel Capital Al Qalaa – Saudi Arabia	1 282 620	1 127 896
National Development and Trading Co. (IRAQ) Ltd. *	300 514	300 514
ASA International Co.	1 432 409	1 432 409
Golden Crescent Investment Ltd.	2 217 500	1 950 000
Others **	101 738 798	76 487 198
Total	173 358 700	139 676 540
Accumulated impairment *	(66 687 373)	(58 679 037)
Net	106 671 327	80 997 503

* Accumulated impairment on payments for investments is represented in:

	Balance as at 1/1/2016	Foreign currency translation Differences	Balance as at 30/9/2016
National Development and Trading Co. (IRAQ) Ltd.	300 514	--	300 514
Nile Valley Petroleum Ltd.	58 378 523	8 008 336	66 386 859
Balance	58 679 037	8 008 336	66 687 373

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

14. Other investments

	Note	30/9/2016	31/12/2015
Restricted cash	(14-1)	343 275 040	262 776 657
Others	(14-2)	8 203 943	7 023 876
Balance		351 478 983	269 800 533

14-1 Restricted cash as at September 30, 2016 includes an amount of EGP 284 487 279 (equivalent to US.$ 32 072 974) versus EGP 210 974 338 (equivalent to US.$ 27 047 992) as at December 31, 2015 which represents the amount deposited at the bank under capital increase of Orient Investment Properties Ltd. (subsidiary).

14-2 Others represent an amount of EGP 8 203 943 as at September 30, 2016 versus EGP 6 954 870 as at December 31, 2015 which represent 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.

(In the notes all amounts are shown in EGP unless otherwise stated)

15. Inventories (net)

	30/9/2016	31/12/2015 (Restated) *
Spare parts	355 061 670	429 180 253
Raw materials	357 136 406	280 053 017
Work in process	145 099 316	115 069 764
Finished goods	86 170 295	108 438 100
Goods in-transit	2 862 638	2 610 658
Packing materials	5 885 350	2 698 314
Oil and lubricants	53 417 650	80 766 014
Letters of credit	12 961 596	22 157 921
Others	25 608 939	17 015 361
Total	1 044 203 860	1 057 989 402
Less : Inventories write-down	(28 209 041)	(28 917 570)
Net	1 015 994 819	1 029 071 832

* (Note 51).

16. Trade and other receivables (net)

	30/9/2016	31/12/2015
Non-current		
Accounts receivables	10 274 041	6 835 093
Gas consumption deposits	138 638 925	86 625 685
Egyptian General Petroleum Corp.*	679 027 328	431 569 359
Receivables from sale of investment **	121 154 061	114 655 848
Others	82 161 044	70 721 500
Total	1 031 255 399	710 407 485
Current		
Accounts receivables	1 378 714 034	1 231 806 499
Notes receivables	33 335 847	36 988 335
Receivables from sale of investment ***	37 584 767	17 102 289
Total	1 449 634 648	1 285 897 123
Accumulated impairment	(142 422 735)	(118 358 971)
Net	1 307 211 913	1 167 538 152
Balance	2 338 467 312	1 877 945 637

(In the notes all amounts are shown in EGP unless otherwise stated)

* The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital of Egyptian Refining Company – S.A.E. – Private Free Zone Company - subsidiary.

** The amount represents the accrued consideration from sale of investments. As United Foundaries Company decided to sell its entire share interest in Alexandria for Car Foundries and Amreya Metal Company according to Extraordinary General Assembly meetings on November 23, 2014. On December 11, 2014 the company sold its entire share interest according to the signed sale agreement.

*** The amount represents the remaining amount from sale of investments in Pharos Holding Company according to the signed sale agreement.

17. Investments at fair value through profit or loss

	30/9/2016	31/12/2015
Modern Shorouk for Printing Co.	1 065 935	1 130 009
Osoul investment fund certificates – CIB	--	810 966
HSBC investment fund certificates	--	2 241 533
Blom Bank investment fund certificates	--	43 430
Bank Audi investment fund certificates	--	15 602 129
National Bank of Egypt investment fund certificates	4 692	13 961 314
Balance	1 070 627	33 789 381

(In the notes all amounts are shown in EGP unless otherwise stated)

18. Due from related parties (net)

	Nature of transaction		30/9/2016	31/12/2015
	Advisory fee	Finance		(Restated) ***
Logria Holding Ltd. **	--	54 252 805	54 252 805	48 023 235
Golden Crescent Investment Ltd. **	33 841 268	--	33 841 268	29 758 950
Golden Crescent Finco Ltd. **	--	260 150 350	260 150 350	228 402 049
Emerald Financial Services Ltd. **	--	295 569 182	295 569 182	254 388 857
Nile Valley Petroleum Ltd. **	--	191 145 689	191 145 689	168 055 462
Citadel Capital East Africa	--	33 529	33 529	29 484
Citadel Capital ALQALAA -Saudi Arabia	--	799 418	799 418	738 223
El Kateb for Marketing & Distribution Co.	--	1 001 673	1 001 673	1 001 673
Nahda	--	5 719 828	5 719 828	5 029 838
Egyptian Company for international Publication	--	23 760 330	23 760 330	21 012 855
Citadel Capital Partners*	--	28 466 828	28 466 828	--
Ecligo	--	2 000 000	2 000 000	2 000 000
Soite Des Ciments De Zahana	--	430 210	430 210	3 478 394
ASEC Electrical Repairs Co. (REPELCO) **	--	526 236	526 236	526 236
Egyptian Polypropylene Bags Co. (EPBC)	--	20 000	20 000	20 000
ASA International Co.	--	28 133 401	28 133 401	11 116 331
Scimitar Production Egypt Ltd	--	1 839 540	1 839 540	12 696 910
Grandview Investment Holding	--	158 853	158 853	1 559 407
Others	--	90 039 907	90 039 907	1 512 053
Total			1 017 889 047	789 349 957
Accumulated impairment **			(835 485 530)	(729 154 789)
Net			182 403 517	60 195 168
Due from shareholders:				
Benu One Ltd.	--	516 030 504	516 030 504	468 527 810
Fenix One Ltd.	--	51 414 813	51 414 813	39 288 631
Financial Holding International	8 481 240	--	8 481 240	--
Others **	--	39 658 320	39 658 320	39 756 031
Total			615 584 877	547 572 472
Accumulated impairment **			(6 652 500)	(5 850 000)
Net			608 932 377	541 722 472
Balance			791 335 894	601 917 640

* The parent company with 24.36%

*** (Note 51).

** Accumulated impairment on due from related parties is represented in:

(In the notes all amounts are shown in EGP unless otherwise stated)

	Balance as at 1/1/2016	Formed during the period **	Foreign currency translation Differences	Balance as at 30/9/2016
Logria Holding Ltd.	48 023 235	--	6 229 570	54 252 805
Golden Crescent Finco Ltd.	228 402 049	395 108	31 353 193	260 150 350
Emerald Financial Services Ltd.	254 388 857	5 964 610	35 215 715	295 569 182
ASEC Electrical Repairs Co. (REPELCO)	526 236	--	--	526 236
Golden Crescent Investment Ltd.	29 758 950	--	4 082 318	33 841 268
Nile Valley Petroleum Ltd.	168 055 462	--	23 090 227	191 145 689
	729 154 789	6 359 718	99 971 023	835 485 530
Due from shareholders	5 850 000	--	802 500	6 652 500
Balance		6 359 718	100 773 523	

** Note (39).

19. Debtors and other debit balances (net)

	30/9/2016	31/12/2015 (Restated) **
Prepaid expenses	27 648 653	17 713 506
Deposits with others	43 962 714	42 821 023
Advances to suppliers	323 859 528	326 787 142
Letters of guarantee margin	30 676 335	26 749 363
Imprest	57 260 614	38 592 449
Accrued revenues	68 028 636	62 936 721
Refundable deposits	4 263 738	4 631 578
Amounts due from sale of investments	38 898 322	31 320 000
Operation retention	107 061 604	102 873 999
Advances to contractors	8 301 911	7 603 728
Prepayments for purchase of fixed assets	11 052 969	11 052 974
Tax Authority	191 719 404	176 750 854

(In the notes all amounts are shown in EGP unless otherwise stated)

	30/9/2016	**31/12/2015**
Custom Authority	761 638	50 185
Letters of credit	30 492 550	148 657 922
General Authority for Economic Zone of the Suez Canal*	--	145 091 560
Debit balances under settlement	12 940 891	21 520 891
Sundry debit balances	186 218 750	196 431 952
Total	1 143 148 257	1 361 585 847
Accumulated impairment	(74 663 692)	(67 403 332)
Balance	1 068 484 565	1 294 182 515

* Represents the amount due from the General Authority for Economic Zone of the Suez Canal to terminate the Build, Operate, Transfer (BOT) concession agreement to build Fuel Bunkering Terminal and Logistics Hub in Suez canal. The two parties agreed on committing the General Authority for Economic Zone to pay all costs incurred on the project by Mashreq petroleum company (subsidiary), provided that the company will deliver the land that was allocated to the project as well as the designs of the project and the Authority paid these amounts during the current period.

** (Note 51).

20. Cash and cash equivalents

	30/9/2016	**31/12/2015**
Cash on hand	8 233 615	5 321 155
Banks - current accounts	974 744 416	2 596 344 525
Banks - time deposits	78 128 237	381 146 143
Cheques under collection	14 615 102	26 429 217
Treasury bills	521 553 270	343 759 439
Cash and cash equivalent as presented in the consolidated statement of financial position	1 597 274 640	3 353 000 479
Effect of foreign exchange differences	--	(99 547 653)
Adjusted cash and cash equivalents	1 597 274 640	3 253 452 826

21. Disposal group held –for – sale

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

- National Development and Trading Company's management decided on December 24, 2012 to sell its share in ESACO for Manufacturing Engineering and Construction (subsidiary, 70%).
- ASEC Cement Company's board of directors decided on May 4, 2014 to sell ASEC Algeria Cement Company (ASEC CIMENT) and the Company has received an offer from one of the investors to acquire the Company (ASEC CIMENT) and the Company is currently examining the feasibility of the offer. 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 Company 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 October 5, 2015 the company announced that its subsidiary ASEC Cement (subsidiary) has signed a sale and purchase agreement to sell its entire share in ASEC Minya Cement and ASEC Ready Mix Co. (Subsidiaries) to Misr Cement Qena for total consideration of approximately EGP 1 billion. The agreement has already finalized as at November 20, 2015. Note that the Company owns 70% from ASEC Cement shares.
- On 26 April, 2016 ESACO for Manufacturing Engineering and construction (subsidiary, 70%) decided to continue in its operation according to Extra ordinary General Assembly meeting approval.

