Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated financial statements
for the year ended December 31, 2016
&
Auditor's report

KPMG Hazem Hassan
Public Accountants & Consultants

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KPMG

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Auditor's report

To the shareholders of Citadel Capital Company

We have audited the accompanying consolidated financial statements of Citadel Capital Company (Egyptian Joint Stock Company), which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of income, comprehensive income ,changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain

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reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Citadel Capital Company as at December 31, 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

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Public Accountants and Consultants
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Cairo, May 21, 2017

Consolidated statement of financial position as at December 31, 2016

(in EGP)	Note	31/12/2016	31/12/2015 (*)
Assets			
Fixed assets	(5)	5 775 281 030	5 132 944 455
Projects under construction	(6)	48 103 488 327	17 140 102 652
Intangible assets	(7)	1 265 407 067	1 751 125 701
Goodwill	(8)	392 417 101	649 801 051
Biological assets	(9)	207 820 465	196 044 381
Trade and other receivables	(16)	2 146 755 190	710 407 485
Investment property	(10)	-	24 000 000
Investments in associates	(11)	1 106 525 021	893 874 077
Available-for-sale investments	(12)	83 800 600	54 311 317
Payments for investments	(13)	110 930 719	80 997 503
Other investments	(14)	77 353 977	269 800 533
Deferred tax assets	(27)	61 084 782	395 240 419
Total non- current assets		**59 330 864 279**	**27 298 649 574**
Inventories	(15)	1 174 203 173	1 029 593 048
Biological assets	(9)	7 246 485	25 063 763
Work in process		68 754 396	17 768 790
Investments at fair value through profit or loss	(17)	1 279 211	33 789 381
Due from related parties	(18)	189 750 543	602 063 394
Trade and other receivables	(16)	1 561 850 465	1 225 561 916
Debtors and other debit balances	(19)	1 379 632 613	1 303 644 983
Cash and cash equivalents	(20)	2 837 035 012	3 353 000 479
Assets classified as held-for-sale	(21-1)	6 631 428 162	2 552 845 910
Total current assets		**13 851 180 060**	**10 143 331 664**
Total assets		**73 182 044 339**	**37 441 981 238**

to be continued...

Consolidated statement of financial position as at December 31, 2016 (continued)

(in EGP)	Note	31/12/2016	31/12/2015 (*)
Equity			
Share capital	(23)	9 100 000 000	9 100 000 000
Treasury shares	(23.1)	(3 338 658)	-
Reserves		3 091 396 298	346 665 940
Retained losses		(12 001 322 663)	(6 600 704 312)
Total		186 734 977	2 845 961 628
Shareholders' credit balances	(24)	-	1 464 311
Equity attributable to owners of the Company		**186 734 977**	**2 847 425 939**
Non - controlling interests		**16 283 734 681**	**8 189 651 119**
Total equity		**16 470 469 658**	**11 037 077 058**
Liabilities			
Long term loans and borrowings	(25)	34 234 277 130	13 675 665 666
Long term liabilities and derivatives	(26)	393 793 822	436 369 089
Loans from related parties	(25)	47 425 273	24 484 249
Deferred tax liabilities	(27)	548 951 505	664 181 100
Total non-current liabilities		**35 224 447 730**	**14 800 700 104**
Banks overdraft	(28)	498 992 120	508 626 802
Short term loans and borrowings	(25)	5 294 499 129	2 929 274 268
Loans from related parties	(25)	1 892 125 247	718 705 574
Due to related parties	(29)	1 656 544 968	721 231 160
Trade and other payables	(30)	2 897 318 193	2 855 400 529
Creditors and other credit balances	(31)	1 935 714 663	1 540 677 543
Provisions	(32)	681 537 294	620 451 082
Provision for financial guarantees contracts	(33)	-	5 077 970
Liabilities classified as held-for-sale	(21-2)	5 912 284 596	1 015 904 059
Due to Tax Authority		718 110 741	688 855 089
Total current liabilities		**21 487 126 951**	**11 604 204 076**
Total liabilities		**56 711 574 681**	**26 404 904 180**
Total equity and liabilities		**73 182 044 339**	**37 441 981 238**

* Restated - note (51)

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated financial statements and are to be read therewith.

Auditor's report "attached"

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

Consolidated income statement for the year ended December 31, 2016

(in EGP)	Note	For the year ended 31/12/2016	31/12/2015 (*)
Continuing operations			
Operating revenues	(36)	7 848 798 812	5 913 856 809
Operating costs	(37)	(6 756 528 265)	(4 960 408 229)
Gross profit		1 092 270 547	953 448 580
Advisory fee	(34)	12 374 198	13 550 201
Administrative expenses	(38)	(1 187 045 402)	(946 538 186)
Other expenses	(39)	(1 256 008 608)	(804 859 790)
Share of profit/loss of investments in associates	(35)	299 559 329	57 138 722
Operating loss		(1 038 849 936)	(727 260 473)
Finance costs - net	(40)	(3 043 307 915)	(709 148 827)
Loss before tax		(4 082 157 851)	(1 436 409 300)
Income tax expense	(41)	(226 559 263)	(20 912 749)
Loss from continuing operations		(4 308 717 114)	(1 457 322 049)
Discontinued operations			
Operating revenues		634 156 336	2 330 798 660
Operating costs		(797 301 283)	(1 764 597 547)
Administrative expenses		(123 450 286)	(438 897 006)
Other expenses		(592 450 163)	(120 812 821)
Finance costs - net		(427 305 875)	(379 561 562)
Results from operating activities		(1 306 351 271)	(373 070 276)
Income tax expense		(428 756)	(48 007 512)
Results from operating activities, net of tax		(1 306 780 027)	(421 077 788)
Gain on sale of discontinued operations,net of tax	(22.1)	31 526 803	650 779 414
(Loss) profit from discontinued operations, net of tax	(22)	(1 275 253 224)	229 701 626
Loss for the year		(5 583 970 338)	(1 227 620 423)
Attributable to:			
Owners of the Company		(4 106 147 426)	(1 119 928 873)
Non - controlling interests		(1 477 822 912)	(107 691 550)
		(5 583 970 338)	(1 227 620 423)
Earnings per share	(42)	(2.26)	(0.68)

* Restated - note (51)

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of comprehensive income for the year ended December 31, 2016

(in EGP)	For the year ended 31/12/2016	For the year ended 31/12/2015
Loss for the year	(5 583 970 338)	(1 227 620 423)
Other comprehensive income items:		
Items that are or may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences	8 831 518 930	(161 246 553)
Available-for-sale - net change in fair value	(91 800)	(395 676)
Change in the fair value of hedge reserve-swap contract	1 370 583	3 664 235
Other comprehensive income, net of tax	8 832 797 713	(157 977 994)
Total comprehensive income	3 248 827 375	(1 385 598 417)
Total comprehensive income attributable to :		
Owners of the Company	(1 361 417 056)	(1 193 770 062)
Non-controlling interests	4 610 244 431	(191 828 355)
	3 248 827 375	(1 385 598 417)

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of changes in equity for the year ended December 31, 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)	-	-	-	(314 701)	-	-	49 800 180	-	-	49 485 479	37 325 407	86 810 886
Balance as at December 31, 2015 (after adjustments)		9 100 000 000	89 578 478	(976 696)	369 134 879	(77 428 646)	(33 642 075)	(6 600 704 312)	1 464 311	-	2 847 425 939	8 189 651 119	11 037 077 058
Total comprehensive income													
Loss for the year ended December 31, 2016		-	-	-	-	-	-	(4 106 147 426)	-	-	(4 106 147 426)	(1 477 822 912)	(5 583 970 338)
Other comprehensive income		-	-	(91 800)	2 743 451 587	-	1 370 583	-	-	-	2 744 730 370	6 088 067 343	8 832 797 713
Total comprehensive income		-	-	(91 800)	2 743 451 587	-	1 370 583	(4 106 147 426)	-	-	(1 361 417 056)	4 610 244 431	3 248 827 375
Transactions with owners of the company													
Board of directors and employees profit share		-	-	-	-	-	-	(11 937 542)	-	-	(11 937 542)	(11 575 662)	(23 513 204)
Acquisition of non - controlling interests without change in control		-	-	-	-	-	-	(1 282 533 383)	-	-	(1 282 533 383)	1 300 862 911	18 329 528
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		-	-	-	-	-	-	-	-	-	-	2 194 551 870	2 194 551 870
Balance as at December 31, 2016		9 100 000 000	89 578 478	(1 068 496)	3 112 586 466	(77 428 646)	(32 271 492)	(12 001 322 663)	-	(3 338 658)	186 734 989	16 283 734 669	16 470 469 658

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of changes in equity for the year ended December 31, 2016

