

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**

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

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### Review report

#### To the Board of Directors of Citadel Capital Company

##### *Introduction*

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) as at June 30, 2016 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated financial statements based on our limited review.

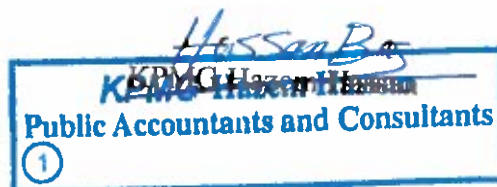
##### *Scope of limited review*

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated financial statements.

##### *Conclusion*

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2016 and of its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

Cairo, October 5, 2016



## Consolidated statement of financial position as at June 30, 2016

	Note	30/6/2016	31/12/2015
(in EGP)			(*)
<b>Assets</b>			
<b><u>Non- current assets</u></b>			
Fixed assets (net)	(5)	5 016 857 733	5 132 944 455
Projects under construction (net)	(6)	21 612 360 473	17 142 868 847
Intangible assets (net)	(7)	1 104 255 202	1 862 436 797
Goodwill (net)	(8)	569 304 818	649 801 051
Biological assets (net)	(9)	197 227 244	196 044 381
Trade and other receivables (net)	(16)	1 034 551 622	710 407 485
Investment property	(10)	24 000 000	24 000 000
Investments in associates (net)	(11)	764 639 421	893 874 077
Available-for-sale investments (net)	(12)	56 547 613	54 311 317
Payments for investments (net)	(13)	104 671 327	80 997 503
Other investments	(14)	350 991 991	269 800 533
Deferred tax assets	(27)	170 237 843	395 240 419
<b>Total non- current assets</b>		<b>31 005 645 287</b>	<b>27 412 726 865</b>
<b><u>Current assets</u></b>			
Inventories (net)	(15)	978 501 979	1 029 071 832
Biological assets (net)	(9)	17 803 146	25 063 763
Work in process		33 192 361	17 768 790
Investments at fair value through profit or loss	(17)	1 192 974	33 789 381
Due from related parties (net)	(18)	816 223 973	589 366 484
Trade and other receivables (net)	(16)	1 155 130 836	1 167 538 152
Debtors and other debit balances (net)	(19)	1 312 155 996	1 294 182 515
Cash and cash equivalents	(20)	2 628 713 524	3 353 000 479
Assets classified as held-for-sale	(21-1)	4 014 707 073	2 534 418 749
<b>Total current assets</b>		<b>10 957 621 862</b>	<b>10 044 200 145</b>
<b>Total assets</b>		<b>41 963 267 149</b>	<b>37 456 927 010</b>

to be continued...

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

	Note	30/6/2016	31/12/2015 (*)
<i>(in EGP)</i>			
<b>Equity</b>			
Share capital	(23)	9 100 000 000	9 100 000 000
Treasury shares	(23.1)	( 3 338 658)	-
Reserves		538 807 432	346 980 641
Retained losses		(7 135 482 970)	(6 587 703 421)
<b>Total</b>		<u>2 499 985 804</u>	<u>2 859 277 220</u>
Shareholders' credit balances	(24)	-	1 464 311
<b>Equity attributable to owners of the Company</b>		<u>2 499 985 804</u>	<u>2 860 741 531</u>
Non - controlling interests		8 570 139 700	8 249 822 566
<b>Total equity</b>		<u>11 070 125 504</u>	<u>11 110 564 097</u>
<b>Non-current liabilities</b>			
Loans and borrowings	(25)	16 967 599 029	13 675 665 666
Long term liabilities and derivatives	(26)	864 153 875	436 369 089
Loans from related parties	(25)	60 093 745	24 484 249
Deferred tax liabilities	(27)	480 645 015	681 758 544
<b>Total non-current liabilities</b>		<u>18 372 491 664</u>	<u>14 818 277 548</u>
<b>Current liabilities</b>			
Banks overdraft	(28)	490 724 394	508 626 802
Loans and borrowings	(25)	2 813 353 374	2 933 157 562
Loans from related parties	(25)	838 422 536	714 822 280
Due to related parties	(29)	850 902 889	708 534 250
Trade and other payables	(30)	1 354 838 942	2 855 366 230
Creditors and other credit balances	(31)	1 603 051 485	1 482 824 805
Provisions	(32)	633 651 828	620 451 082
Provision for financial guarantees contracts	(33)	-	5 077 970
Liabilities classified as held-for-sale	(21-2)	3 233 433 157	1 010 369 295
Due to Tax Authority		702 271 376	688 855 089
<b>Total current liabilities</b>		<u>12 520 649 981</u>	<u>11 528 085 365</u>
<b>Total liabilities</b>		<u>30 893 141 645</u>	<u>26 346 362 913</u>
<b>Total equity and liabilities</b>		<u>41 963 267 149</u>	<u>37 456 927 010</u>

\* Restated - Note (51)

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

Limited review report "attached"

Chairman  
Ahmed HeikalManaging Director  
Hisham Hussein El KhazindarChief Financial Officer  
Moataz Farouk

	Note	For the period		For the period	
		from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	from 1/1/2015 to 30/6/2015
(in EGP)					(*)
<b>Continuing operations</b>					
Operating revenues	(36)	1 799 011 073	3 530 830 625	1 435 237 968	2 698 030 330
Operating costs	(37)	(1 543 979 972)	(3 007 599 095)	(1 235 342 518)	(2 230 015 478)
<b>Gross profit</b>		<b>255 031 101</b>	<b>523 231 530</b>	<b>199 895 450</b>	<b>468 014 852</b>
Advisory fee	(34)	2 633 744	5 020 199	3 215 330	6 405 585
Administrative expenses	(38)	(278 869 730)	(539 691 727)	(173 080 384)	(363 224 090)
Other (expenses) / income	(39)	(38 638 889)	(75 348 308)	85 253 457	73 765 068
Share of loss / profit of investments in associates	(35)	3 899 416	52 170 533	17 144 267	43 855 199
<b>Operating (loss) profit</b>		<b>(55 944 358)</b>	<b>(34 617 773)</b>	<b>132 428 120</b>	<b>228 816 614</b>
Finance costs - net	(40)	(191 578 034)	(389 301 511)	(162 533 256)	(362 530 384)
<b>Loss before tax</b>		<b>(247 522 392)</b>	<b>(423 919 284)</b>	<b>(30 105 136)</b>	<b>(133 713 770)</b>
Income tax expense	(41)	(21 100 111)	(62 870 074)	(34 502 655)	(54 878 206)
<b>Loss from continuing operations</b>		<b>(268 622 503)</b>	<b>(486 789 358)</b>	<b>(64 607 791)</b>	<b>(188 591 976)</b>
<b>Discontinued operations</b>					
Operating revenues		180 696 274	342 909 266	663 293 425	1 353 215 786
Operating costs		(257 027 238)	(436 662 030)	(445 696 952)	(1 071 782 335)
Share of loss / profit of investment in associate		-	-	23 688 442	52 528 373
Administrative expenses		(22 309 130)	(53 644 464)	(128 426 846)	(211 330 091)
Other (expenses) / income		(236 345 275)	(242 888 611)	3 706 757	4 193 778
Finance costs - net		(51 371 292)	(90 300 976)	(113 344 287)	(180 401 191)
<b>Results from operating activities</b>		<b>(386 356 661)</b>	<b>(480 586 815)</b>	<b>3 220 539</b>	<b>(53 575 680)</b>
Income tax expense		(428 726)	(428 726)	(24 622 201)	(45 425 684)
<b>Results from operating activities, net of tax</b>		<b>(386 785 387)</b>	<b>(481 015 541)</b>	<b>(21 401 662)</b>	<b>(99 001 364)</b>
Gains (loss) on sale of discontinued operations, net of tax	(22.1)	-	19 521 712	77 103 004	66 651 349
<b>(Loss) gain from discontinued operations, net of tax</b>	(22)	<b>(386 785 387)</b>	<b>(461 493 829)</b>	<b>55 701 342</b>	<b>(32 350 015)</b>
<b>Loss for the period</b>		<b>(655 407 890)</b>	<b>(948 283 187)</b>	<b>(8 906 449)</b>	<b>(220 941 991)</b>
<b>Attributable to:</b>					
Owners of the Company		(287 038 758)	(529 742 865)	16 747 609	(95 412 627)
Non - controlling interests		(368 369 132)	(418 540 322)	(25 654 058)	(125 529 364)
<b>Earnings per share</b>	(42)	<b>(0.16)</b>	<b>(0.29)</b>	<b>0.00</b>	<b>(0.05)</b>

\* Restated - Note (51)

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

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

(in EGP)	For the period		For the period	
	from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	from 1/1/2015 to 30/6/2015
Loss for the period	( 655 407 890)	( 948 283 187)	( 8 906 449)	( 220 941 991)
<b>Other comprehensive income items:</b>				
<b>Items that are or may be reclassified to profit or loss</b>				
Foreign operations - foreign currency translation differences	6 518 133	410 402 511	( 130 869 951)	170 706 150
Available-for-sale - net change in fair value	-	-	3 460	( 84 203)
Change in the fair value of hedge reserve-swap contract	( 12 006 987)	( 65 155 892)	43 081 034	3 388 168
<b>Other comprehensive income, net of tax</b>	( 5 488 854)	345 246 619	( 87 785 457)	174 010 115
<b>Total comprehensive income</b>	<u>( 660 896 744)</u>	<u>( 603 036 568)</u>	<u>( 96 691 906)</u>	<u>( 46 931 876)</u>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	( 272 058 526)	( 337 916 074)	( 116 357 445)	( 74 788 615)
Non-controlling interests	( 388 838 218)	( 265 120 494)	19 665 539	27 856 739
	<u>( 660 896 744)</u>	<u>( 603 036 568)</u>	<u>( 96 691 906)</u>	<u>( 46 931 876)</u>

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

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

Translation of consolidated interim financial statements originally issued in Arabic

(in EGP)	Share capital		Reserves				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	Acquisition of subsidiaries				
Balance as at December 31, 2014 (as previously issued)	89 578 478	( 581 020)	446 559 328	( 75 655 628)	( 37 306 310)	-	836 842 865	3 463 926 044	8 419 273 206	11 883 199 250
Adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2014 (after adjustments)	89 578 478	( 581 020)	446 559 328	( 75 655 628)	( 37 306 310)	-	836 842 865	3 463 926 044	8 419 273 206	11 883 199 250
<b>Total comprehensive income</b>										
Losses for the period ended June 30, 2015	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	( 84 203)	17 320 047	-	3 388 168	-	-	( 95 412 627)	( 125 529 364)	( 220 941 991)
Total comprehensive income	-	( 84 203)	17 320 047	-	3 388 168	-	-	20 624 012	153 386 103	174 010 115
Transactions with owners of the company										
Board of directors and employees profit share	-	-	-	-	-	-	-	( 74 788 615)	27 856 739	( 46 931 876)
Acquisition of subsidiaries	-	-	-	-	-	-	-	( 4 682 677)	( 2 895 732)	( 7 578 409)
Acquisition of non - controlling interests without change in control	-	-	-	-	-	2 962 580	-	2 962 580	-	2 962 580
Company's share of changes in associates' equity	-	-	-	( 1 773 018)	-	-	-	( 49 120 972)	-	( 49 120 972)
Share -based- payments	-	-	-	-	-	-	-	( 6 488 241)	-	( 6 488 241)
Transactions with shareholders of the company	-	-	-	-	-	-	-	( 2 959 962)	-	( 2 959 962)
Changes in non-controlling interests	-	-	-	-	-	-	131 587 802	131 587 802	-	131 587 802
Balance as at June 30, 2015	89 578 478	( 665 223)	463 879 375	( 77 428 646)	( 33 918 142)	2 962 580	968 430 667	3 819 197 896	8 079 601 902	11 898 794 798