- **Falcon for Agricultural Investments Ltd BVI subsidiary**
- Falcon for Agriculture Investments Ltd. BVI Company 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"

  According to the following general assembly decisions:
- On February 23, 2014 National Company for Agriculture Projects (Gozour) - Subsidiary of Falcon for Agriculture Investments Ltd. BVI- decided to sell its investment in El-Eguizy International for Economic Development Company and on July 26, 2016 the Company signed an agreement to sell its whole investment in El-Eguizy International for Economic Development Company Subsidiary of Falcon for Agriculture Investments Ltd. BVI – 99.99%. –note (22-1)

- On March 30, 2014 National Company for Investments and Agriculture (Gozour) -Subsidiary of Falcon for Agriculture Investments Ltd. BVI- decided to sell its investment in the following companies:
  - Misr October Company for Food Industries
  - Up-date Company for Food Products

- On November 30, 2015, Gozour group has made an agreement with an Egyptian investor to sell Misr October for Food Industries "Elmisrieen"- Subsidiary of Falcon for Agriculture Investments Ltd. with a total consideration of EGP 50 million and it is worth mentioning that Misr October Company for Food Industries- indirect subsidiary (55%)- stopped its operating activities in 2012. The sale has been finalized and the shares were transferred to the new acquirer on March 22, 2016.
- On March 30, 2014 Misr October Company for Food Products-Subsidiary of Falcon for Agriculture Investments Ltd. BVI- decided to sell its investment in Nile for Food Products "Enjoy" Company and on March 22, 2016 the Company signed an agreement to sell its whole investment in Misr October for Food Industries "Elmisrieen"Subsidiary of Falcon for Agriculture Investments Ltd. BVI note (22-1)
- On November 10, 2015 the Company announced that its business unit, Gozour, has signed a sale and purchase agreement - with Olayan Financing Company and its subsidiaries – to sell its entire investment in Rashidi El-Mizan, for a total consideration of EGP 518 million. The agreement has already finalized as at December 16, 2015.

- **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. Currently the negotiations is taking place with those investors to examine the feasibility of the available offers.

- **Ledmore Holdings Ltd company**

  Due to the fact that Mashreq Company For Petroleum (subsidiary) has terminated the Build, Operate, Transfer (BOT) concession agreement with General Authority for Economic Zone to build Fuel Bunkering Terminal and Logistics Hub in Suez canal. The two parties agreed on committing the General Authority for Economic Zone to pay all costs incurred on the project by Mashreq petroleum company (subsidiary), provided that the company will deliver to General Authority for Economic Zone, the land that was allocated to the project as well as the designs of the project. Accordingly, the Company classified the assets and liabilities of Ledmore Holdings Ltd. (subsidiary and the parent company of Mashreq) as assets held for sale due to the inability to continue in operation at the present time.

- **Mena Glass Ltd company (Investment in associate)**
  On January 19, 2016 the Company sold all its shares in Misr Glass Manufacturing Company (associate to Mena Glass ltd.) to Middle Easr Glass Manufacturing Company with a total amount of EGP 127 Million approximately (Note 22-1)

- **Pharos Holding Limited for financial investments (Investment in associate)**
  On February, 2015 Citadel Capital Co. signed contract to sell its equity shares in Pharos Holding for Financial Investments (associate-80%) and the ownership has been transferred on February 18, 2015.

- **Tanmeya company S.A.E**
  On February 24, 2016 the Company announced that its business unit Finance Unlimited has finalized the sale of its entire holding in subsidiary Tanmeyah Microenterprise Services, Egypt's leading private-sector provider of microfinance solutions, to EFG Hermes in a transaction that values 100% of Tanmeyah at EGP 450 million. The transaction has been finalized on March 23, 2016). (Note 22-1)

- **Assets and Liabilities held for sale -others**
- The company announced its intention to conclude a set of agreements with Financial Holdings International (FHI), one of Citadel Capital major co-investors, where the company will acquire from FHI, additional equity stakes in the following companies:
  1- ASEC Holding (cement)
  2- TAQA Arabia (energy)
  3- Nile Logistics (transportation)
  4- Dina Farms Supermarkets (food retail chain)
  5- United Foundries (metallurgy).

  Simultaneously, the company will transfer to FHI its equity stakes in the following companies:
  1- Mena Home Furnishing Malls Ltd company
  2- Grandview Investment Holding company
  3- Dina farms company*

* Represents a piece of land which will be separated from the existing investment and the company is currently in the process of preparing the final sale plan. Accordingly, the company has not classified this asset as assets held for sale.

(In the notes all amounts are shown in EGP unless otherwise stated)

21.1 Assets classified as held-for-sale as at September 30, 2016 are represented in the following:

	NDT Subsidiaries		Mena Home	Falcon for	KU	Ledmore	Grandview	Total
	Arab Swiss Engineering Co. (ASEC)	ASEC Algeria Cement Company	Furnishing Malls Ltd.	Agriculture Investments Ltd. BVI Subsidiaries	RAILWAYS HOLDING LIMITED	Holding Limited.	Investment Holding	
Fixed assets (net)	5 750 000	5 698 377	298 627	132 293 765	247 441 963	183 467	--	391 666 199
Intangible assets	--	--	--	1 033 807	808 746 331	--	--	809 780 138
Projects under construction	--	852 969 240	188 539 627	--	19 185 216	--	--	1 060 694 083
Inventories (net)	--	--	--	16 099	147 728 404	--	--	147 744 503
Trade and other receivables (net)	--	--	--	--	223 653 292	--	--	223 653 292
Debtors and other debit balances	--	69 257 055	7 395 868	913 477	149 036 383	439 766	--	227 042 549
Due from related parties	--	--	--	45 326	--	4 098	--	49 424
Investment property (net)	--	--	328 490 063	--	--	--	--	328 490 063
Cash and cash equivalents	--	--	279 875	4 688 549	43 721 702	13 035 281	--	61 725 407
Goodwill (net)	--	81 058 922	76 929 159	--	--	--	--	157 988 081
Investment in associate	--	--	--	--	--	--	455 693 688	455 693 688
Deferred tax assets	--	--	--	--	98 076 211	--	--	98 076 211
Balance	5 750 000	1 008 983 594	601 933 219	138 991 023	1 737 589 502	13 662 612	455 693 688	3 962 603 638

(In the notes all amounts are shown in EGP unless otherwise stated)

21.2 Liabilities classified as held-for-sale as at September 30, 2016 are represented in the following:

	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI Subsidiaries	KU RAILWAYS HOLDING LIMITED	Ledmore Holding Limited.	Total
Provisions	--	13 728 347	16 451 633	--	--	30 179 980
Banks' overdraft	--	--	--	33 654 510	--	33 654 510
Loans	--	209 785 213	103 954 474	1 935 469 773	--	2 249 209 460
Trade and other payables	--	--	117 495 728	401 428 579	--	518 924 307
Due to related parties	2 027 576	--	1 035 040	--	6 342	3 068 958
Creditors and other credit balances	82 534 357	103 914 454	--	--	1 571 906	188 020 717
Balance	84 561 933	327 428 014	238 936 875	2 370 552 862	1 578 248	3 023 057 932

(In the notes all amounts are shown in EGP unless otherwise stated)

22. (Loss) profit from discontinued operations (net of tax)

For the period ended September 30, 2016

	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI Subsidiaries	Misr Glass Manufacturing Company	Tanmeyah Company S.A.E	KU Railways Holding Limited	Ledmore Holding Limited	Total
Discontinued operations :-								
Operating revenues	--	3 831 186	--	--	26 343 930	420 290 570	--	450 465 686
Operating costs	--	(9 442 846)	--	--	(16 151 184)	(525 896 074)	--	(551 490 104)
Administrative expenses	(2 868 529)	(3 393 086)	--	--	(11 588 254)	(61 514 146)	(50 876)	(79 414 891)
Other (expenses) / revenues	(249 115 290)	(11 425 545)	--	--	2 288 735	21 940 641	(15 622 876)	(251 934 335)
Finance costs – (net)	1 945 858	(26 722 445)	--	--	(42 534)	(118 485 792)	--	(143 304 913)
Income tax	(428 756)	--	--	--	--	--	--	(428 726)
Results from operating activities	(250 466 687)	(47 152 736)	--	--	850 693	(263 664 801)	(15 673 752)	(576 107 283)
(Loss) gain on sale of discontinued operation (Note 22.1)	--	--	(6 313 553)	(173 805 406)	210 043 776	--	--	29 924 817
Income tax	--	--	--	--	(26 294 038)	--	--	(26 294 038)
(Loss) profit from discontinued operation, net of tax	(250 466 687)	(47 152 736)	(6 313 553)	(173 805 406)	184 600 431	(263 664 801)	(15 673 752)	(572 476 504)

Citadel Capital Company
Notes to the consolidated interim financial statements
for the period ended September 30, 2016
(In the notes all amounts are shown in EGP unless otherwise stated)

For the period ended September 30, 2015

	Misr Cement Qena Co.	Pharos Holding Limited	Mena Home Furnishing Malls Ltd.	Falcon for Agricultural Investments Ltd. BVI Subsidiaries	Tanmeyah Company S.A.E	KU RAILWAYS HOLDING LIMITED	Ledmore Holding Limited.	ASEC Ready Mix and ASEC Minya Cement Company	El Rashidi El Mizan - Egypt and El Rashidi – Sudan	Total
Discontinued operations :-										
Operating revenues	--	--	6 376 658	714 920	93 992 676	471 897 901	--	953 015 698	393 092 388	1 919 090 241
Operating costs	--	--	(22 148 332)	(56 934 537)	--	(416 314 250)	--	(723 179 480)	(283 983 545)	(1 502 560 144)
Share of profit of investment in associate	--	--	--	--	--	--	--	50 769 176	--	50 769 176
Administrative expenses	--	--	--	--	(63 694 759)	(101 875 744)	(10 629 239)	(61 237 736)	(67 089 310)	(304 526 788)
Other revenues (expenses)	--	--	--	--	2 012 482	--	113 862	3 344 981	(2 716 733)	2 754 592
Finance cost – (net)	--	--	(19 089 481)	(17 404 326)	3 156 180	(139 507 389)	2 018 924	(98 709 607)	(21 854 041)	(291 389 740)
Results from operating activities	--	--	(34 861 155)	(73 623 943)	35 466 579	(185 799 482)	(8 496 453)	124 003 032	17 448 759	(125 862 663)
Income tax	--	--	--	--	(9 733 961)	--	--	(45 613 744)	(4 195 043)	(59 542 748)
Results from operating activities, net of tax	--	--	(34 861 155)	(73 623 943)	25 732 618	(185 799 482)	(8 496 453)	78 389 288	13 253 716	(185 405 411)
(Loss) gain on sale of discontinued operations (Note 22.1)	110 149 900	(10 451 655)	--	--	--	--	--	--	--	99 698 245
Profit (loss) from discontinued operation after tax	110 149 900	(10 451 655)	(34 861 155)	(73 623 943)	25 732 618	(185 799 482)	(8 496 453)	78 389 288	13 253 716	(85 707 166)

(In the notes all amounts are shown in EGP unless otherwise stated)

22.1 Gain (loss) on sale of discontinued operations (investments in subsidiaries and associates)

	Tanmeyah Company S.A.E	Falcon for Agricultural Investments Ltd. BVI Subsidiaries	Misr glass manufacturing Company *	Total as at 30/9/2016	"Pharos Holding"	Misr Cement Qena Co.	Total as at 30/9/2015
Total assets	(187 357 975)	(83 123 114)	--	(270 481 089)	--	--	--
Total liabilities	144 442 860	76 809 561	--	221 252 421	--	--	--
Equity – accounted investee	--	--	(301 278 649)	(301 278 649)	(38 285 565)	(581 008 854)	(619 294 419)
Net assets	(42 915 115)	(6 313 553)	(301 278 649)	(350 507 317)	(38 285 565)	(581 008 854)	(619 294 419)
Income tax	(26 294 038)	--	--	(26 294 038)	--	--	--
Cash consideration	252 958 891	--	127 473 243	380 432 134	27 833 910	691 158 754	718 992 664
Gain (loss) on sale of discontinued operation	183 749 738	(6 313 553)	(173 805 406)	3 630 779	(10 451 655)	110 149 900	99 698 245

* Note (11-2).

