Translation of review report
originally issued in Arabic

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Consolidated Interim Financial Statements

For the Financial Period Ended March 31, 2022

And Limited Review Report

KPMG Hazem Hassan
Public Accountants & Consultants

Contents

KPMG

Hazem Hassan
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

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Limited review report on consolidated interim financial statements
To: The Board of Directors of Sixth of October for Development and Investment Company "SODIC"

Introduction

We have performed a limited review for the accompanying consolidated interim statement of financial position of Sixth of October for Development and Investment Company "SODIC" (S.A.E) as at March 31, 2022, and the related consolidated interim statements of profit or loss, comprehensive income, changes in equity, and cash flows for the three-month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (no. 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 interim 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 March 31, 2022, and of its consolidated interim financial performance and its consolidated interim cash flows for the three-month then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan
Public Accountants and Consultants
4

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo April 20, 2022

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated interim statement of financial position as at

EGP	Note No.	31 March 2022	31 December 2021
Non-current assets			
Property, plant, equipment	(24)	764 521 279	778 566 405
Projects under construction	(25)	131 359 200	129 185 058
Investment properties under development	(26)	3 306 377 408	3 156 406 139
Investments in associates and joint ventures	(27)	-	-
Investment properties	(28)	398 597 162	368 044 461
Right of use - Assets	(29-1)	52 746 227	55 069 321
Trade and notes receivable	(19-2)	1 167 612 777	1 177 626 366
Debtors and other debit balances	(20-2)	8 408 112	14 019 778
Deffered tax assets	(14)	194 941 014	202 626 819
Total non-current assets		**6 024 563 179**	**5 881 544 347**
Current assets			
Inventory	(16)	18 450 048	18 499 329
Completed units ready for sale	(17)	73 732 959	52 212 184
Works in process	(18)	14 505 000 988	14 184 447 190
Trade and notes receivable	(19-1)	1 345 047 670	1 334 794 585
Debtors and other debit balances	(20-1)	3 459 112 272	3 408 447 774
Loans to joint ventures	(21)	-	-
Financial investments at amortized cost "treasury bills"	(22)	710 794 846	331 418 265
Cash and cash equivalents	(23)	1 291 361 560	1 583 054 476
Total current assets		**21 403 500 343**	**20 912 873 803**
Total assets		**27 428 063 522**	**26 794 418 150**
Equity			
Issued & paid in capital	(30-1)	1 424 789 472	1 424 789 472
Legal reserve	(30-2)	224 840 771	224 840 771
Special reserve - share premium	(30-3)	1 483 154 057	1 483 154 057
Retained earnings		3 825 707 654	3 599 475 037
Profit from sale of treasury shares	(31)	1 725 456	1 725 456
Reserve for employee stock option plan	(50)	-	-
Equity attributable to equity holders of the Company		**6 960 217 410**	**6 733 984 793**
Non-controlling interests	(32)	65 830 851	63 860 164
Total equity		**7 026 048 261**	**6 797 844 957**
Non-current liabilities			
Loans	(33)	2 361 254 658	1 323 466 533
Creditors and notes payable	(34)	840 965 006	1 048 151 000
New Urban Communities Authority	(35)	4 051 151 790	3 971 255 748
Land acquisition creditors	(36)	1 326 581 509	1 279 135 232
Lease contracts liabilities	(29-2)	43 943 523	48 431 814
Total non-current liabilities		**8 623 896 486**	**7 670 440 327**
Current liabilities			
Banks facilities		-	2 458 049
Loans	(33)	166 821 324	1 225 396 749
Advances - from customers	(37)	7 363 249 953	7 007 597 727
Contractors, suppliers and notes payable	(38)	788 192 863	664 610 913
Income tax liabilies		506 476 460	442 420 718
New Urban Communities Authority	(35)	91 440 150	92 417 693
Land acquisition creditors	(36)	21 045 983	16 527 290
Creditors and other credit balances	(39)	2 260 699 844	2 309 364 142
Lease contracts liabilities	(29-2)	14 729 220	11 472 628
Provisions	(40)	565 462 978	553 866 957
Total current liabilities		**11 778 118 775**	**12 326 132 866**
Total liabilities		**20 402 015 261**	**19 996 573 193**
Total equity and liabilities		**27 428 063 522**	**26 794 418 150**

* The accompanying notes from (1) to (53) form an integral part of these consolidated financial statements and to be read therewith.

Financial Manager	**Group Financial Controller**	**Chief Financial Officer**	**Managing Director**
Moh. Samir	A Hegazi		
Mohamed Samir	Ahmed Hegazi	Omar Elhamawy	Magued Sherif

"Limited review report attached"

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Consolidated interim statement of profit or loss

for the financial period ended on March 31

EGP	Note No	2022	2021
Revenues			
Real estate sales	(5)	1 066 201 728	742 951 498
Revenues of services of managing cities and resorts		97 899 870	90 067 943
Revenues of investment property		13 578 574	7 440 046
Revenues from clubs and golf course		9 136 387	8 115 554
Total operation revenues		**1 186 816 559**	**848 575 041**
Cost of sales			
Cost of real estate sold	(6)	(586 506 286)	(472 181 794)
Costs of services of managing cities and resorts		(72 186 246)	(67 827 841)
Costs of investment property		(6 833 734)	(2 567 858)
Cost of clubs and golf course		(17 832 447)	(23 813 224)
Total operation costs		**(683 358 713)**	**(566 390 717)**
Gross profit		**503 457 846**	**282 184 324**
Other operating revenues	(7)	23 810 495	23 399 945
Selling and marketing expenses	(8)	(108 076 374)	(61 833 711)
General and administrative expenses	(9)	(150 895 258)	(113 948 385)
Other operating expenses	(10)	(29 393)	(2 207)
(Charges) / reversal of expected credit losses	(11)	(1 426 597)	(598 843)
Operating profit		**266 840 719**	**129 201 123**
Finance income	(12)	77 253 615	40 482 102
Finance cost	(13)	(43 419 098)	(33 216 679)
Net finance income		**33 834 517**	**7 265 423**
Net profit before tax		**300 675 236**	**136 466 546**
Income tax	(14)	(72 471 932)	(34 177 100)
Profit for the period		**228 203 304**	**102 289 446**
Attributable to:			
Equity holders of the Company		226 232 617	100 467 690
Non-controlling interests	(32)	1 970 687	1 821 756
Net profit for the period		**228 203 304**	**102 289 446**
Earnings per share (EGP / Share)	(15)	**0.64**	**0.28**

* The accompanying notes from (1) to (53) form an integral part of these consolidated financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Consolidated interim statement of comprehensive income

for the financial period ended on March 31

EGP	Note No	2022	2021
Profit of the period		228 203 304	102 289 446
Total other comprehensive income items for the period after income tax		-	-
Total comprehensive income of the period		**228 203 304**	**102 289 446**
Total comprehensive income is attributable to:			
Equity holders of the company		226 232 617	100 467 690
Non-controlling interests	(32)	1 970 687	1 821 756
Total comprehensive income for the period		**228 203 304**	**102 289 446**

* The accompanying notes from (1) to (53) form an integral part of these consolidated financial statements and to be read therewith.

Translation of consolidated financial statements originally issued in Arabic

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated interim statement of changes in equity
for the financial period ended on March 31, 2022

EGP	Issued and paid in capital	Legal reserve	Special reserve- share premium	Retained earnings	Profit / (losses) from selling of treasury shares	Reserve for employee stock option plan	Total	Non-Controlling interests	Total equity
Balance as at January 1, 2021	**1 424 789 472**	**223 686 635**	**1 382 852 956**	**2 954 919 721**	**1 725 456**	**21 528 566**	**6 009 502 806**	**62 982 621**	**6 072 485 427**
Total comprehensive income									
Net profit for the period	-	-	-	100 467 690	-	-	100 467 690	1 821 756	102 289 446
Other comprehensive income items	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	**100 467 690**	-	-	**100 467 690**	**1 821 756**	**102 289 446**
Transactions with owners of the Company									
Transferred to special reserve-share premium	-	-	46 389 927	-	-	-	46 389 927	-	46 389 927
Reserve for employee stock option plan	-	-	-	-	-	5 292 332	5 292 332	-	5 292 332
Excuted amounts of employees stock option	-	-	-	-	-	(15 043 300)	(15 043 300)	-	(15 043 300)
Transferred to statement of profit and loss	-	-	-	-	-	510 316	510 316	-	510 316
Total transactions with owners of the Company	-	-	**46 389 927**	-	-	**(9 240 652)**	**37 149 275**	-	**37 149 275**
Balance as at March 31, 2021	**1 424 789 472**	**223 686 635**	**1 429 242 883**	**3 055 387 411**	**1 725 456**	**12 287 914**	**6 147 119 771**	**64 804 377**	**6 211 924 148**
Balance as at January 1, 2021	**1 424 789 472**	**224 840 771**	**1 483 154 057**	**3 599 475 037**	**1 725 456**	-	**6 733 984 793**	**63 860 164**	**6 797 844 957**
Total comprehensive income for the period									
Net profit for the period	-	-	-	226 232 617	-	-	226 232 617	1 970 687	228 203 304
Other comprehensive income items	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	**226 232 617**	-	-	**226 232 617**	**1 970 687**	**228 203 304**
Transactions with owners of the Company									
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	**1 424 789 472**	**224 840 771**	**1 483 154 057**	**3 825 707 654**	**1 725 456**	-	**6 960 217 410**	**65 830 851**	**7 026 048 261**

* The accompanying notes from (1) to (53) form an integral part of these consolidated financial statements and to be read therewith.

Sixth of October for Development nd Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated interim statement of cash flows
for the financial period ended on March 31

EGP	Note No	2022	2021
Cash flows from operating activities			
Net profit for the period before tax		300 675 236	136 466 546
Adjustments for:			
Depreciation of fixed assets, investment properties and right in use assets	(24) ، (28) ، (29)	33 009 164	24 920 036
(Gain) / loss on sale of property, plant and equipment	(7)	(199 235)	2 207
Interest on lease contract liabilities	(13)	1 262 312	1 221 325
Return on investments at amortized cost	(12)	(15 467 877)	(23 568 289)
Credit interest on the reserve for employee stock option plan		-	510 316
Reversal of impairment of property, plant and equipment	(7)	(455 647)	(455 647)
Employees stock option plan expense	(9)	-	5 292 329
Changes in:			
Inventory		49 281	(6 208 877)
Finished units available for sale		18 836 263	6 017 917
Works in process		(221 117 885)	(298 710 712)
Trade and notes receivables		(239 494)	52 853 946
Debtors and other debit balances		(45 783 220)	(103 563 379)
Provisions formed	(40)	106 501 450	40 681 029
Provisions no longer required	(40)	-	(15 700)
Provisions used	(40)	(94 905 429)	(25 394 471)
Advances from customers		330 154 422	464 161 631
Contractors, suppliers and notes payable		(83 604 044)	(76 597 697)
Creditors and other credit balances & NUCA		(47 664 426)	(21 932 936)
Paid income tax		-	(4 101 459)
Restricted cash		-	(157 093)
Net cash generated from operating activities		**281 050 871**	**171 421 022**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment and projects under construction		(10 795 338)	(14 503 134)
Payments for investments properties under development		(168 533 346)	(134 248 225)
Payments for investments at amortized cost		(811 882 170)	(699 890 552)
Proceeds from investments at amortized cost		447 973 466	591 790 371
Proceeds from sale of property, plant and equipment		237 610	-
Net cash (used in) investing activities		**(542 999 778)**	**(256 851 540)**
Cash flows from financing activities			
(Payments for) banks - credit facilities		(2 458 049)	-
Proceeds banks - credit facilities		-	2 522 989
Proceeds from loans		1 099 021 749	125 164 408
(Paid to) loans		(1 120 771 749)	-
Payment for operating lease contracts liabilities		(4 535 961)	(5 396 171)
Proceeds from employee stock option plan		-	32 509 705
Net cash (used in) / generated from financing activities		**(28 744 010)**	**154 800 931**
Net (decrease) / increase in cash and cash equivalents		**(290 692 917)**	**69 370 413**
Cash and cash equivalents at January 1		1 574 658 818	1 527 605 825
Effect of movement in expected credit loss on cash and cash equivalents		(48 518)	16 398
Cash and cash equivalents at March 31	(23)	**1 283 917 383**	**1 596 992 636**

* The accompanying notes from (1) to (53) form an integral part of these consolidated financial statements and to be read therewith.

1. Background and activities

1-1 Sixth of October for Development and Investment Company "SODIC"– An Egyptian Joint Stock Company – was incorporated in accordance with the provisions of Law No. 159 of 1981 and its Executive Regulations and considering the provisions of Law No. 95 of 1992 and its Executive Regulations and by virtue of the decree of the Minister of Economy and International Cooperation No. 322 of 1996 issued on May 12, 1996. The Company was registered in Giza Governorate Commercial Registry under No. 625 on May 25, 1996.