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



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

Translation of consolidated interim financial statements originally issued in Arabic

(in EGP)	Note	Share capital	Reserves					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)	1 464 311	-	2 797 940 460	8 152 325 712	10 950 266 172
Adjustments	(51)	-	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2015 (after adjustments)		9 100 000 000	89 578 478	( 976 696)	369 449 580	( 77 428 646)	( 33 642 075)	1 464 311	-	2 860 741 531	8 249 822 566	11 110 564 097
Total comprehensive income		-	-	-	-	-	-	-	-	-	-	-
Losses for the period ended June 30, 2016		-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income		-	-	-	256 982 683	-	( 65 155 892)	-	-	( 529 742 865)	( 418 540 322)	( 948 283 187)
Total comprehensive income		-	-	-	256 982 683	-	( 65 155 892)	-	-	191 826 791	153 419 828	345 246 619
Transactions with owners of the company		-	-	-	256 982 683	-	( 65 155 892)	-	-	( 337 916 074)	( 265 120 494)	( 603 036 568)
Board of directors and employees profit share		-	-	-	-	-	-	-	-	-	-	-
Acquisition of non - controlling interests without change in control		-	-	-	-	-	-	-	-	( 18 733 328)	( 6 253 200)	( 24 986 528)
Treasury shares purchase	(23.1)	-	-	-	-	-	-	-	-	696 644	( 696 644)	-
Reclassification of shareholders' credit balances		-	-	-	-	-	-	-	( 3 338 658)	( 3 338 658)	-	( 3 338 658)
Changes in non-controlling interests		-	-	-	-	-	-	( 1 464 311)	-	( 1 464 311)	-	( 1 464 311)
Balance as at June 30, 2016		9 100 000 000	89 578 478	( 976 696)	626 432 263	( 77 428 646)	( 98 797 967)	-	( 3 338 658)	2 499 985 804	8 570 139 700	11 070 125 504

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

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

(in EGP)	for the period ended	
	30/6/2016	30/6/2015
<b>Cash flows from operating activities</b>		
Loss before income tax	(423 919 284)	(133 713 770)
<b>Adjustments :</b>		
Loss from discontinued operations, net of tax	( 461 493 829)	( 32 350 015)
Gains on sale of discontinued operations, net of tax	( 19 521 712)	( 66 651 349)
Depreciation and amortization	225 748 603	202 999 475
Company's share of profit / (loss) of equity - accounted investees	( 52 170 533)	( 94 624 374)
Net change in the fair value of investments at fair value through profit or loss	119 325	53 281
Foreign currency translation differences	298 333 357	167 943 974
Loss from foreign currencies exchange differences	112 198 784	84 036 581
Interest income	( 63 415 476)	( 20 322 813)
(Gains) loss on sale of fixed and biological assets	( 606 796)	1 030 202
Gain from financial guarantee contracts	-	( 1 759 198)
Interest expenses	279 300 796	352 326 849
Provisions formed	79 172 474	54 117 783
Impairment on assets	8 564 453	6 488 284
Provisions no longer needed	( 4 866 378)	( 9 766 527)
Provision used	( 31 096 866)	( 29 082 446)
Income tax paid	46 984 890	( 13 166 634)
Operating (loss) profit before changes in working capital	( 6 668 192)	467 559 303
<b>Change in :</b>		
<b>Assets</b>		
Inventories	15 597 552	( 86 176 889)
Work in process	( 23 571 662)	29 039 648
Investments at fair value through profit or loss	-	( 38 537 880)
Due from related parties	( 453 646 594)	( 541 599 635)
Trade and other receivables	( 99 403 767)	( 63 795 411)
Debtors and other debit balances	( 98 685 868)	( 72 731 273)
<b>Liabilities</b>		
Due to related parties	11 748 325	228 893 394
Trade and other payables	(1 048 729 522)	( 532 088 827)
Creditors, other credit balances and long term liabilities	( 46 463 559)	378 924 090
Discontinued operations	130 116 938	24 095 259
Net cash used in operating activities	(1 619 706 349)	( 206 418 221)

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

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

(in EGP)	for the period ended	
	30/6/2016	30/6/2015
<b>Cash flows from investing activities</b>		
Purchase of fixed assets and projects under construction	(1 682 560 245)	(1 032 128 614)
Proceeds from sale of fixed assets and projects under construction	8 924 516	9 892 115
Purchase of biological assets	(27 602 158)	(25 538 222)
Proceeds from sale of biological assets	13 435 221	12 377 651
Purchase of intangible assets	(219 678)	-
(Payments for) / proceeds from sale of assets classified as held for sale	(84 761 934)	476 828 778
(Payments for) / proceeds from loans to related parties	(102 790 771)	67 893 541
Payments for investments	(23 251 600)	(344 199)
Payments for purchase of investment property	-	(13 379)
Proceeds from other investments	456 566	722 256
Interest received	6 319 786	8 103 264
Net cash used in investing activities	<u>(1 892 050 297)</u>	<u>(482 206 809)</u>
<b>Cash flows from financing activities</b>		
Payments of shareholders' credit balances	-	(23 630 169)
Proceeds from loans	2 633 940 839	1 038 939 765
Payments for loans	(122 553 682)	(597 566 667)
Proceeds from banks overdraft	143 368 929	97 429 521
Proceeds from non-controlling interests	523 252 646	27 173 721
Dividends payout	(24 642 997)	15 882 948
Interest paid	(62 068 606)	(190 709 924)
Net cash provided from financing activities	<u>3 091 297 129</u>	<u>367 519 195</u>
<b>Net changes in cash and cash equivalents during the period</b>	<b>(420 459 517)</b>	<b>(321 105 835)</b>
Assets held for sale	3 645 731	-
Acquisition of subsidiaries	-	32 989 684
Deconsolidation of subsidiaries	(53 197 869)	(8 845 482)
Cash and cash equivalents at the beginning of the period - (Note 20)	<u>3 098 725 179</u>	<u>2 196 746 107</u>
Cash and cash equivalents at the end of the period - (Note 20)	<u><u>2 628 713 524</u></u>	<u><u>1 899 784 474</u></u>

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

## **1. Company background**

### **1.1 Legal status and activity**

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

### **1.2 Purposes of the company**

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

**1.3 Registered headquarters**

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

**1.4 Frame work**

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

**2. Basis of preparation**

**2.1 Statement of compliance**

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

**2-2 Authorization of the financial statements**

The consolidated interim financial statements were authorized for issue in accordance with a resolution of the board of directors on October 5, 2016.

**3. Functional and presentation currency**

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

**4. Use of estimate and judgements**

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

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

**Citadel Capital Company**

**Notes to the consolidated interim financial statements  
for the period ended June 30, 2016**

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

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**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)

## For the period ended June 30, 2016

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**Citadel Capital Company**

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- \* Administrative depreciation for the period has been recognized in administrative expenses (Note 38) and operating depreciation has been recognized in operating costs (Note 37).
- \*\* Represents disposal group assets related to Bright Living Company. (one of the subsidiaries in the real estate segment).
- \*\*\* Additions include the amount transferred from project under construction (Note 6).
- \*\*\*\* (Note 51)

**6. Projects under construction (net)**

**6.1 Projects under construction balance represented in the following:**

	<b>30/6/2016</b>	<b>31/12/2015</b> <b>(Restated) **</b>
Balance at the beginning of the period / year	17 236 599 739	11 927 228 869
Adjustments	--	(108 345 442)
Acquisition of subsidiaries	--	18 264 896
Disposals of the period / year	(2 701 085)	(317 475 317)
Transfer to assets held for sale (Note 21.1)	(31 470 716)	(188 539 627)
Additions of the period / year	2 071 493 889	4 934 982 149
Transferred to fixed assets (Note 5)	(14 557 638)	(131 021 810)
Foreign currency translation differences	2 459 585 131	1 101 506 021
Balance	21 718 949 320	17 236 599 739
Accumulated impairment in value	( 106 588 847)	(93 730 892)
Net	<u>21 612 360 473</u>	<u>17 142 868 847</u>

**6.2 The Group projects under construction are represented in:**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Agriculture and food sector	141 855 913	124 353 800
Energy sector *	21 307 264 603	16 847 265 279
Transportation and logistics sector	43 995 280	69 503 038
Cement sector	66 669 259	53 869 088
Financial services sector	31 731 675	29 080 396
Mining sector	20 843 743	18 797 246
Total	<u>21 612 360 473</u>	<u>17 142 868 847</u>

- \* Projects under construction - Energy sector include an amount of EGP 21 258 057 266 as at June 30, 2016 against an amount of EGP 16 837 704 055 as at December 31, 2015 which represents the projects of ERC Company- subsidiary.

- \*\* (Note 51)

**Citadel Capital Company**  
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**7. Intangible assets (net)**

	<b>Note</b>	<b>30/6/2016</b>	<b>31/12/2015</b>
Software	(7-1)	12 982 637	13 151 204
Concession	(7-2)	--	792 230 640
Exploration and valuation assets	(7-3)	281 067 105	246 288 076
Trade name	(7-4)	346 210 520	346 210 520
Customer contracts	(7-5)	461 637 000	461 637 000
Other intangible assets	(7-6)	2 357 940	2 919 357
Balance		<u>1 104 255 202</u>	<u>1 862 436 797</u>

**7.1 Software**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Cost at the beginning of the period / year	59 044 102	51 841 773
Additions of the period / year	219 679	3 582 517
Disposals of the period / year	(209 085)	(190 958)
Transferred to assets held for sale **	(24 255 920)	--
Foreign currency translation differences	5 161 273	3 810 770
Cost at the end of the period / year	<u>39 960 049</u>	<u>59 044 102</u>
Accumulated amortization at the beginning of the period / year	(45 892 898)	(35 813 479)
Amortization for the period / year	(302 219)	(5 777 840)
Transferred to assets held for sale **	24 255 920	--
Foreign currency translation differences	(5 038 215)	(4 301 579)
Accumulated amortization at the end of the period / year	<u>(26 977 412)</u>	<u>(45 892 898)</u>
Net	<u>12 982 637</u>	<u>13 151 204</u>

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**7.2 Concession**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Cost at the beginning of the period / year	966 882 501	829 321 993
Additions of the period / year	13 532 263	104 991 901
Foreign currency translation differences	(35 797 478)	32 568 607
Transferred to assets held for sale **	(944 617 286)	--
Cost at the end of the period / year	--	966 882 501
Accumulated amortization at the beginning of the period / year	(174 651 861)	(98 026 228)
Amortization for the period / year	(24 448 673)	(46 865 713)
Foreign currency translation differences	(9 857 269)	(29 759 920)
Transferred to assets held for sale **	208 957 803	--
Accumulated amortization at the end of the period / year	--	(174 651 861)
Net	--	792 230 640

**7.3 Exploration and valuation assets**

**7.3.1 Site preparation expenses**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Cost at the beginning of the period / year	463 588	--
Acquisition of subsidiaries	--	456 786
Amortization for the period / year	(28 592)	(231 359)
Foreign currency translation differences	46 262	238 161
Balance	481 258	463 588

**7.3.2 Search and exploration expenses**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Cost at the beginning of the period / year	234 391 228	--
Acquisition of subsidiaries	--	220 137 282
Additions of the period / year	14 669 469	10 966 330
Foreign currency translation differences	19 147 378	3 287 616
Balance	268 208 075	234 391 228