23. 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 to 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 4 358 125 000 to EGP 8 billion, with an increase 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 related companies, financing the Company's share contribution in the capital increases of some of its related companies and entering into new investments and settlement of some of Company's liabilities. 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 (note 25) against the subscription price of the shares. The commercial register has been updated with the 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 increase of EGP 1.7 billion in cash allowing the use of credit balances payable to existing shareholders by issuing 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 started 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 and thus the company's issued share capital after increase amounted EGP 9.1 billion, represents 1 820 000 000 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.

- 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.

(In the notes all amounts are shown in EGP unless otherwise stated)

- The shareholders' structure - is represented in the following:

Shareholder's name	Percentage %	No. of Shares	30/9/2016 EGP
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
Others	68.02	1 237 936 369	6 189 681 845
	100	1 820 000 000	9 100 000 000

23.1 Treasury shares are represented in 2 159 000 shares acquired by United Company for Foundries (subsidiary – 67.46%), equivalent to approximately 0.12% of the Company's total issued shares with an acquisition cost of EGP 3 338 658.

24. Shareholders' credit balances

Shareholders' credit balances represent the amounts payable to the shareholders resulting from purchasing extra ownership share percentages in some of its subsidiaries and associates companies from those shareholders through Citadel Capital for International Investments Ltd. (subsidiary 100%).

- Shareholders' credit balances are represented in the following:-

	30/9/2016	31/12/2015
Shareholders' credit balances to be settled in cash		
Khaled Abd EL Hamed Ali Abou Bakr	--	1 296 432
Other investors	--	167 879
Balances	--	1 464 311

(In the notes all amounts are shown in EGP unless otherwise stated)

25. Loans and borrowings

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Dina for Agriculture Investments	-Ahly United Bank -United Bank -Arab Egyptian Real Estate Bank.	EGP: Average 3.625% plus Corridor	2014-2018	160 072 925	47 460 425	112 612 500	- Pledge over all the company's assets and real estate first rank Pledge on 7 172 feddan of company's land.
National Development and Trading Company	Qatar National Bank	12.5%	December 2018	192 516 485	21 272 077	171 244 408	- Partially pledging shares of ASEC Cement Company
National Development and Trading Company	Arab Investment Bank	12%	December 2017	102 474 758	10 903 636	91 571 122	- Partially pledge of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
National Development and Trading Company	Industrial Development and Workers Bank of Egypt	11.5%	December 2017	203 615 599	21 327 474	182 288 125	- Mortgage of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares, ASEC Automation shares and ESACO shares to the bank.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
National Development and Trading Company	Misr Iran Development Bank	2.50% plus corridor rate	December 2018	135 345 495	15 417 711	119 927 784	- Pledging 33.3 million shares of subsidiaries with a value not less than 333% from the total 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 United Bank	2.25% Plus corridor for current 3.25% plus corridor for non-current	November 2018	96 547 831	61 472 831	35 075 000	Assignment of South Valley Cement Co. management contract.
Arab Swiss Engineering Co. (ASEC)	Al Barka Bank	11.5%	March 2019	23 176 730	6 000 000	17 176 730	Assignment of White Sinai Cement Co. management contract.
ASEC Cement Company	Sudanese Egyptian bank	11%	2017	80 442 363	58 498 789	21 943 574	Murabha contracts.
Taqa Arabia	Commercial International Bank	3.25% plus corridor rate	2016-2020	199 774 779	49 943 697	149 831 082	

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Global Energy	HSBC Arab Bank	EGP: 2.25% plus average Corridor US.$: 1.3% plus Libor	2014-2016 2014-2018	34 463 144	19 116 447	15 346 697	- The amount of capital 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 - The company undertakes not to pledge, mortgage, or impose any liens / seniority over any assets in Sharm El Sheikh Project. - The company executed a commercial pledge contract with Arab Bank. The pledge include all the Group's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Taqa Marketing	HSBC Cairo Bank	EGP: 3% plus corridor rate	2014-2018 2014-2020	36 261 589	9 758 588	26 503 001	- 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:- - Maintain the direct or indirect controlling interest during the contract period and till the actual repayment. - Cover any deficiency in the debt service ratio or increase in the investment costs or operating expenses by injecting cash in the form of capital increase or subordinated loans with priority to the bank.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Egyptian Refining Company – S.A.E.	Japan Bank for International Cooperation (JBIC)	US.$: Libor for such interest period Plus 4.10%	2017-2029	3 471 258 268	--	3 471 258 268	- Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes.
Egyptian Refining Company – S.A.E.	Group of Commercial Banks (NEXI – Covered Lenders)	US.$: Libor for such interest period Plus 1.75% per annum	2017-2029	2 258 737 925	--	2 258 737 925	- Egyptian Refining Company has signed a general irrevocable power of attorney dated August 10, 2010 to the benefits of Commercial International Bank ''CIB'' at his capacity as the Egyptian Security Agent of the term loan facility.
Egyptian Refining Company – S.A.E.	Export – Import Bank of Korea (KEXIM)	US.$: Libor for such interest period plus 3.6% per annum up to the project completion. 4% per annum from the project completion to the end of the 5th year. 4.6% per annum for any time thereafter.	2017-2029	4 306 445 555	--	4 306 445 555	

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non --current	Guarantees
Egyptian Refining Company – S.A.E.	Financial Institutions (KEXIM Initial Guaranteed facility lenders)	US.$: Libor for such interest period plus 1.95 % per annum plus Mandatory cost	2017-2029	1 439 843 071	--	1 439 843 071	
Egyptian Refining Company – S.A.E.	European Investment Bank (EIB)	Libor for such interest period Plus or minus the spread of the related year as determined by the bank (1.5% for the current period) Plus Mandatory cost	2017-2029	2 692 028 147	--	2 692 028 147	
Egyptian Refining Company – S.A.E.	African Development Bank (AFDB)	Fixed interest rate: 3.30 % per annum Plus Base rate calculated by the bank as set in the agreement Or Variable interest rate: LIBOR for such interest period Plus 3.30 % per annum	2017-2029	1 774 000 000	--	1 774 000 000	

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Egyptian Refining Company – S.A.E.	African Development Bank (AFDB)	Fixed interest rate: -5% per annum -Plus base rate Or Variable interest rate: LIBOR for such interest period plus 5% per annum	2017-2025	280 300 356	--	280 300 356	- Egyptian Refining Company shall deliver to AFDB an original, signed, undated and blank promissory notes. - Egyptian Refining Company shall not make any distribution or other payment to the shareholders (or their affiliates) in respect of equity funding or shareholders loans until all amounts due and payable under the loan have been paid in full.
Egyptian Refining Company – S.A.E.	MITSUE & Co. Ltd.	- US$ 6 months Libor - Plus 3 % per annum	2020	103 022 859	--	103 022 859	

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Less: Deferred borrowing cost * Egyptian Refining Company – S.A.E.				(1 470 778 207)	--	(1 470 778 207)	
Citadel Capital S.A.E	Citi Bank (syndication loan manager) (Arab African International Bank, Arab International Bank, Banque du caire, Misr Bank, and Piraeus Bank)	US$: First tranche: (4.25 %+Libor rate). Second tranche: 3.9% plus Libor Third Tranche: 3.9% plus Libor	2012-2022	2 141 604 724	1 525 632 470	615 972 254	- First degree lien contract of the shares owned by the Company in National Development and Trading Company. - First degree lien contract of the shares owned by the Company in International Company for Mining Consulting. - First degree lien contract of the shares owned by the Company in United Foundries Company. - First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
							- First degree lien contract on the shares owned by the Company in ASEC Cement Company. - First degree lien contract on the 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-Free Zone) investments on the following companies: - Orient Investments Properties Ltd. - Logria Holding Ltd. - Golden Crescent Investments Ltd. - Falcon Agriculture Investments Ltd.

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							- Silverstone Capital Investment Ltd. - Mena Glass Ltd. - Mena Home Furnishings Mall. - Valencia Trading Holding Ltd. - Andalusia Trading Investments Ltd. - Citadel Capital Transportation Opportunities Ltd. - Lotus Alliance Limited. - Citadel Capital Financing Corp. - Grandview Investment Holding - Africa Railways Holding - National Company for Marine Petroleum Services (Petromar) - Taqa Arabia S.A.E. - Egyptian Company for Solid Waste Recycling (ECARU)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
International for Refinery Consultation	Arab International Bank	US.$:5.2% Annually	2016	249 857 458	249 857 458	--	- Engineering Tasks Group (ENTAG) - Mashreq Petroleum - Ledmore Holdings Ltd. - Everys Holdings Limited - Eco-Logic Ltd. - Sequoia Willow Investments Ltd. - Underscore International Holdings Ltd. - Brennan Solutions - Citadel Capital Transportation Opportunities II Ltd. - Citadel for Investments Promotion Company - Letter of guarantee from Standard chartered Bank of korea Limited with the mount due to Arab International Bank.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
National Company for Refining Consultation	Arab International Bank	U$.$: 15 608 926 Interest to be paid upon maturity	December 2017	608 400 848	--	608 400 848	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 as the authority to switch the ownership of these shares any time against granted loan.
Sabina for Integrated Solutions	Khartoum Bank – Sudan	US.$: Murabha		19 655 521	17 250 119	2 405 402	- Possessory pledge for machinery and equipment.
National Company for Multimodal Transport S.A.E.	Arab African International Bank Bank of Alexandria and Misr Bank (syndicated loan)	EGP: corridor Average accrued every 6 months	2012-2016	506 240 348	506 240 348	--	- 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 all present and future tangible and intangible assets.

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
							- An undertaking to provide the Security Agent with the operational insurance policies over the New Barges within 15 days from the expiry date of the construction insurance policy. - Assign the Borrower's rights under the insurance policies covering operating Barges, for the full replacement value against all insurable risks for which it would be prudent to insure for ("Adequate Insurance") to be endorsed in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
							- Assign all borrower's compensation rights under the insurance policies covering the Borrower's New Barges during construction year, in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks. - Assign the proceeds (one year or more) 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 the Security Agent (Arab African International Bank) for itself and on behalf of the banks.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
ASCOM company for chemicals and carbonates manufacturing	Ahli United Bank	Libor for 3 months plus 2 % Default rate 1% annually	April 2018	69 227 200	18 101 500	51 125 700	- First rank mortgage for all property and real estate on the project. - First rank commercial mortgage on all physical and moral assets. - First rank commercial mortgage on calcium carbonate production line. - Deposit all earnings resulting from future sale contracts related to calcium carbonate production in the 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.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Glass rock company for isolation	Misr Bank	Libor for 3 months plus 4.5% Default rate 1% annually	November 2021	292 087 725	10 776 830	281 310 895	- 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 the 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.

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	**Lender Bank/Company**	**Interest rate**	**Maturity date**	**Outstanding balance**	**Current**	**Non –current**	**Guarantees**
Trimstone Assets Holdings Ltd.	Arab International Bank	US.$ 5% plus six months Libor	2013-2015	160 324 984	160 324 984	--	- 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" S.A.E (the ultimate parent company) covering 35% of the value of the existing liability in favour of (Arab International Bank).
United Foundaries Company	Piraeus Bank	Debit interest rate 1.5% annually over loan rate and apply debit interest rate 1.5% plus 3 months Libor rate for the liability in USD	2018	8 793 686	5 241 628	3 552 058	
ESACO for Manufacturing Engineering and Construction	HSBC		2020	40 097 070	2 437 500	37 659 570	
				20 215 839 236	2 817 034 512	17 398 804 724	

(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company (Related parties)	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Loans from related parties							
National Development and Trading Company	Financial Holdings International	11.5% per annum compound interest	Under renewal	881 694 998	881 694 998	--	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 shares.
National Development and Trading Company	Vigenar Company	11.5% per annum compound interest	Under renewal	17 540 818	17 540 818	--	
United Foundries	Financial Holdings International	11.5% per annum compound interest	Under renewal	23 139 046	--	23 139 046	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%.
				922 374 862	899 235 816	23 139 046	
				21 138 214 098	3 716 270 328	17 421 943 770	

* This balance represents the necessary financing cost incurred by Egyptian Refining Company S.A.E to obtain the credit facility and loans required to finance its project. It will be amortized over the loan life using the effective interest rate.