(in EGP)	Note	Share capital	Reserves					Retained loss	Shareholders' credit balances	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, 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	(235 759 415)	122 997 522
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	8 183 513 791	12 003 236 810
Total comprehensive income												
Loss for the year ended Decebrem 31, 2015		-	-	-	-	-	-	(1 119 928 873)	-	(1 119 928 873)	(107 691 550)	(1 227 620 423)
Other comprehensive income		-	-	(395 676)	(77 109 748)	-	3 664 235	-	-	(73 841 189)	(84 136 805)	(157 977 994)
Total comprehensive income		-	-	(395 676)	(77 109 748)	-	3 664 235	(1 119 928 873)	-	(1 193 770 062)	(191 828 355)	(1 385 598 417)
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		-	-	-	-	-	-	(20 587 644)	-	(20 587 644)	(14 894 412)	(35 482 056)
Acquisition of non - controlling interests without change in control		-	-	-	-	-	-	(41 392 401)	-	(41 392 401)	-	(41 392 401)
Company's share of changes in associates' equity		-	-	-	-	(1 773 018)	-	6 535 483	-	4 762 465	-	4 762 465
Shareholders' credit balance		-	-	-	-	-	-	-	4 621 446	4 621 446	-	4 621 446
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	138 124 924	138 124 924
Balance as at December 31, 2015		9 100 000 000	89 578 478	(976 696)	369 449 580	(77 428 646)	(33 642 075)	(6 615 088 129)	1 464 311	2 833 356 823	8 114 915 948	10 948 272 771

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of cash flows for the year ended December 31, 2016

(in EGP)	for the year ended 31/12/2016	31/12/2015
Cash flows from operating activities		
Loss before income tax	(4 082 157 851)	(1 436 409 300)
Adjustments for:		
(Loss) profit from discontinued operations,net of tax	(1 275 253 224)	229 701 626
Gains on sale of discontinued operations,net of tax	(31 526 803)	(650 779 414)
Depreciation and amortization	569 962 249	507 077 121
Company's share of profit of equity - accounted investees	(299 559 329)	(57 138 722)
Net change in the fair value of investments at fair value through profit or loss	921 285	657 422
Foreign currency translation differences	2 681 058 280	350 714 405
Foreign currencies exchange differences	2 252 241 670	551 114 878
Interest income	(163 422 139)	(38 123 316)
(Gain) loss on sale of fixed and biological assets	(8 794 141)	26 926 102
Gain from financial guarantee contracts	-	(2 798 162)
Interest expenses	654 128 193	491 630 055
Provisions formed	266 402 794	176 465 749
Impairment on assets	1 055 771 511	282 110 307
Provisions reversed	(24 076 675)	(11 039 866)
Provision used	(251 831 800)	(48 509 743)
Income tax paid	(143 490 126)	(30 674 521)
Operating profit before changes in working capital	1 200 373 894	340 924 621
Change in :		
Inventories	(15 612 703)	(170 008 359)
Work in process	(98 610 457)	77 312 846
Investments at fair value through profit or loss	-	52 703 179
Due from related parties	(1 444 520 166)	13 983 715
Trade and other receivables	(195 502 318)	112 332 797
Debtors and other debit balances	(5 784 854)	(162 502 458)
Due to related parties	580 557 941	(319 552 158)
Trade and other payables	(2 026 629 323)	(682 885 571)
Creditors, other credit balances and long term liabilities	(137 687 238)	151 231 347
Discontinued operations	433 942 049	60 169 518
Net cash used in operating activities	(1 709 473 175)	(526 290 523)

to be continued...

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of cash flows for the year ended December 31, 2016 (continued)

(in EGP)	for the year ended 31/12/2016	31/12/2015
Cash flows from investing activities		
Payments to purchase of fixed assets and projects under construction	(4 894 098 700)	(3 491 359 164)
Proceeds from sale of fixed assets and projects under construction	38 199 167	17 996 686
Payments for purchase of biological assets	(39 796 596)	(58 276 112)
Proceeds from sale of biological assets	15 200 950	20 890 323
Payments for purchase of intangible assets	(142 545 953)	(39 875 257)
proceeds from sale of assets classified as held for sale	424 660 826	1 839 075 635
(Payments for) / proceeds from loans to related parties	(124 060 621)	29 443 541
Payments for investments	(30 399 600)	(33 000 000)
Payments for purchase of investment property	-	(39 388)
Proceedssfrom sales of investment property	27 549 174	-
proceeds / (Payments for) from other investments	34 414 008	(27 115 420)
Dividends income	-	25 968 183
Interest received	257 703 246	48 209 522
Net cash used in investing activities	(4 433 174 099)	(1 668 081 451)
Cash flows from financing activities		
Proceeds from share capital increase	-	260 000 000
proceeds(Payments) of shareholders' credit balances	13 686 136	(23 630 169)
Proceeds from loans	4 006 331 864	4 356 241 085
Payments for loans	(207 962 887)	(1 390 001 208)
Proceeds from / (payment)banks overdraft	19 958 413	(63 296 142)
Proceeds from non-controlling interests	1 390 656 412	646 130 761
Dividends paid	(35 296 967)	(35 482 056)
Interest paid	(83 318 947)	(351 401 976)
Net cash provided from financing activities	5 104 054 024	3 398 560 295
Net changes in cash and cash equivalents during the year	(1 038 593 250)	1 204 188 321
Assets held for sale	5 044 841	-
Acquisition of subsidiaries	-	33 225 339
Disposal of subsidiaries	(27 867 483)	(408 689)
Cash and cash equivalents at the beginning of the year - (note 20)	3 898 450 904	2 115 995 508
Cash and cash equivalents at the end of the year - (note 20)	2 837 035 012	3 353 000 479

The accompanying notes and accounting policies from page (9) to page (115) are an integral part of these consolidated 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 year ended December 31, 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 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 financial statements were authorized for issue in accordance with a resolution of the board of directors on May 21, 2017.

3. Functional and presentation currency

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

4. Use of estimate and judgements

In preparing these consolidated 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

For the year ended December 31, 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 ***	417 334	35 674 380	3 622 510	63 273 237	13 867 122	1 851 297	8 409 271	127 115 151
Reclassification to assets held for sale (note 21.1)	--	(15 777 305)	(17 978 730)	(524 078 851)	(27 522 901)	(32 865 825)	(14 351 225)	(632 574 837)
Reclassification from assets held for sale**	4 232 967	29 479 056	9 142 636	31 389 634	28 073 428	451 563	1 640 500	104 409 784
Disposals	--	(15 321 834)	(19 526 229)	(60 851 551)	(36 457 761)	(14 861 380)	(5 856 114)	(152 874 869)
Effect of movements in exchange rates	564 772 630	205 321 067	81 831 969	1 216 671 299	37 573 614	30 940 689	154 636 786	2 291 748 054
Total cost as at 31/12/2016	1 963 526 487	1 447 236 970	170 380 458	4 476 025 377	256 644 920	44 036 586	683 095 302	9 040 946 100
Accumulated depreciation and impairment loss 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 year*	79 913	47 428 040	7 688 175	310 583 163	13 302 943	2 489 433	36 375 220	417 946 887
Impairment loss ****	--	17 767 807	107 857 426	104 700 719	6 678 137	56 528	192 068	237 252 685
Reclassification to assets held for sale (note 21.1)	--	(3 023 948)	(14 753 009)	(93 624 358)	(22 378 548)	(29 302 341)	(12 795 109)	(175 877 313)
Reclassification from assets held for sale**	--	17 244 180	6 661 792	24 837 498	27 908 036	451 562	1 583 610	78 686 678
Accumulated depreciation of disposals	--	(5 087 176)	(14 652 122)	(39 949 825)	(27 232 337)	(9 507 542)	(4 711 773)	(101 140 775)
Effect of movements in exchange rates	(40 019)	28 532 643	19 252 118	501 787 334	23 587 895	23 048 396	42 450 179	638 618 546
Accumulated depreciation as at 31/12/2016	183 490	355 048 696	153 815 976	2 216 207 021	229 086 509	34 268 181	277 055 197	3 265 665 070
Carrying amounts								
At 31/12/2016	1 963 342 997	1 092 188 274	16 564 482	2 259 818 356	27 558 411	9 768 405	406 040 105	5 775 281 030
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 year ended December 31, 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	(134 727 371)	155 927 651	--	5 217 159	(1 878 457)	--	621 838	25 160 820
Acquisition of subsidiaries	44 293 678	237 996 312	930 115	933 942 381	6 577 910	8 476 398	54 622 527	1 286 839 321
Additions	65 939 644	96 156 811	5 547 616	249 045 644	12 396 334	5 891 727	12 079 629	447 057 405
Transferred to assets held for sale	(5 985 000)	--	--	(607 222)	(14 785 267)	--	(1 144 806)	(22 522 295)
Transferred from assets held for sale	--	44 094	--	6 636 362	461 100	--	--	7 141 556
Disposals	(16 618 747)	(715 637 796)	--	(1 311 044 534)	(31 021 885)	(57 413)	(55 267 110)	(2 129 647 485)
Effect of movements in exchange rates	27 712 432	15 048 370	2 073 863	107 827 180	7 596 771	2 278 308	5 888 746	168 425 670
Cost as at 31/12/2015	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
Accumulated depreciation and impairment loss 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	--	(3 194 418)	--	4 401 264	(62 917)	20 166	132 626	1 296 721
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 year *	36 018	58 112 731	7 465 273	250 154 731	18 422 160	4 466 448	36 510 048	375 167 409
Transferred to assets held for sale	--	--	--	(604 250)	(12 968 507)	--	(1 144 805)	(14 717 562)
Transferred from assets held for sale	--	44 094	--	1 230 907	431 539	--	--	1 706 540
Accumulated depreciation of disposals	(215 863)	(80 377 624)	--	(197 758 959)	(20 863 369)	(31 338)	(26 682 063)	(325 929 216)
Effect of movements in exchange rates	19 543	20 115 071	89 279	52 669 544	13 287 643	1 138 889	(1 340 707)	85 979 262
Accumulated depreciation as at 31/12/2015	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
Carrying amounts								
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)

* Administrative depreciation for the year 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).

