Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Separate Financial Statements

For the Financial Year Ended December 31, 2022

And Auditors' Report

KPMG Hazem Hassan
Public Accountants & Consultants

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Auditors' Report
To the Shareholders of Sixth of October for Development and Investment Company "SODIC"

Report on the Financial Statements

We have audited the accompanying separate financial statements of Sixth of October for Development and Investment Company "SODIC" (S.A.E.), which comprise the separate statement of financial position as at December 31, 2022, and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

KPMG
Hazem Hassan

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Sixth of October for Development and Investment Company "SODIC", as at December 31, 2022, and of its separate financial performance and its separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, the financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account, according to the limits of this information in books.

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo February 8th, 2023

KPMG Hazem Hassan
Public Accountants and Consultants
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Translation of the financial statements
originally issued in Arabic

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate statement of financial position

EGP	Note No.	31 December 2022	31 December 2021
Non-current assets			
Property, plant, and equipment	(24)	686 967 482	735 348 202
Projects under construction		36 758 510	24 435 803
Investment properties	(25)	279 232 182	246 484 616
Investment properties under development	(26)	106 245 091	1 334 447 840
Investments in subsidiaries	(37)	1 718 532 466	1 715 332 466
Right of use assets	(28)	4 083 352	24 213 673
Notes receivables	(19)	896 017 769	445 331 368
Deferred tax assets	(15)	252 109 666	117 964 929
Investments at fair value through OCI	(27)	26 152	26 152
Total non-current assets		**3 979 972 670**	**4 643 585 049**
Current assets			
Inventory	(17)	10 373 348	9 240 303
Completed units available for sale		1 040 405 170	22 719 272
Work in process	(18)	7 615 713 765	7 606 497 958
Trade and notes receivable	(20)	716 590 823	492 022 217
Due from related parties	(41)	99 854 951	582 525
Debtors and other debit balances	(21)	1 883 049 892	1 516 404 645
Financial investments at amortized cost	(22)	568 470 631	144 178 909
Cash and cash equivalents	(23)	395 278 083	605 837 984
Total current assets		**12 329 736 663**	**10 397 483 813**
Total assets		**16 309 709 333**	**15 041 068 862**
Equity			
Issued & paid in capital	(29)	1 424 789 472	1 424 789 472
Legal reserve	(29)	224 840 771	224 840 771
Special reserve - share premium	(29)	1 483 154 057	1 483 154 057
Retained earnings		(551 185 299)	(73 495 825)
Profit from sale of treasury shares	(30)	1 725 456	1 725 456
Total equity		**2 583 324 457**	**3 061 013 931**
Non-current liabilities			
Loans	(31)	1 358 580 609	261 000 000
New Urban Communities Authority	(32)	4 102 748 823	3 971 255 748
Lease contract liabilities	(28)	-	22 196 732
Total non-current liabilities		**5 461 329 432**	**4 254 452 480**
Current liabilities			
Loans	(31)	117 051 396	1 186 021 749
Contractors, suppliers and notes payable	(33)	165 323 789	115 972 793
Due to related parties	(41)	2 140 382 477	1 654 474 156
Advances - from customers	(34)	3 619 901 202	3 412 194 602
Creditors and other credit balances	(35)	1 204 149 120	1 096 738 004
New Urban Communities Authority	(32)	263 159 777	92 417 693
Income tax liabilities		6 250 892	7 072 239
Lease contract liabilities	(28)	2 966 837	5 154 977
Provisions	(36)	745 869 954	155 556 238
Total current liabilities		**8 265 055 444**	**7 725 602 451**
Total liabilities		**13 726 384 876**	**11 980 054 931**
Total equity and liabilities		**16 309 709 333**	**15 041 068 862**

* The accompanying notes from (1) to (47) form an integral part of these separate financial statements and to be read therewith.

Financial Director	**Group Financial Controller**	**Acting Chief Financial Officer**	**Managing Director**
Moh. Samir	A Hegazy		
Mohamed Samir	Ahmed Hegazi	Mahmoud Badran	Magued Sherif

"Auditors' report attached"

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate statement of profit or loss
for the financial year ended in December 31

EGP	Note No.	2022	2021
Revenue			
Sales	(6)	3 265 620 479	1 431 765 360
Clubs revenue		41 248 899	37 571 775
		3 306 869 378	**1 469 337 135**
Cost of sales			
Cost of sales	(7)	(2 630 164 625)	(856 549 837)
Clubs cost		(160 528 103)	(132 850 815)
		(2 790 692 728)	**(989 400 652)**
Gross profit		**516 176 650**	**479 936 483**
Other operating revenues	(8)	62 327 347	79 276 216
Selling and marketing expenses	(9)	(450 624 395)	(296 921 998)
General and administrative expenses	(10)	(608 829 397)	(551 801 528)
Expected credit (losses)	(12)	(10 085 618)	(8 456 246)
Other operating expenses	(11)	(32 251 443)	(69 783 800)
Operating (loss)		**(523 286 856)**	**(367 750 873)**
Finance income	(13)	112 021 989	49 706 047
Finance cost	(14)	(194 318 452)	(133 180 031)
Net finance cost		**(82 296 463)**	**(83 473 984)**
Net (loss) before tax		**(605 583 319)**	**(451 224 857)**
Income tax	(15)	127 893 845	85 862 016
(Loss) for the year		**(477 689 474)**	**(365 362 841)**
(Loss) per share from (loss) of the year (EGP / Share)	(16)	**(1.34)**	**(1.03)**