(In the notes all amounts are shown in EGP unless otherwise stated)

26. Long term liabilities and derivatives

	30/9/2016	31/12/2015
Derivatives swap contracts (26.3)	487 340 303	268 258 442
Creditors-purchase of investments (26.1)	10 787 486	10 787 486
Creditors-Purchase of fixed assets	--	1 466 234
End of service benefits	2 230 778	2 027 275
Deposits from others (26.2)	150 054 730	132 517 655
Social Insurance authority	10 133 795	13 114 628
Others	9 176 553	8 197 369
Balance	669 723 645	436 369 089

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

26.2 Deposits from others

	30/9/2016	31/12/2015
Gas consumption deposits	107 139 541	111 685 353
Power consumption deposits	42 915 189	20 832 302
Balance	150 054 730	132 517 655

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

- Societe General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Standard Chartered 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 6 months.
Payment date: Semi – annually on the commencing December 20, 2012.
Maximum notional amount covered under these transactions are:

- US.$ 789 445 078 by Standard Chartered Bank.

(In the notes all amounts are shown in EGP unless otherwise stated)

- 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.

As at September 30, 2016 the balance related to the change in the fair value of cash flow hedges related to hedged transactions is amounting to EGP 487 340 303 (equivalent to US.$ 54 942 537) versus EGP 268 258 442 (equivalent to US.$ 34 392 108) as at December 31, 2015 as follows:

	30/9/2016	**31/12/2015**
Societe General Corporate & Investment Banking	84 451 518	56 377 402
HSBC Bank Middle East Limited	112 697 208	57 148 611
KFW IPEX – Bank GMBH	28 755 431	15 350 907
Mitsubishi UFJ Securities International PLC	50 580 128	26 980 200
Standard Chartered Bank	210 856 018	112 401 322
Balance	487 340 303	268 258 442

27. Deferred tax assets /liabilities

	30/9/2016		**31/12/2015 (Restated) ****	
	Asset	**Liability**	**Asset**	**Liability**
Fixed assets	--	231 745 451	--	231 710 442
Intangible assets	--	185 308 843	--	185 308 842
Project under construction	--	21 878 000	--	21 878 000
Hedge reserve-swap contract	109 651 579	--	73 771 082	--
Provisions	2 965 427	--	3 955 941	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	21 925 471	--	18 592 844
Tax losses	15 092 466	--	317 513 396	--
Deferred tax liabilities related to KU Railways Holdings Ltd. *	--	--	--	29 647 543
Others	--	28 209 917	--	194 620 873
Total deferred tax assets / liabilities	127 709 472	489 067 682	395 240 419	681 758 544

* Assets held for sale (Note 21-1).

– The Parent Company has carried-forward tax losses as of September 30, 2016 in the amount of EGP 214 541 148 and the related deferred tax assets amounted EGP 48 271 758 which were not recognized because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefore.

** (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

28. Banks overdraft

	30/9/2016	31/12/2015
Wafra Agriculture S.A.E	8 238 296	7 522 835
Silverstone Capital Investments Ltd.	207 744 918	41 867 670
United Foundries Company	53 837 316	58 656 932
KU Railways Holdings Ltd.(Note 21.1)	--	157 956 068
National Development and Trading Company	65 633 248	67 283 000
Tawazon for Solid Waste Management (Tawazon)	23 236 038	16 316 264
ASEC for mining (ASCOM)	158 513 870	149 773 349
Everys Holding Limited	--	9 250 684
Balance	517 203 686	508 626 802

29. Due to related parties

	Nature of transaction		30/9/2016	31/12/2015
	Advisory fee	Finance		(Restated) **
Citadel Capital Partners Ltd.*	--	--	--	60 331 261
Mena Glass Ltd.	--	555 620 747	555 620 747	278 522 003
Pharos Holding Co.	--	488 471	488 471	--
ASEC Automation Europe Co.	--	161 007	161 007	161 007
Egyptian Gulf Bank	--	--	--	393 398
Kimonix Egypt for Consultancy Libya	--	1 753 028	1 753 028	2 067 389
Haider	--	4 861	4 861	(145 754)
Others	--	30 115 879	30 115 879	7 468 952
Sub-balance			588 143 993	348 798 256
Due to shareholders:				
GROUPED HOLDINGS LTD *	--	--	--	91 154 528
Sadek Ahmed El swedey *	--	146 355 000	146 355 000	138 996 000
Abdallah Helmy Mohamed Helmy *	--	--	--	23 166 000
Ledville Holdings Limited *	--	--	--	31 546 531
Financial Holding International	--	--	--	76 402 271
Others *	--	115 814 190	115 814 190	11 021 820
Sub-balance			262 169 190	372 287 150
Balance			850 313 183	721 085 406

* The shareholders of the Company

** (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

30. Trade and other payables

	30/9/2016	31/12/2015
Suppliers	1 334 355 236	2 675 267 970
Notes payables	145 531 326	180 098 260
Balance	1 479 886 562	2 855 366 230

31. Creditors and other credit balances

	30/9/2016	31/12/2015 (Restated) *
Accrued expenses	710 465 975	697 045 642
Accrued interest	360 245 375	92 818 448
National Authority for Social Insurance	32 418 899	20 486 300
Advances from customers	134 660 496	122 249 839
Refundable deposits	2 847 341	2 835 784
Unearned revenues	11 053 607	56 228 183
Subcontractors	11 664 588	9 467 023
Creditors – purchase of fixed assets	12 878 644	13 063 217
Deposits from others	44 764 004	61 601 901
Dividend payable – previous years	23 257 070	24 650 168
Shareholders' credit balances	1 441 919	--
Sundry credit balances	447 638 696	382 378 300
Balance	1 793 336 614	1 482 824 805

* (Note 51).

32. Provisions

	Expected claims Provision	Legal provisions	Other provisions	Total
Balance at the beginning of the period	604 668 910	900 750	14 881 422	620 451 082
Acquisition of subsidiaries	2 040 000	--	--	2 040 000
Transferred from assets held for sale	32 538 082	--	2 969 223	35 507 305
Provisions formed during the period *	96 129 465	--	30 318 432	126 447 897
Provisions used during the period	(33 799 868)	--	--	(33 799 868)
Provisions reversed	(6 010 749)	--	--	(6 010 749)
Foreign currency translation differences	(32 375 059)	59 346	--	(32 315 713)
Balance	663 190 781	960 096	48 169 077	712 319 954

- Expected claims provision related to expected claims were made by some external parties in connection with the Company's operations. The information usually required by Accounting Standards is not disclosed because the management believes that it would seriously prejudice the outcome of the negotiation with that external party. The management are reviewing the provision annually and the amount provided is adjusted based on latest development, discussions and agreements with the external party.

(In the notes all amounts are shown in EGP unless otherwise stated)

* Provisions formed during the period by EGP 30 318 432 has been recognized in the operating expenses and represent provision related to ASEC Automation Co related to continuing exiting contracts

33. Provision for financial guarantees contracts

The balance as at December 31, 2015 with amount of EGP 5 077 970 represent Provision for contracts of financial guarantees granted to Egyptian Gulf Bank for the purpose of guarantee the non-performing balances of the customers' projects.

34. Related party transactions

Advisory fee

Advisory fee item presented in the income statement is represented in the advisory services provided to related parties according to signed contracts as follows:

	For the period		For the period	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Mena Glass Ltd. (associate)	--	--	1 194 076	3 519 701
Scimitar Production Egypt Ltd.	2 624 126	7 644 325	2 367 370	6 447 330
Total	2 624 126	7 644 325	3 561 446	9 967 031

- The Company did not recognize advisory fee with an amount of US.$ 1 567 264 (equivalent to EGP 13 407 943) and US.$ 290 203 (equivalent to EGP 2 482 686) for the period ended September 30, 2016 (versus EGP 12 271 677 and EGP 2 272 289 for the period ended September 30, 2015) related to Logria Holding Ltd. and Golden Crescent Investments Ltd. in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

(In the notes all amounts are shown in EGP unless otherwise stated)

35. Share of (loss) / profit of investment in associates

	For the period		For the period (Restated) **	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
El Kateb for Marketing & Distribution Co.	(144 920)	(206 255)	(283 335)	(230 430)
Elsharq Book Stores Co.	138 518	(176 488)	(202 068)	(334 080)
ASEC Company for Mining (ASCOM) *	--	--	--	(309 255)
Dar El-Sherouk Ltd.	(2 615 134)	(3 832 153)	(728 632)	(2 715 203)
Societe Des Ciments De Zahana	10 914 804	29 118 424	10 700 589	26 852 635
Mena Glass Ltd.	(10 394 225)	23 227 958	8 572 462	33 047 286
Ostool for Land Transportation S.A.E	909 921	2 848 011	822 342	2 541 387
Grandview Investment Holding	--	--	--	3 884 217
Total	(1 191 036)	50 979 497	18 881 358	62 736 557

*Acquired as a subsidiary on September 30, 2015.
** (Note 51).

36. Operating revenue

	For the period		For the period (Restated) *	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Agriculture food industries	203 670 132	607 335 957	173 035 747	589 511 570
Energy sector	802 206 048	2 168 860 822	649 798 083	1 856 892 601
Transportation and logistics	12 512 088	65 254 092	18 292 257	55 114 000
Cement sector	573 673 110	1 830 371 864	450 530 578	1 404 493 943
Metallurgy	25 573 758	107 673 879	38 079 857	115 826 280
Financial Services sector	2 442 000	7 913 300	2 698 960	8 627 418
Mining sector	172 777 830	536 275 677	148 878 702	148 878 702
Total	1 792 854 966	5 323 685 591	1 481 314 184	4 179 344 514

* (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

37. Operating costs

	For the period		For the period (Restated) *	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Agriculture food industries	170 841 950	492 040 552	128 345 168	431 159 684
Energy sector	693 268 526	1 884 938 902	560 725 003	1 601 385 579
Transportation and logistics	22 370 900	77 711 678	31 440 703	79 560 922
Cement sector	517 942 224	1 562 170 886	381 338 647	1 148 844 170
Metallurgy	22 041 662	81 623 000	31 933 225	99 289 309
Financial Services sector	1 470 000	4 636 730	776 777	4 335 337
Mining sector	154 905 320	487 317 929	164 955 287	164 955 287
Total	1 582 840 582	4 590 439 677	1 299 514 810	3 529 530 288

* (Note 51).