**** Impairment represented in assets related to Wafra Agricultural company (subsidiary - Agricultural and Food segment).

6. Projects under construction

6.1 Projects under construction represented in the following:

	31/12/2016	31/12/2015 (Restated) **
Balance at the beginning of the year	17 233 833 544	11 927 228 869
Adjustments	--	(111 111 636)
Additions	5 382 636 932	4 934 982 149
Disposals	(2 756 359)	(317 475 317)
Acquisition through business combination	--	18 264 896
Reclassification to assets held for sale (note 21.1)	(68 903 975)	(188 539 627)
Reclassification to fixed assets (note 5)	(6 041 716)	(131 021 810)
Effect of movements in exchange rates	26 089 407 798	1 101 506 020
Balance	48 628 176 224	17 233 833 544
Accumulated impairment loss	(524 687 897)	(93 730 892)
Net	48 103 488 327	17 140 102 652

6.2 Projects under construction are represented in:

	31/12/2016	31/12/2015 Restated **
Agriculture and Food Sector	9 515 724	124 353 800
Energy sector *	47 854 713 531	16 847 265 279
Transportation and Logistics Sector	67 988 694	69 503 038
Cement sector	115 677 592	51 102 893
Financial Services sector	12 829 726	29 080 396
Mining sector	42 763 060	18 797 246
Total	48 103 488 327	17 140 102 652

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

* Projects under construction - Energy sector include an amount of EGP 47 801 655 455 as at December 31, 2016 versus EGP16 837 704 055 as at December 31, 2015 represents the project of Egyptian Refining Company- Energy sector.

** (note 51).

7. Intangible assets

	Note	31/12/2016	31/12/2015 (Restated) *
Software	(7-1)	12 886 930	13 151 204
Concession	(7-2)	--	792 230 640
Exploration and valuation assets	(7-3)	607 122 996	246 288 076
Trade name	(7-4)	346 210 520	346 210 520
Customer contracts	(7-5)	294 670 356	350 325 904
Other intangible assets	(7-6)	4 516 265	2 919 357
Balance		1 265 407 067	1 751 125 701

7.1 Software

	31/12/2016	31/12/2015
Cost at the beginning of the year	59 044 102	51 841 773
Additions	284 063	3 582 517
Disposals	(265 752)	(190 958)
Reclassification to assets held for sale (note 21.1)	(49 266 344)	--
Effect of movements in exchange rates	48 500 982	3 810 770
Cost at the end of the year	58 297 051	59 044 102
Accumulated amortization at the beginning of the year	(45 892 898)	(35 813 479)
Amortization for the year	(617 377)	(5 777 840)
Reclassification to assets held for sale (note 21.1)	41 485 608	--
Effect of movements in exchange rates	(40 385 454)	(4 301 579)
Accumulated amortization at the end of the year	(45 410 121)	(45 892 898)
Net	12 886 930	13 151 204

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

7.2 Concession

	31/12/2016	31/12/2015
Cost at the beginning of the year	966 882 501	829 321 993
Additions	142 261 889	104 991 901
Effect of movements in exchange rates	1 002 654 268	32 568 607
Reclassification to assets held for sale (note 21.1)	(2 111 798 658)	--
Cost at the end of the year	--	966 882 501
Accumulated amortization at the beginning of the year	(174 651 861)	(98 026 228)
Amortization	(65 379 909)	(46 865 713)
Effect of movements in exchange rates	(294 807 998)	(29 759 920)
Reclassification to assets held for sale (note 21.1)	534 839 768	--
Accumulated amortization at the end of the year	--	(174 651 861)
Net	--	792 230 640

7.3 Exploration and valuation assets

7.3.1 Site preparation expenses

	31/12/2016	31/12/2015
Cost at the beginning of the year	463 588	--
Acquisition through business combination	--	456 786
Amortization	(24 563)	(231 359)
Effect of movements in exchange rates	551 442	238 161
Balance	990 467	463 588

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

7.3.2 Search and exploration expenses

	31/12/2016	31/12/2015
Cost at the beginning of the year	234 391 228	--
Acquisition through business combination	--	220 137 282
Additions	39 945 866	10 966 330
Effect of movements in exchange rates	306 876 903	3 287 616
Balance	581 213 997	234 391 228

7.3.3 License

	31/12/2016	31/12/2015
Cost at the beginning of the year	14 953 666	--
Acquisition through business combination	--	16 006 690
Amortization	(97 068)	(27 352)
Effect of movements in exchange rates	18 307 956	(1 025 672)
Balance	33 164 554	14 953 666
Total	615 369 018	249 808 482
Accumulated impairment loss *	(8 246 022)	(3 520 406)
Net	607 122 996	246 288 076

***Accumulated impairment**	31/12/2016	31/12/2015
Balance at the beginning of the year	3 520 406	--
Acquisition through business combination	--	6 707 064
Reversal of impairment loss of the year	--	(376 641)
Effect of movements in exchange rates	4 725 616	(2 810 017)
Balance	8 246 022	3 520 406

7.4 Trade name

	31/12/2016	31/12/2015
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
Accumulated impairment loss *	(137 831 467)	(137 831 467)
Net	346 210 520	346 210 520

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

7.5 Customer contracts

	31/12/2016	31/12/2015
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
Accumulated amortization at the beginning of the year	(111 311 096)	--
Adjustment (Amortization 2014)	--	(55 655 548)
Amortization	(55 655 548)	(55 655 548)
Accumulated amortization at the end of the year	(166 966 644)	(111 311 096)
Net	294 670 356	350 325 904

7.6 Other intangible assets

	31/12/2016	31/12/2015
Payment for waiving of the license to establish a black cement factory for ASEC Syria	3 688 190	2 384 079
Compensation paid for project workers	828 075	535 278
Net	4 516 265	2 919 357

* (note 51).

8. Goodwill

	Balance as at 1/1/2016 (Restated) *	Effect of movements in exchange rates	Assets held for sale**	Impairment loss	Balance as at 31/12/2016
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	3 414 352	--	--	16 407 581
Tawazon for Solid Waste Management (Tawazon)	32 611 311	--	--	--	32 611 311
Balance	649 801 051	3 414 352	(81 058 922)	(179 739 380)	392 417 101

* (note 51)
** (note 21.1)

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

9. Biological assets

	Note	31/12/2016	31/12/2015
Non-current			
Fruitful fruit gardens and orchards	(9.1)	6 150 207	4 661 225
Fruitless fruit gardens and orchards	(9.2)	3 224 288	5 318 485
Pregnant heifer, dry and dairy cows	(9.3)	109 803 933	110 123 996
Heifers	(9.4)	88 642 037	75 940 675
		207 820 465	196 044 381
Current			
Plants (cotton , corn , sun flower)*		2 528 400	1 092 000
Others		7 246 485	23 971 763
		9 774 885	25 063 763
Impairment loss *		(2 528 400)	--
Net		7 246 485	25 063 763
Balance		215 066 950	221 108 144

9.1 Fruitful fruit gardens and orchards

	31/12/2016	31/12/2015
Costs		
Balance at the beginning of the year	10 028 124	8 681 337
Transferred from fruitless fruit gardens and orchards	1 568 153	1 346 787
Disposals	(1 662 780)	--
Effect of movements in exchange rates	(65 061)	--
	9 868 436	10 028 124
Accumulated depreciation		
Balance at the beginning of the year	5 366 899	4 044 655
Depreciation	1 349 469	1 303 601
Disposals	(1 622 701)	--
Effect of movements in exchange rates	(1 375 438)	18 643
	3 718 229	5 366 899
Net	6 150 207	4 661 225

9.2 Fruitless fruit gardens and orchards

	31/12/2016	31/12/2015
Costs		
Balance at the beginning of the year	5 318 485	8 160 938
Additions	327 171	1 122 271
Disposals	--	(2 719 961)
Transferred to fruitful fruit gardens and orchards	(1 568 153)	(1 346 787)
Effect of movements in exchange rates	(853 215)	102 024
Balance	3 224 288	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 year	179 534 550	159 723 914
Transferred from heifers	30 838 830	57 785 668
Effect of movements in exchange rates	2 446 789	--
Disposals	(27 280 019)	(37 975 032)
	185 540 150	179 534 550
Accumulated depreciation		
Balance at the beginning of the year	69 410 554	61 015 111
Depreciation	28 891 419	22 048 299
Disposals	(11 027 940)	(13 771 252)
Effect of movements in exchange rates	(11 537 816)	118 396
	75 736 217	69 410 554
Net	109 803 933	110 123 996

9.4 Heifers

	31/12/2016	31/12/2015
Costs		
Balance at the beginning of the year	75 940 675	77 536 388
Additions	39 469 425	57 069 074
Transferred to pregnant heifer, dry and dairy cows	(30 838 830)	(57 785 668)
Disposals	(1 104 018)	(1 695 447)
Effect of movements in exchange rates	5 174 785	816 328
Balance	88 642 037	75 940 675

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

10. Investment property

	31/12/2016	31/12/2015
Land *	--	24 000 000

* Represents a land in Smart Village which has been sold during the forth quarter of 2016.