* The accompanying notes from (1) to (47) form an integral part of these separate financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate statement of comprehensive income
for the financial year ended in December 31

EGP	2022	2021
(Loss) for the year	(477 689 474)	(365 362 841)
Total other comprehensive income for the year after income tax	-	-
Total comprehensive income for the year	(477 689 474)	(365 362 841)

* The accompanying notes from (1) to (47) form an integral part of these separate financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate statement of changes in equity
for the financial year ended in December 31, 2022

EGP	Issued and paid in capital	Legal reserve	Special reserve- share premium	Retained earnings	Profit from selling of treasury shares	Reserve for employee stock option plan	Total
Balance as at January 1, 2021	**1 424 789 472**	**223 686 636**	**1 382 852 956**	**502 712 260**	**1 725 456**	**21 528 566**	**3 557 295 346**
Total comprehensive income							
(Loss) for the year	-	-	-	(365 362 841)	-	-	**(365 362 841)**
Other comprehensive income items	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	**(365 362 841)**	-	-	**(365 362 841)**
Transactions with owners of the Company							
Transferred to legal reserve	-	1 154 135	-	(1 154 135)	-	-	-
Dividends	-	-	-	(215 108 555)	-	3 847 489	**(211 261 066)**
Transferred to Special reserve- share premium	-	-	100 301 101	-	-	-	**100 301 101**
Transferred to Retained earnings	-	-	-	5 417 446	-	(5 417 446)	-
Reserve for employee stock option plan	-	-	-	-	-	17 887 171	**17 887 171**
Paid for employee stock option plan		-	-	-	-	(38 394 927)	**(38 394 927)**
Transferred to P&L from Credit Interest tranfer from employee stock option plan	-	-	-	-	-	549 147	**549 147**
Total transactions with owners of the Company	-	**1 154 135**	**100 301 101**	**(210 845 244)**	-	**(21 528 566)**	**(130 918 574)**
Balance as at December 31, 2021	**1 424 789 472**	**224 840 771**	**1 483 154 057**	**(73 495 825)**	**1 725 456**	-	**3 061 013 931**
Balance as at January 1, 2022	**1 424 789 472**	**224 840 771**	**1 483 154 057**	**(73 495 825)**	**1 725 456**	-	**3 061 013 931**
Total comprehensive income							
(Loss) for the year	-	-	-	(477 689 474)	-	-	**(477 689 474)**
Other comprehensive income items	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	**(477 689 474)**	-	-	**(477 689 474)**
Total transactions with owners of the Company	-	-	-	-	-	-	
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance as at December 31, 2022	**1 424 789 472**	**224 840 771**	**1 483 154 057**	**(551 185 299)**	**1 725 456**	-	**2 583 324 457**

* The accompanying notes from (1) to (47) form an integral part of these separate financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate statement of cash flows
for the financial year ended in December 31

EGP	Note No.	2022	2021
Cash flows from operating activities			
(Loss) for the year before tax		(605 583 319)	(451 224 857)
Adjustments for:			
Depreciation of fixed assets and investment properties	(24) , (25)	77 115 670	64 300 383
(Gain) / loss on sale of property, plant and equipment		(30 654)	539 618
Depreciation of right of use assets	(27)	3 378 895	5 417 378
Interest of lease contract liabilities		815 047	2 450 723
Employee stock option plan expense		-	17 887 171
Paid to employees and executives from dividends and interest		-	(3 467 433)
Credit interest on the reserve for employee stock option plan		-	549 147
(Reversal) of fixed assets impairment		(1 822 590)	(1 822 590)
Return on investments at amortized cost	(13)	(30 177 708)	(35 325 926)
Changes in:			
Inventory		(1 133 045)	(2 725 140)
Completed units ready for sale		(1 017 685 898)	4 547 836
Works in process		1 122 816 638	(302 863 612)
Trade and notes receivables		(675 255 007)	(116 548 960)
Due from related parties		(99 272 426)	13 214 914
Debtors and other debit balances		(366 645 247)	(341 959 875)
Provision for completion formed	(36)	556 147 855	111 008 597
Provisions		19 999 999	-
Provision for vacations formed		8 999 344	5 822 991
Provision for completion used	(36)	(83 325 372)	(101 877 886)
Provision for vacations used		(266 070)	(12 752 887)
Onerous contract provision		97 491 234	-
Advances from customers		207 706 600	548 652 055
Contractors, suppliers and notes payable		49 350 996	(750 236 528)
Due to related parties		485 908 321	1 586 484 484
Creditors and other credit balances		98 677 842	277 781 008
New Urban Communities Authority		302 235 159	-
Dividends paid to employees		-	(19 200 000)
Income tax paid		(7 072 239)	(5 962 627)
Net cash generated from operating activities		**142 374 025**	**492 687 984**
Net cash flows from investing activities			
Payments for purchase of property, plant and equipment and projects under construction	(24)	(27 034 283)	(43 650 373)
Payments for investments property under development		51 171 295	(338 784 933)
Payments for increase in investments in subsidaries		(3 200 000)	-
Payments for investments at amortized cost		(1 458 134 194)	(845 357 300)
Proceeds from investments at amortized cost		1 064 020 180	928 725 000
Proceeds from sale of property, plant and equipment		81 313	216 330
Net cash (used in) from investing activities		**(373 095 689)**	**(298 851 276)**
Cash flows from financing activities			
Proceeds from loans		175 610 256	-
Repayment of loans		(147 000 000)	-
Dividends paid		-	(192 061 066)
Lease contract liabilities		(8 448 493)	(8 416 885)
Proceeds from sell of employee stock option plan		-	65 373 607
Net cash generated from / (used in) financing activities		**20 161 763**	**(135 104 344)**
Net (decrease) / increase in cash and cash equivalents		**(210 559 901)**	**58 732 364**
Cash and cash equivalents at January 1		604 926 547	546 178 699
Effect of movement in expected credit loss on cash and cash equivalents		239 170	15 484
Cash and cash equivalents at December 31	(23)	**394 605 816**	**604 926 547**