38. Administrative expenses

	For the period		For the period (Restated) *	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Wages , salaries and similar items	136 053 227	298 115 652	64 002 187	202 686 379
Consultancy	33 480 120	104 922 471	31 603 790	82 997 164
Advertising and public relations	3 183 837	10 988 296	4 212 661	9 629 760
Selling and marketing expense	33 946 045	102 616 433	42 713 042	64 586 824
Travel , accommodation and transportations	1 846 351	8 492 460	6 118 172	20 385 977
Rent	3 555 799	6 735 214	460 165	7 048 554
Depreciation and amortization	9 636 037	30 861 162	14 724 885	21 400 257
Donations	3 399 332	9 930 766	--	4 120 000
Other	10 800 566	202 930 587	66 027 693	180 231 770
Total	235 901 314	775 593 041	229 862 595	593 086 685

* (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

39. Other (expenses) / income

	Note	For the period		For the period (Restated)*	
		from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Gain on sale of fixed assets		9 261 420	10 485 747	(158 482)	1 757 628
Loss on sale of biological assets		(1 973 334)	(2 590 865)	(3 327 917)	(6 274 229)
Impairment on due from related parties	(18)	--	(6 359 718)	(854 862)	(4 484 449)
Impairment on debtors and other debit balances		(18 721 016)	(20 836 823)	619 728	(673 892)
Impairment on trade and other receivables		--	--	(3 665 236)	(5 230 313)
Impairment on available-for-sale investments	(12)	(24 970)	(28 354)	(374 869)	(374 869)
Reverse of impairment for intangible assets		--	--	235 857	235 857
Provisions formed	(32)	(31 723 995)	(96 129 465)	(23 236 284)	(46 655 695)
Net change in the fair value of investments at fair value through profit and loss		(125 302)	(244 627)	(420 643)	(473 924)
Provisions reversed	(32)	1 144 371	6 010 749	36 074	9 802 601
Other (expenses) revenues		(17 690 674)	(25 508 522)	32 044 460	9 532 554
Inventory write down		(211 299)	(211 299)	(348 012)	(348 012)
Negative goodwill	(51-1)	--	--	--	115 742 427
Gain on financial guarantees contracts		--	--	253 287	2 012 485
Total		(60 064 799)	(135 413 107)	803 101	74 568 169

* (Note 51).

40. Finance cost (net)

	For the period		For the period (Restated) *	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Interest income	31 837 814	75 642 499	142 814 033	178 464 752
Interest expenses – (Note 25)	(173 254 410)	(494 161 822)	(343 847 132)	(656 466 945)
Foreign currency translation differences	10 909 964	(101 288 820)	51 358 586	(34 202 704)
Net	(130 506 632)	(519 808 143)	(149 674 513)	(512 204 897)

* (Note 51).

(In the notes all amounts are shown in EGP unless otherwise stated)

41. Income tax

	For the period		For the period (Restated) *	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Current income tax	(19 612 273)	(70 215 333)	(9 310 365)	(42 330 763)
Deferred tax	2 105 465	(10 161 549)	7 479 218	(14 378 590)
Net	(17 506 808)	(80 376 882)	(1 831 147)	(56 709 353)

* (Note 51).

42. Earnings per share

	For the period		For the period	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
			(Restated)*	
Net loss for the period	(343 514 754)	(1 291 797 941)	(229 680 127)	(450 622 118)
Net loss for equity holders of the parent Company	(207 934 705)	(737 677 570)	(135 352 652)	(230 765 279)
The weighted average number of shares including the preferred shares with same distribution rights as ordinary shares	1 820 000 000	1 820 000 000	1 602 391 304	1 600 805 861
Earnings per share	(0.11)	(0.41)	(0.08)	(0.14)

* (Note 51).

43. Finance income recognized in equity

	For the period		For the period	
	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015
Foreign currency translation differences	8 776 441	419 178 952	10 829 966	181 536 116
Net change in the fair value of available-for-sale investment	(91 124)	(91 124)	(176 479)	(260 682)
Total finance income recognised in equity (after tax)	8 685 317	419 087 828	10 653 487	181 275 434
Attributable to:				
Equity holders of the Company	(13 071 222)	243 911 461	(11 354 409)	5 881 435
Non - controlling interests	21 756 539	175 176 367	22 007 896	175 393 999
	8 685 317	419 087 828	10 653 487	181 275 434

(In the notes all amounts are shown in EGP unless otherwise stated)

44. Business segments

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

Assets and liabilities include items directly attributable to a segment.

The table below depends on operating income analysis, operating cost, assets and liabilities based on the type of business activities and services that are distinguishable component.

For the period ended September 30, 2016	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining	Eliminations	Total
Operating revenue	607 335 957	2 168 860 822	65 254 092	1 830 371 864	107 673 879	--	7 913 300	536 275 677	--	5 323 685 591
Operating cost	(492 040 552)	(1 884 938 902)	(77 711 678)	(1 562 170 886)	(81 623 000)	--	(4 636 730)	(487 317 929)	--	(4 590 439 677)
Gross profit (loss)	115 295 405	283 921 920	(12 457 586)	268 200 978	26 050 879	--	3 276 570	48 957 748	--	733 245 914
Net (loss) for owners of the parent Company	(20 453 854)	26 643 217	(331 487 010)	(407 347 705)	(9 435 315)	(62 558 899)	(86 754 188)	(37 738 325)	191 454 509	(737 677 570)
As at September 30, 2016										
Current assets	319 290 536	3 096 572 109	2 011 469 272	2 887 268 707	129 852 913	525 325 797	6 530 808 690	325 318 010	(6 043 459 649)	9 782 446 385
Non- current assets	1 307 602 523	25 936 944 551	4 057 445 628	1 647 343 544	168 931 995	1 442 231	24 461 074 960	920 591 193	(25 908 834 542)	32 592 542 083
Total assets	1 626 893 059	29 033 516 660	6 068 914 900	4 534 612 251	298 784 908	526 768 028	30 991 883 650	1 245 909 203	(31 952 294 191)	42 374 988 468
Current liabilities	1 435 770 838	2 216 093 077	3 840 703 108	2 261 828 754	163 352 223	583 380 994	7 426 328 442	567 165 875	(5 626 644 723)	12 867 978 588
Non-current liabilities	148 252 308	15 749 105 389	--	2 526 084 149	307 337 347	--	1 470 252 902	413 787 746	(2 034 084 744)	18 580 735 097
Owners' equity	42 869 913	11 068 318 194	2 228 211 792	(253 300 652)	(171 904 662)	(56 612 966)	22 095 302 306	264 955 582	(24 291 564 724)	10 926 274 783
Total liabilities and equity	1 626 893 059	29 033 516 660	6 068 914 900	4 534 612 251	298 784 908	526 768 028	30 991 883 650	1 245 909 203	(31 956 294 191)	42 374 988 468

(In the notes all amounts are shown in EGP unless otherwise stated)

	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining	Eliminations	Total
For the period ended September 30, 2015										
Operating revenue	589 511 570	1 856 892 601	55 114 000	1 404 493 943	115 826 280	--	8 627 418	148 878 702	--	4 179 344 514
Operating cost	(431 159 684)	(1 601 385 579)	(79 560 922)	(1 148 844 170)	(99 289 309)	--	(4 335 337)	(164 955 287)	--	(3 529 530 288)
Gross profit (loss)	158 351 886	255 507 022	(24 446 922)	255 649 773	16 536 971	--	4 292 081	(16 076 585)	--	649 814 226
Net (loss) / profit for owners of the Company	(61 869 364)	58 156 275	(258 750 268)	(92 038 538)	(34 699 588)	(50 615 882)	(226 511 765)	(28 753 244)	464 317 095	(230 765 279)
As at December 31,2015										
Current assets	486 666 801	4 123 228 321	588 314 641	3 201 009 244	89 566 997	556 552 394	6 254 842 853	266 882 949	(5 510 312 899)	10 056 751 301
Non- current assets	1 275 805 867	19 328 236 766	4 735 628 812	1 581 470 552	170 922 998	--	23 359 962 418	870 516 708	(23 909 817 256)	27 412 726 865
Total assets	1 762 472 668	23 451 465 087	5 323 943 453	4 782 479 796	260 489 995	556 552 394	29 614 805 271	1 137 399 657	(29 420 130 155)	37 469 478 166
Current liabilities	1 455 391 297	2 938 977 318	1 726 341 419	2 189 989 471	162 343 576	541 164 413	6 969 432 139	728 519 949	(5 171 523 061)	11 540 636 521
Non-current liabilities	169 998 011	10 884 073 305	1 347 298 150	1 995 631 191	257 277 108	--	1 271 870 103	115 626 234	(1 223 496 554)	14 818 277 548
Owners' equity	137 083 360	9 628 414 464	2 250 303 884	596 859 134	(159 130 689)	15 387 981	21 373 503 029	293 253 474	(23 025 110 540)	11 110 564 097
Total liabilities and equity	1 762 472 668	23 451 465 087	5 323 943 453	4 782 479 796	260 489 995	556 552 394	29 614 805 271	1 137 399 657	(29 420 130 155)	37 469 478 166

Agriculture food industries

- Wafra Agriculture S.A.E Group.
- Falcon for Agriculture Investments Group
- Everys Holding Limited

Energy sector

- Silverstone Capital Investments Ltd. Group
- Orient Investment Properties Ltd. Group
- Ledmore Holdings Ltd. Group –(Note 21)
- Tawazon for Solid Waste Management (Tawazon) company Group
- Qalaa Energy Ltd.

Transportation and logistics

- Africa Railways Holding
- Africa Railways Limited
- Citadel Capital Transportation Opportunities Ltd. Group
- KU Railways Holding Limited – (Note 21)
- Ambience Ventures Ltd.

Cement sector

- National Development and Trading Company Group

Metallurgy

- United Foundries

Specialist real estate sector

- Mena Home Furnishings Malls Ltd Group. (Note 21)

Financial Services sector

- Citadel Capital S.A.E.
- Citadel Capital Ltd.
- Sequoia Williow Investments Ltd.
- Arab Company for Financial investments
- Lotus Alliance Limited
- Citadel Capital Holding for Financial Investments–Free Zone
- Citadel Capital for International Investments 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
- 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.
- 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.
- Mena Joint Investment Fund
- Africa Joint Investment Fund
- Underscore International Holdings Ltd.
- Valencia Regional Investment Ltd
- Sphinx Egypt for Financial Consulting Company
- Investment Co. for Modern Furniture.

<u>Mining sector</u>

- ASEC company for mining Group (ASCOM)

(In the notes all amounts are shown in EGP unless otherwise stated)

45. Tax status of the parent company

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2015 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2015 have not been inspected yet.

Stamp tax

The Company was inspected 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 And the years 2014 and 2015 have not been inspected yet.