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**7.3.3 License**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Cost at the beginning of the period / year	14 953 666	--
Acquisition of subsidiaries	--	16 006 690
Amortization for the period / year	(10 346)	(27 352)
Foreign currency translation differences	1 517 347	(1 025 672)
Balance	16 460 667	14 953 666
Total	285 150 000	249 808 482
Accumulated impairment *	(4 082 895)	(3 520 406)
Net	281 067 105	246 288 076
* Accumulated impairment		
Accumulated impairment at the beginning of the period / year	3 520 406	--
Acquisition of subsidiaries	--	6 707 064
Reversal of impairment during the period / year	--	(376 641)
Foreign currency translation differences	562 489	(2 810 017)
Balance	4 082 895	3 520 406

**7.4 Trade mark**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Silverstone Capital Investment Ltd. Group	108 279 000	108 279 000
Falcon for Agricultural Investments Ltd. *	129 485 000	129 485 000
National Development and Trading Company *	246 277 987	246 277 987
Total	484 041 987	484 041 987
Impairment *	(137 831 467)	(137 831 467)
Net	346 210 520	346 210 520

**7.5 Customer contracts**

	<b>30/6/2016</b>	<b>31/12/2015</b>
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

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**7.6 Other intangible assets**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Payment for waiving of the license to establish a black cement factory for ASEC Syria	1 925 602	2 384 079
Compensation paid for project workers	432 338	535 278
Net	<u>2 357 940</u>	<u>2 919 357</u>
** (Note 21-1)		

**8. Goodwill (net)**

	<b>Balance as at 1/1/2016 (Restated) *</b>	<b>Foreign currency translation differences</b>	<b>Transferred to assets held for sale</b>	<b>Balance as at 30/6/2016</b>
National Development and Trading Group	143 299 628	--	(81 058 922)	62 240 706
Citadel Capital Transportation Opportunities Ltd.- Group – BVI	179 739 380	--	--	179 739 380
Falcon for Agriculture Investments Ltd.- Group - BVI	281 157 503	--	--	281 157 503
Silverstone Capital Investment Ltd. Group	12 993 229	562 689	--	13 555 918
Tawazon for Solid Waste Management (Tawazon)	<u>32 611 311</u>	<u>--</u>	<u>--</u>	<u>32 611 311</u>
Balance	<u>649 801 051</u>	<u>562 689</u>	<u>(81 058 922)</u>	<u>569 304 818</u>

\* (Note 51)

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**9. Biological assets (net)**

	Note	30/6/2016	31/12/2015
<b>Non-current</b>			
Fruitful fruit gardens and orchards	(9.1)	6 596 761	4 661 225
Fruitless fruit gardens and orchards	(9.2)	2 918 150	5 318 485
Pregnant heifer, dry and dairy cows	(9.3)	100 832 253	110 123 996
Heifers	(9.4)	86 880 080	75 940 675
		<u>197 227 244</u>	<u>196 044 381</u>
<b>Current</b>			
Plants (cotton , corn , sun flower)		1 241 800	1 092 000
Others		16 561 346	23 971 763
		<u>17 803 146</u>	<u>25 063 763</u>
Balance		<u>215 030 390</u>	<u>221 108 144</u>

**9.1 Fruitful fruit gardens and orchards**

	30/6/2016	31/12/2015
<b>Costs</b>		
Balance at the beginning of the period / year	10 028 124	8 681 337
Transferred from fruitless fruit gardens and orchards	2 512 056	1 346 787
Foreign currency translation differences	134 261	--
	<u>12 674 441</u>	<u>10 028 124</u>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period / year	5 366 899	4 044 655
Depreciation for the period / year	674 720	1 303 601
Foreign currency translation differences	36 061	18 643
	<u>6 077 680</u>	<u>5 366 899</u>
Net	<u>6 596 761</u>	<u>4 661 225</u>

**9.2 Fruitless fruit gardens and orchards**

	30/6/2016	31/12/2015
<b>Costs</b>		
Balance at the beginning of the period / year	5 318 485	8 160 938
Additions of the period / year	233 503	1 122 271
Disposals of the period / year	--	(2 719 961)
Transferred to fruitful fruit gardens and orchards	(2 512 056)	(1 346 787)
Foreign currency translation differences	(121 782)	102 024
Balance	<u>2 918 150</u>	<u>5 318 485</u>

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<b>9.3 Pregnant heifer, dry and dairy cows</b>			
	<b>30/6/2016</b>	<b>31/12/2015</b>	
<b>Costs</b>			
Balance at the beginning of the period / year	179 534 550	159 723 914	
Transferred from heifers	15 853 513	57 785 668	
Foreign currency translation differences	(307 411)	--	
Disposals for the period / year	(21 605 467)	(37 975 032)	
	<u>173 475 185</u>	<u>179 534 550</u>	
<b>Accumulated depreciation</b>			
Balance at the beginning of the period / year	69 410 554	61 015 111	
Depreciation for the period / year	11 751 836	22 048 299	
Disposals of the period / year	(8 683 437)	(13 771 252)	
Foreign currency translation differences	163 979	118 396	
	<u>72 642 932</u>	<u>69 410 554</u>	
<b>Net</b>	<u>100 832 253</u>	<u>110 123 996</u>	
<b>9.4 Heifers</b>			
	<b>30/6/2016</b>	<b>31/12/2015</b>	
<b>Costs</b>			
Balance at the beginning of the period / year	75 940 675	77 536 388	
Additions of the period / year	27 368 654	57 069 074	
Transferred to pregnant heifer, dry and dairy cows	(15 853 513)	(57 785 668)	
Disposals of the period / year	(1 130 713)	(1 695 447)	
Foreign currency translation differences	554 977	816 328	
<b>Balance</b>	<u>86 880 080</u>	<u>75 940 675</u>	

**10. Investment property**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Land *	<u>24 000 000</u>	<u>24 000 000</u>

\* Investment property balance represents the book value of the two plots in Smart Village.

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**11. Investments in associates (net)**

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

	Percentage		Carrying amounts	
	2016	2015	30/6/2016	31/12/2015
	%	%		(Restated) **
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 243 389	1 304 723
El Sharq Book Stores Co.	40.00	40.00	13 469 995	13 785 001
Dar El-Sherouk Ltd. *	58.51	58.51	125 924 908	127 869 996
Mena Glass Ltd.	47.64	47.64	292 965 574	434 014 696
Soiete Des Ciments De Zahana	35.00	35.00	415 559 135	407 218 685
Ostool for Land Transportation S.A.E.	45.00	45.00	15 476 420	9 680 976
Total			864 639 421	993 874 077
Impairment			(100 000 000)	(100 000 000)
Net			764 639 421	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)



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**11.2 Summary of significant financial statements of associates**

	<b>Current assets</b>	<b>Non-current assets</b>	<b>Total assets</b>	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total liabilities</b>	<b>Revenues</b>	<b>Expenses</b>
<b>30/6/2016</b>								
El Kateb for Marketing & Distribution Co.	9 301 716	9 141 808	18 443 524	4 219 084	129 806	4 348 890	4 747 316	4 872 795
Soiete Des Ciments De Zahana	184 336 005	915 886 910	1 100 222 915	151 219 740	249 052 328	400 272 068	229 719 458	177 708 181
El Sharq Book Stores Co.	3 243 584	10 534 547	13 778 131	5 601 775	233 647	5 835 422	10 543 365	11 331 001
Dar El-Sherouk Ltd.	120 416 942	124 803 436	245 220 378	101 215 176	5 975 576	107 190 752	18 232 005	20 312 013
Mena Glass Ltd. *	604 636 385	--	604 636 385	85 288 030	--	85 288 030	72 006 889	1 431 425

- Note (35).

\* Note (22.1).

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**12. Available-for-sale investments (net)**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Logria Holding Ltd. *	576 550 000	507 000 000
Golden Crescent Investment Ltd. *	562 069 725	494 266 500
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	31 907 865	28 058 776
Modern Company for Isolating Materials	43 396	43 396
MEFEK Co. *	872 388	872 388
ASEC Automation Co. - Free Zone	116 300	116 300
Med Grid	--	1 610 411
Ecligo Design Ltd.	1 000	1 000
Sharming Sharm	701 209	700 207
Medcom National Company	1 000	1 000
Cayman Resources *	31 331 774	31 331 774
<b>Total</b>	<b>1 227 299 946</b>	<b>1 087 707 041</b>
<b>Accumulated impairment *</b>	<b>(1 170 752 333)</b>	<b>(1 033 395 724)</b>
<b>Net</b>	<b>56 547 613</b>	<b>54 311 317</b>

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

	<b>Balance as at 1/1/2016</b>	<b>Foreign currency translation differences</b>	<b>Formed during the period**</b>	<b>Balance as at 30/6/2016</b>
Logria Holding Ltd.	507 000 000	69 550 000	--	576 550 000
Golden Crescent Investment Ltd.	494 266 500	67 803 225	--	562 069 725
MEFEK Co.	872 388	--	--	872 388
Cayman Resources	31 256 836	--	3 384	31 260 220
<b>Balance</b>	<b>1 033 395 724</b>	<b>137 353 225</b>	<b>3 384</b>	<b>1 170 752 333</b>

\*\* Note (39).

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**13. Payments for investments (net)**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Nile Valley Petroleum Ltd. *	66 386 859	58 378 523
Citadel Capital Al Qalaa – Saudi Arabia	1 282 620	1 127 896
National Development and Trading Co. (IRAQ) Ltd. *	300 514	300 514
ASA International Co.	1 432 409	1 432 409
Golden Crescent Investment Ltd.	2 217 500	1 950 000
Others **	99 738 798	76 487 198
<b>Total</b>	<b>171 358 700</b>	<b>139 676 540</b>
<b>Accumulated impairment *</b>	<b>(66 687 373)</b>	<b>(58 679 037)</b>
<b>Net</b>	<b>104 671 327</b>	<b>80 997 503</b>

\* Accumulated impairment in payments for investments of the Company is represented in:

	<b>Balance as at 1/1/2016</b>	<b>Foreign currency translation Differences</b>	<b>Balance as at 30/6/2016</b>
National Development and Trading Co. (IRAQ) Ltd.	300 514	--	300 514
Nile Valley Petroleum Ltd.	58 378 523	8 008 336	66 386 859
<b>Balance</b>	<b>58 679 037</b>	<b>8 008 336</b>	<b>66 687 373</b>

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

**14. Other investments**

	<b>Note</b>	<b>30/6/2016</b>	<b>31/12/2015</b>
Restricted cash	(14-1)	342 915 264	262 776 657
Others	(14-2)	8 076 727	7 023 876
<b>Balance</b>		<b>350 991 991</b>	<b>269 800 533</b>

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

14-2 Others represent an amount of EGP 8 076 727 as at June 30, 2016 versus EGP 6 954 870 as at December 31, 2015 which represent deposits at Syria Central Bank as a guarantee for the seriousness of constructing ASEC Syria Cement Capital Factory and will be refunded at the beginning of production process.

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**15. Inventories (net)**

	<b>30/6/2016</b>	<b>31/12/2015</b> <b>(Restated) *</b>
Spare parts	344 976 279	429 180 253
Raw materials	318 042 108	280 053 017
Work in process	109 226 252	115 069 764
Finished goods	111 059 805	108 438 100
Goods in-transit	11 638 189	2 610 658
Packing materials	3 484 742	2 698 314
Oil and lubricants	55 981 555	80 766 014
Letters of credit	30 715 237	22 157 921
Others	20 844 666	17 015 361
<b>Total</b>	<b>1 005 968 833</b>	<b>1 057 989 402</b>
Less : Inventories write-down	(27 466 854)	(28 917 570)
<b>Net</b>	<b>978 501 979</b>	<b>1 029 071 832</b>

\* (Note 51).