1-2 The purpose of the Company is represented in the following:

- Land acquisition and the subsequent sale/lease to clients after connecting the relevant infrastructure.
- Operating in the field of construction, integrated construction and supplementary works.
- Planning, dividing and preparing lands for building and construction according to modern building techniques.
- Building, selling and leasing all various types of real estate.
- Developing and reclaiming land in the new urban communities.
- Operating in the field of tourism development and tourism related establishments including, building, managing, selling or utilizing hotels, motels and tourist villages in accordance with applicable Egyptian laws and regulations.
- Building, managing, selling and leasing –residential, service, commercial, industrial and tourism projects.
- Importing and operating as trade agents within the allowable limits of the Company's purpose (not with the purpose of trading)
- Financial leasing in accordance with Law No. 95 of 1995.
- Working in all fields of information technology and systems, hardware and software (computer software and services).
- Operating in fields of communication systems, internet, space stations and transmission except for the field of satellites.
- Investing in the various activities related to petroleum, gas and petrochemicals.
- Operating in the field of coordinating and planting gardens, roads and squares and also providing security, steward - ship, maintenance and cleaning services.
- Operating in the field of ownership and management of sporting, entertainment, medical, educational buildings and also ownership, management and operating of restaurants.
- In addition, the Company may have interest or participate in any manner with companies or others that share similar activities or which may assist it to achieve its purposes in Egypt or abroad.

  Also the Company is entitled to merge into or acquire the aforementioned companies or make them subsidiaries in accordance with the provisions of law and its executive regulations.

1-3 The Company's duration is 50 years starting from the date of registration in the Commercial Registry.

1-4 The Company is listed on the Egyptian Exchange.

1-5 The interim consolidated financial statements of Sixth of October for Development & Investment Company "SODIC" (the Parent Company) for the financial period ended March 31, 2021 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in the profit or loss of associates and joint ventures.

The registered office of the Parent Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Mr. Talal Al Dhiyebi is the Chairman for the Parent Company and Mr. Magued Sherif, is the Managing Director of the Parent Company.

2. Basis of preparation of consolidated interim financial statements

Compliance with accounting standards and laws

- The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.
- The consolidated financial statements were approved by the Board of Directors on April 20, 2022.
- Details of the Group's accounting policies are included in Note (53).

3. Functional and presentation currency

- The consolidated financial statements are presented in Egyptian Pounds, which is the Company's functional currency.

4. Use of judgment and estimates

- In preparing the consolidated financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- The recognition of the change in accounting estimates in the period in which the change in estimate, if the change affects only that period, or in the period of change and future periods if the change affects both.

A- Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Revenue recognition: revenue is recognized as detailed in the accounting policies applied.
- Equity-accounted investees (associates Companies): whether the Company has significant influence over an investee.
- Lease contracts classification.

B- Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2021 that might have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Measurement of ECL for cash at banks, trade and notes receivables and other financial assets.

C- Measurement of fair values

Certain number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Accreditation is measured in the fair value of assets and liabilities mainly on available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs of the quoted prices included in level (1) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Share-based payments
- Financial instruments
- Investment properties

5. Real estate sales

The Group's operations are considered to fall into one broad class of business, sale of real estate units and hence, segmental analysis of assets and liabilities is not considered meaningful. The Group's revenues can be analyzed as follows:

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Revenues from the sale of Sodic projects in West Cairo	295 174 637	245 343 606
Revenues from the sale of Sodic projects in East Cairo	721 687 842	429 083 330
Revenues from the sale of Sodic projects in North Coast	32 907 335	34 569 302
	1 049 769 814	**708 996 238**
Interest income realized from installments during the period	55 369 951	51 609 749
Discount for early payment	(38 938 037)	(17 654 489)
	1 066 201 728	**742 951 498**

- Includes an amount of EGP 91 902 301 representing the financial component on installments collected from customers of delivered units prior to delivery in compliance with the Egyptian accounting standard No. 48.

6. Cost of real estate sold

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Cost of sales of Sodic projects in West Cairo (*)	141 221 705	148 912 498
Cost of sales of Sodic projects in East Cairo	422 700 733	299 504 851
Cost of sales of Sodic projects in North Coast	22 583 848	23 764 445
	586 506 286	**472 181 794**

- Includes an amount of EGP 91 902 301 representing the capitalized interest on installments collected from customers of delivered units.

(*) Includes an amount of EGP 8 347 328 representing the adjustment to the cost of land for SODIC West El Sheikh Zayed plot as shown in detail in note (18).

7. Other operating revenues

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Delay penalties and cancellations	19 392 948	17 731 602
Other income	1 573 736	2 693 835
Reversal of impairment of property, plant and equipment	455 647	455 647
Provisions no longer required	-	15 701
Capital gain	199 235	-
Go Smart service	2 188 929	2 503 160
	23 810 495	**23 399 945**

8. Selling and marketing expenses

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Salaries and wages	16 575 513	14 752 378
Sales commissions	40 870 742	23 544 252
Advertising expenses	32 961 369	12 836 123
Conferences, exhibitions and events	4 672 881	3 009 443
Rent	867 161	361 338
Maintenance, cleaning and agriculture	868 788	1 628 383
Travel, transportation and cars	334 299	22 795
Professional and consultants' fees	1 676 802	295 814
Tips and gifts	447 115	-
Depreciation & amortization	4 754 736	3 834 770
Employees vacations	235 240	-
Fees and stamps	1 820 589	1 023 662
Printing and photocopying	691 563	17 745
Communication, electricity, telephone and water	646 903	406 212
Other	652 673	100 796
	108 076 374	**61 833 711**

9. General and administrative expenses

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2020 EGP
Salaries, wages and bonuses	45 622 059	31 992 449
Board of Directors' remunerations and allowances	3 260 162	1 804 500
Training, medical care, meals & uniforms	8 483 140	5 058 524
Employees Stock Option Plan (9-1)	-	5 292 329
Specific employees benefits	2 926 593	2 652 540
Maintenance, cleaning, agriculture, and security	30 224 217	31 717 064
Professional and consultancy fees	18 811 543	6 367 870
Advertising, exhibitions and conferences	1 891 033	-
Donations	5 000	185 000
Gifts and tips	1 203 664	1 261 824
Depreciation & amortization	17 318 167	13 937 473
Reception and hospitality	634 655	203 350
Programs and computer supplies	228 403	220 648
Stationery and printing supplies	3 604 335	2 176 031
Communication, electricity, telephone and water	2 954 197	1 435 204
Subscriptions and governmental dues	1 428 637	2 620 991
Rent	1 610 265	1 721 934
Travel and transportation	1 469 350	732 550
Bank charges	1 143 872	1 199 826
Employees vacations	1 284 743	-
Insurance installments	445 658	521 520
Contribution to Takaful system for health insurance	2 884 488	1 857 371
Other	3 461 077	989 387
	150 895 258	**113 948 385**

(9-1) Represents the fair value of the option granted at the grant date for beneficiaries of Employees Stock Option Plan granted to the executive board members and the directors as shown in note (50).

(9-2) Professional and consultancy fees include an amount of EGP 5.44 million representing financial advisors' fees for studies on the initial offer made by Aldar Real Estate Company to acquire the Company's shares.

10. Other operating expenses

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Custom claims	29 393	-
Capital losses	-	2 207
	29 393	**2 207**

11. Charges of expected credit losses

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Expected credit losses on loans to joints ventures	-	232 802
(Reversal) / charges of expected credit losses on cash at bank	(48 518)	16 398
(Reversal) of expected credit losses on accounts receivables	(28 237)	-
Expected credit losses on debtors & other debit balances	1 503 352	349 643
	1 426 597	**598 843**

12. Finance income

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Interest income	13 403 027	16 913 813
Return on investment at amortized cost	15 467 877	23 568 289
Differences in balances of foreign currencies (*)	48 382 711	-
	77 253 615	**40 482 102**

(*) As the Group has a surplus of foreign currencies at the date of the financial position, the group realized gain from foreign exchange from balances dominated in foreign currencies as a result of the increase in the exchange rate of the USD against the EGP during the period from EGP 15.64 /USD to EGP 18.27 /USD at the date of the financial position.

13. Finance cost

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Interest expense	42 156 786	31 917 433
Foreign exchange losses from balances denominated in foreign currencies	-	77 921
Interest on lease contracts	1 262 312	1 221 325
	43 419 098	**33 216 679**

14. Income tax

A- Items recognized in the profit or loss

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Current income tax expense	64 786 127	49 835 914
Deferred income tax (benefit)	7 685 805	(15 658 814)
	72 471 932	**34 177 100**

B- Deferred tax assets and liabilities movement

March 31, 2022

	Balance as at 1/1/2022 asset / (liability) EGP	Charged to profit or loss EGP	Balance as at 31/03/2022: Deferred tax resulted in asset EGP	Deferred tax resulted in (liability) EGP	Net deferred tax resulted in (Liability) / Asset EGP
Property, plant and equipment	(1 087 443)	682 788	-	(404 655)	(404 655)
Foreign exchange differences	(5 915 344)	(4 446 754)	-	(10 362 098)	(10 362 098)
Provisions	119 326 468	2 319 711	121 646 179	-	121 646 179
EAS application differences	(1 050 162)	(107 555)	-	(1 157 717)	(1 157 717)
Carry forward losses	91 353 300	(6 133 995)	85 219 305	-	85 219 305
Net	**202 626 819**	**(7 685 805)**	**206 865 484**	**(11 924 470)**	**194 941 014**

December 31, 2021

	Balance as at 1/1/2021 asset / (liability) EGP	Charged to profit or loss EGP	Balance as at 31/12/2021: Deferred tax resulted in asset EGP	Deferred tax resulted in (liability) EGP	Net deferred tax resulted in (Liability) / Asset EGP
Property, plant and equipment	(5 508 510)	4 421 067	-	(1 087 443)	(1 087 443)
Foreign exchange differences	(7 116 532)	1 201 188	-	(5 915 344)	(5 915 344)
Provisions	72 483 459	46 843 009	119 326 468	-	119 326 468
EAS application differences	-	(1 050 162)	-	(1 050 162)	(1 050 162)
Carry forward losses	4 412 598	86 940 702	91 353 300	-	91 353 300
Net	**64 271 015**	**138 355 804**	**210 679 768**	**(8 052 949)**	**202 626 819**

C- Liability for temporary differences related to investments in subsidiaries, associates and joint ventures were not recognized because the group controls the timing of the reversal of the related temporary differences and is satisfied that they will not reverse in the foreseeable future.

D- Reconciliation of effective income tax rate

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Profit before income taxes	300 675 236	136 466 546
Tax rate	**22.50%**	**22.50%**
Income tax using the domestic corporation tax rate	**67 651 928**	**30 704 973**
Special tax pool (financial investment at amortized cost)	(386 697)	(589 207)
Non- deductible expenses / income	(872 926)	4 190 459
Current-period losses for which no deferred tax asset is recognized	6 133 995	-
Differences in amortization and interest on lease obligations	(682 788)	(129 125)
Other tax adjustments	628 420	-
Tax as per consolidated income statement	**72 471 932**	**34 177 100**
Effective tax rate	**24.1%**	**25.04%**

E- Unrecognized deferred tax assets

	31/03/2022 EGP	31/12/2021 EGP
Temporary deductible differences	134 848 355	134 841 742
Tax losses carried forward	16 990 905	19 284 768
	151 839 260	**154 126 510**

Deferred tax assets have not been recognized in respect of the above-mentioned items because of uncertainty associated with the taxable profit to cover these tax assets.

15. Earnings per share

A- Consolidated Earnings per share

Earnings per share as at March 31, 2022, is calculated based on the group's share in earnings for the period using the weighted average number of outstanding shares during the period as follows:

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Net profit for the period (parent company share)	226 232 617	100 467 689
Employees share of profit	-	-
Employees and board of directors share in subsidiaries and associates companies	-	-
	226 232 617	**100 467 689**
Weighted average number of shares outstanding during the period	356 197 368	356 197 368
Earnings per share (EGP / share)	**0.64**	**0.28**

B- Separate (loss) per share

Loss per share as at March 31, 2022, is calculated based on the Parent Company's share in loss for the period according to the separate financial statements using the weighted average number of outstanding shares during the period as follows:

	For the period ended 31/03/2022 EGP	For the period ended 31/03/2021 EGP
Net (loss) for the period (according to the separate financial statements)	(19 041 072)	(44 187 248)
Employees share of profit	-	-
	(19 041 072)	**(44 187 248)**
Weighted average number of shares outstanding during the period	356 197 368	356 197 368
Loss / per share (EGP / share)	**(0.05)**	**(0.12)**

16. Inventory

	31/03/2022 EGP	31/12/2021 EGP
Maintenance, operation and communication supplies	18 450 048	18 499 329
	18 450 048	**18 499 329**

17. Completed units ready for sale

	31/03/2022 EGP	31/12/2021 EGP
Cost of completed units	73 732 959	52 212 184
	73 732 959	**52 212 184**

18. Work in process

This item represents the total costs related to works currently being undertaken. Details of these works are as follows:

	31/03/2022 EGP	31/12/2021 EGP
West Cairo projects costs (18-1)	7 973 207 866	7 799 266 365
East Cairo projects costs	4 849 370 820	4 775 170 534
North Coast projects costs (18-2)	1 682 422 302	1 610 010 291
	14 505 000 988	**14 184 447 190**

- Includes an amount of EGP 918 309 381 representing the value of capitalized interest on installments collected from customers.