11. Investments in associates

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

	Percentage		Carrying amounts	
	2016 %	2015 %	31/12/2016	31/12/2015 (Restated) **
El Kateb for Marketing & Distribution Co.	48.88	48.88	816 772	1 304 723
El Sharq Book Stores Co.	40.00	40.00	12 368 993	13 785 001
Dar El-Sherouk Ltd. – BVI *	58.51	58.51	123 870 951	127 869 996
Mena Glass Ltd.	47.64	47.64	633 969 045	434 014 696
Soiete Des Ciments De Zahana	35.00	35.00	435 499 260	407 218 685
Ostool for Land Transportation S.A.E***	--	27.70	--	9 680 976
Total			1 206 525 021	993 874 077
Accumulated impairment loss *			(100 000 000)	(100 000 000)
Net			1 106 525 021	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).

*** (note 21).

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

11.2 Summary of significant financial statements of associates

31/12/2016	**Current assets**	**Non-current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Revenues**	**Expenses**
El Kateb for Marketing & Distribution Co.	9 249 089	9 073 138	**18 322 227**	4 267 865	6 108 709	**10 376 574**	8 670 212	9 668 477
Soiete Des Ciments De Zahana	214 234 848	1 105 864 608	**1 320 099 456**	197 970 432	857 948 352	**1 055 918 784**	523 392 000	404 350 368
El Sharq Book Stores Co.	11 734 419	2 496 304	**14 230 723**	8 901 837	138 681	**9 040 518**	24 164 717	27 704 736
Dar El-Sherouk Ltd.	119 896 857	116 759 092	**236 655 949**	96 110 446	14 545 504	**110 655 950**	47 108 228	52 542 944
Mena Glass Ltd. *	628 032 491	--	**628 032 491**	126 537 932	--	**126 537 932**	665 978 643	121 292 911

- note (35).

* note (22.1).

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

12. Available-for-sale investments

	31/12/2016	31/12/2015
Logria Holding Ltd. *	1 173 900 000	507 000 000
Golden Crescent Investment Ltd. *	1 144 417 050	494 266 500
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	64 966 859	28 058 776
Modern Co. 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	706 308	700 207
Medcom National Company	1 000	1 000
Trance Force	51 000	--
ASEC Cement	50 000	--
Cayman Resources *	31 331 774	31 331 774
Total	2 440 162 364	1 087 707 041
Accumulated impairment loss *	(2 356 361 764)	(1 033 395 724)
Net	83 800 600	54 311 317

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

	Balance as at 1/1/2016	Effect of movements in exchange rates	Formed during the year	Reversal of impairment loss **	Balance as at 31/12/2016
Logria Holding Ltd.	507 000 000	666 900 000	--	--	1 173 900 000
Golden Crescent Investment Ltd.	494 266 500	650 150 550	--	--	1 144 417 050
EFG Capital Partners Fund II	--	--	5 962 037	--	5 962 037
Modern Co. for Isolating Materials	--	--	43 396	--	43 396
MEFEK Co.	872 388	--	--	--	872 388
Cayman Resources	31 256 836	--	--	(89 943)	31 166 893
Balance	1 033 395 724	1 317 050 550	6 005 433	(89 943)	2 356 361 764

** Note (39).

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

13. Payments for investments

	31/12/2016	31/12/2015
Nile Valley Petroleum Ltd. *	135 168 734	58 378 523
Citadel Capital Al Qalaa – Saudi Arabia	2 611 512	1 127 896
National Development and Trading Co. (IRAQ) Ltd. *	300 514	300 514
ASA International Co.	1 432 407	1 432 409
Golden Crescent Investment Ltd.*	4 515 000	1 950 000
Others **	106 886 800	76 487 198
Total	250 914 967	139 676 540
Accumulated impairment loss *	(139 984 248)	(58 679 037)
Net	110 930 719	80 997 503

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

	Balance as at 1/1/2016	Formed during the year	Effect of movements in exchange rates	Balance as at 31/12/2016
National Development and Trading Co. (IRAQ) Ltd.	300 514	--	--	300 514
Nile Valley Petroleum Ltd.	58 378 523	--	76 790 211	135 168 734
Golden Crescent Investment Ltd.*	--	2 675 500	1 839 500	4 515 000
Balance	58 679 037	2 675 500	78 629 711	139 984 248

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

*** (Note 39).

14. Other investments

	Note	31/12/2016	31/12/2015
Restricted cash	(14-1)	61 267 882	262 776 657
Others	(14-2)	16 086 095	7 023 876
Balance		77 353 977	269 800 533

14-1 Restricted cash as at December 31, 2016 includes an amount of EGP 2 575 230 (equivalent to US.$ 142 593) 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 includes an amount of EGP 15 579 376 as at December 31, 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

	31/12/2016	31/12/2015 (Restated) *
Spare parts	377 819 423	429 180 253
Raw materials	430 415 649	280 053 017
Work in process	137 255 783	115 069 764
Finished goods	129 604 701	108 959 316
Goods in-transit	23 986 415	2 610 658
Packing materials	17 980 924	2 698 314
Oil and lubricants	46 442 832	80 766 014
Letters of credit	24 677 314	22 157 921
Others	27 429 884	17 015 361
Total	1 215 612 925	1 058 510 618
Less : Inventories write-down	(41 409 752)	(28 917 570)
Net	1 174 203 173	1 029 593 048

* (note 51).

16. Trade and other receivables

	31/12/2016	31/12/2015 (Restated) ****
Non-current		
Accounts receivables	3 823 970	6 835 093
Gas consumption deposits	242 108 531	86 625 685
Egyptian General Petroleum Corp.*	1 536 003 000	431 569 359
Receivables from sale of investment **	220 467 409	114 655 848
Others	144 352 280	70 721 500
Total	2 146 755 190	710 407 485
Current		
Accounts receivables	1 650 817 499	1 289 830 263
Notes receivables	10 053 257	36 988 335
Receivables from sale of investment ***	71 996 263	17 102 289
Total	1 732 867 019	1 343 920 887
Accumulated impairment Loss	(171 016 554)	(118 358 971)
Net	1 561 850 465	1 225 561 916
Balance	3 708 605 655	1 935 969 401

(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 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.

**** (note 51).

17. Investments at fair value through profit or loss

	31/12/2016	31/12/2015
Modern Shorouk for Printing Co.	1 274 389	1 130 009
Ostool 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	4 822	15 602 129
National Bank of Egypt investment fund certificates	--	13 961 314
Balance	1 279 211	33 789 381

18. Due from related parties

	Nature of transaction		31/12/2016	31/12/2015
	Advisory fee	Finance		(Restated) ***
Logria Holding Ltd. **	--	109 757 085	109 757 085	48 023 235
Golden Crescent Investment Ltd. **	68 903 415	--	68 903 415	29 758 950
Golden Crescent Finco Ltd. **	--	529 686 056	529 686 056	228 402 049
Emerald Financial Services Ltd. **	--	599 112 435	599 112 435	254 388 857
Nile Valley Petroleum Ltd. **	--	388 947 221	388 947 221	168 055 462
Citadel Capital East Africa	--	68 267	68 267	29 484
Citadel Capital ALQALAA -Saudi Arabia	--	1 324 972	1 324 972	738 223
El Kateb for Marketing & Distribution Co.	--	1 003 038	1 003 038	1 001 673

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

	Nature of transaction		31/12/2016	31/12/2015
	Advisory fee	Finance		(Restated) ***
Nahda **	--	11 646 009	11 646 009	5 029 838
Egyptian Company for international Publication	--	23 760 330	23 760 330	21 012 855
Citadel Capital Partners*	--	80 575 087	80 575 087	--
Ecligo	--	2 000 000	2 000 000	2 000 000
Mena Glass Ltd**	62 054 160	--	62 054 160	--
Soite Des Ciments De Zahana	--	1 697 472	1 697 472	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.	--	448 665	448 665	11 116 331
Visionaire**	--	27 017 941	27 017 941	--
Haider	--	600 828	600 828	145 754
Scimitar Production Egypt Ltd.	--	--	--	12 696 910
Grandview Investment Holding	--	--	--	1 559 407
Rotation Ventures**	--	68 832 367	68 832 367	--
Others	--	12 750 678	12 750 678	1 512 053
Total			1 990 732 262	789 495 711
Accumulated impairment loss **			(1 866 482 925)	(729 154 789)
Net			124 249 337	60 340 922
Due from shareholders:				
Benu one Ltd.**	--	189 324 208	189 324 208	468 527 810
Fenix one Ltd.	--	--	--	39 288 631
Financial Holding International	8 412 408	--	8 412 408	--
Others **	--	70 633 798	70 633 798	39 756 031
Total			268 370 414	547 572 472
Accumulated impairment loss **			(202 869 208)	(5 850 000)
Net			65 501 206	541 722 472
Balance			189 750 543	602 063 394

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

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

	Balance as at 1/1/2016	Formed during the year ****	Effect of movements in exchange rates	Balance as at 31/12/2016
Related parties				
Logria Holding Ltd.	48 023 235	--	61 733 850	109 757 085
Nahda	--	11 646 009	--	11 646 009
Rotation Ventures	--	40 788 704	28 043 663	68 832 367
Visionaire	--	16 010 299	11 007 642	27 017 941
Mena Glass	--	62 054 160	--	62 054 160
Golden Crescent Finco Ltd.	228 402 049	502 191	300 781 816	529 686 056
Emerald Financial Services Ltd.	254 388 857	5 987 652	338 735 926	599 112 435
ASEC Electrical Repairs Co. (REPELCO)	526 236	--	--	526 236
Golden Crescent Investment Ltd.	29 758 950	--	39 144 465	68 903 415
Nile Valley Petroleum Ltd.	168 055 462	--	220 891 759	388 947 221
Balance	729 154 789	136 989 015	1 000 339 121	1 866 482 925
Shareholders				
Benu one ltd.	--	112 189 794	77 134 414	189 324 208
Others	5 850 000	--	7 695 000	13 545 000
Balance	5 850 000	112 189 794	84 829 414	202 869 208

* The main shareholder 24.36%
*** (note 51).
**** (note 39).