**16. Trade and other receivables (net)**

	<b>30/6/2016</b>	<b>31/12/2015</b>
<b>Non-current</b>		
Accounts receivables	5 743 387	6 835 093
Gas consumption deposits	137 640 074	86 625 685
Egyptian General Petroleum Corp.*	679 027 328	431 569 359
Receivables-sale of investment **	129 004 762	114 655 848
Others	83 136 071	70 721 500
<b>Total</b>	<b>1 034 551 622</b>	<b>710 407 485</b>
<b>Current</b>		
Accounts receivables	1 240 196 559	1 231 806 499
Notes receivables	35 337 315	36 988 335
Receivables-sale of investment ***	13 191 945	17 102 289
<b>Total</b>	<b>1 288 725 819</b>	<b>1 285 897 123</b>
Accumulated impairment	(133 594 983)	(118 358 971)
<b>Net</b>	<b>1 155 130 836</b>	<b>1 167 538 152</b>
<b>Balance</b>	<b>2 189 682 458</b>	<b>1 877 945 637</b>

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- 
- \* The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital of Egyptian Refining Company – S.A.E. – Private Free Zone Company - subsidiary.
- \*\* The amount represents the accrued consideration from sale of investments. As United Foundaries Company decided to sell its entire share interest in Alexandria for Car Foundries and Amreya Metal Company according to Extraordinary General Assembly meetings on November 23, 2014. On December 11, 2014 the company sold its entire share interest according to the signed sale agreement.
- \*\*\* The amount represents the remaining amount from sale of investments in Pharos Holding Company according to the signed sale agreement.

**17. Investments at fair value through profit or loss**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Modern Shorouk for Printing Co.	1 188 388	1 130 009
Osoul investment fund certificates – CIB	--	810 966
HSBC investment fund certificates	--	2 241 533
Blom Bank investment fund certificates	--	43 430
Bank Audi investment fund certificates	--	15 602 129
National Bank of Egypt investment fund certificates	4 586	13 961 314
Balance	<u>1 192 974</u>	<u>33 789 381</u>

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**18. Due from related parties (net)**

	Nature of transaction		30/6/2016	31/12/2015 (Restated) ***
	Advisory fee	Finance		
Citadel Capital Partners*	--	26 316 995	26 316 995	--
Logria Holding Ltd. **	--	54 252 805	54 252 805	48 023 235
Golden Crescent Investment Ltd. **	33 841 268	--	33 841 268	29 758 950
Golden Crescent Finco Ltd. **	--	260 150 350	260 150 350	228 402 049
Emerald Financial Services Ltd. **	--	295 569 182	295 569 182	254 388 857
Nile Valley Petroleum Ltd. **	--	191 145 688	191 145 688	168 055 462
Citadel Capital East Africa	--	33 529	33 529	29 484
Citadel Capital ALQALAA -Saudi Arabia	--	799 418	799 418	738 223
El Kateb for Marketing & Distribution Co.	--	1 001 673	1 001 673	1 001 673
Nahda	--	5 719 828	5 719 828	5 029 838
Egyptian Company for international Publication	--	23 760 330	23 760 330	21 012 855
Ecligo	--	2 000 000	2 000 000	2 000 000
Soite Des Ciments De Zahana	--	8 801 491	8 801 491	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.	--	23 253 448	23 253 448	11 116 331
Haider	--	11 329	11 329	145 754
Grandview Investment Holding	--	158 853	158 853	1 559 407
Others	--	106 801 983	106 801 983	1 512 053
Total			1 034 164 406	776 798 801
Accumulated impairment **			(835 485 530)	(729 154 789)
Net			198 678 876	47 644 012

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	Nature of transaction		30/6/2016	31/12/2015
	Advisory fee	Finance		(Restated) ***
<b>Due from shareholders:</b>				
Benu One Ltd.	--	516 030 504	516 030 504	468 527 810
Fenix One Ltd.	--	51 414 813	51 414 813	39 288 631
Financial Holding International	13 961 020	--	13 961 020	--
Others **	--	42 791 260	42 791 260	39 756 031
<b>Total</b>			<u>624 197 597</u>	<u>547 572 472</u>
<b>Accumulated impairment **</b>			<u>(6 652 500)</u>	<u>(5 850 000)</u>
<b>Net</b>			<u>617 545 097</u>	<u>541 722 472</u>
<b>Balance</b>			<u>816 223 973</u>	<u>589 366 484</u>

\* The parent company with 24.36%

\*\*\* (Note 51).

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

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

\*\* Note (39).

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**19. Debtors and other debit balances (net)**

	<b>30/6/2016</b>	<b>31/12/2015</b>
		<b>(Restated) **</b>
Prepaid expenses	27 941 225	17 713 506
Deposits with others	42 392 552	42 821 023
Advances to suppliers	386 924 471	326 787 142
Letters of guarantee margin	25 985 872	26 749 363
Imprest	51 687 350	38 592 449
Accrued revenues	79 492 637	62 936 721
Refundable deposits	4 763 155	4 631 578
Amounts due from sale of investments	35 519 600	31 320 000
Operation retention	96 076 732	102 873 999
Advances to contractors	8 301 912	7 603 728
Prepayments for purchase of fixed assets	11 052 978	11 052 974
Tax Authority	183 495 665	176 750 854
Custom Authority	196 707	50 185
Letters of credit	179 131 814	148 657 922
General Authority for Economic Zone of the Suez Canal*	--	145 091 560
Debit balances under settlement	12 940 891	21 520 891
Sundry debit balances	221 554 576	196 431 952
Total	1 367 458 137	1 361 585 847
Accumulated impairment	(55 302 141)	(67 403 332)
Balance	1 312 155 996	1 294 182 515

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

\*\* (Note 51).



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**20. Cash and cash equivalents**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Cash on hand	16 243 349	5 321 155
Banks - current accounts	2 201 550 064	2 596 344 525
Banks - time deposits	86 638 365	381 146 143
Cheques under collection	17 139 040	26 429 217
Treasury bills	307 142 706	343 759 439
Cash and cash equivalent as presented in the consolidated statement of financial position	2 628 713 524	3 353 000 479
Effect of foreign exchange differences	--	(254 275 300)
Adjusted cash and cash equivalents	2 628 713 524	3 098 725 179

**21. Disposal group held –for – sale**

- 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.
- 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
  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.
- 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

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- 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.
- On February 3, 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.
- 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.

- 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

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- already finalized as at November 20, 2015. Note that the company owns 70% from ASEC Cement shares.
- 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.
  - The Company's management expressed for 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.
  - 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.
  - On January 19, 2016 the Company sold all its shares in Misr Glass Manufacturing Company (associate to Mena Glass Ltd) to Middle East Glass Manufacturing Company with a total amount of EGP 127 Million approximately (Note 22-1)
  - On February 24, 2016 the Company announced that its business unit Finance Unlimited has finalized the sale of its entire holding in subsidiary Tanmeyah Microenterprise Services, Egypt's leading private-sector provider of microfinance solutions, to EFG Hermes in a transaction that values 100% of Tanmeyah at EGP 450 million. The transaction has been finalized on March 23, 2016). (Note 22-1)

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

	Esaco for Manufacturing and Engineering	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI Subsidiaries	Arab Swiss Engineering Co. (ASEC)	KU RAILWAYS HOLDING LIMITED	Ledmore Holding Limited.	Grandview Investment Holding	Total
Fixed assets (net)	14 664 959	5 702 630	317 750	173 195 231	5 750 000	239 222 587	183 467	--	439 036 624
Intangible assets	--	--	--	1 033 807	--	735 659 483	--	--	736 693 290
Projects under construction	--	843 688 245	188 539 627	--	--	31 470 716	--	--	1 063 698 588
Inventories (net)	5 688 263	--	--	165 700	--	163 897 997	--	--	169 751 960
Trade and other receivables (net)	5 165 847	--	--	--	--	304 725 187	--	--	309 891 034
Debtors and other debit balances	8 920 478	68 297 530	7 417 520	2 866 571	--	--	443 864	--	87 945 963
Due from related parties	22 094 808	1 357 519	--	1 067 646	--	946 571	--	--	25 466 544
Investment property (net)	--	--	330 163 433	--	--	--	--	--	330 163 433
Cash and cash equivalents	905 536	514 495	444 538	4 709 970	--	52 753 332	13 035 281	--	72 363 152
Goodwill (net)	--	81 058 922	76 929 159	--	--	--	--	--	157 988 081
Investment in associates and subsidiaries	--	--	--	--	--	--	--	--	--
Deferred tax assets	--	--	--	--	--	--	--	455 693 688	455 693 688
Balance	57 439 891	1 000 619 341	603 812 027	183 038 925	5 750 000	1 694 690 589	13 662 612	455 693 688	4 014 707 073

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

	Esaco for Manufacturing and Engineering	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI Subsidiaries	KU RAILWAYS HOLDING LIMITED	Ledmore Holding Limited.	Total
Provisions	35 507 305	--	12 764 205	24 098 593	--	--	72 370 103
Banks' overdraft	82 030	--	--	--	31 079 593	--	31 161 623
Loans	41 726 584	--	209 757 237	103 954 466	1 841 180 644	--	2 196 618 931
Trade and other payables	57 418 308	75 914 007	--	121 697 491	535 813 709	--	790 843 515
Due to related parties	13 134 218	2 004 992	--	1 343 521	--	6 342	16 489 073
Creditors and other credit balances	14 481 135	6 793 341	93 676 425	--	--	1 571 906	116 522 807
Deferred taxes	7 081 142	--	--	2 345 963	--	--	9 427 105
Balance	169 430 722	84 712 340	316 197 867	253 440 034	2 408 073 946	1 578 248	3 233 433 157

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**22. Profit (loss) from discontinued operations (net of tax)**

	For the period ended June 30, 2016							Total
	Esaco for Manufacturing and Engineering	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI Subsidiaries	Misr Glass Manufacturing Company	Tanmeyah Company S.A.E	KU Railways Holding Limited	Ledmore Holding Limited
<b>Discontinued operations :-</b>								
Operating revenues	29 993 238	--	2 770 273	--	--	26 343 929	283 801 826	--
Operating costs	(29 772 714)	--	(5 904 710)	--	--	(16 151 184)	(384 833 422)	--
Administrative expenses	--	--	(2 581 869)	--	--	(11 588 254)	(39 424 267)	(50 074)
Other (expenses) / revenues	--	(249 116 290)	(10 271 777)	--	--	2 288 736	29 587 063	(15 376 343)
Finance costs – (net)	--	798 458	(16 600 963)	1 027 399	(7 257 600)	(42 534)	(68 225 736)	--
Income tax	--	(428 726)	--	--	--	--	--	--
<b>Results from operating activities</b>	220 524	(248 746 558)	(32 589 046)	1 027 399	(7 257 600)	850 693	(179 094 536)	(15 426 417)
Gain (loss) on sale of discontinued operation (Note 22.1)	--	--	--	--	--	--	--	--
Income tax	--	--	--	9 577 380	(173 805 406)	210 043 776	--	--
<b>Profit (loss) from discontinued operation, net of tax</b>	220 524	(248 746 558)	(32 589 046)	10 604 779	(181 063 006)	184 600 431	(179 094 536)	(15 426 417)
								(461 493 829)

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**For the period ended June 30, 2015**