(18-1) West Cairo projects costs

A- Al Yosr for Projects and Agricultural Development ("Al Yosr"), SODIC's fully owned subsidiary. Al Yosr has received a letter from the New Urban Communities Authority ("NUCA") with respect to the 300-acre plot (circa 1.26 million square meters) of land owned by Al Yosr and located in the Sheikh Zayed City extension area as determined by the presidential decree number 77. The letter informs Al Yosr of NUCA's Board of Directors decision regarding the payment required to be made by land owners in order for NUCA to deliver infrastructure to the plot and change the land usage from agricultural to residential, increasing the allowable built up area within the limits of Republican Resolutions (77-230 of 2017). In consideration for the above Al Yosr will make an in-kind payment of 50% of the land.

On July 11, 2019, an agreement was concluded between Al Yosr and the New Urban Communities Authority (NUCA) to relinquish 50% of the above mentioned plot in return for delivering infrastructure to the plot and change the land usage from agricultural to residential, the project Master plan was submitted to the New Urban Communities Authority and was approved. The first phase of the project was launched on 29 September 2019 under the name of The Estates.

B- The balance includes the net present value of the plot of land previously ceded to the New Urban Communities Authority referred to above in paragraph (A) with an amount of EGP 1.24 billion in addition the company paid the value of administrative expenses and the Board of Trustees amounting to EGP 18.54 million .On September 1, 2021, the New Urban Communities Authority approved the request submitted by the one of SODIC subsidiaries to purchase the plot of land that were previously assigned to The Authority with an area of 123.38 acres, equivalent to 518,329.62 square meters see Note (34-1).

On 6 April 2022, the New Urban Communities Authority sent a letter to amend the area of the plot of land from 123,387 acres to 115.34, equivalent to 484.559,15 square meters, along with the adjustment of the installments and interest values according to the new area.

C- Company's Land settlement in El Sheikh Zayed

The balance includes approximately EGP 247 million representing the present value at inception of the share of the work under construction from the settlement amount of the Company's land in Sheikh Zayed as a component of the cost of the units whose revenues will be recognized in the statement of income or losses for future years, this amount represents the remainder of the present value of a total settlement amount of EGP 800 million with the Illicit Gains Authority ("IGA").

D- The balance includes an amount of EGP 4 569 946 696 representing the net present value of the project's minimum land payments for the 500 acres in Sheikh Zayed extension in addition to the capitalized interests in accordance with the co-development agreement between the Company and the Urban Communities Authority with a minimum guarantee to the Authority of EGP 11.413 billion as shown in detail in note (35).

On July 15, 2021, a letter was received from the Ministry of Housing, Utilities & Urban Communities ("The Ministry") regarding the 500-acre plot in New Zayed currently being developed by the company in co-development with the New Urban Communities Authority ("NUCA"). The letter refers to some changes to the New Zayed area plans at large including the development of new projects adjacent to the aforementioned land plot, which would affect the company's project on the plot. Accordingly, the location of the 500-acre plot is being adjusted in a way that preserves the nature and all components of the project and maximizes the benefit from these changes. The new location will be presented to NUCA's Board of Directors.

On August 26, 2021, a letter was received from the Sheikh Zayed City Development Authority stating that the subject of the aforementioned plot of land had been presented to the New Urban Communities Authority Board of Directors, including a proposal to amend the site of the company's project land to a new site. The proposed new site is located in the new Sheikh Zayed City Extension over an area of approximately 440 acres adjacent to the old plot of land and includes parts of it. In addition, it is more efficient than the original plot site, allowing an increase in the salable build up area in the project without compromising its components.

On November 24, 2021, a letter was received from the Sheikh Zayed City Development Authority stating that the New Urban Communities Authority Board of Directors decided to approve the replacement of the plot of land previously allocated to SODIC in the area of Presidential Decree No. (77) of year 2017 with a new plot of land which area is determined at 464.81 acres which has the same distinction for the original plot of land and the area. A suitable alternative period is added for the implementation of the project - the SODIC will benefit from the value of the fees previously paid for the issuance of Ministerial decree No. (980) dated December 19, 2019 in the issuance of the ministerial decree for the alternative land and without paying new administrative expenses. An annex to the contract is currently being edited that includes the enforceable rights and obligations of each party, provided that the rest of the conditions and controls remain as they were in the old contract.

On December 20, 2021, the plot of land with the new location was handed over to SODIC, accordingly the Group management has decided to recognize the financial impact of these amendments according to its best estimate in light of the information available on the date of issuing the financial statements.

(18-2) North Cost projects costs

On March 8, 2018, the Company signed two co-development contracts for a residential and tourism project for two land plots of approximately 308 acres on the North Coast with the owners as follows:

- Contract signed with Owners Union – Shahin for the land plot of approximately 111 acres (the first plot).
- Contract signed with the Alammar Company for Urban Expansion for the land plot of approximately 197 acres (the second plot).

  Accordingly, SODIC at its own expense and under its responsibility will implement, finance, market and sell the units of the two projects and all its inclusions and components, in addition to providing management and maintenance either directly or through third parties, and delivering on all other obligations as stipulated in the co-development contract and will accordingly share the revenue according to the defined percentages in the contract for each component of the project.

  According to the first plot's contract the Company paid an amount of EGP 30 Million which represents down payment which will be settled during a three-year period in equal installments against Owners Union – Shahin share in the project revenues in accordance to the co-development contract.

  On July 4, 2018, according to the co-development contract Sixth of October for Development and Investment Company "SODIC" notified the Owners Union – Shahin that Tabrouk Development Company, a 99% owned subsidiary of SODIC, will replace it in the above mentioned co-development contract dated March 8, 2018, and all rights and obligations will be transferred to Tabrouk Development Company from July 4, 2018.

  The Group also paid EGP 25.9 million on behalf of Owners Union – Shahin to settle land installment for year 2018, and collected from Owners Union – Shahin EGP 3.3 million, thus the net amount paid up until December 31, 2020 amounted to EGP 52.6 million.
- According to the Presidential Decree No. 361 of 2020, Malaaz project land subordination has transferred to the New Urban Communities Authority, which in turn amended the Master plan of the entire North Coast. Accordingly, the project land which was being prepared for Malaaz project were affected by the new plans and the legal procedures for transferring the subordination of the project to the New Urban Communities Authority are in process (Note 11).
- On August 25, 2021, a new co- development contract was concluded between the Tabrouk Development Company and the Owners Union – Shahin, amending the previous contract to include the area of land belonging to Owners Union – Shahin after increasing it to 1 182 004 sq accourding to the new Masrter plan for the North Coast and as per the contract signed between the Owners Union – Shahin and the New Urban Communities Authority on September 12, 2021.

Under the new co-development contract, Tabrouk Company at its expense, is responsible to develop all the components of the project, including the internal infrastructure and facilities, except for the licensing and construction of 200 hotel rooms, including internal facilities and infrastructure, with the commitment of Tabrok Company, to deliver the facilities to The boundaries of the hotel plot.

The land cost as per the new co-development contract is as follows:

a. A fixed payments with a total amount of EGP 2 659 509 000 to be paid over 24 equal semi-annual installments of EGP 110 812 875 each.
b. A variable cost represnting the Owners Union – Shahin's percentage of the project's revenues as per the terms of the contract.

The balance due on the Owners Union – Shahin that was included in the work in progress as the variable consideration for the land of the Malaaz project amounted to EGP 52.8 million has been reclassified as debtors and other debit balances (long/short-term) as this amount will be recovered from the the Owners Union – Shahin's percentage in the revenues The project mentioned in item (b) above, over 8 consecutive quarterly installments of EGP 6 596 223 each, starting from the third quarter of 2021 until full payment.

The present value of the fixed payments of EGP 1 341 330 904 referred to in (a) above has been recorded as work-in-progress, as for the variable consideration mintioned in (b) above will be recorded as work-in-progress upon payment.

19. Trade and notes receivable

19-1 Trade and notes receivable current

	31/03/2022 EGP	31/12/2021 EGP
Trade receivable	223 162 782	185 582 643
Notes receivable – units *	1 181 144 068	1 208 075 706
Trade receivable - others	2 611 728	4 577 730
	1 406 918 578	**1 398 236 079**
Unamortized interest – notes receivable	(50 382 761)	(51 928 483)
	1 356 535 817	**1 346 307 596**
Expected credit losses on trade and notes receivable	(11 488 147)	(11 513 011)
	1 345 047 670	**1 334 794 585**

* The balance of notes receivable - units, represents the value of notes receivables received from real estate delivered units customers that are due within 12 months from the date of the financial position.

19-2 Trade and notes receivable non -current

This item represents the present value of long-term trade and notes receivable and debtors' balances as follows: -

	31/03/2022 EGP	31/12/2021 EGP
Receivables	8 439 916	9 063 562
Notes receivable – units' installments *	1 433 805 414	1 442 611 873
	1 442 245 330	**1 451 675 435**
Unamortized interest	(273 121 481)	(272 534 622)
	1 169 123 849	**1 179 140 813**
Expected credit losses on trade and notes receivable	(1 511 072)	(1 514 447)
	1 167 612 777	**1 177 626 366**

* The balance of notes receivable - units, represents the value of notes receivables received from real estate delivered units customers that are due after 12 months from the date of the financial position.

- Notes receivables not included in the financial statements amounting to EGP 18.7 billion have been disclosed in note No. (48).

The Group's exposure to credit, and currency risks related to trade and notes receivable is disclosed in note No. (43).

20. Debtors and other debit balances

20-1 Debtors and other debit balances - current

	31/03/2022 EGP	31/12/2021 EGP
Contractors and suppliers – advance payments	700 814 072	737 368 238
Due from related parties – Joint Venture	35 191 620	35 191 620
Accrued Revenues	80 732 756	81 435 406
Due from related parties	3 654 684	3 651 669
Prepaid expenses and sales commissions	648 986 127	583 844 979
Deposits with others	18 879 442	18 436 960
Tax Authority	53 671 392	59 480 860
Due from the bonus and incentives plan to employees and managers fund	5 473 472	5 473 472
Heliopolis Development and Housing Company (20-1-1)	228 532 600	228 532 600
Bank accounts – Joint arrangements (20-1-2)	72 438 466	52 296 390
Bank current accounts & deposits - Maintenance (20-1-3)	1 642 589 040	1 635 346 951
Owners Union – Shahin (Note 18-2)	23 414 092	24 046 593
Defaulting Service - Securitization portfolio (20-1-4)	24 010 000	24 010 000
Other debit balances	27 998 794	25 093 317
	3 566 386 557	**3 514 209 055**
Expected credit losses on debtors and other debit balances	(107 274 285)	(105 761 281)
	3 459 112 272	**3 408 447 774**

(20-1-1) This item represents the amount paid as a down payment to Heliopolis Housing and Development Company, this amount will be settled with Heliopolis Housing and Development Company's revenue share in the co-development contract pertaining to New Heliopolis City. Accordingly, the Company will act as a real estate developer for the land plot owned by Heliopolis Housing and Development Company with an area of 655 acres in New Heliopolis City. Heliopolis Housing and Development Company will earn a share of the revenue, with minimum guarantee amounting to EGP 5.01 billion. The two parties have agreed that the Company at its own expense and under its responsibility will implement, finance, market and sell the units of the project and all its inclusions and components, in addition to providing management and maintenance either directly or through third parties, and delivering on all other obligations as stipulated in the co-development contract and will accordingly share the revenue (according to the defined percentages in the contract for each component of the project).

The board of directors, in its session held on August 11, 2020, has agreed to amend the terms and conditions of the co-development contract with Heliopolis Housing and Development Company, including the amendment of the minimum guarantee according to the co-development contract by increasing the minimum guarantee, rescheduling the annual payments taking into consideration reducing the scheduled payments required of the company during the next five years while maintaining the same present value and the overall time period of the reimbursements, On December 21, 2021, an appendix has been signed to amend some of the terms and conditions of the co-development contract.

(20-1-2) This balance represents the company's share of the collected amounts from customers in the joint accounts held by the banks for SODIC East project. These balances are restricted unless agreed upon by both the developer and the owner in accordance with the contract terms of the joint bank accounts between the company as a developer, the bank, and the owner

(20-1-3) The balance represents maintenance deposits collected from customers, which have been invested in time deposits and interest-bearing current accounts for the purpose of financing the regular maintenance expenses related to the delivered units, and cannot be used for any other purpose.

(20-1-4) SODIC for Securitization S.A.E., SODIC's wholly-owned subsidiary announced on July 27, 2021 that it has successfully concluded its first securitization transaction by issuing an EGP 343 million securitization bond backed by a receivables portfolio of some EGP 384 million representing future instalments for 753 delivered units in SODIC's East Cairo project Eastown Residences and North Coast project Caesar. The bond comprises two tranches with tenors of 13 and 36 months which were assigned investment-grade credit ratings of AA+ and A respectively from Middle East Ratings and Investor Services (MERIS).