19. Debtors and other debit balances

	31/12/2016	31/12/2015 (Restated) **
Prepaid expenses	44 487 022	16 151 213
Deposits with others	61 474 413	42 896 338
Advances to suppliers	401 583 596	326 821 441
Letters of guarantee margin	48 523 009	26 749 363
Imprest	40 851 680	38 903 901
Accrued revenues	94 293 546	66 306 548
Refundable deposits	4 303 951	4 631 578
Amounts due from sale of investments	--	31 320 000
Operation retention	143 893 523	109 564 564

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

	31/12/2016	31/12/2015
Advances to contractors	14 499 777	7 603 728
Prepayments for purchase of fixed assets	11 052 991	11 052 974
Tax Authority	211 348 349	176 750 854
Custom Authority	4 790	50 185
Letters of credit	61 393 706	148 657 922
General Authority for Economic Zone of the Suez Canal*	--	145 091 560
FLSmidth	182 036 676	--
Debit balances under settlement	12 940 891	22 064 194
Sundry debit balances	124 208 194	196 431 952
Total	1 456 896 114	1 371 048 315
Accumulated impairment loss	(77 263 501)	(67 403 332)
Balance	1 379 632 613	1 303 644 983

* 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

	31/12/2016	31/12/2015
Cash on hand	16 424 031	5 321 155
Banks - current accounts	2 139 718 348	2 596 344 525
Banks - time deposits	122 474 813	381 146 143
Cheques under collection	27 980 466	26 429 217
Treasury bills	530 437 354	343 759 439
Cash and cash equivalent as presented in the consolidated statement of financial position	2 837 035 012	3 353 000 479
Effect of foreign exchange differences	--	545 450 425
Adjusted cash and cash equivalents	2 837 035 012	3 898 450 904

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 15 May 2017, the company announced that it has signed an agreement to sell its investment in ASEC Algeria Cement Company – indirect subsidiaries with 37 % ownership percentage, within a deal amounted to approximately USD 60 m for selling the whole company.
  - 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.
  - National Development and Trading Company Management decided to keep its investment in ESACO for Manufacturing Engineering and construction (subsidiary, 70%) and accordingly re-classified as continued operation.

- **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 – 99.95%. –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 – 99.95%. –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 approximately EGP 127 Million (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.

- **Tanmeyah company S.A.E**

  On February 24, 2016 the Company announced that its business unit Financial 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)

- **Ostool for Land Transportation S.A.E**

  On 15 November 2016 , The company announced that it sold it's investment in Ostool for Land Transportation S.A.E (associate) with a total consideration of EGP 44 million. (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 December 31, 2016 are represented in the following:

	NDT Subsidiaries							
	Arab Swiss Engineering Co. (ASEC)	**ASEC Algeria Cement Company**	**Mena Home Furnishing Malls Ltd.**	**Falcon for Agriculture Investments Ltd. BVI Subsidiaries**	**KU RAILWAYS HOLDING LIMITED**	**Ledmore Holding Limited.**	**Grandview Investment Holding**	**Total**
Fixed assets	5 750 000	11 437 031	287 913	132 293 762	456 323 970	373 554	--	606 466 230
Intangible assets	--	--	--	1 033 809	1 584 739 626	--	--	1 585 773 435
Projects under construction	--	1 987 384 245	188 539 628	--	68 903 975	--	--	2 244 827 848
Inventories	--	--	--	16 110	308 560 699	--	--	308 576 809
Trade and other receivables	--	--	--	--	228 797 318	--	--	228 797 318
Debtors and other debit balances	--	34 227 788	6 476 768	913 475	438 968 509	164 292	--	480 750 832
Due from related parties	--	--	--	45 331	--	7 892	--	53 223
Investment property	--	--	326 848 670	--	--	--	--	326 848 670
Cash and cash equivalents	--	--	375 955	4 688 539	75 134 675	11 737 772	--	91 936 941
Goodwill	--	81 058 922	76 929 157	--	--	--	--	157 988 079
Investment in associates	--	--	--	--	--	--	909 626 870	909 626 870
Deferred tax assets	--	--	--	--	189 895 625	--	--	189 895 625
Balance	5 750 000	2 114 107 986	599 458 091	138 991 026	3 351 324 397	12 283 510	909 626 870	7 131 541 880
Less: Impairment loss								
Projects under construction	--	(97 235 557)	--	--	--	--	--	(97 235 557)
Goodwill	--	(81 058 922)	--	--	--	--	--	(81 058 922)
Investment in associate	--	--	--	--	--	--	(321 819 239)	(321 819 239)
Net	5 750 000	1 935 813 507	599 458 091	138 991 026	3 351 324 397	12 283 510	587 807 631	6 631 428 162

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

21.2 Liabilities classified as held-for-sale as at December 31, 2016 are represented in the following:

	Mena Home Furnishing Malls Ltd.	**Falcon for Agriculture Investments Ltd. BVI Subsidiaries**	**KU RAILWAYS HOLDING LIMITED**	**Ledmore Holding Limited.**	**National Company for Development and Trading**	**Total**
Provisions	16 006 560	16 451 631	--	--	--	32 458 191
Banks' overdraft	--	--	68 690 488	--	--	68 690 488
Loans	209 785 195	206 423 055	3 998 935 843	--	--	4 415 144 093
Trade and other payables	--	119 837 726	1 130 556 903	--	--	1 250 394 629
Due to related parties	--	1 035 037	--	6 104	--	1 041 141
Creditors and other credit balances	116 654 380	--	--	485 218	27 416 456	144 556 054
Balance	342 446 135	343 747 449	5 198 183 234	491 322	27 416 456	5 912 284 596

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

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

For the year ended December 31, 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	Ostool for Land Transportation S.A.E.	KU Railways Holding Limited	Ledmore Holding Limited	Grand view	Total
Discontinued operations :-										
Operating revenues	--	5 911 004	--	--	26 343 930	--	601 901 402	--	--	634 156 336
Operating costs	--	(13 782 153)	--	--	(16 151 184)	--	(767 367 946)	--	--	(797 301 283)
Administrative expenses	(4 383 468)	(4 720 721)	--	--	(11 588 254)	--	(102 556 570)	(201 273)	--	(123 450 286)
Other (expenses) / revenues	(218 894 005)	(16 811 461)	--	--	2 288 735	--	36 885 759	(74 099 952)	(321 819 239)	(592 450 163)
Finance costs – (net)	1 945 858	(49 961 248)	(131 567 916)	--	(42 534)	--	(247 680 035)	--	--	(427 305 875)
Income tax	(428 756)	--	--	--	--	--	--	--	--	(428 756)
Results from operating activities	(221 760 371)	(79 364 579)	(131 567 916)	--	850 693	--	(478 817 390)	(74 301 225)	(321 819 239)	(1 306 780 027)
(Loss) gain on sale of discontinued operation (note 22.1)	--	--	(6 313 553)	(173 805 406)	210 043 776	27 896 024	--	--	--	57 820 841
Income tax	--	--	--	--	(26 294 038)	--	--	--	--	(26 294 038)
(Loss) profit from discontinued operation, net of tax	(221 760 371)	(79 364 579)	(137 881 469)	(173 805 406)	184 600 431	27 896 024	(478 817 390)	(74 301 225)	(321 819 239)	(1 275 253 224)

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

For the year ended December 31, 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	Total
Discontinued operations :-									
Operating revenues	--	--	8 035 865	492 009 353	132 450 313	614 030 674	--	1 084 272 455	2 330 798 660
Operating costs	--	--	(21 333 229)	(354 654 479)	--	(550 754 355)	--	(837 855 484)	(1 764 597 547)
Administrative expenses	--	--	(8 344 328)	(152 330 802)	(84 422 226)	(140 200 620)	(17 257 821)	(36 341 209)	(438 897 006)
Other revenues (expenses)	--	--	2 353 640	(64 446 854)	3 465 113	--	(34 006 525)	(28 178 195)	(120 812 821)
Finance cost – (net)	--	--	(24 670 405)	(54 227 458)	4 449 613	(197 021 122)	1 553 280	(109 645 470)	(379 561 562)
Results from operating activities	--	--	(43 958 457)	(133 650 240)	55 942 813	(273 945 423)	(49 711 066)	72 252 097	(373 070 276)
Income tax	--	--	--	(6 081 175)	(14 208 677)	--	--	(27 717 660)	(48 007 512)
Results from operating activities, net of tax	--	--	(43 958 457)	(139 731 415)	41 734 136	(273 945 423)	(49 711 066)	44 534 437	(421 077 788)
Gain (loss) on sale of discontinued operations (note 22.1)	110 149 900	(10 451 655)	--	192 251 083	--	--	--	358 830 086	650 779 414
Profit (loss) from discontinued operation after tax	110 149 900	(10 451 655)	(43 958 457)	52 519 668	41 734 136	(273 945 423)	(49 711 066)	403 364 523	229 701 626