	Esaco for Manufacturing and Engineering	Misr Cement Qena Co.	Pharos Holding Limited	Mena Home Furnishing Malls Ltd.	Falcon for Agricultural Investments Ltd BVI Subsidiaries	Tanmeyah Company S.A.E	KU RAILWAYS HOLDING LIMITED	Ledmore Holding Limited.	ASEC Ready Mix and ASEC Minya Cement Company	El Rashidi El Mizan - Egypt and El Rashidi -- Sudan	Total
<b>Discontinued operations :-</b>											
Operating revenues	11 370 227	--	--	4 875 397	717 122	60 991 317	324 002 927	--	677 684 055	273 574 741	1 353 215 786
Operating costs	(17 700 383)	--	--	(15 405 839)	(52 573 972)	--	(284 908 008)	--	(502 011 249)	(199 182 884)	(1 071 782 335)
Share of profit / loss of investment in associate	--	--	--	--	--	1 759 198	--	--	50 769 175	--	52 528 373
Administrative expenses	--	--	--	(3 799 898)	--	(42 867 507)	(66 941 230)	(7 054 977)	(39 477 962)	(51 188 517)	(211 330 091)
Other revenues (expenses)	--	--	--	1 919	--	--	--	68 358	619 697	3 503 804	4 193 778
Finance cost -- (net)	(14 112 139)	--	--	(8 102 652)	(11 641 034)	2 167 835	(69 448 788)	1 262 005	(66 175 695)	(14 350 723)	(180 401 191)
<b>Results from operating activities</b>	(20 442 295)	--	--	(22 431 073)	(63 497 884)	22 050 843	(97 295 099)	(5 724 614)	121 408 021	12 356 421	(53 575 680)
Income tax	--	--	--	--	--	(6 803 790)	--	--	(36 015 173)	(2 606 721)	(45 425 684)
<b>Results from operating activities, net of tax</b>	(20 442 295)	--	--	(22 431 073)	(63 497 884)	15 247 053	(97 295 099)	(5 724 614)	85 392 848	9 749 700	(99 001 364)
Loss on sale of discontinued operations (Note 22.1)	--	77 103 004	(10 451 655)	--	--	--	--	--	--	--	(66 651 349)
<b>Profit (loss) from discontinued operation after tax</b>	(20 442 295)	77 103 004	(10 451 655)	(22 431 073)	(63 497 884)	15 247 053	(97 295 099)	(5 724 614)	85 392 848	9 749 700	(32 350 015)

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

	Total as at				Total as at	
	30/6/2016				30/6/2015	
	Tanmeyah Company S.A.E	Falcon for Agricultural Investments Ltd	Misr glass manufacturing company *		"Pharos Holding"	Misr Cement Qena Co.
		BVI				
		Subsidiaries				
Total assets	(187 357 975)	(51 638 339)	--	(238 996 314)	--	--
Total liabilities	144 442 860	61 215 719	--	205 658 579	--	--
Equity – accounted investee	--	--	(301 278 649)	(301 278 649)	(38 285 565)	(388 190 018)
Net assets	(42 915 115)	9 577 380	(301 278 649)	(334 616 384)	(38 285 565)	(388 190 018)
Income Tax	(26 294 038)	--	--	(26 294 038)	--	--
Cash consideration	252 958 891	--	127 473 243	380 432 134	27 833 910	465 293 022
Gain (loss) on sale of discontinued operation	183 749 738	9 577 380	(173 805 406)	19 521 712	(10 451 655)	77 103 004
						66 651 349

\* 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.
- The preferred share has 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.

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

Shareholders' name	Percentage %	No. of Shares	30/6/2016 EGP
Citadel Capital Partners Ltd.	24.36	443 295 671	2 216 478 355
Emirates International Investments Company	7.62	138 767 960	693 839 800
Others	68.02	1 237 936 369	6 189 681 845
	100	1 820 000 000	9 100 000 000

23.1 The treasury shares are represented in 2 159 000 shares acquired through united company for foundries (subsidiary – 67.46%), equivalent to approximately 0.12% of the company's total issued shares with an acquisition cost of EGP 3 338 658.

**24. Shareholders' credit balances**

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

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

	30/6/2016	31/12/2015
<b>Shareholders' credit balances to be settled in cash</b>		
Khaled Abd EL Hamed Ali Abou Bakr	--	1 296 432
Other investors	--	167 879
Balances	--	1 464 311

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**25. Loans and borrowings**

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Dina for Agriculture Investments	Bank/Company						
	-Ahly United Bank	EGP: Average	2014-2018	152 831 254	32 175 003	120 656 251	- Pledge over all the
	-United Bank	3.625% plus					company's assets and real
Arab Company for Services and Trade	-Arab Egyptian Real Estate Bank.	Corridor					estate first rank Pledge on
							7 172 feddan of company's
							land.
National Development and Trading Company	Credit Agricole	4% annually	2014	1 263 186	1 263 186	--	- Partially mortgage on the
							company's assets.
	Qatar National Bank	12.5%	December 2018	185 153 717	13 909 309	171 244 408	- Partially pledging shares of
National Development and Trading Company	Arab Investment Bank	12%	December 2017	98 664 101	7 092 979	91 571 122	ASEC Cement Company
							- Partially pledge of ASEC
							Cement Co. shares, ASEC
National Development and Trading Company	Industrial Development and Workers Bank of Egypt	11.5%	December 2017	195 885 199	13 597 074	182 288 125	Engineering shares,
							ASENPRO shares, ASEC
							Automation shares and
							ESACO shares to the bank.

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<b>Borrowing company</b>	<b>Lender</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Outstanding balance</b>	<b>Current</b>	<b>Non –current</b>	<b>Guarantees</b>
National Development and Trading Company	Bank/Company Mistr Iran Development Bank	2.50% plus corridor rate	December 2018	129 697 364	9 769 580	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	100 372 827	65 797 827	34 575 000	Assignment of South Valley Cement Co. management contract.
Arab Swiss Engineering Co. (ASEC)	Al Barka Bank	11.5%	June 2017	25 118 172	6 000 000	19 118 172	Assignment of White Sinai Cement Co. management contract.
ASEC Cement Company	Sudanese Egyptian bank	11%	2017	116 623 791	112 129 935	4 493 856	Murabha contracts.
Taqa Arabia	Commercial International Bank	3.25% plus corridor rate	2016-2020	199 774 770	49 943 688	149 831 082	

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Global Energy	HSBC	EGP: 2.25% plus average Corridor	2014-2016	35 711 738	13 784 459	21 927 279	- 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.
	Arab Bank	US\$: 1.3% plus Libor	2014-2018				- 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.

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Taqa Marketing	HSBC	EGP: 3% plus	2014-2018	36 768 944	10 497 148	26 271 796	<ul style="list-style-type: none"> <li>- 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:-</li> <li>- Maintain the direct or indirect controlling interest during the contract period and till the actual repayment.</li> <li>- 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.</li> </ul>
	Cairo Bank	corridor rate	2014-2020				

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Egyptian Refining Company – S.A.E.	Bank/Company						
	Japan Bank for International Cooperation (JBIC)	US\$. Libor for such interest period Plus 4.10%	2017-2029	3 283 604 548	--	3 283 604 548	- Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes.
Egyptian Refining Company – S.A.E.	Group of Commercial Banks (NEXI – Covered Lenders)	US\$. Libor for such interest period Plus 1.75% per annum	2017-2029	2 133 635 445	--	2 133 635 445	- 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.
	Export – Import Bank of Korea (KEXIM )	US\$. Libor for such interest period plus 3.6% per annum up to the project completion. 4% per annum from the project completion to the end of the 5th year. 4.6% per annum for any time thereafter.	2017-2029	4 306 445 555	--	4 306 445 555	

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



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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Egyptian Refining Company – S.A.E.	Bank/Company						
	African	Fixed interest rate:	2017-2025	276 126 488	--	276 126 488	- Egyptian Refining Company shall deliver to AFDB an original, signed, undated and blank promissory notes.
	Development Bank (AFDB)	-5% per annum -Plus base rate Or Variable interest rate: LIBOR for such interest period plus 5% per annum					- 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	102 010 810	--	102 010 810	

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Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Less: Deferred borrowing cost *							
Egyptian Refining Company – S.A.E.				(1 528 749 840)	--	(1 528 749 840)	
Citadel Capital S.A.E	Citi Bank (syndication loan manager) (Arab African International Bank, Arab International Bank, Banque du caire, Misr Bank, and Piraeus Bank)	US\$: First tranche: (4.25 %+Libor rate). Second tranche: 3.9% plus Libor Third Tranche: 3.9% plus Libor	2012-2022	2 141 604 724	1 525 632 470	615 972 254	- First degree lien contract of the shares owned by the Company in National Development and Trading Company. - First degree lien contract of the shares owned by the Company in International Company for Mining Consulting. - First degree lien contract of the shares owned by the Company in United Foundries Company. - First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries

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Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<ul style="list-style-type: none"> <li>- First degree lien contract on the shares owned by the Company in ASEC Cement Company.</li> <li>- First degree lien contract on the shares owned by the Company in ASEC Company for Mining (ASCOM).</li> <li>- 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: <ul style="list-style-type: none"> <li>- Orient Investments Properties Ltd.</li> <li>- Logria Holding Ltd.</li> <li>- Golden Crescent Investments Ltd.</li> <li>- Falcon Agriculture Investments Ltd.</li> </ul> </li> </ul>

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non --current	Guarantees
	Bank/Company						
							- 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.

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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	246 101 122	246 101 122	--	<ul style="list-style-type: none"> <li>- Egyptian Company for Solid Waste Recycling (ECARU)</li> <li>- Engineering Tasks Group (ENTAG)</li> <li>- Mashreq Petroleum</li> <li>- Ledmore Holdings Ltd.</li> <li>- Everyys Holdings Limited</li> <li>- Eco-Logic Ltd.</li> <li>- Sequoia Willow Investments Ltd.</li> <li>- Underscore International Holdings Ltd.</li> <li>- Brennan Solutions</li> <li>- Citadel Capital Transportation Opportunities II Ltd.</li> <li>- Citadel for Investments Promotion Company</li> <li>- Letter of guarantee from Standard chartered Bank of korea Limited with the mount due to Arab International Bank.</li> </ul>

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
National Company for Refining Consultation	Arab International Bank	US.\$ : 15 608 926 Interest to be paid upon maturity	December 2017	599 409 702	--	599 409 702	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		20 579 988	15 661 981	4 918 007	- 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	487 815 788	487 815 788	--	- 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.