The details and coupon rates of the tranches are as follows:

- Tranche A with an amount of EGP 235 million, a tenor of 13 months, a credit rating of AA+, and a fixed coupon rate of 9.55%.
- Tranche B with an amount of EGP 108 million, a tenor of 36 months, a credit rating of A, and a fixed coupon rate of 9.9%.

Accordingly, the group has securitized a value of EGP 384 million representing future instalments for 753 delivered units in SODIC's East Cairo project Eastown Residences and North Coast project Caesar from the portfolio of delivered units in accordance with the securitization portfolio transfer contract dated June 20, 2021, and the transfer procedures have been completed and the securitization implemented According to the approval of the Financial Supervisory Authority dated July 27, 2021.

As a result of the securitization process, the Group financial assets of EGP 2 945 027 representing the net present value of future gains, as well as financial assets of EGP 24 million representing the retained value of 7% of the issued bonds to be held on account for the service of default, collected Immediately upon issuing a letter of guarantee in favor of the bond holders and the custodian

20-2 Debtors and other debit balances – non current

	31/03/2022 EGP	31/12/2021 EGP
Securitization portfolio assets (20-1-4)	2 947 736	2 946 822
Owners Union – Shahin (Note 18-2)	5 474 765	11 096 996
	8 422 501	**14 043 818**
Expected credit losses on debtors and other debit balances	(14 389)	(24 040)
	8 408 112	**14 019 778**

The Group's exposure to credit risk related to debtors and other debit balances is disclosed in note No. (43).

21. Loans to joint ventures

	31/03/2022 EGP	31/12/2021 EGP
This item represents the loan granted to the Joint Venture project in the Syrian Arab Republic by the Group on August 16, 2010 for a total amount of USD 19.5 Million. The loan carries an interest rate of 8.5% per annum. The principal together with interest were scheduled for payment before December 31, 2011. The loan was renewed with an interest rate of 12.5% per annum.	135 485 961	135 485 961
This item represents the utilized amount of the bridge loan granted to the Joint Venture project in the Syrian Arab Republic on October 28, 2010 for a total amount of USD 8 445 674. The loan carries an interest rate of 8.5% per annum.	72 146 692	72 146 692
	207 632 653	**207 632 653**
Expected credit loss on loans to joint ventures	(207 632 653)	(207 632 653)
	-	-

22. Financial Investments at amortized cost

	31/03/2022 EGP	31/12/2021 EGP
Treasury bills at par value	724 701 115	335 224 773
Unearned return on treasury bills	(13 844 750)	(3 744 989)
	710 856 365	**331 479 784**
Expected credit loss on loans to joint ventures	(61 519)	(61 519)
	710 794 846	**331 418 265**

The Group's exposure to market & interest risk related to the trading investments is disclosed in note No. (43).

23. Cash and cash equivalents

	31/03/2022 EGP	31/12/2021 EGP
Bank - time deposits *	525 631 824	697 040 514
Bank - current accounts	741 355 195	836 881 521
Checks under collection	17 558 886	45 716 134
Cash on hand	7 013 131	3 662 301
	1 291 559 036	**1 583 300 470**
Expected credit loss	(197 476)	(245 994)
	1 291 361 560	**1 583 054 476**

For the purpose of preparing the consolidated statement of cash flows, cash and cash equivalents items are represented as follows:

	31/03/2022 EGP	31/12/2021 EGP
Cash and cash equivalents before ECL	1 291 559 036	1 583 300 470
Restricted Deposits *	(8 641 652)	(8 641 652)
Cash and cash equivalents in the consolidated statement of cash flows	**1 282 917 384**	**1 574 658 818**

* Deposits include an amount of EGP 8.6 Million restricted as a guarantee for the credit facility granted to the Parent Company and one of its subsidiaries from commercial banks.

The Group's exposure to interest rate risk and currency risk for cash on hands and at banks which is disclosed in note No. (43).

24 - Property, plant, equipment

	Golf Course	Lands	Buildings and Constructions	Vehicles	Furniture and fixtures	Beach Furniture and fixtures	Office equipment and communications	Computer software	Generators, machinery and equipment	Solar power stations	Leasehold improvements	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost												
Cost at Januaray 1, 2021	**93 628 961**	**49 259 994**	**439 107 087**	**48 463 954**	**71 076 012**	**3 486 922**	**47 328 819**	**20 288 202**	**59 473 211**	**11 218 810**	**76 084 275**	**919 416 247**
Additions during the year	-	923 092	206 040 951	13 052 858	7 234 635	2 050 613	7 437 566	1 231 252	20 911 996	-	21 590 147	280 473 110
Disposals during the year	-	-	(114 370)	(423 795)	(237 539)	(191 947)	(4 078 923)	-	(764 008)	-	(71 629)	(5 882 211)
Cost at December 31, 2021	**93 628 961**	**50 183 086**	**645 033 668**	**61 093 017**	**78 073 108**	**5 345 588**	**50 687 462**	**21 519 454**	**79 621 199**	**11 218 810**	**97 602 793**	**1 194 007 146**
Cost at Januaray 1, 2022	**93 628 961**	**50 183 086**	**645 033 668**	**61 093 017**	**78 073 108**	**5 345 588**	**50 687 462**	**21 519 454**	**79 621 199**	**11 218 810**	**97 602 793**	**1 194 007 146**
Additions during the period	-	-	338 732	4 991 666	866 444	-	972 713	301 788	763 922	-	385 931	8 621 196
Disposals during the period	-	-	-	-	-	-	(52 383)	-	(40 926)	-	-	(93 309)
Cost at March 31, 2022	**93 628 961**	**50 183 086**	**645 372 400**	**66 084 683**	**78 939 552**	**5 345 588**	**51 607 792**	**21 821 242**	**80 344 195**	**11 218 810**	**97 988 724**	**1 202 535 033**
Accumulated deprectiation and imparment losses												
Accumulated depreciation and impairment losses at January 1, 2021	**93 628 961**	**-**	**56 221 479**	**26 651 112**	**26 509 600**	**1 628 982**	**31 336 672**	**16 339 964**	**30 564 375**	**409 474**	**54 715 440**	**338 006 059**
Depreciation during the year	1 366 942	-	27 790 477	7 646 388	11 271 902	2 012 778	6 510 901	2 108 339	9 937 896	448 753	14 738 729	83 833 105
Accumulated depreciation of disposals during the year	-	-	(114 370)	(423 792)	(220 668)	(191 947)	(3 352 923)	-	(656 460)	-	(71 321)	(5 031 481)
Reversal of impairment losses during the year	(1 366 942)	-	-	-	-	-	-	-	-	-	-	(1 366 942)
Accumulated depreciation and impairment losses at December 31, 2021	**93 628 961**	**-**	**83 897 586**	**33 873 708**	**37 560 834**	**3 449 813**	**34 494 650**	**18 448 303**	**39 845 811**	**858 227**	**69 382 848**	**415 440 741**
Accumulated depreciation and impairment losses at January 1, 2022	**93 628 961**	**-**	**83 897 586**	**33 873 708**	**37 560 834**	**3 449 813**	**34 494 650**	**18 448 303**	**39 845 811**	**858 227**	**69 382 848**	**415 440 741**
Depreciation during the period	1 366 942	-	8 273 938	2 212 095	2 931 336	749 584	1 485 057	528 437	2 850 357	112 188	3 484 956	23 994 890
Accumulated depreciation of disposals during the period	-	-	-	-	-	-	(52 377)	-	(2 558)	-	-	(54 935)
Reversal of impairment losses during the period	(1 366 942)	-	-	-	-	-	-	-	-	-	-	(1 366 942)
Accumulated depreciation and impairment losses at March 31, 2021	**93 628 961**	**-**	**92 171 524**	**36 085 803**	**40 492 170**	**4 199 397**	**35 927 330**	**18 976 740**	**42 693 610**	**970 415**	**72 867 804**	**438 013 754**
Carrying amount												
Carrying amount At January 1, 2021	**-**	**49 259 994**	**382 885 608**	**21 812 842**	**44 566 412**	**1 857 940**	**15 992 147**	**3 948 238**	**28 908 836**	**10 809 336**	**21 368 835**	**581 410 188**
Carrying amount At December 31, 2021	**-**	**50 183 086**	**561 136 082**	**27 219 309**	**40 512 274**	**1 895 775**	**16 192 812**	**3 071 151**	**39 775 388**	**10 360 583**	**28 219 945**	**778 566 405**
Carrying amount At March 31, 2022	**-**	**50 183 086**	**553 200 876**	**29 998 880**	**38 447 382**	**1 146 191**	**15 680 462**	**2 844 502**	**37 650 585**	**10 248 395**	**25 120 920**	**764 521 279**

- **Fixed assets included fully depreciated assets amounted to EGP 152 444 003 at March 31, 2022**

25. Projects under construction

This item is represented as follows:

	31/03/2022 EGP	31/12/2021 EGP
Advance payments -fixtures and purchasing of fixed assets	1 013 890	350 541
Administrative buildings and caravans under construction	25 946 596	24 435 803
Hotels buildings under constructions	104 398 714	104 398 714
	131 359 200	**129 185 058**

26. Investment properties under development

This item represents the value of real estate investments under development that have been re-presented from the accounts of projects in progress and work in progress, as the group management has decided to lease those real estate units upon completion instead of selling them as follows:

	31/03/2022 EGP	31/12/2021 EGP
Leasable real estates under development in: -		
Projects in West Cairo	1 487 907 210	1 419 250 277
Projects in East Cairo	1 818 470 198	1 737 155 862
	3 306 377 408	**3 156 406 139**

27. Investments in associates and joint ventures

The Group has the following investments in associates and joint ventures:

	Legal Form	Ownership Percentage		Carrying amount	
		31/03/2022 %	31/12/2021 %	31/03/2022 EGP	31/12/2021 EGP
Royal Gardens for Investment Property Co.	SAE	20	20	-	-
Palmyra SODIC Real Estate Development **(A)**	Syrian Ltd.	50	50	-	-
				-	-

Summary of financial information of associates and joint ventures: -

	Assets EGP In thousands	Liabilities EGP In thousands	Equity EGP In thousands	Foreign translation EGP In thousands	Revenues EGP In thousands	Expenses EGP In thousands
December 31, 2020						
Royal Gardens for Real Estate Investments Co.	**156 194**	**(159 464)**	**3 270**	**-**	**(1 048)**	**6 220**
December 31, 2019						
Royal Gardens for Real Estate Investments Co.	153 061	(151 172)	(1 889)	-	(7 584)	12 217
December 31, 2021						
Palmyra SODIC Real Estate Development (A)	**22 502**	**(1 101 089)**	**1 078 587**	**552 778**	**-**	**6 797**
December 31, 2019						
Palmyra SODIC Real Estate Development **(A)**	130 216	(1 113 822)	983 606	55 683	-	4 257

(A) On June 15, 2010, SODIC Syria was established - a limited liability company – to acquire a 50% stake in Palmyra - SODIC Real Estate Development Co., Ltd. - a limited liability company - registered and operating in the Syrian Arab Republic. The direct investment cost amounts to EGP 243 Million.
Due to the current political circumstances in the Syrian Arab Republic and the confiscation of assets and documents related to Palmyra - SODIC Real Estate Development Co by the state government, the management of SODIC addressed the Embassy of the Syrian Arab Republic in Egypt and commissioned a law firm to handle the issue and protect the interest of SODIC's shareholders.
This situation coupled with the unstable political environment witnessed in Syria led SODIC's Board of Directors to take the view that the invested amounts in Syria are non-recoverable. As such, SODIC recognized a loss arising from the inability to recover its investments. The recognized impairment loss of the investment and the foreign accumulated translation differences amounted to EGP 481 051 416 as at December 31, 2013.

28. Investment properties

Investment properties includes commercial, administrative and residential units leased out to others. The movement of the investment properties and its depreciation is as follows: -

Description	**Leased out**
	EGP
Cost	
At January 1, 2021	**166 414 001**
Additions during the year	247 201 369
Stock of finished units	(10 187 226)
At December 31, 2021	**403 428 144**
At January 1, 2022	**403 428 144**
Additions during the period	39 061 989
Transferred to finished units ready for sale	(3 251 154)
At March 31, 2022	**439 238 979**
Less	
Accumulated depreciation	
At January 1, 2021	**28 485 635**
Depreciation for the year	9 856 599
	(2 958 551)
At December 31, 2021	**35 383 683**
At January 1, 2022	**35 383 383**
Depreciation for the period	5 560 525
Transferred to finished units ready for sale	(302 391)
At March 31, 2022	**40 641 817**
Net carrying amount as at January 1, 2021	**156 557 402**
Net carrying amount as at December 31, 2021	**368 044 461**
Net carrying amount as at March 31, 2022	**398 597 162**

- The fair value of investment properties leased out to others amounted to EGP 946 million as at March 31, 2022.