(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 *	Ostool for Land Transportation S.A.E	Total as at 31/12/2016	El Rashidi El Mizan - Egypt and El Rashidi - Sudan	ASEC Ready Mix and ASEC Minya Cement Company	"Pharos Holding Co."	Misr Cement Qena Co.	Total as at 31/12/2015
Total assets	(187 357 975)	(83 123 114)	--	--	**(270 481 089)**	(846 620 294)	(2 508 277 350)	--	--	**(3 354 897 644)**
Total liabilities	144 442 860	--	--	--	**144 442 860**	482 596 254	1 937 397 332	--	--	**2 419 993 586**
Carrying value of equity – accounted investee	--	76 809 561	(301 278 649)	(16 332 668)	**(240 801 756)**	--	--	(38 285 565)	(581 008 854)	**(619 294 419)**
Net assets	(42 915 115)	(6 313 553)	(301 278 649)	(16 332 668)	**(366 839 985)**	(364 024 040)	(570 880 018)	(38 285 565)	(581 008 854)	**(1 554 198 477)**
Income tax	(26 294 038)	--	--	--	**(26 294 038)**	--	--	--	--	--
Cash consideration	252 958 891	--	127 473 243	44 228 692	**424 660 826**	556 275 123	929 710 104	27 833 910	691 158 754	**2 204 977 891**
Gain (loss) on sale of discontinued operation	**183 749 738**	**(6 313 553)**	**(173 805 406)**	**27 896 024**	**31 526 803**	**192 251 083**	**358 830 086**	**(10 451 655)**	**110 149 900**	**650 779 414**

* 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.

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

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

Shareholder's name	**Percentage %**	**No. of Shares**	**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.

- And on 14 march 2017 United Company for Foundries, sold all its acquired shares in Citadel Capital Co.

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:-

	31/12/2016	**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
Balance	--	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	136 743 747	32 174 992	104 568 755	- 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	202 635 306	31 390 898	171 244 408	- Partially pledging shares of ASEC Cement Company
National Development and Trading Company	Arab Investment Bank	12%	December 2018	106 828 010	15 256 888	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 2018	212 120 239	29 832 114	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	141 565 263	21 637 479	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	91 722 831	68 297 831	23 425 000	Assignment of South Valley Cement Co. management contract.
Arab Swiss Engineering Co. (ASEC)	Al Barka Bank	11.5%	March 2019	21 652 231	6 000 000	15 652 231	Assignment of White Sinai Cement Co. management contract.
ASEC Cement Company	Sudanese Egyptian Bank	11%	2020-2017	150 272 088	131 032 544	19 239 544	Murabha contracts.

(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 Arabia	Commercial International Bank	3.25% plus corridor rate	2016-2020	201 225 622	50 306 401	150 919 221	
Global Energy	HSBC Arab Bank	EGP: 2.25% plus average Corridor US.$: 1.3% plus Libor	2014-2018 2014-2018	29 028 813	20 199 026	8 829 787	- 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	35 880 561	11 348 453	24 532 108	- 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.$: Libor for such interest period Plus 4.10%	2017-2029	7 067 747 950	--	7 067 747 950	- Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes. - Egyptian Refining Company has signed a general irrevocable power of attorney dated August 10, 2010 to the benefits of Commercial International Bank ''CIB'' at his capacity as the Egyptian Security Agent of the term loan facility.
Egyptian Refining Company – S.A.E.	Group of Commercial Banks (NEXI – Covered Lenders)	US.$: Libor for such interest period Plus 1.75% per annum	2017-2029	4 598 963 577	--	4 598 963 577	
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	8 768 253 296	--	8 768 253 296	

(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	2 931 630 894	--	2 931 630 894	
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	5 481 175 686	--	5 481 175 686	
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	3 612 000 000	--	3 612 000 000	

(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	579 294 185	--	579 294 185	- 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	211 868 795	--	211 868 795	

(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.				(2 842 224 195)	--	(2 842 224 195)	
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	4 360 471 398	3 357 137 984	1 003 333 414	- 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.

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	520 893 690	520 893 690	--	- Egyptian Company for Solid Waste Recycling (ECARU) - 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	1 257 057 433	--	1 257 057 433	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	--	24 199 877	19 607 616	4 592 261	- 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	528 894 396	528 894 396	--	- 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	128 520 000	37 800 000	90 720 000	- 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	616 148 947	88 376 256	527 772 691	- 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	306 769 363	306 769 363	--	- 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	8 151 686	5 883 628	2 268 058	
ESACO for Manufacturing Engineering and Construction	HSBC		2020	39 284 570	11 659 570	27 625 000	
				39 528 776 259	5 294 499 129	34 234 277 130	

(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	1 855 212 016	1 855 212 016	--	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	36 913 231	36 913 231	--	
United Foundries	Financial Holdings International	11.5% per annum compound interest	Under renewal	47 425 273	--	47 425 273	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%.
				1 939 550 520	1 892 125 247	47 425 273	
				41 468 326 779	7 186 624 376	34 281 702 403	

* 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

	31/12/2016	**31/12/2015**
Derivatives swap contracts (26.3)	195 679 468	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	2 383 685	2 027 275
Deposits from others (26.2)	163 112 502	132 517 655
Social Insurance authority	9 554 760	13 114 628
Other liabilities	12 275 921	8 197 369
Balance	393 793 822	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

	31/12/2016	**31/12/2015**
Gas consumption deposits	106 779 497	111 685 353
Power consumption deposits	56 333 005	20 832 302
Balance	163 112 502	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 December 31, 2016 the balance related to the change in the fair value of cash flow hedges related to hedged transactions is amounting to EGP 195 679 468 (equivalent to US.$ 10 834 965) versus EGP 268 258 442 (equivalent to US.$ 34 392 108) as at December 31, 2015 as follows:

	31/12/2016	**31/12/2015**
Societe General Corporate & Investment Banking	46 967 667	56 377 402
HSBC Bank Middle East Limited	36 639 261	57 148 611
KFW IPEX – Bank GMBH	11 211 395	15 350 907
Mitsubishi UFJ Securities International PLC	19 713 754	26 980 200
Standard Chartered Bank	81 147 391	112 401 322
Balance	195 679 468	268 258 442

27. Deferred tax assets /liabilities

	31/12/2016		**31/12/2015 (Restated) ****	
	Asset	**Liability**	**Asset**	**Liability**
Fixed assets	--	166 954 128	--	231 710 442
Intangible assets	--	147 741 347	--	160 263 845
Project under construction	--	21 878 000	--	21 878 000
Hedge reserve-swap contract	44 027 860	--	73 771 082	--
Provisions	4 156 683	--	3 955 941	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	13 726 848	--	18 592 844
Tax losses	12 900 239	--	317 513 396	--
Deferred tax liabilities related to KU Railways Holdings Ltd. *	--	--	--	29 647 543
Others	--	198 651 182	--	202 088 426
Total deferred tax assets / liabilities	61 084 782	548 951 505	395 240 419	664 181 100

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

– The Parent Company has carried-forward tax losses as of December 31, 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

	31/12/2016	31/12/2015
Wafra Agriculture S.A.E	--	7 522 835
Silverstone Capital Investments Ltd.	161 074 214	41 867 670
United Foundries Company	69 928 101	58 656 932
KU Railways Holdings Ltd. (Note 21.1)	--	157 956 068
National Development and Trading Company	62 047 466	67 283 000
Tawazon for Solid Waste Management (Tawazon)	35 624 023	16 316 264
ASEC for mining (ASCOM)	155 618 975	149 773 349
Everys Holding Limited	--	9 250 684
Falcon Agriculture Investment	14 699 341	--
Balance	498 992 120	508 626 802

29. Due to related parties

	Nature of transaction		31/12/2016	31/12/2015
	Advisory fee	Finance		(Restated) **
Scimitar Production Egypt Ltd	--	24 640 035	24 640 035	--
Mena Glass Ltd.	--	956 784 685	956 784 685	278 522 003
Citadel Capital Partners Ltd.	--	--	--	60 331 261
Pharos Holding Co.	--	488 451	488 451	--
ASEC Automation Europe Co.	--	161 007	161 007	161 007
ASEC Automation Co. Free Zone	--	6 339 777	6 339 777	--
Egyptian Gulf Bank	--	--	--	393 398
Kimonix Egypt for Consultancy Libya	--	3 403 400	3 403 400	2 067 389
Grandview Investment Holding	--	11 995 506	11 995 506	--
Others	--	28 885 568	28 885 568	7 468 952
Sub-balance			1 032 698 429	348 944 010
Due to shareholders:				
Grouped holdings ltd *	--	--	--	91 154 528
Sadek Ahmed El swedey *	--	297 990 000	297 990 000	138 996 000
Abdallah Helmy Mohamed Helmy *	--	--	--	23 166 000
Ledville Holdings Limited *	--	--	--	31 546 531
Financial Holding International	--	--	--	76 402 271
Fenix one Ltd.	--	75 367 360	75 367 360	--
Aly Hassan Dayekh	--	142 250 945	142 250 945	--
Olayan	--	98 190 324	98 190 324	--
Others *	--	10 047 910	10 047 910	11 021 820
Sub-balance			623 846 539	372 287 150
Balance			1 656 544 968	721 231 160