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Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>

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Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
							<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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).</li> <li>- 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.</li> </ul>



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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
ASCOM company for chemicals and carbonates manufacturing	Bank/Company Ahli United Bank	Libor for 3 months plus 2 % Default rate 1 % annually	April 2018	73 642 200	29 668 800	43 973 400	<ul style="list-style-type: none"> <li>- First rank mortgage for all property and real estate on the project.</li> <li>- First rank commercial mortgage on all physical and moral assets.</li> <li>- First rank commercial mortgage on calcium carbonate production line.</li> <li>- Deposit all earnings resulting from future sale contracts related to calcium carbonate production in the favour of the bank.</li> <li>- 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.</li> </ul>

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Glass rock company for isolation	Bank/Company Misr Bank	Libor for 3 months plus 4.5% Default rate 1% annually	November 2021	288 276 729	10 636 220	277 640 509	<ul style="list-style-type: none"> <li>- First rank mortgage for all property and real estate on the project.</li> <li>- First rank commercial mortgage on all physical and moral assets.</li> <li>- Deposit all earnings resulting from future sale contracts in the favour of the bank.</li> <li>- 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.</li> <li>- ASEC company for mining- the holding company- undertake the obligation to pay the company debt in case of default.</li> </ul>

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Trimstone Assets Holdings Ltd.	Bank/Company Arab International Bank	US.\$ 5% plus six months Libor	2013-2015	157 598 177	157 598 177	--	- 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	9 114 686	4 278 628	4 836 058	
				<u>19 780 952 403</u>	<u>2 813 353 374</u>	<u>16 967 599 029</u>	

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Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
<b>Loans from related parties</b>							
National Development and Trading Company	Financial Holdings International	11.5% per annum compound interest		821 349 352	821 349 352	--	The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies: ASECEment Company 41 050 000 shares Arab Swiss Engineering Company (ASEC) 899 900 shares. 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%.
National Development and Trading Company	Vigenar Company	11.5% per annum compound interest		17 073 184	17 073 184	--	
United Foundries	Financial Holdings International	11.5% per annum compound interest		60 093 745	--	60 093 745	
				<u>898 516 281</u>	<u>838 422 536</u>	<u>60 093 745</u>	
				<u>20 679 468 684</u>	<u>3 651 775 910</u>	<u>17 027 692 774</u>	

\* 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.

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**26. Long term liabilities and derivatives**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Derivatives swap contracts (26.3)	670 627 446	268 258 442
Creditors-purchase of investments (26.1)	10 787 486	10 787 486
Creditors-Purchase of fixed assets	6 079 329	1 466 234
End of service benefits	2 162 941	2 027 275
Deposits from others (26.2)	152 141 007	132 517 655
Social Insurance authority	11 002 406	13 114 628
Others	11 353 260	8 197 369
Balance	<u>864 153 875</u>	<u>436 369 089</u>

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

	<b>30/6/2016</b>	<b>31/12/2015</b>
Gas consumption deposits	111 770 045	111 685 353
Power consumption deposits	<u>40 370 962</u>	<u>20 832 302</u>
Balance	<u>152 141 007</u>	<u>132 517 655</u>

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.

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Maximum notional amount covered under these transactions are:

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

As at June 30, 2016 the balance related to the change in the fair value of cash flow hedges related to hedged transactions is amounting to EGP 670 627 446 (equivalent to US.\$ 75 606 251) versus EGP 268 258 442 (equivalent to US.\$ 34 392 108) as at December 31, 2015 as follows:

	30/6/2016	31/12/2015
Societe General Corporate & Investment Banking	128 375 900	56 377 402
HSBC Bank Middle East Limited	152 284 027	57 148 611
KFW IPEX – Bank GMBH	38 575 639	15 350 907
Mitsubishi UFJ Securities International PLC	67 996 976	26 980 200
Standard Chartered Bank	283 394 904	112 401 322
Balance	<u>670 627 446</u>	<u>268 258 442</u>

**27. Deferred tax assets /liabilities**

	30/6/2016		31/12/2015	
	Asset	Liability	Asset	(Restated) ** Liability
Fixed assets	--	224 252 827	--	231 710 442
Intangible assets	--	185 308 842	--	185 308 842
Project under construction	--	21 878 000	--	21 878 000
Hedge reserve-swap contract	150 891 163	--	73 771 082	--
Provisions	2 965 427	--	3 955 941	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	22 364 336	--	18 592 844
Tax losses	16 381 253	--	317 513 396	--
Deferred tax liabilities related to KU Railways Holdings Ltd. *	--	--	--	29 647 543
Others	--	26 841 010	--	194 620 873
Total deferred tax assets / liabilities	<u>170 237 843</u>	<u>480 645 015</u>	<u>395 240 419</u>	<u>681 758 544</u>

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

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

\*\* (Note 51).

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**28. Banks overdraft**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Wafra Agriculture S.A.E	8 309 292	7 522 835
Silverstone Capital Investments Ltd.	167 792 335	41 867 670
United Foundries Company	49 092 641	58 656 932
Falcon for Agriculture Investments Ltd. BVI	14 580 240	--
KU Railways Holdings Ltd.(Note 21.1)	--	157 956 068
National Development and Trading Company	64 233 498	67 283 000
Tawazon for Solid Waste Management (Tawazon)	29 378 549	16 316 264
ASEC for mining (ASCOM)	157 337 839	149 773 349
Everys Holding Limited	--	9 250 684
Balance	<u>490 724 394</u>	<u>508 626 802</u>

**29. Due to related parties**

	Nature of transaction		30/6/2016	31/12/2015 (Restated) **
	Advisory fee	Finance		
Citadel Capital Partners Ltd.*	--	--	--	60 331 261
Mena Glass Ltd.	--	555 620 747	555 620 747	278 522 003
Pharos Holding Co.	--	488 471	488 471	--
ASEC Automation Europe Co.	--	161 007	161 007	161 007
Egyptian Gulf Bank	--	--	--	393 398
Kimonix Egypt for Consultancy Libya	--	1 737 480	1 737 480	2 067 389
Scimitar Production Egypt Ltd.	--	3 765 936	3 765 936	(12 696 910)
Others	--	28 714 752	28 714 752	7 468 952
Sub-balance			<u>590 488 393</u>	<u>336 247 100</u>
Due to shareholders:				
GROUPED HOLDINGS LTD *	--	--	--	91 154 528
Sadek Ahmed El swedey *	--	146 355 000	146 355 000	138 996 000
Abdallah Helmy Mohamed Helmy *	--	17 562 600	17 562 600	23 166 000
Ledville Holdings Limited *	--	--	--	31 546 531
Financial Holding International	--	--	--	76 402 271
Others *	--	96 496 896	96 496 896	11 021 820
Sub-balance			<u>260 414 496</u>	<u>372 287 150</u>
Balance			<u>850 902 889</u>	<u>708 534 250</u>

\* The shareholders of the Company

\*\* (Note 51).

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**30. Trade and other payables**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Suppliers	1 278 354 967	2 675 267 970
Notes payables	76 483 975	180 098 260
Balance	<u>1 354 838 942</u>	<u>2 855 366 230</u>

**31. Creditors and other credit balances**

	<b>30/6/2016</b>	<b>31/12/2015</b>
		<b>(Restated) *</b>
Accrued expenses	659 415 221	697 045 642
Accrued interest	67 511 034	92 818 448
National Authority for Social Insurance	27 421 358	20 486 300
Advances from customers	129 736 310	122 249 839
Refundable deposits	2 845 620	2 835 784
Unearned revenues	21 854 939	56 228 183
Subcontractors	10 054 311	9 467 023
Creditors – purchase of fixed assets	7 258 131	13 063 217
Deposits from others	41 323 244	61 601 901
Dividend payable – previous years	23 028 991	24 650 168
Shareholders' credit balances	1 441 919	--
Sundry credit balances	611 160 407	382 378 300
Balance	<u>1 603 051 485</u>	<u>1 482 824 805</u>

\* (Note 51).

**32. Provisions**

	<b>Expected claims Provision</b>	<b>Legal provisions</b>	<b>Other provisions</b>	<b>Total</b>
Balance at the beginning of the period	600 490 712	900 750	19 059 620	620 451 082
Acquisition of subsidiaries	2 040 000	--	--	2 040 000
Provisions formed during the period *	64 405 470	--	14 767 004	79 172 474
Provisions used during the period	(28 843 823)	--	(2 253 043)	(31 096 866)
Provisions reversed	(4 866 378)	--	--	(4 866 378)
Foreign currency translation differences	(36 150 260)	49 985	4 051 791	(32 048 484)
Balance	<u>597 075 721</u>	<u>950 735</u>	<u>35 625 372</u>	<u>633 651 828</u>

- 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



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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 period by EGP 14 764 648 has been recognized in the operating expenses and represent provision related to ASEC Automation Co related to continuing exiting contracts and an amount of EGP 2 356 related to ARESCO , the write off amount was recognized in operating cost during the period.

**33. Provision for financial guarantees contracts**

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

**34. Related party transactions**

**Advisory fee**

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

	For the period		For the period	
	from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	from 1/1/2015 to 30/6/2015
Mena Glass Ltd. (associate)	--	--	1 162 050	2 325 625
Scimitar Production Egypt Ltd.	2 633 744	5 020 199	2 053 280	4 079 960
<b>Total</b>	<b>2 633 744</b>	<b>5 020 199</b>	<b>3 215 330</b>	<b>6 405 585</b>

- The Company did not recognize advisory fee with an amount of US.\$ 1 567 264 (equivalent to EGP 13 196 363) and US.\$ 290 203 (equivalent to EGP 2 443 509) for the period ended June 30, 2016 (versus EGP 11 942 552 and EGP 2 211 346 for the period ended June 30, 2015) related to Logria Holding Ltd. and Golden Crescent Investments Ltd. in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

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

	For the period		For the period	
	from 1/4/2016	from 1/1/2016	from 1/4/2015	(Restated) **
	to 30/6/2016	to 30/6/2016	to 30/6/2015	from 1/1/2015
				to 30/6/2015
El Kateb for Marketing & Distribution Co.	(216 472)	(61 335)	3 576	52 905
Elsharq Book Stores Co.	(273 262)	(315 006)	(121 234)	(132 012)
ASEC Company for Mining (ASCOM) *	--	--	(3 800 703)	(309 255)
Dar El-Sherouk Ltd.	(1 114 425)	(1 217 019)	(1 579 237)	(1 986 571)
Societe Des Ciments De Zahana	4 890 857	18 203 620	17 189 935	16 152 046
Mena Glass Ltd.	(191 082)	33 622 183	1 612 310	24 474 824
Ostool for Land Transportation S.A.E	803 800	1 938 090	756 417	1 719 045
Grandview Investment Holding	--	--	3 083 203	3 884 217
<b>Total</b>	<b>3 899 416</b>	<b>52 170 533</b>	<b>17 144 267</b>	<b>43 855 199</b>

\*Acquired as a subsidiary on 30 June 2015.

\*\* (Note 51).

**36. Operating revenue**

	For the period		For the period	
	from 1/4/2016	from 1/1/2016	from 1/4/2015	(Restated) *
	to 30/6/2016	to 30/6/2016	to 30/6/2015	from 1/1/2015
				to 30/6/2015
Agriculture food industries	226 021 200	403 665 825	226 762 517	416 475 823
Energy sector	739 972 166	1 366 654 774	642 511 489	1 207 094 518
Transportation and logistics	28 854 208	52 742 004	14 594 632	36 821 743
Cement sector	579 260 784	1 256 698 754	511 425 773	953 963 365
Metallurgy	37 044 654	82 100 121	37 651 558	77 746 423
Financial Services sector	2 590 000	5 471 300	2 291 999	5 928 458
Mining sector	185 268 061	363 497 847	--	--
<b>Total</b>	<b>1 799 011 073</b>	<b>3 530 830 625</b>	<b>1 435 237 968</b>	<b>2 698 030 330</b>

\* (Note 51).

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**37. Operating costs**

	For the period		For the period	
	from 1/4/2016	from 1/1/2016	from 1/4/2015	(Restated) *
	to 30/6/2016	to 30/6/2016	to 30/6/2015	to 30/6/2015
Agriculture food industries	186 239 518	321 198 602	164 623 018	302 814 516
Energy sector	632 944 930	1 191 670 376	554 823 488	1 040 660 576
Transportation and logistics	31 278 804	55 340 778	22 889 842	48 120 219
Cement sector	495 584 755	1 044 228 662	459 370 648	767 505 523
Metallurgy	26 869 949	59 581 338	32 773 741	67 356 084
Financial Services sector	1 534 865	3 166 730	861 781	3 558 560
Mining sector	169 527 151	332 412 609	--	--
<b>Total</b>	<b>1 543 979 972</b>	<b>3 007 599 095</b>	<b>1 235 342 518</b>	<b>2 230 015 478</b>

\* (Note 51).