29. Right of use assets and liabilities

30-1 Right of use – assets

This item represents the right of use resulting from lease contracts of sales offices, employees housing, software and photocopier as follows:

Cost	**EGP**
At January 1, 2022	100 883 683
Additions during the period	2 041 950
At March 31, 2022	**102 925 633**
Less	
Accumulated amortization	
At January 1, 2022	45 814 362
Amortization for the period	4 365 044
At March 31, 2022	**50 179 406**
Net carrying amount as at January 1, 2022	**55 069 321**
Net carrying amount as at March 31, 2022	**52 746 227**

30-2 Lease contract liabilities

Present value of the total liabilities resulted from lease contracts are as follows:

	31/12/2022 EGP	31/12/2021 EGP
Lease contract liabilities	72 028 924	74 553 654
Unamortized interests	(13 356 181)	(14 649 212)
Net present value of lease contract liabilities	**58 672 743**	**59 904 442**
Short-term lease liabilities	14 729 220	11 472 628
Long-term lease liabilities	43 943 523	48 431 814
	58 672 743	**59 904 442**

30. Share capital and reserves

31-1 Share capital

- The authorized capital of the Company is EGP 2.8 Billion and the Company's issued and paid in capital is EGP 1 355 638 292 distributed over 338 909 573 shares with a par value of EGP 4 per share, the commercial register was notified on December 7, 2014.
- The Board of Directors have decided in the meeting dated November 30, 2016 to increase the issued capital from EGP 1 355 638 292 to become EGP 1 369 194 672 by an amount of EGP 13 556 380 divided on 3 389 095 shares of par value EGP 4 per share, this capital increase should be financed from the special reserve- Additional paid in capital, and to be fully utilized by the Employees Stock Option Plan granted to the executive board members and the directors as per the option plan approved by the extra ordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions. The commercial register was modified on February 5, 2017.
- The board of directors have decided on the meeting dated October 23, 2018 to increase the issued capital from EGP 1 369 194 672 to become EGP 1 396 715 488 by an amount of EGP 27 520 816 divided on 6 880 204 shares of par value EGP 4 per share, this capital increase should be financed from the special reserve- Additional paid in capital, and to be fully utilized for the second and third sections from the sections of Employees Stock Option Plan granted to the executive board members and the directors as per the option plan approved by the extra ordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions, and delegate the board of directors to execute the procedures of the required increase to issue new shares to be utilize in the Employees Stock Option Plan, The commercial register was modified on January 8, 2019.
- The board of directors have decided on the meeting dated September 7, 2020 to increase the issued capital from EGP 1 396 715 488 to become EGP 1 424 789 472 by an amount of EGP 28 073 984 divided on 7 018 496 shares of par value EGP 4 per share, this capital increase should be financed from the special reserve- Additional paid in capital, and to be fully utilized for the fourth and fifth sections from the sections of Employees Stock Option Plan granted to the executive board members and the directors as per the option plan approved by the extra ordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions, and delegate the board of directors to execute the procedures of the required increase to issue new shares to be utilize in the Employees Stock Option Plan, an invitation was made to held a general assembly meeting on November 1, 2020 to consider amending article 6 and 7 of the company statutes, The commercial register was modified on December 23, 2020.

- The current capital structure for the holding company:

Shareholder	**Number of shares**	**Share value**	**Ownership percentage**
		EGP	**%**
ALDAR VENTURES INTERNATIONAL	213 240 140	852 960 560	59.87
GAMMA FORGE LIMITED	91 388 632	365 554 528	25.66
EKUITY Holding for Investments	17 252 027	69 008 108	4.84
Olayan Saudi Investment Company.	9 289 580	37 158 320	2.61
Other shareholders	25 026 989	100 107 956	7.02
	356 197 368	**1 424 789 472**	**100**

31-2 Legal Reserve

The balance as at March 31, 2022 is represented as follows: -

	EGP
Legal reserve of 5% of the Company's net profits till year 2017	41 447 167
Increase of the legal reserve with the difference between the par value of the treasury shares and its actual cost (according to the Company's Extra-Ordinary General Assembly Meeting held on July 10, 2003).	4 627 374
Increase of the legal reserve with part of capital increase share premium with limits of half of the Company's issued share capital during 2006.	123 409 151
Increase of the legal reserve with part of capital increase share premium during year 2007 with limits of half of the Company's issued share capital.	5 000 000
Increase of the legal reserve with part of the capital increase share premium with limits of half of the Company's issued share capital during 2010.	39 446 365
Increase in legal reserve by 5% of 2019 net profit.	9 756 580
Increase in legal reserve by 5% of 2021 net profit.	1 154 136
The amount used to increase the issued share capital during 2011.	(2)
	224 840 771

31-3 Special reserve – share premium

The balance as at March 31, 2022 is represented as follows: -

Description	EGP
Total value of the capital increase share premiums collected for the years 2006 and 2010	1 455 017 340
Share premium of the employees' incentive and bonus plan issued during 2007.	90 000 000
The value of selling 712 500 share which has been sold through beneficiaries of incentive and bonus plan during 2014 at EGP 30 per share (after split).	21 375 000
The value of 537 500 shares converted to treasury shares during 2015 at par value, these shares were previously set aside for the benefit of the incentive and bonus plan during the capital increase in 2008 and were converted as a result of the termination of the program.	2 150 000
The value received from the selling of offering rights for 737 500 shares during 2014, which were transferred from shares held for "incentive and bonus plan" as a result of the termination of the program.	16 306 910
The value of accrued dividends for 737 500 shares which were transferred from the shares set aside for the incentive and bonus plan during 2015 as a result of the termination of the program.	1 180 000
The value received from the sale of 3 083 938 shares which had been sold by beneficiaries of the Employees Stock Option Plan during year 2017 at an average of EGP 9.27 per share.	28 588 105
Share premium for issuing 3 083 938 shares which were transferred from the shares set aside for the Employees Stock Option Plan during 2017 as a result of execution	16 630 524
The value received from the sale of 3 273 263 shares which had been sold by beneficiaries of the Employees Stock Option Plan during year 2019 by average EGP 9.27 per share.	30 343 148
Share premium for issuing 3 273 263 shares which were transferred from the shares set aside for the Employees Stock Option Plan during 2019 as a result of execution	18 508 880
The value received from the sale of 7 052 169 shares which had been sold by beneficiaries of the Employees Stock Option Plan during year 2021 by average EGP 9.27 per share.	65 373 607
Share premium for issuing 7 052 169 shares which were transferred from the shares set aside for the Employees Stock Option Plan during 2021 as a result of execution	34 927 494
Amounts transferred to the legal reserve	(167 855 516)
Capital increase – related expense	(55 240 255)
Amount used for share capital increase during 2008	(5 000 000)
Amount used for share capital increase during 2017	(13 556 380)
Amount used for share capital increase during 2019	(27 520 816)
Amount used for share capital increase during 2020	(28 073 984)
	1 483 152 057

31. Profit from sale of treasury shares

- On August 14, 2011, the Board of Directors of the Parent Company approved the purchase of one Million treasury shares at EGP 18 per share (the par value is EGP 4 per share) with a total amount of EGP 18 018 000 from the Parent Company's shares offered on the Egyptian stock exchange. On August 13, 2012 the Parent Company's Board of Directors agreed to sell these shares for a total value of EGP 21 710 867 resulting in a profit from the sale of treasury shares with an amount of EGP 3 692 867.
- On February 1, 2015, the Parent Company's Extraordinary General Assembly agreed on the termination of the current incentive and bonus plan for employees and executive directors of the company by the end of its duration as of March 31, 2015 and converting the remaining shares amounting to 737 500 shares on which its rights have not been exercised yet, into treasury shares in accordance with the related regulations. The conversion of the shares into treasury shares was executed on July 14, 2015, these shares carrying a book value of EGP 10 150 000 have been sold during the financial year ended December 31, 2016 with a selling value amounted to EGP 8 182 589 realizing a loss in the amount of EGP 1 967 411. Accordingly, the profit from sale of treasury shares reserve becomes EGP 1 725 456.

32. Non-controlling interest

Non-controlling interest balance as at March 31, 2021, represents the interest shares in subsidiary's equity as follows:

	Non-controlling interest				
	Percentage	**Profit / (loss) for the period**	**excluding profit / (loss) for the period**	**Balance as of 31/03/2022**	**Balance as of 31/12/2021**
	%	**EGP**	**EGP**	**EGP**	**EGP**
Sixth of October for Development and Real Estate Projects Co. "SOREAL"	0.01	14 257	356 060	370 317	356 060
Beverly Hills for Management of Cities and Resorts Co	55.54	917 141	29 966 401	30 883 542	29 966 401
SODIC Garden City for Development and Investment Co.	50	1 040 364	33 508 013	34 548 377	33 508 013
Al Yosr for Projects and Real Estate Development Co	0.001	(1 557)	25 158	23 601	25 158
SODIC for Development and Real Estate Investment Co.	0.001	-	20	20	20
Edara for Services of Cities and Resorts Co.	0.003	482	4 508	4 990	4 508
Fourteen for Real Estate Investment Co.	0.004	-	2	2	2
La Maison for Real Estate Investment Co.	0.004	-	2	2	2
		1 970 687	**63 860 164**	**65 830 851**	**63 860 164**

33. Loans

	31/03/2022 EGP	31/12/2021 EGP
On October 13, 2021, Sixth of October for Development and Investment Company "SODIC" singed a medium-term syndicated loan contract with the Arab African International Bank "facility and guarantee agent" and Banque Misr (in its capacity as the account bank) with a total amount of EGP 1 570 million which replaces the previous syndicated loan contract on two tranches: – First tranche amount to finance the total debt outstanding due to group of banks represented by Arab African International Bank. – Second tranche to finance "SODIC West" projects located in Kilo 38 Cairo/Alex desert road -Giza- Egypt. **Guarantees:** – The company pledges to deposit all proceeds from the sale of the project. – The company is obligated to conclude a mortgage and assignment of a right of the first degree on the account of the project in favor of the bank. – The company is obligated to conclude a mortgage procuration that allows to inquire about the possibility of registering the land and buildings constructed on the financed project in the name of the borrower and completing a first-class mortgage on the leased assets and buildings only. The company is obligated to conclude an insurance policy on the construction work of the project in favor of the bank, with a coverage rate of 120%.	1 114 721 749	1 099 021 749
On August 30, 2017, Sixth of October for Development and Investment Company "SODIC" singed a medium-term loan contract with Commercial International Bank "CIB" with a total amount of EGP 270 Million to finance the development cost of October Plaza Project which will be established on area of 31 acres in northern expansions at sixth of October city, and on 16 July 2019 the total amount of the facility has been increased up to maximum EGP 500 Million. **Guarantees:** – The Company committed to deposit all revenues from the sale of the project. – The Company shall sign a mortgage and a first-degree right of transfer on the project in favor of the bank. – The Company shall get insurance cover 110% the project's constructions in favor of the bank. **Grace period**: Three years and six months applied on the principal of the loan only from the date of first drawdown. **Repayment:** Commences on March 2021, and repayable in (13) quarterly unequal installments.	326 250 000	348 000 000
On December 26, 2019, a Company's subsidiary singed a medium-term loan contract with Commercial International Bank "CIB" with a total amount of EGP one Billion to finance Technical investment cost of EDNC Project. **Guarantees:** – The Company committed to deposit all revenues from the project. – The Company shall sign a mortgage on leased units including its share in the cost of the project land within 12 months after the project completion – The Company shall get insurance cover 110% the project's constructions in favor of the bank	350 000 000	350 000 000
After	**1 790 971 749**	**1 797 021 749**

	31/03/2022 EGP	31/12/2021 EGP
Before	**1 790 971 749**	**1 797 021 749**
On September 20, 2020, a Company's subsidiary signed a medium-term facility agreement with the Arab African International Bank in its capacity as the first lender, principal arranger, bank account, facilitating agent and guarantee agent for the purpose of obtaining a loan of 2.57 billion Egyptian pounds on two tranches , tranche (A) at an amount of 620 million Egyptian pounds To refinance the outstanding debt of the Arab African International Bank, and tranche (B), at an amount of 1.95 billion Egyptian pounds, to finance the cost of completing and developing the project through a financing model for real estate development **Guarantees:** Mortgaging project accounts in favor of the escrow agent - Issuing a power of attorney in favor of the guarantee agent authorizing the guarantee agent to pledge the unsold and recovered project units immediately after the start of the project. - Issuing a power of attorney in favor of the guarantee agent authorizing the guarantee agent to sell the unsold and recovered units of the project immediately after starting the implementation of the project and starting customers reservations **Availability period:** - Tranche (A) from the date of signing the agreement and ended on (November 30, 2020) or completing the process of refinancing the existing debt to the Arab African International Bank, whichever is sooner - Tranche (B) starts from the date of the end of the availability period for Tranche A and ends on December 31, 2022 **Grace period:** Starting from the date of the first withdrawal and ending on March 31, 2023, this period applies to the principal amount of the loan only **Repayment:** Starts immediately after the end of the availability period and is paid over 18 quarterly installments ending in year 2027	752 401 669	751 841 533
	2 543 373 418	**2 548 863 282**
Unamortized loan cost	(15 297 436)	-
	2 528 075 982	**2 548 863 282**
Current portion		
A medium-term loan from CIB- October Plaza	91 350 000	87 000 000
A medium-term loan from CIB - EDNC	52 500 000	39 375 000
A medium-term syndicated loan contract with group of banks represented by Arab African International Bank	-	1 099 021 749
A medium-term with Arab African International Bank	22 971 324	-
Total of current portion	**166 821 324**	**1 225 396 749**
Total of non-current portion	2 361 254 658	1 323 466 533
	2 528 075 982	**2 548 863 282**

34. Creditors and notes payable

	31/12/2022 EGP	31/12/2021 EGP
Total par value of the checks issued to New Urban Communities Authority which are payable till September 8, 2027. (*)	1 069 133 806	1 214 002 885
Unamortized interest	(228 168 800)	(165 851 885)
	840 965 006	**1 048 151 000**

(*) On September 1, 2021, the New Urban Communities Authority approved the request submitted by one of SODIC subsidiaries to purchase the plot of land that were previously assigned to The Authority (Note 18-1-B) with an area of 123.38 acres, equivalent to 518 329 62 square meters, with a total value of EGP 1 236 216 144 (excluding interests on installment).