* The shareholders of the Company

** (note 51).

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

30. Trade and other payables

	31/12/2016	31/12/2015
Suppliers	2 696 330 159	2 675 302 269
Notes payables	200 988 034	180 098 260
Balance	2 897 318 193	2 855 400 529

31. Creditors and other credit balances

	31/12/2016	31/12/2015 (Restated) *
Accrued expenses	855 251 278	697 014 358
Accrued interest	281 942 689	92 818 448
National Authority for Social Insurance	44 530 456	20 486 300
Advances from customers	121 823 474	190 209 508
Refundable deposits	2 937 694	2 835 784
Unearned revenues	24 464 398	56 228 183
Subcontractors	11 530 654	9 467 023
Creditors – purchase of fixed assets	12 386 904	13 063 217
Deposits from others	60 378 225	61 601 901
Dividend payable – previous years	23 051 725	24 650 168
Shareholders' credit balances	1 441 919	--
Sundry credit balances	495 975 247	372 302 653
Balance	1 935 714 663	1 540 677 543

* (note 51).

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

32. Provisions

	Expected claims Provision	Legal provisions	Other provisions	Total
Balance at the beginning of the year	604 668 910	900 750	14 881 422	620 451 082
Acquisition through business combination	2 040 000	--	--	2 040 000
Transferred from assets held for sale	33 112 060	--	2 969 223	36 081 283
Provisions formed *	263 563 002	--	2 839 792	266 402 794
Provisions used	(241 054 864)	--	(10 776 936)	(251 831 800)
Provisions reversed	(24 076 675)	--	--	(24 076 675)
Effect of movements in exchange rates	32 106 751	363 859	--	32 470 610
Balance	670 359 184	1 264 609	9 913 501	681 537 294

- 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.

* Provisions formed during the year by EGP 2 839 792 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:

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

	For the year ended	
	31/12/2016	**31/12/2015**
Mena Glass Ltd. (associate)	--	4 713 776
Scimitar Production Egypt Ltd.	12 374 198	8 836 425
Total	12 374 198	13 550 201

- The Company did not recognize advisory fee with an amount of US.$ 6 269 053 (equivalent to EGP 67 909 506) and US.$ 1 160 810 (equivalent to EGP 12 574 453) for the year ended December 31, 2016 (versus EGP 12 224 659 and EGP 2 263 583 for the year ended December 31, 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.

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

	For the year ended	
	31/12/2016	**31/12/2015 Restated****
El Kateb for Marketing & Distribution Co.	(487 951)	(501 370)
Elsharq Book Stores Co.	(1 416 008)	(390 446)
ASEC Company for Mining (ASCOM) *	--	(309 255)
Dar El-Sherouk Ltd.	(3 179 852)	(4 911 995)
Societe Des Ciments De Zahana	41 613 287	(26 460 355)
Misr Cement Qena Co.	--	50 769 176
Mena Glass Ltd.	259 488 379	31 496 511
Ostool for Land Transportation S.A.E	3 541 474	3 562 239
Grandview Investment Holding	--	3 884 217
Total	299 559 329	57 138 722

* Acquired as a subsidiary on December 31, 2015.

** (note 51).

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

36. Operating revenue

	For the year ended 31/12/2016	For the year ended 31/12/2015 Restated *
Agriculture food industries	850 914 400	760 558 702
Energy sector	3 399 349 943	2 539 964 350
Transportation and logistics	100 644 433	75 195 834
Cement sector	2 584 406 869	2 051 634 445
Metallurgy	156 220 180	150 148 650
Financial Services sector	11 156 000	10 887 000
Mining sector	746 106 987	325 467 828
Total	7 848 798 812	5 913 856 809

* (note 51).

37. Operating costs

	For the year ended 31/12/2016	For the year ended 31/12/2015 Restated *
Agriculture food industries	692 447 709	578 220 159
Energy sector	2 860 224 127	2 172 103 609
Transportation and logistics	119 638 225	109 985 102
Cement sector	2 260 203 138	1 692 327 643
Metallurgy	111 597 718	128 564 085
Financial Services sector	7 025 120	6 171 636
Mining sector	705 392 228	273 035 995
Total	6 756 528 265	4 960 408 229

* (note 51).

38. Administrative expenses

	For the year ended 31/12/2016	For the year ended 31/12/2015 Restated*
Wages , salaries and similar items	397 936 700	346 483 556
Consultancy	157 351 049	173 094 222
Advertising and public relations	8 656 511	13 673 679
Selling and marketing	143 797 059	95 949 575
Travel and accommodation	10 805 108	20 451 205
Rent	8 341 219	9 694 599
Depreciation and amortization	98 417 074	32 030 521
Donations	11 764 100	7 188 520
Other	349 976 582	247 972 309
Total	1 187 045 402	946 538 186

* (note 51).

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

39. Other expenses / (income)

	Note	For the year ended 31/12/2016	31/12/2015 Restated*
Impairment loss on:			
Due from related parties	(18)	249 178 809	221 567 644
Debtors and other debit balances		3 310 687	21 436 750
Fixed assets & PUC		544 917 517	--
Trade and other receivables		5 108 589	25 042 089
Available-for-sale investments	(12)	6 005 433	366 940
Goodwill	(8)	179 739 380	249 606 875
Other assets		64 835 596	13 696 884
Investments in associates	(11)	--	100 000 000
Payments for investments	(13)	2 675 500	57 555 236
Total		1 055 771 511	689 272 418
Others:			
Gain on sale of fixed assets		(11 492 533)	(6 103 550)
Loss on sale of biological assets		2 698 392	33 029 652
Provisions formed	(32)	263 563 002	160 328 306
Net change in the fair value of investments at fair value through profit and loss		921 285	657 422
Provisions reversed	(32)	(24 076 675)	(10 351 262)
Other expenses		(31 376 374)	56 567 393
Negative goodwill	(51-1)	--	(115 742 427)
Gain on financial guarantees contracts		--	(2 798 162)
Total		200 237 097	115 587 372
Balance		1 256 008 608	804 859 790

* (note 51).

40. Finance costs

	For the year ended 31/12/2016	31/12/2015 Restated*
Interest income	109 499 589	75 663 664
Interest expenses – (note 25)	(900 565 834)	(233 697 613)
Effect of movements in exchange rates	(2 252 241 670)	(551 114 878)
net	(3 043 307 915)	(709 148 827)

* (note 51).

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

41. Income tax

	For the year ended	
	31/12/2016	31/12/2015 Restated*
Current income tax	(119 881 118)	(110 970 313)
Deferred tax	(106 678 145)	90 057 564
Net	(226 559 263)	(20 912 749)

* (Note 51).

42. Earnings per share

	For the year ended	
	31/12/2016	31/12/2015 Restated*
Net loss for the year	(5 583 970 338)	(1 227 620 423)
Net loss for equity holders of the parent Company	(4 106 147 426)	(1 119 928 873)
The weighted average number of shares including the preferred shares with same distribution rights as ordinary shares	1 820 000 000	1 656 054 795
Earnings per share	(2.26)	(0.68)

* (Note 51).

43. Finance income recognized in equity

	For the year ended	
	31/12/2016	31/12/2015
Foreign currency translation differences	8 831 518 930	(161 246 553)
Net change in the fair value of available-for-sale investment	(91 800)	(395 676)
Total finance income recognised in equity (after tax)	8 831 427 130	(161 642 229)
Attributable to:		
Equity holders of the Company	2 743 359 787	(77 505 424)
Non - controlling interests	6 088 067 343	(84 136 805)
	8 831 427 130	(161 642 229)

(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 year ended December 31, 2016	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining	Eliminations	Total
Operating revenue	850 914 400	3 399 349 943	100 644 433	2 584 406 869	156 220 180	--	11 156 000	746 106 987	--	7 848 798 812
Operating cost	(692 447 709)	(2 860 224 127)	(119 638 225)	(2 260 203 138)	(111 597 718)	--	(7 025 120)	(705 392 228)	--	(6 756 528 265)
Gross profit (loss)	158 466 691	539 125 816	(18 993 792)	324 203 731	44 622 462	--	4 130 880	40 714 759	--	1 092 270 547
Net (loss) for owners of the parent Company	(51 616 516)	(93 458 773)	(586 391 708)	(1 873 907 635)	(270 504 020)	(105 603 826)	(862 732 064)	(131 711 589)	(130 221 295)	(4 106 147 426)
As at December 31, 2016										
Current assets	431 229 635	4 857 528 900	3 907 054 726	4 672 674 981	215 125 179	522 850 668	10 955 981 428	470 065 773	(12 181 331 230)	13 851 180 060
Non- current assets	1 545 412 313	52 206 129 535	6 519 914 263	1 562 678 931	265 391 449	1 442 232	34 127 748 757	1 811 597 938	(38 709 451 139)	59 330 864 279
Total assets	1 976 641 948	57 063 658 435	10 426 968 989	6 235 353 912	480 516 628	524 292 900	45 083 730 185	2 281 663 711	(50 890 782 387)	73 182 044 339
Current liabilities	2 230 738 829	3 256 521 553	7 718 962 382	2 425 705 583	286 706 730	860 311 490	14 384 183 905	866 216 033	(10 542 219 554)	21 487 126 951
Non-current liabilities	144 540 741	31 022 617 140	--	4 671 090 476	626 783 265	--	2 749 790 224	780 513 500	(4 770 887 616)	35 224 447 730
Owners' equity	(398 637 622)	22 784 519 742	2 708 006 607	(861 442 147)	(432 973 367)	(336 018 590)	27 949 756 056	634 934 178	(35 577 675 199)	16 470 469 658
Total liabilities and equity	1 976 641 948	57 063 658 435	10 426 968 989	6 235 353 912	480 516 628	524 292 900	45 083 730 185	2 281 663 711	(50 890 782 387)	73 182 044 339