Withholding tax

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

46. Group entities

Company's name	Country of incorporation	Ownership interest Direct %	Ownership interest Indirect %
Citadel Capital Holding for Financial Investments	Arab Republic of Egypt–Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
Bright Living	Arab Republic of Egypt	--	56.17
International for Mining Consultation	Arab Republic of Egypt	99.99	--
International for Refinery Consultation	Arab Republic of Egypt	--	99.99
Arab Company for Financial Investments	Arab Republic of Egypt	--	94.00

(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest Direct %	Ownership interest Indirect %
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
United for Petroleum Refining Consultation	Arab Republic of Egypt	--	99.99
Specialized for Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized for Real Estate Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	100.00
Africa Railways Limited *	British Virgin Island	--	37.85
Sequoia Williow Investments Ltd.	British Virgin Island	--	100.00
Brennan Solutions Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00
Darley Dale Investments Ltd.	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	66.24
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00
Wafra Agriculture S.A.E	Arab Republic of Egypt	--	99.99

(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	**Country of incorporation**	**Ownership interest**	
		Direct %	**Indirect %**
Valencia Assets Holding Ltd.	British Virgin Island	--	100.00
Sabina for Integrated Solutions Ltd.	Sudan	--	96.00
Concord Agriculture	South Sudan	--	96.00
Trimestone Assets Holding Limited – BVI	British Virgin Island	--	100.00
Cardinal Vine Investments Ltd.	British Virgin Island	--	100.00
Global Services Realty	British Virgin Island	--	100.00
Silverstone Capital Investments Ltd.	British Virgin Island	--	61.56
Taqa Arabia Company	Arab Republic of Egypt	--	93.67
Gas and Energy Company (GENCO Group) – SAE	Arab Republic of Egypt	--	99.99
Taqa for Electricity ,Water and Cooling- SAE	Arab Republic of Egypt	--	98.74
Taqa for Marketing Petroleum Products- SAE	Arab Republic of Egypt	--	99.99
Gas and Energy Group Limited	British Virgin Island	--	99.99
Genco for Mechanical and Electricity Work	Qatar	--	99.99
Qatar Gas Group Limited *	Qatar	--	45.00
Arab Company for Gas Services *	Libya	--	49.00
Arabian Libyan Company for Energy	Libya	--	65.00
National Development and trading Company	Arab Republic of Egypt	47.65	21.63
Arab Swiss Engineering Co. (ASEC)	Arab Republic of Egypt	--	99.97
ASEC for Manufacturing and Industries Project Co. (ARESCO)	Arab Republic of Egypt	--	99.80
ASEC Cement Co.	Arab Republic of Egypt	1.86	70.03
ASEC Environmental Protection Co. (ASENPRO)	Arab Republic of Egypt	--	63.01
ASEC Automation Co.	Arab Republic of Egypt	--	53.64
ESACO for Manufacturing Engineering and Construction	Limited partnership Company	--	70.00
Grandiose Services Ltd.	British Virgin Island	--	100.00
ASEC Integrated – Sudan	Sudan	--	99.90
Al Takamoul for Cement Ltd. Co.	Arab Republic of Egypt	--	51.00
ASEC Algeria Cement Co.	Algeria	--	60.89
ASEC Syria Cement Co.	Syria	--	99.99
Dejalfa Offshore	British Virgin Island	--	54.53

(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
ASEC Trading Company	Arab Republic of Egypt	--	99.88
Berber for Electricity – limited	Sudan	--	51.00
United Foundries Company	Arab Republic of Egypt	29.29	38.17
Ledmore Holdings Ltd.	British Virgin Island	--	75.37
National Company for Marine Petroleum Services "PETROMAR"	Arab Republic of Egypt-FZ	--	93.54
Mashreq Petroleum Company	Arab Republic of Egypt	--	94.99
El Dawlia for Bunkering Services	Arab Republic of Egypt	--	70.00
Mena Home Furnishings Malls Ltd.	British Virgin Island	--	60.18
Bonian for Trade and Development	Arab Republic of Egypt	--	99.99
Investment Company for Modern Furniture	Arab Republic of Egypt	--	99.88
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	--	67.55
Nile Logistics S.A.E.	Arab Republic of Egypt	--	99.99
Citadel Capital Transportation Opportunities II Ltd- Malta	Republic of Mauritius	--	81.62
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	--	99.88
National Company for River Transportation - Nile Cargo S.A.E.	Arab Republic of Egypt	--	99.99
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	--	99.88
National Company for Martime Clearance S.A.E.	Arab Republic of Egypt	--	99.98
EL -Orouba Company for Land Transportation S.A.E.	Arab Republic of Egypt	--	99.98
NMT for Trading S.A.E	Arab Republic of Egypt	--	99.99
National Company for Marina Ports Management	Arab Republic of Egypt	--	99.90
NRTC Integrated Solutions Co Ltd.	Sudan	--	99.00
Nile barges for River transport Co Ltd.	Sudan	--	99.00
Regional River Investment Ltd	British Virgin Island	--	100.00
Falcon for Agriculture Investments	British Virgin Island	--	54.90

(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest Direct %	Ownership interest Indirect %
National Company for Investments and Agriculture	Arab Republic of Egypt	--	99.99
National Company for Food products	Arab Republic of Egypt	--	99.99
Dina Company for Agriculture and Investments	Arab Republic of Egypt	--	99.99
Dina for Auto Services	Limited partnership Company	--	99.00
Arab Company for Services and Trade	Arab Republic of Egypt	--	99.67
National Company for Agriculture Products	Arab Republic of Egypt	--	99.88
El-Eguizy International for Economic Development	Arab Republic of Egypt	--	99.95
National Company for Integrated Food	Arab Republic of Egypt	--	99.99
Royal Food Company	Arab Republic of Egypt	--	99.99
Up-Date Company for Food Products	Limited partnership Company	--	85.00
Nile for Food Products "Enjoy"	Arab Republic of Egypt	--	99.99
Investments Company for Dairy Products	Arab Republic of Egypt	--	99.99
Tiba Farms for Agriculture Developments	Arab Republic of Egypt	--	95.88
Dina for Agriculture Development	Arab Republic of Egypt	--	100.00
National Company for Dairy Exchange	Arab Republic of Egypt	--	100.00
Mena Development Limited	British Virgin Island	--	100.00
Everys Holdings Limited	British Virgin Island	--	100.00
Orient Investment Properties Ltd.*	British Virgin Island	--	41.52
Arab Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
Egyptian Refining Company – S.A.E.– *	Arab Republic of Egypt	--	48.25
National Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
KU Railways Holding Limited-KURH	Republic of Mauritius	--	85.00
E A Rail & Handling Logistics Co. Limited	Republic of Mauritius	--	100.00
East African Rail And Handling Logistics Limited	Kenya	--	100.00
RVR Investments (Pty) Ltd.	Republic of Mauritius	--	100.00
Rift Valley Railways Kenya Co. (RVRK)	Kenya	--	100.00
Rift Valley Railways Uganda Co. (RVRU)	Uganda	--	100.00
Crondall Holdings Ltd.	British Virgin Island	--	94.53

(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest Direct %	Indirect %
Capella Management Investments Inc. Company	British Virgin Island	--	100.00
Lotus Management Investment Ltd. Company	British Virgin Island	--	100.00
Cordoba Investment Services Inc. Company	British Virgin Island	--	100.00
Tawazon for Solid Waste Management (Tawazon)	Arab Republic of Egypt	--	66.67
Egyptian Company for Solid Waste Recycling (ECARU)	Arab Republic of Egypt	--	75.63
Engineering Tasks Group (ENTAG)	Arab Republic of Egypt	--	75.73
Qalaa Energy Ltd.	British Virgin Island	--	100.00
Mena Joint Investment Fund**	Luxembourg	--	73.25
Africa Joint Investment Fund*	Republic of Mauritius	--	31.00
Underscore International Holdings Ltd.**	British Virgin Island	--	100.00
Valencia Regional Investment Ltd.**	British Virgin Island	--	100.00
Sphinx Egypt for Financial Consulting Company **	Arab Republic of Egypt	--	69.88
Sphinx capital corp	British Virgin Island	--	100.00
Melbourn Investments Ltd	British Virgin Island	--	100.00
Rotation Ventures Holdings Ltd	British Virgin Island	--	100.00
Borton Hill Investments Ltd	British Virgin Island	--	100.00
Metal Anchor Holdings Ltd.*	British Virgin Island	--	15.00
Tempsford Investments Ltd	British Virgin Island	--	100.00
ASEC company for mining (ASCOM)	Arab Republic of Egypt	54.74	--
ASCOM Carbonate & Chemical Manufacture Company	Arab Republic of Egypt–Free Zone	--	99.99
ASCOM for Geology & Mining- Syria	Limited partnership Company	--	95.00
Nebta for Geology & Mining-Sudan	Limited partnership Company	--	99.00
Glass Rock Insulation Company	Arab Republic of Egypt–Free Zone	--	92.50
ASCOMA Algeria	Republic of Algeria	--	99.40
Lazerg Travaux Public	Republic of Algeria	--	70.00
ASCOM Precious Metals Mining S.A.E	Arab Republic of Egypt	--	99.99

(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	**Country of incorporation**	**Ownership interest**	
		Direct %	**Indirect %**
ASCOM Emirates for Mining UAE	Limited partnership Company Emirates	--	69.40
ASCOM Middle East	Joint Stock Company	--	100.00
Nubia Mining Development PLC	Limited partnership Company	--	52.80
Sahari Gold company	Limited partnership Company	--	99.99
ASCOM for Geology & Mining- Ethiopia	Limited partnership Company Ethiopia	--	99.99
ASCOM Precious Metals- Ethiopia	Limited partnership Company Ethiopia	--	99.99
ASCOM Precious Metals- Sudan	Limited partnership Company Sudan	--	99.99
Golden Resources company	Limited partnership Company	--	99.99
ASCOM Cyprus Ltd	Limited partnership Company Cyprus	--	99.99
International Company for Mineral Exploration- Cyprus	Limited partnership Company Cyprus	--	99.99
Golden International Ltd	Limited partnership Company	--	99.99

* The Group has the right to appoint the majority of the board of director's members which enables the Group to control the financial and operational polices. Consequently, these Companies have been consolidated.

** In December 2014 the company has increased its ownership interest in these companies and as a result the group has consolidated these companies and the mutual transactions between the group entities are eliminated in full with balances resulting from it. Also, the unrealized gains or losses from transactions with the group entities are eliminated taking into consideration that losses may indicate impairment in the exchanged assets that require recognition in the consolidated financial statements.

(In the notes all amounts are shown in EGP unless otherwise stated)

47. Capital Commitments

The capital commitments as at September 30, 2016 represented in the following:

47.1 Asec Algeria Cement Company (Asec Cement)

Contractor	Contract amount	Uncompleted part	Contract currency	Uncompleted part 30/9/2016	Uncompleted part 31/12/2015
FLSmith Denmark Company	57 000 000	57 000 000	Euro	568 666 200	488 135 716
SARL MHDA	12 500 000	--	US dollar	--	--
Energya Company	23 699 815	3 683 591	US dollar	32 709 920	28 842 902
Energya Company	9 015 848	3 755 669	US dollar	33 349 965	29 407 281
TCB Company	2 909 211	1 292 646	EGP	1 292 646	1 292 646
CTC Company	39 500 000	14 188 400	DZD	1 149 260	1 037 303
Cetim Company	122 850 000	89 337 500	DZD	7 236 338	6 531 393
				644 404 329	555 247 241

47.2 ASEC for Manufacturing and Industries project Co. (ARESCO)

	Contract amount 30/9/2016	Contract amount 31/12/2015
Work shop (1)	675 000	675 000
Work shop (7)	3 285 000	3 285 000
Work shop (9)	370 000	370 000
Self-extinguishing system in the factory	100 350	100 350
Legal consultancy fees	2 400 000	2 400 000
Total	6 830 350	6 830 350

48. Contingent liabilities

The contingent liabilities as at September 30, 2016 are represented in the following:

48.1 ASEC Automation Co. (ASA)

	30/9/2016	31/12/2015
Letters of guarantee	6 838 745	14 980 217

(In the notes all amounts are shown in EGP unless otherwise stated)

48.2 ASEC Environmental Protection Co. (ASENPRO)

	30/9/2016	31/12/2015
Letters of guarantee	551 250	842 000

48.3 Arab Swiss Engineering Co. (ASEC)

	30/9/2016		31/12/2015	
	EURO	EGP	EURO	EGP
Letters of guarantee	36 037	34 794 305	36 037	34 799 473

48.4 ASEC for Manufacturing and Industries project Co. (ARESCO)

	30/9/2016			31/12/2015		
	EURO	US. $	EGP	EURO	US. $	EGP
Letters of guarantee	6 739 680	7 479 647	48 366 090	5 712 704	7 395 647	36 657 734

48.5 United Foundries Company

	30/9/2016	31/12/2015
Letters of credit (outstanding)	50 730	408 486
Letters of credit (cover)	2 537	20 756
	53 267	429 242

48.6 ASEC Company for Mining (ASCOM)

	30/9/2016	31/12/2015
Letters of guarantee – Uncovered portion (A)	35 986 394	35 986 394
Bank commitments for loans to subsidiaries (B)	271 291 916	295 076 120
	307 278 310	331 062 514

(A-1) The uncovered portion of letters of guarantee includes a letter of guarantee amounted to EGP 763 000 (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 2, 2016.