**38. Administrative expenses**

	For the period		For the period	
	from 1/4/2016	from 1/1/2016	from 1/4/2015	(Restated) *
	to 30/6/2016	to 30/6/2016	to 30/6/2015	to 30/6/2015
Wages , salaries and similar items	64 981 456	162 062 425	56 057 345	138 684 192
Consultancy	33 066 999	71 442 351	36 607 294	51 393 374
Advertising and public relations	3 353 460	7 804 459	2 394 682	5 417 099
Selling and marketing expense	37 092 972	68 670 388	6 265 230	21 873 782
Travel , accommodation and transportations	2 631 097	6 646 109	5 803 582	14 267 805
Rent	1 259 778	3 179 415	2 471 346	6 588 389
Depreciation and amortization	17 011 462	21 225 125	1 876 341	6 675 372
Donations	3 399 334	6 531 434	2 000 000	4 120 000
Management fees**	--	--	(828 674)	--
Other	116 073 172	192 130 021	60 433 238	114 204 077
<b>Total</b>	<b>278 869 730</b>	<b>539 691 727</b>	<b>173 080 384</b>	<b>363 224 090</b>

\* (Note 51).

\*\* The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 24.36%) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more preferred shares.

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**39. Other (expenses) / income**

	Note	For the period		For the period	
		from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	(Restated)* from 1/1/2015 to 30/6/2015
Gain on sale of fixed assets		(217 522)	1 224 327	1 667 688	1 916 110
Loss on sale of biological assets		409 391	(617 531)	(764 112)	(2 946 312)
Impairment on due from related parties	(18)	(4 024 735)	(6 359 718)	(531 080)	(3 629 587)
Impairment on debtors and other debit balances		(833 162)	(2 115 807)	(274 421)	(1 293 620)
Impairment on trade and other receivables		--	(85 544)	(1 565 077)	(1 565 077)
Impairment on available-for-sale investments	(12)	(452)	(3 384)	--	--
Provisions formed	(32)	(20 211 507)	(64 405 470)	(9 768 804)	(23 419 411)
Net change in the fair value of investments at fair value through profit and loss		(4 275)	(119 325)	167 399	(53 281)
Provisions reversed	(32)	2 750 733	4 866 378	9 284 711	9 766 527
Other (expenses) revenues		(16 507 360)	(7 732 234)	(29 505 221)	(22 511 906)
Negative goodwill	(51-1)	--	--	115 742 427	115 742 427
Gain on financial guarantees contracts		--	--	799 947	1 759 198
<b>Total</b>		<b>(38 638 889)</b>	<b>(75 348 308)</b>	<b>85 253 457</b>	<b>73 765 068</b>

\* (Note 51).

**40. Finance cost (net)**

	For the period		For the period	
	from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	(Restated) * from 1/1/2015 to 30/6/2015
Interest income	22 518 507	43 804 685	15 662 551	35 650 719
Interest expenses – (Note 25)	(180 668 357)	(320 907 412)	(138 765 049)	(312 619 813)
Foreign currency translation differences	(33 428 184)	(112 198 784)	(39 430 758)	(85 561 290)
<b>Net</b>	<b>(191 578 034)</b>	<b>(389 301 511)</b>	<b>(162 533 256)</b>	<b>(362 530 384)</b>

\* (Note 51).

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**41. Income tax**

	For the period		For the period	
	from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	(Restated) * from 1/1/2015 to 30/6/2015
Current income tax	(22 245 554)	(50 603 060)	(19 088 063)	(33 020 398)
Deferred tax	1 145 444	(12 267 014)	(15 414 592)	(21 857 808)
Net	<u>(21 100 110)</u>	<u>(62 870 074)</u>	<u>(34 502 655)</u>	<u>(54 878 206)</u>

\* (Note 51).

**42. Earnings per share**

	For the period		For the period	
	from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	(Restated)* from 1/1/2015 to 30/6/2015
Net loss for the period	<u>(655 407 890)</u>	<u>(948 283 187)</u>	<u>(8 906 449)</u>	<u>(220 941 991)</u>
Net loss for equity holders of the parent Company	<u>(287 038 758)</u>	<u>(529 742 865)</u>	<u>16 747 609</u>	<u>(95 412 627)</u>
The weighted average number of shares including the preferred shares with same distribution rights as ordinary shares	<u>1 820 000 000</u>	<u>1 820 000 000</u>	<u>1 600 000 000</u>	<u>1 600 000 000</u>
Earnings per share	<u>(0.16)</u>	<u>(0.29)</u>	<u>(0.00)</u>	<u>(0.05)</u>

\* (Note 51).

**43. Finance income recognized in equity**

	For the period		For the period	
	from 1/4/2016 to 30/6/2016	from 1/1/2016 to 30/6/2016	from 1/4/2015 to 30/6/2015	from 1/1/2015 to 30/6/2015
Foreign currency translation differences	6 518 133	410 402 511	(130 869 951)	170 706 150
Net change in the fair value of available-for-sale investment	--	--	3 460	(84 203)
Total finance income recognised in equity (after tax)	<u>6 518 133</u>	<u>410 402 511</u>	<u>(130 866 491)</u>	<u>170 621 947</u>
Attributable to:				
Equity holders of the Company	26 987 219	256 982 683	(176 186 088)	17 235 844
Non - controlling interests	<u>(20 469 086)</u>	<u>153 419 828</u>	<u>45 319 597</u>	<u>153 386 103</u>
	<u>6 518 133</u>	<u>410 402 511</u>	<u>(130 866 491)</u>	<u>170 621 947</u>

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**44. Business segments**

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

Assets and liabilities include items directly attributable to a segment.

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

For the period ended June 30, 2016	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining	Eliminations	Total
Operating revenue	403 665 825	1 366 654 774	52 742 004	1 256 698 754	82 100 121	--	5 471 300	363 497 847	--	3 530 830 625
Operating cost	(321 198 602)	(1 191 670 376)	(55 340 778)	(1 044 228 662)	(59 581 338)	--	(3 166 730)	(332 412 609)	--	(3 007 599 095)
Gross profit (loss)	82 467 223	174 984 398	(2 598 774)	212 470 092	22 518 783	--	2 304 570	31 085 238	--	523 231 530
Net (loss) for owners of the parent Company	(10 182 157)	9 253 600	(215 762 795)	(322 227 165)	(19 922 589)	(42 628 641)	(13 530 857)	(19 561 413)	104 819 152	(529 742 865)
As at June 30, 2016										
Current assets	374 470 002	4 094 360 414	1 971 234 597	2 948 367 746	109 415 331	526 882 870	6 246 268 427	315 000 787	(5 628 378 312)	10 957 621 862
Non - current assets	1 308 977 661	24 323 412 081	4 061 972 974	1 628 657 695	179 547 995	--	24 431 099 493	934 145 971	(25 862 077 946)	31 005 735 924
Total assets	1 683 447 663	28 417 772 495	6 033 207 571	4 577 025 441	288 963 326	526 882 870	30 677 367 920	1 249 146 758	(31 490 456 258)	41 963 357 786
Current liabilities	1 444 054 636	2 021 194 834	3 718 056 279	2 265 264 775	166 074 245	552 371 347	7 048 211 705	553 987 283	(5 248 565 123)	12 520 649 981
Non-current liabilities	157 369 022	15 565 533 732	--	2 455 624 066	305 281 017	--	1 461 261 756	409 625 677	(1 982 203 606)	18 372 491 664
Owners' equity	82 024 005	10 831 043 929	2 315 151 292	(143 863 400)	(182 391 936)	(25 488 477)	22 167 894 459	285 533 798	(24 259 687 529)	11 070 216 141
Total liabilities and equity	1 683 447 663	28 417 772 495	6 033 207 571	4 577 025 441	288 963 326	526 882 870	30 677 367 920	1 249 146 758	(31 490 456 258)	41 963 357 786

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	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Specialty real estate	Financial service	Mining	Eliminations	Total
<b>For the period ended June 30, 2015</b>										
Operating revenue	416 475 823	1 207 094 518	36 821 743	953 963 365	77 746 423	--	5 928 458	--	--	2 698 030 330
Operating cost	(302 814 516)	(1 040 660 576)	(48 120 219)	(767 505 523)	(67 356 084)	--	(3 558 560)	--	--	(2 230 015 478)
Gross profit (loss)	113 661 307	166 433 942	(11 298 476)	186 457 842	10 390 339	--	2 369 898	--	--	468 014 852
Net (loss) / profit for owners of the Company	(56 958 626)	10 519 378	(143 310 370)	(77 790 081)	(28 759 103)	(32 712 240)	48 879 285	(96 271 651)	280 990 781	(95 412 627)
<b>As at December 31, 2015</b>										
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	(5 522 864 055)	10 044 200 145
Non-current assets	1 275 805 867	19 328 236 766	4 735 628 812	1 581 470 552	170 922 998	--	23 359 962 418	870 516 708	(23 909 817 256)	27 412 726 865
Total assets	1 762 472 668	23 451 465 087	5 323 943 453	4 782 479 796	260 489 995	556 552 394	29 614 805 271	1 137 399 657	(29 432 681 311)	37 456 927 010
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	(5 184 074 217)	11 528 085 365
Non-current liabilities	169 998 011	10 884 073 305	1 347 298 150	1 995 631 191	257 277 108	--	1 271 870 103	115 626 234	(1 223 496 554)	14 818 277 548
Owners' equity	137 083 360	9 628 414 464	2 250 303 884	596 859 134	(159 130 689)	15 387 981	21 373 503 029	293 253 474	(23 025 110 540)	11 110 564 097
Total liabilities and equity	1 762 472 668	23 451 465 087	5 323 943 453	4 782 479 796	260 489 995	556 552 394	29 614 805 271	1 137 399 657	(29 432 681 311)	37 456 927 010

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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 Williwow 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



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- 
- 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)

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**45. Tax status of the parent company**

**Corporate tax**

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

**Salaries tax**

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

**Stamp tax**

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2013 has been inspected and the dispute has transferred to Internal Committee in the Authority And the years 2014 and 2015 have not been inspected yet.