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

For the year ended December 31, 2015	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining Sector	Eliminations	Total
Operating revenue	760 558 702	2 539 964 350	75 195 834	2 051 634 445	150 148 650	--	10 887 000	325 467 828	--	5 913 856 809
Operating cost	(578 220 159)	(2 172 103 609)	(109 985 102)	(1 692 327 643)	(128 564 085)	--	(6 171 636)	(273 035 995)	--	(4 960 408 229)
Gross profit (loss)	182 338 543	367 860 741	(34 789 268)	359 306 802	21 584 565	--	4 715 364	52 431 833	--	953 448 580
Net profit (loss) for owners of the parent Company	91 537 216	23 761 402	(375 425 746)	126 138 215	(45 064 749)	(54 219 695)	(1 129 406 200)	40 611 490	2 441 996 940	1 119 928 873
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	(5 423 732 536)	10 143 331 664
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	(24 023 894 547)	27 298 649 574
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	(29 447 627 083)	37 441 981 238
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	(5 107 955 506)	11 604 204 076
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	(1 241 073 998)	14 800 700 104
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	(23 098 597 579)	11 037 077 058
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	(29 447 627 083)	37 441 981 238

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.

Mining sector

- 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 2010/2016 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 2016 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	--	86.81
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	68.36
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	--	85.12
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 %	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

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

Company's name	Country of incorporation	Ownership interest Direct %	Indirect %***
Crondall Holdings Ltd.	British Virgin Island	--	94.53
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

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

Company's name	Country of incorporation	Ownership interest Direct %	Ownership interest Indirect %***
Lazerg Travaux Public	Republic of Algeria	--	70.00
ASCOM Precious Metals Mining S.A.E	Arab Republic of Egypt	--	99.99
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.

*** These percentages represent the direct equity share percentage of the direct holding companies (owned by the Citadel Capital Holding) that allow the company to have control on these companies through them.

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

47. Capital Commitments

The capital commitments as at December 31, 2016 represented in the following:

47.1 Asec Algeria Cement Company (Asec Cement)

Contractor	Contract amount	Uncompleted part	Contract currency	Uncompleted part 31/12/2016	Uncompleted part 31/12/2015
FLSmith Denmark Company	57 000 000	57 000 000	Euro	1 091 458 800	488 135 716
ESACO Company	29 639 408	4 116 918	US dollar	74 927 908	--
ESACO Company	959 176 838	167 159 951	DZD	27 464 380	--
ASCOM Company	763 160	30 220	Euro	578 665	--
ASEC Automation Company	42 366 400	42 366 400	Euro	811 248 774	--
Energya Company	23 699 815	3 683 591	US dollar	67 041 356	28 842 902
Energya Company	9 015 848	3 755 669	US dollar	68 353 176	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	2 331 154	1 037 303
Cetim Company	122 850 000	89 337 500	DZD	14 678 151	6 531 393
				2 159 375 010	555 247 241

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

	Contract amount 31/12/2016	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

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

48. Contingent liabilities

The contingent liabilities as at December 31, 2016 are represented in the following:

48.1 ASEC Automation Co. (ASA)

	31/12/2016	31/12/2015
Letters of guarantee	2 654 228	14 980 217

48.2 ASEC Environmental Protection Co. (ASENPRO)

	31/12/2016	31/12/2015
Letters of guarantee	1 710 650	842 000

48.3 Arab Swiss Engineering Co. (ASEC)

	31/12/2016			31/12/2015		
	EURO	Dirham	EGP	EURO	US.$	EGP
Letters of guarantee	36 037	50 000	34 794 305	36 037	--	34 794 305

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

	31/12/2016			31/12/2015		
	EURO	US.$	EGP	EURO	US.$	EGP
Letters of guarantee	6 739 680	6 309 405	56 294 245	5 712 704	7 395 647	36 657 734

48.5 United Foundries Company

	31/12/2016	31/12/2015
Letters of guarantee (outstanding)	652 838	541 213
Letters of guarantee (cover)	652 838	541 213
Letters of credit (outstanding)	--	408 486
Letters of credit (cover)	32 642	20 756
	1 338 318	1 511 668

48.6 ASEC Company for Mining (ASCOM)

	31/12/2016	31/12/2015
Letters of guarantee – Uncovered portion (A)	25 200 165	35 986 394
Bank commitments for loans to subsidiaries (B)	524 557 015	295 076 120
	549 757 180	331 062 514

(A-1) The uncovered portion of letters of guarantee includes a letter of guarantee amounted to EGP 1 910 000 (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 1, 2018.

(A-2) The uncovered portion of letters of guarantee includes a letter of guarantee amounted EGP 9 550 000 (equivalent to US.$ 500 000) 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 May 10, 2017.

(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 Egyptian Financial Supervisory Authority (EFSA) 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.

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

51. Comparative figures

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

	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	4 866 770 745	266 173 710	5 132 944 455
Projects under constructions	17 162 443 847	(22 341 195)	17 140 102 652
Intangible assets	1 862 436 797	(111 311 096)	1 751 125 701
Goodwill- 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	1 016 751 852	12 841 196	1 029 593 048
Due from related parties	606 398 440	(4 335 046)	602 063 394
Debtors and other debit balances	1 357 698 069	(54 053 086)	1 303 644 983
Assets classified as held for sale	2 473 539 263	79 306 647	2 552 845 910
Trade and other receivables	1 167 538 152	58 023 764	1 225 561 916
Total change in assets		265 478 639	
Loans and borrowings	13 671 782 372	3 883 294	13 675 665 666
Trade and other payable	2 855 366 230	34 299	2 855 400 529
Deferred tax liabilities	621 800 554	42 380 546	664 181 100
Short term loans	2 933 157 562	(3 883 294)	2 929 274 268
Loans from related parties	646 819 327	71 886 247	718 705 574
Due to related parties	730 606 339	(9 375 179)	721 231 160
Creditors and other credit balances	1 469 403 194	71 274 349	1 540 677 543
Liabilities classified as held for sale	1 013 436 568	2 467 491	1 015 904 059
Total change in liabilities		178 667 753	
Retained loss	(6 650 504 492)	49 800 180	(6 600 704 312)
Non - controlling interests	8 152 325 712	37 325 407	8 189 651 119
Reserves	346 980 641	(314 701)	346 665 940
Total change in equity		86 810 886	
Total change in liabilities and equity		265 478 639	

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

	For the year ended 31/12/2015 (as previously reported)	Reclassification and restates	For the year ended 31/12/2015 (restated)
Income statement			
Continued operation			
Operating revenues	6 638 944 107	(725 087 298)	5 913 856 809
Operating costs	(5 478 999 361)	518 591 132	(4 960 408 229)
Administrative expenses	(1 175 176 909)	228 638 723	(946 538 186)
Other (expenses) revenues	(888 601 620)	83 741 830	(804 859 790)
Share of loss / profit of investment in associate	126 422 325	(69 283 603)	57 138 722
Finance costs	(832 257 198)	123 108 371	(709 148 827)
Income tax	(123 214 939)	102 302 190	(20 912 749)
Total change in continued operation		262 011 345	
Net loss from discontinued operation *	493 706 372	(264 004 746)	229 701 626
Total change in income statement		(1 993 401)	

* note (21-2)

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, the 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

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

	Book Value	Fair Value
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
Goodwill	2 711 518	--
Negative goodwill - (note 39)	--	(115 742 427)

52. Significant accounting policies applied

52.1 Business Combination

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group (Note 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 (Note 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 Car 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 (Year)
- Buildings & Constructions	5 -50
- Lease hold improvements	3 -10
- Machinery, Equipment & tools	4 -33
- Furniture & Fixtures	4 -16
- Computers	2 -10
- Transportation means	3 -15
- Barges	5 -20

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

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.

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.

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.

- 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.	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	2- Contingent consideration: the fair value of the consideration shall be recognized at the acquisition date as a part of consideration transferred. 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"*.	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	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.	
	• 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.

Accordingly the value of monetary assets and liabilities in subsequent periods may differ substantially from its recorded amounts in the financial statements for the year ended 31 December 2016. In addition it may affect the income statement as a result of re-measuring all recorded transactions denominated in foreign currency at the date of the financial position and in subsequent periods.