On September 8, 2021, the company completed the payment of the advance payment of 10% in the amount of EGP 123 621 614 and paid the value of administrative expenses and the Board of Trustees in the amount of EGP 18 543 242, the rest of the price of the land in addition to the interest on installments will be paid over five and a half years with 12 semi-annual installments starting from March 8, 2022 and ends on September 8, 2027.

- The Company's exposure to credit risk related to long-term notes payable are disclosed in Note No. (43).

35. New Urban Communities Authority

	31/12/2022 EGP	31/12/2021 EGP
New Urban Communities Authority	10 985 619 516	10 985 619 643
Unamortized interest	(6 843 027 576)	(6 921 946 202)
	4 142 591 940	**4 063 673 441**
Current portion	91 440 150	92 417 693
Non-current portion	4 051 151 790	3 971 255 748
	4 142 591 940	**4 063 673 441**

On March 21, 2019 a co-development agreement was signed between SODIC and the Urban Communities Authority "NUCA" to establish an integrated urban project with an area of 500 acres under deficit or increase, According to the contract, NUCA share in return of the land includes an advance payment, annual cash installments in addition to a percentage of the project expected revenues with a total minimum value of EGP 11.413 billion .The co-development contract is currently being amended, the Group management has decided to recognize the financial impact of these amendments on the date of issuing the financial statements according to its best estimate in light of the information available as mentioned in detail in Note No. (18-1-D).

36. Land acquisition creditors

	31/03/2022 EGP	31/12/2021 EGP
Owners Union – Shahin	2 548 696 125	2 548 696 125
Unamortized interest	(1 201 068 633)	(1 253 033 603)
	1 347 627 492	**1 295 662 522**
Current portion	(21 045 983)	(16 527 290)
Non-circulating part	1 326 581 509	1 279 135 232
	1 347 627 492	**1 295 662 522**

The balance represents the present value of the deferred installments due to Owners Union – Shahin for the fixed payments of the co-development contract as mentioned in detail in Note No. (18-2).

37. Advances - from customers

	31/03/2022 EGP	31/12/2021 EGP
Advances – Projects in West Cairo	2 575 193 218	2 425 178 256
Advances – Projects in East Cairo (*)	3 687 434 584	3 701 928 464
Advances – Projects on the North Coast	615 139 142	421 079 846
Advances – Clubs Memberships	411 802 960	419 847 163
Advances for other group activities	73 680 049	39 563 998
	7 363 249 953	**7 007 597 727**

- Includes an amount of EGP 918 309 381 representing the value of financial component on installments collected from customers.

(*) The balance of Advances – Projects in East Cairo includes an amount of EGP 1 627 908 697 which represents the net advances from customers of SODIC EAST project with a total value of EGP 2 170 418 035. The total value has been reduced by EGP 545 509 338, which represents Heliopolis Housing and Development Company's share of the residential units mentioned in the joint operation contract (70% for the developer and 30% for the owner approximately).

- Uncollected notes receivables for undelivered units, amounting to EGP 17.6 billion that are not included in the financial statements have been disclosed in note No. (48).

38. Contractors, suppliers and notes payable

	31/03/2022 EGP	31/12/2021 EGP
Contractors	361 683 742	405 421 529
Suppliers	38 845 682	36 192 885
Notes payable (*)	496 532 552	424 519 793
	897 061 976	**866 134 207**
Unamortized interest - notes payable	(108 869 113)	(201 523 294)
	788 192 863	**664 610 913**

(*) Notes payable include EGP 295 Million which represents the amount due to the New Urban Communities Authority

- The Group's exposure to currency and liquidity risks related to suppliers, contractors and notes payable is disclosed in note No. (43).

39. Creditors and other credit balances

	31/03/2022 EGP	31/12/2021 EGP
Amounts collected on account for management, operation and maintenance of projects *	1 679 561 865	1 612 613 490
Due to related parties	2 215 010	146 909
Accrued expenses	131 653 427	267 551 898
Customers - Beverly Hills – capital contributions	14 256 804	14 230 429
Customers – credit balances	76 114 417	80 908 532
Tax Authority – other than Income tax	93 725 662	70 516 276
Accrued compensated absence	3 067 771	354 507
Insurance Deposits collected from customers – Against modifications	4 951 325	5 106 950
Social insurance – Contractors	23 474 887	21 707 448
Unearned revenue	3 292 377	3 837 952
Retentions	120 918 986	121 700 820
Deposits from others	79 795 036	72 818 711
Due to securitization portfolio	2 720 257	2 332 982
Sundry creditors short term	24 952 020	35 537 238
	2 260 699 844	**2 309 364 142**

* Uncollected notes receivable for maintenance of undelivered units amounting to EGP 1.1 billion, have been disclosed in note No. (48).

– The Group's exposure to currency and liquidity risks related to creditors is disclosed in note No. (43).

40. Provisions

A- Provision for completion of works

	Balance as at 1/1/2022	Formed during the period	Used during the period	Provisions no longer required during the period	Balance as at 31/03/2022
	EGP	EGP	EGP	EGP	EGP
Provision for completion of works *	528 679 675	106 472 057	(94 905 429)	-	540 246 303
	528 679 675	**106 472 057**	**(94 905 429)**	**-**	**540 246 303**

* This provision is for estimated costs related to delivered units and expected to be incurred in the following periods to complete the execution of the project in its final stage

B- Claims provisions

	Balance as at 1/1/2022	Formed during the period	Used during the period	Provisions no longer required during the period	Balance as at 31/03/2022
	EGP	EGP	EGP	EGP	EGP
Provision for expected claims	25 187 282	29 393	-	-	25 216 675
	25 187 282	**29 393**	**-**	**-**	**25 216 675**

- The provision is formed for existing claims related to the Company's transactions with other parties. The Company's management reviews the provisions annually and makes any amendments if needed according to the latest agreements and negotiations with those parties.
- The Company did not disclose all of the information required by the Egyptian accounting standards with those parties as the management assumes that the disclosure of such information would seriously affect the company's negotiations with those parties.

41. Non - cash transactions

For the purpose of preparing the consolidated statement of cash flows for the financial period ended March 31, 2022, the effect of the following investment transactions was excluded as they are considered non - cash transactions:

	EGP
Transfer from work in process to investment properties.	20 499 912
Transfer from Investment properties to completed units ready for sale	2 948 763
Transfer from work in process to completed units ready for sale	37 408 275
Addition to bank borrowings "amortization of cost"	962 700

42. Fair values

Fair values versus carrying values

Financial instruments for the group are, cash at banks and on hand, financial investments at amortized cost, customers, notes receivable and investments in equity instruments, suppliers, contractors, notes payable and other credit balances and monetary items included in debtors and creditors accounts.

The main purpose of these financial instruments is to provide funding for the activities of the group.

According to the valuation techniques followed in evaluating the assets and liabilities of the group, the carrying value of these financial instruments represent a reasonable estimate of their fair value.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business.

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

There were no changes in the Company's approach to capital management during the year. In addition, The Company is not subject to externally imposed capital requirements.

43. Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

A. Credit risk
B. Liquidity risk
C. Market risk
D. Currency risk
E. Interest rate risk
F. Other market price risk

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

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also identifies and analyzes the risks faced by the Company, sets appropriate risk limits and controls, and monitors risks and adherence to limits.

The Group aims to develop a disciplined and constructive control environment through which all employees understand their roles and obligations.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. This risk is mainly associated with the Company's customers and other receivables.

Trade and other receivables

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

All of the Group's revenues is attributable to sales transactions with a vast group of customers. Therefore, demographically, there is no concentration of credit risk.

The Group's management has established a credit policy under which each customer is subject to credit valuation before the Company's standard payment and delivery terms and conditions are offered to him. The Company obtains advance payments and cheques that cover the full sales value in advance and before the delivery of units to customers. No previous losses were observed from transactions with customers.

Sales of units are made subject to retention of title clauses and the ownership title is transferred only after the collection of the full sales value. In the event of non-payment, the unit is returned to the Company and the amounts collected from customers are repaid on the date of the default after deducting a 5% to 10% of this value.

Investments

The Company manages the risk via conducting detailed investment studies which are reviewed by the Board of Directors. The Company's management does not expect any counterparty to fail to meet their obligations.

Guarantees

The group extends corporate guarantees to subsidiaries, when needed, after the approval of the Extra Ordinary General Assembly Meeting (EGM).

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the cost of servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit:

- EGP 5 Million as a bank facility for one of the subsidiaries guaranteed by time deposits.
- A medium-term loan in the amount of EGP 1 570 Million.
- A medium-term loan in the amount of EGP 500 Million.
- A medium-term loan in the amount of EGP 2 570 Million for one of the subsidiaries.
- A medium-term loan in the amount of EGP 1 000 Million for one of the subsidiaries.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

d) Currency risk

The Group is exposed to currency risk on sales and financial assets that are denominated in foreign currencies. Such risk is primarily represented in USD and Syrian Lira.

In respect of monetary assets and liabilities denominated in other foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short- term imbalances.

The Company's investments in its subsidiaries are not hedged as those currency positions are considered long-term in nature.

The Parent Company does not enter into hedging contracts for foreign currencies.

e) Interest rate risk

The Company adopts a policy to limit the company's exposure for interest risk, therefore the company's management evaluates the available alternatives for finance and negotiates with banks to obtain the best available interest rates and credit conditions. Borrowing contracts are presented to the Board of Directors. The finance position and finance cost are periodically evaluated by the Company's management. The Company does not enter into hedging contracts for interest rates.

f) Other market price risk

Equity price risk arises from available-for-sale equity securities, the management of the Group monitors the mix of equity securities in its investment portfolio based on market indices and the objective valuation of the financial statements related to these shares.

Material investments within the portfolio are managed on an individual basis and all buying and selling decisions are approved by the Company' Board of Directors.

The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated as held for trading because their performance is actively monitored, and they are managed on a fair value basis.

43-1 Credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk as at March 31, 2022 as follows

	Note No.	31/03/2022 EGP	31/12/2021 EGP
Trade and notes receivable – non-current	(19)	1 169 123 849	1 179 140 813
Trade and notes receivable – current	(19)	1 356 535 817	1 346 307 596
Debtors and other debit balances – non-current	(20)	8 422 501	14 043 818
Debtors and other debit balances – current	(20)	2 917 400 430	2 930 364 076
Investments at amortized cost	(22)	710 856 365	331 479 784
Cash at banks	(23)	1 284 545 905	1 579 638 169
		7 446 884 867	**7 380 974 256**

43-2 Liquidity risk

The following are the contractual maturities of financial liabilities:

March 31, 2022	Carrying amount EGP	Less than 1 year EGP	1-2 years EGP	2-5 years EGP
Short - term loans	166 821 324	166 821 324	-	-
Long – term loans	2 361 254 658	-	590 785 604	1 770 469 054
Contractors and suppliers	400 529 424	400 529 424	-	-
Notes payable	1 310 769 212	387 663 439	274 092 298	649 013 475
New Urban Communities	4 142 591 940	91 440 150	397 280 399	3 653 871 391
Land acquisition creditors	1 347 627 492	21 045 983	38 894 820	1 287 686 689
Other creditors	2 825 849 047	2 372 230 936	419 459 156	34 158 955
	12 555 443 097	**3 439 731 256**	**1 720 512 277**	**7 395 199 564**

December 31, 2021	Carrying amount EGP	Less than 1 year EGP	1-2 years EGP	2-5 years EGP
Bank facilities	2 458 049	2 458 049	-	-
Short - term loans	1 225 396 749	1 225 396 749	-	-
Long – term loans	1 323 466 533	-	293 606 416	1 029 860 117
Contractors and suppliers	441 614 414	441 614 414	-	-
Notes payable	1 271 147 499	222 996 499	284 522 875	763 628 125
New Urban Communities	4 063 673 441	92 417 693	350 508 676	3 620 747 072
Land acquisition creditors	1 295 662 522	16 527 290	161 095 888	1 118 039 344
Other creditors	2 811 689 301	2 328 509 813	448 108 639	35 070 849
	12 435 108 508	**4 329 920 507**	**1 537 842 494**	**6 567 345 507**