**Withholding tax**

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

**46. Group entities**

Company's name	Country of incorporation	Ownership interest	
		Direct %	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

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Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
United for Petroleum Refining Consultation	Arab Republic of Egypt	--	99.99
Specialized for Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized for Real Estate Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	100.00
Africa Railways Limited *	British Virgin Island	--	37.85
Sequoia Williwow 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

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

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		Direct %	Indirect %
ASEC Trading Company	Arab Republic of Egypt	--	99.88
Berber for Electricity – limited	Sudan	--	51.00
United Foundries Company	Arab Republic of Egypt	29.29	38.17
Ledmore Holdings Ltd.	British Virgin Island	--	75.37
National Company for Marine Petroleum Services "PETROMAR"	Arab Republic of Egypt-FZ	--	93.54
Mashreq Petroleum Company	Arab Republic of Egypt	--	94.99
El Dawlia for Bunkering Services	Arab Republic of Egypt	--	70.00
Mena Home Furnishings Malls Ltd.	British Virgin Island	--	60.18
Bonian for Trade and Development	Arab Republic of Egypt	--	99.99
Investment Company for Modern Furniture	Arab Republic of Egypt	--	99.88
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	--	67.55
Nile Logistics S.A.E.	Arab Republic of Egypt	--	99.99
Citadel Capital Transportation Opportunities II Ltd- Malta	Republic of Mauritius	--	81.62
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	--	99.88
National Company for River Transportation - Nile Cargo S.A.E.	Arab Republic of Egypt	--	99.99
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	--	99.88
National Company for Maritime 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

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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
Every's Holdings Limited	British Virgin Island	--	100.00
Orient Investment Properties Ltd.*	British Virgin Island	--	40.09
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

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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
Lazerg Travaux Public	Republic of Algeria	--	70.00
ASCOM Precious Metals Mining S.A.E	Arab Republic of Egypt	--	99.99

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



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**47. Capital Commitments**

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

**47.1 Asec Algeria Cement Company (Asec Cement)**

Contractor	Contract amount	Uncompleted part	Contract currency	Uncompleted part	
				30/6/2016	31/12/2015
FLSmith Denmark Company	57 000 000	57 000 000	Euro	560 287 200	488 135 716
SARL MHDA	12 500 000	--	US dollar	--	--
Energys Company	23 699 815	3 683 591	US dollar	32 709 920	28 842 902
Energys Company	9 015 848	3 755 669	US dollar	33 349 965	29 407 281
TCB Company	2 909 211	1 292 646	EGP	1 292 646	1 292 646
CTC Company	39 500 000	14 188 400	DZD	1 139 329	1 037 303
Cetim Company	122 850 000	89 337 500	DZD	7 173 801	6 531 393
				<u>635 952 861</u>	<u>555 247 241</u>

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

	Contract amount	Contract amount
	30/6/2016	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	<u>6 830 350</u>	<u>6 830 350</u>

**48. Contingent liabilities**

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

**48.1 ASEC Automation Co. (ASA)**

	30/6/2016	31/12/2015
Letters of guarantee	<u>8 738 746</u>	<u>14 980 217</u>

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**48.2 ASEC Environmental Protection Co. (ASENPRO)**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Letters of guarantee	<u>551 250</u>	<u>842 000</u>

**48.3 Arab Swiss Engineering Co. (ASEC)**

	<b>30/6/2016</b>		<b>31/12/2015</b>	
	<b>EURO</b>	<b>EGP</b>	<b>EURO</b>	<b>EGP</b>
Letters of guarantee	<u>36 037</u>	<u>35 295 688</u>	<u>36 037</u>	<u>34 799 473</u>

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

	<b>30/6/2016</b>			<b>31/12/2015</b>		
	<b>EURO</b>	<b>US. \$</b>	<b>EGP</b>	<b>EURO</b>	<b>US. \$</b>	<b>EGP</b>
Letters of guarantee	<u>6 739 380</u>	<u>7 479 647</u>	<u>45 503 425</u>	<u>5 712 704</u>	<u>7 395 647</u>	<u>36 657 734</u>

**48.5 United Foundries Company**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Letters of credit (outstanding)	--	408 486
Letters of credit (cover)	<u>--</u>	<u>20 756</u>
	<u>--</u>	<u>429 242</u>

**48.6 ASEC Company for Mining (ASCOM)**

	<b>30/6/2016</b>	<b>31/12/2015</b>
Letters of guarantee – Uncovered portion (A)	35 986 394	35 986 394
Bank commitments for loans to subsidiaries (B)	<u>271 291 916</u>	<u>295 076 120</u>
	<u>307 278 310</u>	<u>331 062 514</u>

(A-1) The uncovered portion of letters of guarantee includes a letter of guarantee amounted to EGP 763 000 (equivalent to US.\$ 100 000) issued from one of the banks the company deals with on behalf of ASCOM Carbonate & Chemical Manufacture Company (subsidiary) at October 3, 2007 and available for use until January 2, 2016.

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- (A-2) The uncovered portion of letters of guarantee includes a letter of guarantee amounted EGP 9 880 000 (equivalent to US.\$ 1 295 000) issued from one of the banks the company deals with on behalf of Nebta for Geology & Mining-Sudan (subsidiary) at October 27, 2009 and available for use until February 10, 2016.
  - (B-1) ASEC company for mining (ASCOM) guarantees Glass Rock Insulation Company (subsidiary) concerning the loan provided to the subsidiary company from one of the banks the company deals with amounted EUR 27 802 000 due to the subsidiary's inability to pay its obligations resulting from the mentioned loan.
  - (B-2) ASEC company for mining (ASCOM) and the UAE Partner guarantee ASCOM Emirates for Mining UAE (subsidiary) concerning the loan provided to the subsidiary company from one of the banks the company deals with amounted AED 28 000 000 due to the subsidiary's inability to pay its obligations resulting from the mentioned loan.

**49. Employees Stock Option Plan**

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

On June 22, 2008 the Capital Market Authority approved the ESOP plan and the Company does not start to apply it yet.

**50. Contingent liabilities**

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

**51. Comparative figures**

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

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	<b>Balance as at 31/12/2015 (as previously reported)</b>	<b>Reclassification and restates</b>	<b>Balance as at 31/12/2015 (as restated)</b>
<b>Statement of financial position</b>			
Fixed assets (net)	4 866 770 745	266 173 710	5 132 944 455
Projects under constructions (net)	17 162 443 847	(19 575 000)	17 142 868 847
Goodwill (net)	652 512 569	(2 711 518)	649 891 688
Investments in associates	899 994 224	(6 120 147)	893 874 077
Deferred tax assets	345 235 009	50 005 410	395 240 419
Inventory (net)	1 016 751 852	12 319 980	1 029 071 832
Due from related parties (net)	606 398 440	(17 031 956)	589 366 484
Debtors and other debit balances (net)	1 357 698 069	(63 515 554)	1 294 182 515
Assets classified as held for sale	2 473 539 263	60 879 486	2 534 418 749
<b>Total change in assets</b>		<b>280 424 411</b>	
Loans and borrowings	13 671 782 372	3 883 294	13 675 665 666
Deferred tax liabilities	621 800 554	59 957 990	681 758 544
Loans from related parties	646 819 327	68 002 953	714 822 280
Due to related parties	730 606 339	(22 072 089)	708 534 250
Creditors and other credit balances	1 469 403 194	13 421 611	1 482 824 805
Liabilities classified as held for sale	1 013 436 568	(3 067 273)	1 010 369 295
<b>Total change in liabilities</b>		<b>120 126 486</b>	
Retained loss	(6 650 504 492)	62 801 071	(6 587 703 421)
Non - controlling interests	8 152 325 712	97 496 854	8 249 822 566
<b>Total change in shareholder's equity</b>		<b>160 297 925</b>	
<b>Total change in liabilities and shareholder's equity</b>		<b>280 424 411</b>	
	<b>Total till 30/6/2015 (as previously reported)</b>	<b>Reclassification and restates</b>	<b>Total till 30/6/2015 (as restated)</b>
<b>Income statement</b>			
<b>Continued operation</b>			
Operating income	4 034 283 370	(1 336 253 040)	2 698 030 330
Operating costs	(3 216 117 619)	986 102 141	(2 230 015 478)
Administrative expenses	(570 754 282)	207 530 193	(363 224 090)
Other (expenses) revenues	(36 026 302)	109 791 370	73 765 068
Share of loss / profit of investment in associate	94 624 374	(50 769 175)	43 855 199
Finance costs (net)	(473 727 322)	111 196 938	(362 530 384)
Income tax	(100 303 890)	45 425 684	(54 878 206)
<b>Total change in continued operation</b>		<b>73 024 111</b>	
Net loss from discontinued operation *	(39 719 903)	7 369 889	(32 350 014)
<b>Total change in income statement</b>		<b>80 394 000</b>	

\* Note (21-22)

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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.

	<b>30 June 2015</b>	
	<b>Book Value</b>	<b>Fair Value</b>
Cash and cash equivalents	32 989 684	32 989 684
Inventories	48 429 982	48 429 982
Trade and other receivables	151 951 001	151 951 001
Debtors and other debit balances	61 242 296	61 242 296
Due from related parties	199 291	199 291
Fixed assets	645 048 721	924 267 671
Projects under construction	18 264 896	18 264 896
Available-for- sale investments	441 876	441 876
Intangible assets	229 893 694	229 893 694
Banks overdraft	(142 677 401)	(142 677 401)
Short term loans	(280 934 525)	(280 934 525)
Due to related parties	(1 250 429)	(1 250 429)
Trade and other payables	(107 217 178)	(107 217 178)
Creditors and other credit balances	(148 243 224)	(148 243 224)
Provisions	(16 401 121)	(16 401 121)
Long term loans	(113 464 610)	(113 464 610)
Long term liabilities	(7 539 965)	(7 539 965)
Deferred tax liabilities	(8 356 951)	(71 181 215)
Non - controlling interests	30 885 415	30 885 415
<b>Net book value</b>	<b>393 261 452</b>	<b>609 656 138</b>
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
<b>Total consideration paid</b>	<b>217 981 916</b>	<b>217 981 916</b>
Provision of goodwill	2 711 518	--
Negative goodwill - (Note 39)	--	(115 742 427)

**52. Significant applied accounting policies**

**52.1 Business Combination**

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for impairment, any gain on a bargain purchase is recognized immediately in profit or loss.
- Transaction costs are expensed as incurred, except if related to the issue of debtor equity securities.
- The consideration transferred doesn't include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that 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 profit or loss.

**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 profit or loss. 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 profit or loss 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 profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- 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 profit or loss 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 profit or loss.

#### **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 statement of profit or loss and 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 profit or loss 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 buyer, and the amount of revenue can be measured reliably.

**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.

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss 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 profit or loss.

**52.9.12 Cars conversion revenues**

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

**52.9.13 Gas sales revenues**

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

**52.9.14 Fuelling revenues**

Revenues is recognized when supplying ships with fuel.

**52.9.15 Natural gas revenues**

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

**52.9.16 Financial guarantees contracts revenues**

- The main revenue for the company is represented in the commissions, which 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 profit or loss 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.

**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 profit or loss.

**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 profit or loss. 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:

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

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

#### **52.11.4 Biological assets**

Biological assets and agricultural products are measured at fair value less estimated costs to sell, with any change therein recognised in profit or loss. The following is the measurement of the biological assets:

Corn, cotton and sunflowers	fair value less cost to sell
Fruitful fruit gardens and orchards	3- 50 years
Pregnant heifer, dry and dairy cows	56 months

#### **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 profit or loss 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 profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Other intangible assets**

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

**52.15 Exploration and valuation assets**

**Recognition**

- All costs arising from acquiring exploration assets are capitalized in addition to all future costs against granting the exploration right.
- Drilling and exploration costs are initially capitalized until drilling results evaluated, the evaluation process should take place periodically and costs should be capitalized as intangible assets until the evaluation results refer to the existence of mineral resources, and if that does not happen all costs should be recognized directly in the income statement.
- Non monetary assets that have no physical existence acquired for the business purposes and expected to generate future economic benefits are recorded as intangible assets. Intangible assets mainly include quarry site preparation costs.

**Measurement**

Intangible assets are measured at cost which is represented in the cash amount at the recognition date. If payment is deferred the difference between the cash price and the total payment is recognized as interest in the income statement. Intangible assets are presented at net of amortization and accumulated impairment losses (Note 3.18).

**52.16 Investment property**

Investment property is measured at cost on initial recognition.

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

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 profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

##### **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 profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at 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 profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

**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 profit or loss.

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 Repurchase and reissue of ordinary shares (treasury shares)**

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

**52.20 Legal reserve**

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

**52.21 Impairment**

**52.21.1 Non-derivative financial assets**

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

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.

- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

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

#### **Financial assets measured at amortized cost**

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

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

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

#### **Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an

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.