(A-2) The uncovered portion of letters of guarantee includes a letter of guarantee amounted EGP 9 880 000 (equivalent to US.$ 1 295 000) issued from one of the banks the company deals with on behalf of Nebta for Geology & Mining-Sudan (subsidiary) at October 27, 2009 and available for use until February 10, 2016.

(B-1) ASEC company for mining (ASCOM) guarantees Glass Rock Insulation Company (subsidiary) concerning the loan provided to the subsidiary company from one of the banks the company deals with amounted EUR 27 802 000 due to the subsidiary's inability to pay its obligations resulting from the mentioned loan.

(B-2) ASEC company for mining (ASCOM) and the UAE Partner guarantee ASCOM Emirates for Mining UAE (subsidiary) concerning the loan provided to the subsidiary company from one of the banks the company deals with amounted AED 28 000 000 due to the subsidiary's inability to pay its obligations resulting from the mentioned loan.

49. Employees Stock Option Plan

The Company's extraordinary 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 Capital Market Authority approved the ESOP plan and the Company does not start to apply it yet.

50. Contingent liabilities

The Company guarantees some related parties against loans and facilities obtained by those parties from banks.

51. Comparative figures

The following table summarizes the adjustments on the consolidated financial position as at December 31, 2015 and the consolidated income statement as at September 30, 2015, in addition certain comparative figures have been reclassified to conform with the current period presentation.

(In the notes all amounts are shown in EGP unless otherwise stated)

	Balance as at 31/12/2015 (as previously reported)	Reclassification and restates	Balance as at 31/12/2015 (restated)
Statement of financial position			
Fixed assets (net)	4 866 770 745	266 173 710	5 132 944 455
Projects under constructions (net)	17 162 443 847	(19 575 000)	17 142 868 847
Goodwill (net) Note(51-1)	652 512 569	(2 711 518)	649 801 051
Investments in associates	899 994 224	(6 120 147)	893 874 077
Deferred tax assets	345 235 009	50 005 410	395 240 419
Inventory (net)	1 016 751 852	12 319 980	1 029 071 832
Due from related parties (net)	606 398 440	(4 480 800)	601 917 640
Debtors and other debit balances (net)	1 357 698 069	(63 515 554)	1 294 182 515
Assets classified as held for sale	2 473 539 263	60 879 486	2 534 418 749
Total change in assets		292 975 567	
Loans and borrowings	13 671 782 372	3 883 294	13 675 665 666
Deferred tax liabilities	621 800 554	59 957 990	681 758 544
Loans from related parties	646 819 327	68 002 953	714 822 280
Due to related parties	730 606 339	(9 520 933)	721 085 406
Creditors and other credit balances	1 469 403 194	13 421 611	1 482 824 805
Liabilities classified as held for sale	1 013 436 568	(3 067 273)	1 010 369 295
Total change in liabilities		132 677 642	
Retained loss	(6 650 504 492)	62 801 071	(6 587 703 421)
Non - controlling interests	8 152 325 712	97 496 854	8 249 822 566
Total change in shareholder's equity		160 297 925	
Total change in liabilities and shareholder's equity		292 975 567	

	Total till 30/9/2015 (as previously reported)	Reclassification and restates	Total till 30/9/2015 (restated)
Income statement			
Continued operation			
Operating income	6 072 477 680	(1 893 133 166)	4 179 344 514
Operating costs	(4 929 101 605)	1 399 571 317	(3 529 530 288)
Administrative expenses	(887 464 418)	294 377 733	(593 086 685)
Other (expenses) revenues	(38 419 666)	112 987 835	74 568 169
Share of loss / profit of investment in associate	113 505 733	(50 769 176)	62 736 557
Finance costs (net)	(706 113 644)	193 908 747	(512 204 897)
Income tax	(117 684 882)	60 975 529	(56 709 353)
Total change in continued operation		117 918 819	
Net loss from discontinued operation *	(24 694 167)	(61 012 999)	(85 707 166)
Total change in income statement		56 905 820	

* Note (21-22)

(In the notes all amounts are shown in EGP unless otherwise stated)

51.1 The company has prepared the Purchase Price Allocation (PPA) study with respect to ASEC for Mining company (ASCOM) which owned by the company with ownership percentage of 54.74% , the assets acquired and the liabilities assumed have been consolidated previously on June 30, 2015 (acquisition date) based on the book value of those assets and liabilities which was adjusted according to (PPA) study.

And value of consolidated assets and liabilities after study related to ASEC for mining represented in :

	Book Value	Fair Value
Cash and cash equivalents	32 989 684	32 989 684
Inventories	48 429 982	48 429 982
Trade and other receivables	151 951 001	151 951 001
Debtors and other debit balances	61 242 296	61 242 296
Due from related parties	199 291	199 291
Fixed assets	645 048 721	924 267 671
Projects under construction	18 264 896	18 264 896
Available-for- sale investments	441 876	441 876
Intangible assets	229 893 694	229 893 694
Banks overdraft	(142 677 401)	(142 677 401)
Short term loans	(280 934 525)	(280 934 525)
Due to related parties	(1 250 429)	(1 250 429)
Trade and other payables	(107 217 178)	(107 217 178)
Creditors and other credit balances	(148 243 224)	(148 243 224)
Provisions	(16 401 121)	(16 401 121)
Long term loans	(113 464 610)	(113 464 610)
Long term liabilities	(7 539 965)	(7 539 965)
Deferred tax liabilities	(8 356 951)	(71 181 215)
Non - controlling interests	30 885 415	30 885 415
Net book value	393 261 452	609 656 138
Company share (54.74%)	215 270 398	333 724 343
Acquisition of additional interest	119 998 110	119 998 110
Investment before acquisition of additional share	97 983 806	97 983 806
Total consideration paid	217 981 916	217 981 916
Provision of goodwill	2 711 518	--
Negative goodwill - (Note 39)	--	(115 742 427)

52. Significant applied accounting policies

52.1 Business Combination

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see 52.2). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 52.21.2), any gain on a bargain purchase is recognized immediately in income statement. Transaction costs are expensed as incurred, except if related to the issue of debtor equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in income statement. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in income statement.

52.2 Subsidiaries

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

52.3 Non-controlling interests

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

52.4 Loss of control

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

52.5 Interests in equity-accounted investees

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

52.6 Transactions eliminated on consolidation

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

52.7 Foreign currency

52.7.1 Foreign currency transactions

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

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

52.7.2 Foreign operations

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

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

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to income statement as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to income statement.

52.8 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative income statement and statement of OCI is re-presented as if the operation had been discontinued from the start of the comparative period.

52.9 Revenue

52.9.1 Gain (loss) on sale of investments

Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses. In case of derecognizing of investments in associates, the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in shareholders' equity shall be recognized in income statement.

52.9.2 Dividend income

Dividend income is recognized when declared.

52.9.3 Interest income and expenses

Interest income and expenses are recognized in the income statement under "Interest income" item or "Interest expenses" by using the effective interest rate method of all instruments bearing interest other than those classified held for trading or which have been classified at inception "fair value through income statement".

52.9.4 Fee and commission income

Fee related to servicing the loan or facility are recognized in income when performing the service while the fees and commissions related to non-performing or impaired loans are not recognized, instead, they are to be recorded in marginal records off the financial position. Then they are recognized within the income pursuant to the cash basis when the interest income is collected. As for fees which represent an integral part of the actual return on the financial assets, they are treated as an amendment to the rate of actual return.

52.9.5 Management fee

Management fee is calculated as determined by the management contract of each investment fund & portfolio and recorded on accrual basis.

52.9.6 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies upon rendering the service.

52.9.7 Services

Revenue from services rendered is recognised in income statement in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

52.9.8 Finance lease income

Income resulted from lease contracts is recognized based on internal return rate resulted from lease contracts in addition to the equivalent amount of a periodical depreciation installment. The differences between the income recognized and accrued rental value for the same period is suspended in a separate account, and is to be settled with the carrying amount of the leased assets at the end of contract period.

52.9.9 Investment property rental income

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

52.9.10 Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customers, recovery of consideration is probable, the associates costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of return, trade discounts and volume rebates.

52.9.11 Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue and expenses are recognized in income statement in proportion to the stage of completion of the contract. The stage of completion is assessed by survey of work performed.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in income statement.

52.9.12 Cars conversion revenues

Revenue is recognized upon the completion of preparing cars to function using natural gas instead of Benzene upon issuing the invoice to the client.

52.9.13 Gas sales revenues

For actual gas sales, the company remits the funds it collects to EGPC net of its actual commission, which is calculated as a percentage of gas consumption.

52.9.14 Fuelling revenues

Revenues is recognized when supplying ships with fuel.

52.9.15 Natural gas revenues

Revenues is recognized when supplying cars with natural gas service is rendered.

52.9.16 Financial guarantees contracts revenues

- The Group is involved in Microfinance Operations and acts in the Capacity of an agent, then the revenue (Commission) recognized is the difference between the return on the funding given to the micro-projects and the company's bank dues by deducting the revenue from the services directly from the amounts to be collected from the owners of the projects.
- Recognition of the benefits and commissions resulting from performing the service according to the accrual basis as soon as the performance of the service to the client only if those revenues more than cover the financial year are recognized on a time proportion basis.
- Administrative commission of 3% of the value of the loan granted to customers are collected and that when hiring and are consumed on the duration of the loan.
- Interest of deposits are recognized according to the accrual basis of the temporal distribution throughout the year until the maturity date.
- Commission to delay for the payment of premiums is collected at rates to be agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of extended delay.

52.10 Income tax

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

52.10.1 Current tax

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

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

52.10.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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

(In the notes all amounts are shown in EGP unless otherwise stated)

52.11 Property, plant and equipment

52.11.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in income statement.

52.11.2 Subsequent expenditure

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

52.11.3 Depreciation

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

	Estimated useful life
- Buildings & Constructions	5 -50 years
- Lease hold improvements	3 -10 years
- Machinery, Equipments & tools	4 -33 years
- Furniture & Fixtures	4 -16 years
- Computers	2 -10 years
- Transportation means	3 -15 years
- Barges	5 -20 years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment, all other expenditure is recognized in the income statement as an expense as incurred.

52.11.4 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 live stock. All the biological assets recorded within the company's 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 nine and fifty years. And the biological assets live stock 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 year.

52.11.5 Reclassification to investment property

When the use of a property changes from owner-occupied to investment property.

52.12 Projects under construction

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

52.13 Work in process

Work in process represents the cost of work not invoiced to the customer for contract work performed to date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

52.14 Intangible assets and goodwill

- **Goodwill**

  Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

- **Research and development**

  Expenditure on research activities is recognized in income statement as incurred.

  Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in income statement as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Other intangible assets**

  Other intangible assets, are measured at cost less accumulated amortisation and any accumulated impairment losses.

52.15 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 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 income statement. Intangible assets are presented at net of amortization and accumulated impairment losses (Note 3.18).

52.16 Investment property

Investment property is measured at cost on initial recognition.

Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight line basis over is useful life.

52.17 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in income statement.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

52.18 Financial instruments

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

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

52.18.1 Non-derivative financial assets and financial liabilities – Recognition and Derecognition

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

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

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

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

52.18.2 Non-derivative financial assets – Measurement

Financial assets at fair value through profit or loss

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

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

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

Available-for-sale financial assets
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

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

52.18.4 Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in income statement.

52.18.5 Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in income statement.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

52.19 Share capital

52.19.1 Ordinary shares

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

52.19.2 Preference shares

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 variable number of the Group's equity instruments. Discretionary dividends there on are recognized as equity distributions on approval by the company's shareholders.