43-3 Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk for main currencies was as follows:

March 31, 2022

Description	**USD**	**Euro**	**GBP**
Cash at banks	18 045 253	418 553	16 804
Notes receivables	596 610	-	-
Creditors and other credit balances	(486 000)	-	-
Surplus of foreign currencies	**18 155 863**	**418 553**	**16 804**

December 31, 2021

Description	**USD**	**Euro**	**GBP**
Cash at banks	21 563 363	158 676	16 913
Notes receivables	596 610	-	-
Creditors and other credit balances	(486 000)	-	-
Surplus of foreign currencies	**21 673 973**	**158 676**	**16 913**

The following is the average exchange rates during the year:

	Average exchange rate during the period		**Spot rate at the financial statements date**	
	31/03/2022	**31/12/2021**	**31/03/2022**	**31/12/2021**
	EGP	**EGP**	**EGP**	**EGP**
USD	15.64	15.64	18.27	15.64
Euro	18.34	17.67	17.67	18.34
GBP	21.19	21.04	21.04	21.19

Sensitivity Analysis

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound As of March 31, 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss	
	Strengthening	**Weakening**
	EGP	**EGP**
USD	16 585 381	(16 585 381)
Euro	369 791	(369 791)
GBP	17 678	(17 678)
	16 972 850	**(16 972 850)**

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound As of December 31, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss	
	Strengthening	**Weakening**
	EGP	**EGP**
USD	16 949 047	(16 949 047)
Euro	140 190	(140 190)
GBP	17 793	(17 793)
	17 107 030	**(17 107 030)**

43-4 Interest rate risk

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

	Carrying amount	
	31/03/2022	**31/12/2021**
Financial instruments with a fixed rate	**EGP**	**EGP**
Financial assets	3 749 087 118	3 540 879 730
Financial liabilities	(933 675 000)	(965 763 480)
	2 815 412 118	**2 575 116 250**
Financial instruments with a variable rate		
Financial liabilities	(2 528 075 982)	(2 551 321 331)
	(2 528 075 982)	**(2 551 321 331)**

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

44. Transactions with related parties

Related parties are represented in the Parent Company' shareholders, Board of Directors, executive directors and companies in which they own directly or indirectly shares giving them significant influence or control over these companies. The Parent Company made several transactions with related parties during the period and these transactions have been made in accordance with the terms determined by the group's management. Summary of significant transactions concluded during the period and the resulting balances of the related parties at the consolidated balance sheet date were as follows: -

a) Transactions with related parties

Party / Relationship	Nature of transaction	31/03/2022 Amount of transaction EGP
Executive managers and Board of Directors (Parent Company)	Executive and Board of Directors	9 664 363
Al Dar Egypt	Payments on behalf	3 015
AL Dar Properties	Collections on behalf	2 068 101

b) Balances resulting from transactions with related parties

Party	Item as shown in the consolidated balance sheet	31/03/2022 EGP	31/12/2021 EGP
Palmyra – SODIC for Real Estate Development *	Loans to Joint Ventures	207 632 653	207 632 653
	Accrued interest on loan under debtors caption	65 482 130	65 482 130
	Accrued on joint venture – related parties under debtor caption	31 191 620	31 191 620
Al Dar Egypt	Debtors & other debit balances	3 015	-
AL Dar Properties	Creditors & other credit balances	2 068 101	-

* Impairment in dues from Palmyra – SODIC for Real Estate Development has been recorded as described in note No. (20 & 21).

45. Tax status

Summary of the Company's tax status at the separate financial statements date is as follows: -

Corporate tax

- Years 1996 to 2018 have been tax inspected and tax differences have been paid and settled.
- Years 2019 to 2021 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company submits its annual tax return on due dates in accordance with Law No. 91 of 2005 regulations and amendments and pays the due tax.

Salary tax

- Years 1996 to 2019 have been inspected and tax differences have been paid and settled.
- Years 2020 to 2021 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance
- The Company pays the monthly salary tax on due dates in accordance with the law.

Withholding tax

- The Company pays the withholding tax on due dates in accordance with the law.

Stamp tax

- Tax inspection was carried out from 1996 to 2020, and tax differences have been fully paid.
- Year 2021 has not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance
- The Company submits stamp tax returns on a regular basis and pates the accrued taxes on due dates in accordance with the law.

Sales/value added tax

- Years 1996 to 2019 have been inspected and tax differences have been paid and settled.
- Years 2020 to 2021 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance
- The Company submits the value-add tax returns on a regular basis and pay the accrued taxes on due dates in accordance with the law.

Real estate property tax

- The Company submitted its real estate property tax returns of year 2009 on due dates in accordance with Law No. 196 of 2008.

46. Capital commitments

The value of contracts concluded with third parties for work in progress and real estate investments under development amounted to EGP 10.24 billion (EGP 10.7 billion as of December 31, 2021), and executed works till March 31, 2022 amounted to EGP 8.72 billion (EGP 8.91 billion as of 31 December 2021)

47. Contingencies

During the period, the group signed a credit facility contract with the Commercial International Bank to issue letters of guarantee with a credit limit of EGP 221 625 750, for the purpose of issuing letters of guarantee for checks issued to the Owners Union – Shahin. The letters of guarantee are subject to renewal and modification as the issuance of checks continues until the final settlement of the fixed installments due to the owner according to the co-development contract concluded between one of the group's subsidiaries and the Owners Union – Shahin.

48. Post-dated checks (off balance sheet)

The company maintains off balance sheet post-dated checks received from customers in accordance with contracts, those checks are related to undelivered units as follows:

	Note No.	31/03/2022 EGP	31/12/2021 EGP
Postdated checks – customer advances	(37)	17 623 225 514	15 749 028 042
Postdated checks – customer cancellations	(39)	10 305 836	322 014 183
Postdated checks maintenance installment	(39)	1 085 907 093	889 726 149
		18 719 438 443	**16 960 768 374**
These checks are due			
Checks due within 12 months	(19)	3 719 044 323	3 713 599 258
Checks due after one year – long term	(19)	15 000 394 120	13 247 169 116
		18 719 438 443	**16 960 768 374**

49. Legal status

There is a dispute between the parent Company and another party regarding the contract concluded between them on February 23, 1999 which is related to delivering this party a plot of land as a usufruct right for indefinite year of time and a return for an annual rental with a minimal amount for a total of 96 acres approximately and which has not been delivered up till this date as the management of this party did not abide by the detailed conditions of the contract. There are exchanged notifications concerning this land between the management of the parent Company and the management of this party. During 2009, this party raised a court case No. 3 of 2009 Civil 6th of October against the parent Company asking it for the delivery of the allocated land. A preliminary judgment was issued by the court in its session held on February 22, 2010, to refer this matter to experts and to delegate the Experts Office of the Ministry of Justice to embark this case and set a session to be held on April 26, 2010, for the expert to present his report. The session was postponed by the court several times, the latest on which to November 24, 2014. On that date, the 6 of October partial court decided to reverse its previous decree of proof procedures dated February 22, 2010 by refusing the case. On November 3, 2021, the Court of Appeal again decided to refuse the appeal. Consequently, the judgment mentioned in the November 24, 2014 session in favor of the Company became final.

On January 2, 2022, the aforementioned body appealed the above-mentioned ruling and registered to No. 20964 of 91 judicial year in order to cancel the contested ruling - issued in Appeal No. 218 of 123 judicial year at the November 3, 2021 session. The Company and its legal advisor see the strength of the Company's legal position as the contract did not enter into force from the grounds that the appellant failed to implement his contractual obligations represented in not obtaining the approval of the general assembly and the competent administrative authorities in accordance with the provisions of this contract.

50. Incentive and bonus plan of the Parent Company's employees and managers

- On January 20, 2016 the extraordinary general assembly have approved the new Employees Stock Option Plan for executive board members and directors through granting shares with special conditions as per stated in the plan that part of the company's shares should be assigned to the employee stock option plan equal to 1% of the company's issued capital annually on five tranches for a period of six years and three months as per annex (1). These shares will be made available by using the special reserve- additional paid in capital, or reserves, or part of it, or retained earnings, or part of it for capital increase. The additional shares are to be issued to the employee stock option plan based on the approval of the Board of Directors as per the delegation granted by the company's extraordinary general assembly dated January 20, 2016. The granting of the employee stock option plan shares is to be based on a decision from the supervisory committee by the treasurer.
- The board of directors have decided on the meeting dated November 30, 2016 to increase the issued capital from EGP 1 355 638 292 to become EGP 1 369 194 672 by an amount of EGP 13 556 380 divided on 3 389 095 shares of par value EGP 4 per share, this capital increase is to be financed from the special reserve- Additional paid in capital, and to be fully utilized by the Employees Stock Option plan granted to the executives board members and the directors as per the option plan approved by the extraordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions. The commercial register was modified on February 5, 2017.
- The Board of Directors have decided on the meeting dated October 23, 2018 to increase the issued capital from EGP 1 369 194 672 to become EGP 1 396 715 488 by an amount of EGP 27 520 816 divided on 6 880 204 shares of par value EGP 4 per share, this capital increase is to be financed from the special reserve- Additional paid in capital, and to be fully utilized for the second and third sections from the sections of Employees Stock Option plan granted to the executives board members and the directors as per the option plan approved by the extraordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions, and delegate the board of directors to execute the procedures of the required increase to issue new shares to be utilized in the Employees Stock Option plan, The commercial register was modified on January 8, 2019.
- The board of directors have decided on the meeting dated September 7, 2020 to increase the issued capital from EGP 1 396 715 488 to become EGP 1 424 789 472 by an amount of EGP 28 073 984 divided on 7 018 496 shares of par value EGP 4 per share, this capital increase should be financed from the special reserve- Additional paid in capital, and to be fully utilized for the second and third sections from the sections of Employees Stock Option Plan granted to the executive board members and the directors as per the option plan approved by the extra ordinary general assembly dated January 20, 2016 as mentioned in details in note (30).

51. Important events that do not require adjusting the financial statements

COVID -19

During 2020 The WHO declared the emerging COVID-19 outbreak a global pandemic, as a result, across the globe, governments, businesses, and individuals took action to prevent and manage the spread of the virus, and to protect health and livelihoods of themselves and their communities.
Our first and foremost priority during this crisis was the safety and wellbeing of our staff, their families, and our residents, all while ensuring business continuity to deliver to all our stakeholders. We created a cross-functional response team that works around the clock to address these issues. The process has accelerated our plans for digitalization both internally and on client interactions as we put the safety and health of our people first, while maintaining full operations.

We continue to operate at normal levels while enforcing preventative measures and monitoring the situation very closely to proactively respond to new developments.

We believe that while the ongoing outbreak presents challenges, it also provides an opportunity to standout and distinguish ourselves. The strength and liquidity of our balance sheet strongly support us but more importantly, we believe that it is our credibility and track record of strong performance in turbulent times as well as our customer centric approach to the crisis that make us stand out in these times.

We operate in a sector with very strong local demand fundamentals that has proven its resilience in face of historical and current challenges, and we continue to believe in the long-term drivers of growth in our market. In light of our current knowledge and available information, we do not expect the emerging virus (COVID-19) to have an impact on the company's ability to continue in the foreseeable future.

52. Basis of measurement

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

- Financial assets and liabilities recognized at fair values through profits and losses.
- Financial assets and liabilities recognized at fair values through other comprehensive income.

53. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

53-1 Business combination

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

a) Subsidiaries

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

Subsidiary name	Country of Incorporation	Ownership As at 31/12/2021 %	Ownership As at 31/12/2020 %
1- Sixth of October for Development and Real Estate Projects Company "SOREAL" - S.A.E	Egypt	99.99	99.99
2- Beverly Hills for Management of Cities and Resorts Co. - S.A.E	Egypt	44.46	46.75
3- SODIC Garden City for Development and Investment Co. S.A.E	Egypt	50	50
4- Al Yosr for Projects and Real Estate Development Co. - S.A.E	Egypt	99.99	99.99
5- SODIC for Development and Real Estate Investment Co. – S.A.E	Egypt	99.99	99.99
6- SODIC Polygon for Real Estate Investment Co. - S.A.E	Egypt	100	100
7- SODIC for Golf and Tourist Development Co. - S.A.E	Egypt	100	100
8- Fourteen for Real Estate Investment Co. - S.A.E	Egypt	99.99	99.99
9- La Maison for Real Estate Investment Co. - S.A.E	Egypt	99.99	99.99
10- Tegara for Trading Centers Co. S.A.E	Egypt	99.99	99.99
11- Edara for Services of Cities and Resorts Co. –S.A.E	Egypt	99.97	99.97
12- Soreal for Real Estate Investment	Egypt	99.99	99.99
13- SODIC for Securitization	Egypt	99.99	99.99
14- SODIC Syria L.L.C (*)	Syria	100	100
15- Tabrouk Development Company (D)	Egypt	100	100
16- El Diwan for Real Estate Development Company	Egypt	100	100
17- SODIC for Clubs Company	Egypt	100	100

(*) On June 15, 2010, SODIC Syria Co. a Syrian limited liability Co. was established for acquiring a 50% stake of the share capital of Palmyra - SODIC for Real Estate Development L.L.C, a limited liability company registered and operating in the Syrian Arab Republic.

b) Non-controlling interests

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Loss of control

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

d) Investments accounted for equity method

Investments that are accounted for using the equity method comprise interests in associates and joint venture. And have no right to its assets and obligations for its liabilities associated with the arrangements.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement.

Investments in associates and 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 share of the profit or loss and OCI of equity-accounted investees.

e) Transaction elimination 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.

53-2 Foreign currency

a) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate when the fair value was determined.

Non - monetary assets and liabilities 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:

- Financial assets at fair value through OCI (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.

b) 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.

53-3 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 year.

53-4 Revenue from Contracts with Customers

- The Company applied the EAS No. 48 as of January 1, 2020.Information about the Company's accounting policies relating to contracts with customers is provided in five steps as identified (in Note No.5-B):
- Revenue from contracts with customers is recognized by the company based on five step module as identified in EAS No. 48:

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

- The Company satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

a) Company performance does not arise any asset that has an alternative use of the Company and the Company has an enforceable right to pay for completed performance until the date.

b) The Company arise or improves a customer-controlled asset when the asset is arise or improved.

c) The customer receives and consumes the benefits of Company performance at the same time as soon as the company has performed.

- For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Company satisfies performance obligation.

- When the Company satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

- Revenue is recognized to the extent that is potential for the flow of economic benefits to the Company, revenue and costs can be measured reliably, where appropriate.

- The application of Egyptian Accounting Standard No. 48 requires management to use the following judgements:

Satisfaction of performance obligation

- The Company should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Company estimated that, and based on the agreement with customers, the Company does not arise asset has alternative use to the Company and usually has an enforceable right to pay it for completed performance to the date.
- In these circumstances, the Company recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

- The Company has to determine the price of the transaction in its agreement with customers, using this judgement, the Company estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

- If the Company determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

- In addition, the application of Egyptian Accounting Standard No. 48 has resulted in:

Allocation of the transaction price of performance obligation in contracts with customers

- The Company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Company considers the use of the input method, which requires recognition of revenue based on the Company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Company estimates efforts or inputs to satisfy a performance obligation, In addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other matters to be considered

- Variable consideration if the consideration pledged in a contract includes a variable amount, then the Company shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Company estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. This method is applied consistently throughout the contract and for identical types of contracts.

The significant funding component

- The Company shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

Revenue recognition

a. Real estate and land sales

- Revenue from sale of residential units, offices, commercial shops, service, and villas and for which contracts were concluded is recorded when upon transferring control to customers whether the said units have been completed or semi – completed (finished or semi-finished) at a value that reflects the expected value of the company in exchange for those units. To reflect those units / lands at a certain point of time.
- Revenues from sale of units/lands is recognized net after deducting the value of sales returns and deducting discounts granted to customers for early payment of future installments of the units over which control has transferred to customers.
- Revenues from sale of units/lands also includes the value of interest on installments collected during the financial year / period from previous years' sales.

The significant funding component

- The company collects advance payments and installments from customers, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in these contracts, taking into account the length of time between the customer's payments and the transfer of control to him, and the interest rate prevailing in the market.
- The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the company uses the rate that would have been used in the event of a separate financing contract between the company and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing in the state at the time of the contract.
- The company uses the exception of the practical application for short-term payments received from customers. This means the amounts collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service or payment is a year or less.

b. Services revenue

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

c. Rental income

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

d. Interest income

Interest income is recognized using the accrual basis, considering the period of time and effective interest rate.

e. Commission revenue

Commission revenue is recognized in the consolidated statement of profit or loss according to the accrual basis of accounting.

f. Dividends

Dividends income is recognized in the consolidated statement of profit or loss on the date the Company's right to receive payments is established.

g. Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations orders in contract work, claims and incentive payments to the extent that 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 is recognized according to the stage of completion of the contract. The stage of completion is assessed by reference to surveys 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. For construction contracts under process a provision for expected losses, if any, is immediately formed whenever such losses are determined.
Construction contract costs include all direct costs such as material cost, supplies, equipment

depreciation and labor cost also includes indirect costs incurred by company such as indirect labor and maintenance. Also the cost includes general and administrative expense directly attributable to suck work.

The difference between the estimated revenue calculated based on the percentage of completion and the amount collected from the actual billing to the customer is recognized as "due from customers" within the current assets caption. In case that the actual collections from customers is exceeding the estimated revenues calculated based on percentage of completion the difference is recognized as a due to customers within the current liabilities.

h. Sale of goods revenue

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

i. Gain on sale of investments

Gain on sale of financial investments are recognized when ownership transfers to the buyer, based on the difference between the sale price and its carrying amount at the date of the sale.

Revenue is measured at the fair value of the consideration received or receivable to the company, and revenue is realized when there is sufficient expectation that there are future economic benefits that will flow to the company, and that the value of this revenue can be measured accurately, hence no revenue is recognized in the event of uncertainty about the recovery of this revenue Or the costs associated with it.

53-5 Employee benefit

a) Short – term employee benefits

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Share – based payment arrangements

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

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

The fair value of the amount payable to employees in respect of SAR's, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the year during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR's. Any changes in the liability are recognized in profit or loss.

c) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group pays contributions to the Public Authority for Social Insurance for their employees based on the rules of the social insurance law no 79 for the year 1975. The employees and employers contribute under this law with a fixed percentage of wages. The Group's commitment is limited to the value of their contribution. And the Group's contribution amount expensed in profits and losses according to accrual basis.

The company also contributes to a group insurance program for its employees with one of the insurance companies. Accordingly, the insured employees receive end of service benefits when leaving the Company that will be paid by the insurance company. The contribution of the Company is limited to the monthly instalments. Contributions are charged to statement of profit or loss using the accrual basis. The program has been suspended starting from April 1, 2020 to December 31, 2020 according to the company's management decision and continued from January 2021.

53-6 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income
- interest expense
- The foreign currency gain or loss on financial assets and financial liabilities
- The fair value loss on contingent consideration classified as a financial liability
- The net gain or loss on financial assets at fair value through profit or loss

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

53-7 Income Tax

Current tax and deferred tax are recognized as income or expense in the profit or loss for the year, except in cases in which the tax results from a process or an event that is recognized - at the same time or in a different year - outside the profit or loss, whether in other comprehensive income or in equity directly or business combination.

a) Current income tax

The current tax for the current year and prior years and that have not been paid are recognized as a liability, but if the taxes that have already been paid in the current year or prior years are excess of the value payable for these years , this increase is recognized as an asset. The taxable current liabilities (assets) for the current year and prior years are measured at expected value paid to (recovered from) the tax authority, using the current tax rates (and tax laws) or in the process to be issued by the end of the financial year. Dividends are subject to tax as part of the current tax. Tax assets and liabilities are set-off only when certain conditions are met.

b) 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:

- The initial recognition of goodwill.
- The initial recognition of assets or liabilities in a transaction that:
  a. Is not a business combination.
  b. Does not affect 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.
- 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 the company's future business plans. 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.

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.

Deferred tax assets and liabilities are set-off only if certain conditions are met.

53-8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method. The cost also includes other expenses incurred by the company to bring the inventory to its location and its current condition.

The net realisable value is determined on the basis of the expected selling price under normal circumstances, minus the estimated costs required to complete the sale.

53-9 Units ready for sale

Units ready for sale are stated at cost or net realizable value, whichever is lower. Cost is calculated based on the product of the total area of the remaining units ready for sale on the reporting date multiplied by the average cost per meter. (The cost of the units includes land, utilities, construction, construction related professional fees, labour cost and other direct and indirect expenses). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

53-10 Work in process

a) All costs relating to uncompleted works are recorded in work in process account until the completion of the works. Work in process is stated in the consolidated balance sheet at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status.

b) For variable land acquisition consideration, the company recognizes what was actually paid as part of the cost of work in progress, the cost is subsequently settled whether by increase or decrease according to actual payments and returns.

53-11 Property, plant and equipment

a) Recognition and measurement

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

b) Subsequent expenditure

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

c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the (straight-line method) over their estimated useful lives for each item, and is generally recognized in profit or loss.

Land is not depreciated. Estimated depreciation rates for each type of assets for current and comparative years are as follow:

Asset	**Years**
Buildings and construction works	5-20
Caravans	5-10
Vehicles and transportation	5
Furniture and fixtures	4-10
Beach Furniture and fixtures	3-5
Office and communications equipment	5
Computer software	3
Solar power stations	25
Generators, machinery and equipment	2-5
Kitchen utensils	10
Wells, pumps and networks	4
Leasehold improvements	5 years or lease term whichever is lower
Solar stations	25
Golf course assets	
Constructions	20
Irrigation networks	15
Equipment and tools	15

53-12 Projects under construction

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

53-13 Investments properties under development

Investments properties under development are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Investments properties under development are transferred to Investments properties caption when they are completed and ready for their intended use.

53-14 Intangible assets and goodwill

a) Recognition and measurement

I. Goodwill:

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

II. Research and development:

- Expenditure on research activities is recognized in profit or loss as incurred
- Development expenditure is recognized 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 amortization and accumulated impairment losses.

III. Other intangible assets:

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

b) Subsequent expenditure

Subsequent expenditure is capitalized only when the intangible asset will increase the future economic benefits embodied in project, research, and development under construction which is recognized as intangible assets. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

c) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the (straight - line method) over their estimated useful lives, and is generally recognized in profit or loss.

Goodwill is not amortized.

53-15 Investment properties

This item includes properties held for rent or increase in its value or both of them, Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Depreciation is charged to statement of profit or loss on a straight-line basis over the estimated useful lives of each component of the investment properties. The estimated useful lives are as follows:

Asset	Years
Leased units	20
Roads	20
Elevators	10
Agriculture and landscape	10
Air-conditions	5
Sound systems and cameras	2

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

53-16 Financial instruments

1) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2) Classification and subsequent measurement

Financial assets- The applied policy from January 1, 2020

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies related to the application are similar to the accounting policies applied by the Company, with the exception of the following accounting policy, which came into effect starting from January 1, 2020.

Financial assets- Business Model Assessment: Policy applied from January 1, 2020

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applied from 1 January 2020

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses: Policy applied from January 1, 2020

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

53-17 Share capital

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 No. (24) "Income Tax".

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 as a deduction from equity. 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.

53-18 Impairment

1) Non-derivative financial assets

Policy applied from January 1, 2020

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

53-19 Provisions

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

Provision for completion

A provision for completion of work is formed at the estimated value of the completion of the projects' utility works (relating to the units delivered to customers and the completed units according to the contractual terms and conditions and the completed units for which contracts were not concluded) in their final form as determined by the Company's technical department. The necessary provision is reviewed at the end of each reporting year until finalization of all the project works.

53-20 Lease contracts

1) Determining whether the arrangement contains a lease contract or not

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.
Initially or when evaluating any arrangement that contains a contract lease, the Company separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Company concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled and the finance cost calculated on the obligation is recognized using the Company's additional borrowing rate.

2) Leased assets

Lease contracts for property, plant and equipment that are transferred in a large degree to the Company, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.
Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Company's statement of financial position.

3) Lease payments

Operating leases' payments are recognized in profit or loss on a straight-line basis over the term of the lease. Received lease incentives are recognized as an integral part of the total lease expense, over the lease term.
The minimum lease payments of finance leases are divided between financing expenses and the reduction of unpaid liabilities. Finance charges are charged for each period during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation.

53-21 Cash and cash equivalents

As a basis for preparation of cash flow, cash and cash equivalents comprise cash at banks and on hand, checks under collection and time deposits, that have maturity date less than three months from the purchase date. Also Bank overdrafts that are repayable on demand are considered a complementary part of the Group's cash management.

53-22 Borrowing costs

Borrowing costs are recognized as an expense when incurred using the effective interest rate.

53-23 Interest –bearing borrowings

Interest – bearing borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently stated at amortized cost, any differences between cost and redemption value are recognized in the statement of profit or loss over the year of the borrowing using the effective interest rate.

53-24 Cost of sold lands

The cost of sold lands is computed based on the value of the net area of land sold in addition to its respective share in road areas as determined by the Company's technical management, plus its share of the open area cost as well as its share of infrastructure cost.

53-25 Employees' profit sharing

As per the Companies Law, employees are entitled to receive not less than 10% of the distributed profits, after deducting a percentage to support the legal reserve, according to the rules proposed by the Company's board of directors and after the approval of General Assembly Meeting which should not exceed the total employees' annual salaries.

Employees' share in profit is recognized as dividends of profit and shown in the statement of changes in equity and as an obligation in the financial year at which the declaration has been authorized.

53-26 Earnings / (losses) per share

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