52.19.3 Repurchase and reissue of ordinary shares (treasury shares)

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

52.20 Legal reserve

The Company's statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume.

52.21 Impairment

52.21.1 Non-derivative financial assets

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

Objective evidence that financial assets are impaired includes:

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

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

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

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

Available-for-sale financial assets

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

Equity-accounted investees

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

52.21.2 Non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

52.22 Provisions

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

52.23 Treasury bills

Treasury bills are recorded at nominal value and the unearned income is recorded under the item of "creditors and other credit balances". Treasury bills are presented on the financial position net of the unearned income.

52.24 Trade, and notes receivables, debtors and other debit balances

- Trade, notes receivables, debtors and other debit balances are stated at nominal value less impairment losses.
- The Company's lessees and the leased assets are regularly classified & evaluated and their obligations are reduced by the rent value paid in each financial period, and with the assurance of the availability of adequate guarantee to collect the client's rent values.
- The provision for doubtful debts is calculated on the investment cost of the leased assets (cost of leased assets in addition to its return at the date of calculating the provision) which are uncertainly collected i.e. (doubtful rent value) after deducting the credit deposits held by the Company. The Company's provisions committee specifies the provision percentage for each credit class which is calculated according to the risk rates of the doubtful rent values or according to the negative changes of the credit indicators, this provision is reviewed regularly or whenever there is a need to do so.

52.25 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on the normal operating capacity.

52.26 Trade and other payables

Short-term trade and other payables are stated at cost.

52.27 Contracts financial guarantees

Financial guarantee contracts are those contracts issued by the company to ensure given loans to customers from third parties, which require the company to do certain repayments to compensate the beneficiary for the loss incurred due to the failure of a debtor when repayable in accordance with the terms of a debt instrument, and provide those financial guarantees to banks and financial institutions and others on behalf of the company's customers.

The initial recognition of financial guarantees in the financial statements at fair value at the date of grant of security which is equal to the warranty fees. Later, it is measured by the company's commitment under the guarantee on the basis of the amount of the initial measurement less depreciation calculated for the recognition of guarantee fees in the income statement on a straight-line basis over the life of the warranty or the best estimate of payments required to settle any financial obligation arising from financial guarantee at the balance sheet date, whichever is higher. And those estimates are determined according to the experience in similar transactions and historical losses enhanced by virtue of the administration. Any increase in liabilities resulting from the financial guarantee is included at the income statement under general and administrative expenses.

52.28 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition, cash on hand, cheques under collection and due from banks and financial institutions.

52.29 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income statement attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

52.30 Profit sharing to employees

The holding company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

52.31 Interest bearing borrowings

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

52.32 Dividends

Dividends are recognised as a liability in the year in which they are declared.

52.33 Employees benefits

Pensions

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law employees and employers contribute to the system a fixed percentage of the employees' salaries basis. The Group's liability is confined to such contributions amount. Contributions are charged to the income statement using the accrual basis of accounting.

Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

52.34 Share – based payments

For Equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The entity shall settle the grant of equity instruments during the vesting period with the amount that would otherwise have been recognized for services received. The entity accounted for any settlements as a deduction from equity based on the final share price when the options are exercised.

52.35 Borrowing costs

Borrowing costs are recognized as expenses in the income statement when incurred, with the exception of borrowing cost directly attributable to the construction and acquisition of new assets which is capitalized as part of the relevant assets cost and depreciated over assets' estimated useful lives. This capitalization ceases once the assets become in operational condition and ready for use.

52.36 Financial lease

Payments made under financial lease contracts are recognized as general and administrative expenses in the income statement during the period.

52.37 Employees' compulsory government social insurance share

The Company contributes to the government social insurance share for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

52.38 Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

52.39 Operating segment

A segment is a group assets and related operations which is subjected to risks and rewards that are different from those of other segments or within the same economic environment which characterized by its particular risk and rewards from those that are related, to segment operated in different economic environment. The Group has eight reportable segments, which represent the Group's strategic divisions. those divisions offer different products and services, and are managed separately because they require different technology and marketing strategies (Note 44)

52.40 New Egyptian Accounting Standards and its application

On July 9, 2015 the minister Decree No. 110 for the year 2015 was issued to modify the Egyptian Accounting Standards "EAS" by modifying some of the existing and issuing new to replace the old one that was issued by the ministry decree No. 243 for the year 2006 and to start using the new standards after

January 1, 2016 to be used by the entities that it's financial year starts in or after that date

In the following table the most prominent amendments on the Egyptian Accounting Standards (EAS) that may have a significant impact on the financial statements of the company at the beginning of the implementation thereof:

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
EAS (1) Presentation of Financial Statements	*Statement Of Financial Position* • The standard does not require to present the working capital presentation. The reference financial statements that was included in 2006 Standards was excluded; which presented the working capital presentation. • A column shall be added to the statement of financial position including balances of the beginning of the first presented comparative period in case of retrospective implementation or change in an accounting policy or reclassification carried out by the entity.	• Re-presenting all the presented financial statements, disclosures and their accompanying notes including the comparative figures to be in conformity with the required amendments to the standard.
	Income Statement (Profit or Loss)/Statement of Comprehensive Income The entity shall disclose all recognized income and expense captions during the financial period in two separate statements; one of them presents the income statement components (*Income Statement*) and the other one starts with the income statement and presents the other comprehensive income items *(Statement of Comprehensive Income)*.	• Adding a new statement, '*Statement of Comprehensive Income*', for the current and comparative period.

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
EAS (10) Property, Plant and Equipment *(PPE)*	• The financial shall disclose amount movement of the PPE and its depreciations in the notes accompanying the financial statements at the beginning and the end of the current period and the comparable period.	Re-presenting the comparative figures related to the PPE in the notes accompanying the financial statements to be in conformity with the required amendments on the standard.
EAS (41) Operating Segments	• EAS 33 "Segment Reports" has been replaced with EAS (41) "Operating Segments". Accordingly, the disclosure and the volume of the required disclosures that the Segment Reports must disclose on; mainly depends on the Segments information presented to Chief Operating Decision Maker (CODM) of the entity to make decisions on the resources that must be allocated to the segment and assess its performance.	On the date of implementing the standards, the entity shall re-present the information corresponding to the earlier periods including the interim periods, unless the information is not available and the cost of preparing such information is too high.
Egyptian Standard No. (29) Business Combination	The purchase method was cancelled and replaced by the acquisition method; as results: 1- Changing the acquisition cost to become the cash consideration transferred; and to be measured at fair value at the acquisition date. 2- Contingent consideration: the fair value of the consideration shall be recognized at the acquisition date as a part of consideration transferred.	The company has not acquired any investments during this period to start adopting the new standard.

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
Egyptian Standard No. (29) Business Combination	3- Changing the method of measuring goodwill in case of Step Acquisition is made. • Adding a choice to measure non - controlling interests in the acquiree at fair value at the date of acquisition. • The transaction cost (the cost related to the acquisition): Shall be charged to the Income Statement as an expense in which the costs incurred it and shall not be added to the cash consideration transferred; except for the costs of issuing equity as debt instruments directly related to the acquisition process.	
Egyptian Standard No.(42): Consolidated Financial Statements	• The new Egyptian Accounting Standard No. (42) *"The Consolidated Financial Statements"* was issued and accordingly Egyptian Accounting Standard No. (17) *"The Consolidated and Separate Financial Statements"* has changed to become *"The Separate Financial Statements"*. Pursuant to the new Egyptian Accounting Standard No. (42) *"The Consolidated Financial Statements"* The control model has changed to determine the investee entity that must be consolidated.	No impact on the Group's consolidated financial statements resulting from application of the standard.

New or amended standards	Summary of the most significant amendments	Possible impact on the financial statements
Egyptian Standard No.(42): The Consolidated Financial Statements	• Accounting for the changes in the equity of the parent company in a subsidiary are accounted for as transactions with equity holders in their capacity as equity holders. • Any Investment retained in a former subsidiary re-measured at fair value at the date when control is lost and recognize any resulting difference in the Income Statement. • Losses applicable to the Non-Controlling Interest "NCI" in a subsidiary including component of Other Comprehensive Income are allocated to the owners of the holding entity and the NCI even if this causes the NCI to have a deficit balances.	No impact on the Group's consolidated financial statements resulting from application of the standard.

53. Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks.

53.1 Market risk

Market risk is defined as the potential loss in both on and off financial position resulting from movements in market risk factors such as foreign exchange rates, interest rates, and equity prices.

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

53.2 Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- The company has revaluate assets and liabilities at the financial position date as disclosed in foreign currency accounting policy.

53.3 Risk management

In the ordinary course of business, the Group is exposed to a variety of risks, the most important of which are liquidity risk, interest rate risk, currency risk, credit risk and market risk. These risks are identified, measured and monitored through various control mechanisms in order to price facilities and products on a risk adjusted basis and to prevent undue risk concentrations. The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

53.4 Credit risk

Credit risk is the risk of a person or an organization defaulting in the repayment of their obligations to the Group in respect of the terms and conditions of the credit facilities granted to them by the Group. The management minimizes this risk by spreading its loan portfolio overall economic sectors and by adopting appropriate procedures and controls to evaluate the quality of the credit facilities granted and the creditworthiness of the borrowers. The credit risk of connected accounts is monitored on a united basis. In addition, the effective credit appraisal procedure for examining applications for credit facilities followed by the Group, adopts as the main criteria the repayment capability and obtaining sufficient collateral. The continuous monitoring of credit accounts and the timely preventive action further minimize, to a large extent, the exposure to credit risk.

53.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind and monitors future cash flows and liquidity on daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of high marketable and diverse assets that can be easily liquidated in the event of an unforeseen interpretation of cash flow. In addition, the Group maintains statutory deposits with the Central Banks.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and to the Group in specific. The Group maintains a solid ratio of high liquid net assets in foreign currencies to deposits and commitments in foreign currencies taking markets conditions into consideration.

53.6 Interest rate risk

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities.

The Group's management closely monitors interest rate fluctuations on a continuous basis and ensures that assets and liabilities are matched and re-priced in a timely manner. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or are re-priced in a given period. The most important source of interest rate risk derives from the lending, funding and investing activities, where fluctuations in interest rates are reflected in interest margins and earnings.

53.7 Equity price risk

Equity price risk is the risk that the value of a portfolio will fall as a result of change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies/maturities), in which the Group holds equity-related positions.

The Group sets tight limits on equity exposures and the types of equity instruments that traders are allowed to take positions in. Nevertheless, depending on the complexity of financial instruments, equity risk is measured in first cash terms, such as the market value of a stock/index position, and also in price sensitivities, such as sensitivity of the value of a portfolio to changes in the underlying asset price. These measures are applied to an individual position and/or a portfolio of equity products.

53.8 Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact. The Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage, and report those risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

53.9 Fair value of financial instruments

The fair value of the financial instruments does not substantially deviated from its book value at the financial position date. According to the valuation basis applied, in accounting policies to the assets and liabilities.

54. Significant events

On 3 November 2016, Central Bank of Egypt floated the Egyptian pound and allowed banks to deal in foreign currencies with flexible rates.
In addition, Central Bank of Egypt raised interest rate for deposits in EGP by approximately 3% to face the rise in prices a currency devaluation may bring.
Accordingly the value of monetary assets and liabilities in subsequent periods may differ substantially from its recorded amounts in the financial statements for the period ended 30 September 2016. In addition it may affect the statement of profit and loss as a result of re-measuring all recorded transactions denominated in foreign currency at the date of the financial position and in subsequent periods.