* The accompanying notes from (1) to (47) form an integral part of these separate 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.
- 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 registered office of the Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Mr. Talal Al Dhiyebi is the Chairman for the Company and Mr. Magued Sherif is the Managing Director of the Company.

2. Basis of preparation of separate financial statements

Compliance with accounting standards and laws

- The separate financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.
- The separate financial statements were approved by the Board of Directors on February 8, 2023.
- Details of the Company's accounting policies are included in Note (47).

3. Functional and presentation currency

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

4. Basis of measurement

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

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

5. 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 Company's accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.

  Actual results may differ from these estimates and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

- The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting
  estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

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):**
  Determining whether the Company has significant influence over an investee.
- **Review of contract**
  The management reviews its judgmental assumptions and estimates, including what used in determining the extent to which the Company enjoys absolute or joint control or influential influence over the investee companies whenever a material event or an effective amendment occurs to the terms contained in its contractual agreements.

  Classification of properties
  In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Company develops criteria in order to exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in EAS 49, and EAS 10, and in particular, the intended usage of property as determined by management.
- **Property lease classification - Company as lessor**
  The Company has entered into commercial property leases on its investment properties portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

- **Recognition of current and deferred tax assets and liabilities and their measurement**

  Income taxes, whether current or deferred, are determined by each subsidiary of the Company in accordance with the tax law requirements of each country in which the subsidiary of the Company operates.

  The Company's profit is subject to income tax, which requires using of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the year, the Company record current tax liability according to its' best estimate about the taxable treatment of that transactions and the possibility of incurring of additional tax charges that may result from the tax inspection. And when a difference arising between the final tax liability and what is being recorded, such difference is recorded as income tax expense and current tax liability in the current year and to be considered as change in accounting estimates.

  For recognition of deferred tax assets, management uses assumptions about the availability of sufficient taxable profits allowing use of recognized tax assets in the future. Management also uses assumptions related to determination of the applicable tax rate at the financial statements date at which deferred tax assets and liabilities are expected to be settled in the future.

  This process requires the use of multiple and complex estimates in estimating and determining the taxable pool and temporary deductible taxable differences resulting from the difference between the accounting basis and the tax basis for some assets and liabilities. In addition to estimating the extent to use deferred tax assets arising from carry forward tax losses, in the light of making estimates of future taxable profits and future plans for each of the activities of the subsidiaries of the Company.

- **Incremental Borrowing Rates (IBRs) applied in right of use calculation**

  The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

B- Assumptions and estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provisions and contingent liabilities

- Management assess events and circumstances that might led to a commitment on the Company's side from performing its normal economic activities, management uses in this primary estimates and assumptions to judge the extend on which the provision's recognition conditions have been met at the financial statement date, and analyze information to assume whether past events lead to current liability against the Company and estimate the future cash outflows and timing to settle this obligation, in addition, selecting the method which enable the management to measure the value of the commitment reliably.

- **Calculation of loss allowance**

  The Company assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting year to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments. When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

- **Estimation of net realizable value for inventory, and work in progress**

  Inventory, and properties classified under work in progress are stated at the lower of cost or net realizable value ("NRV"). NRV is assessed with reference to sales prices, costs of completion and advances received, development plans and market conditions existing at the end of the reporting period. For certain properties, NRV is determined by the Company having taken suitable external advice and in the light of recent market transactions, where available.

  NRV for completed units available for sale is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for property in the same market serving the same real estate segment.

  NRV in respect of work in progress is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

- **Impairment of property, plant and equipment and projects under construction**

  Properties classified under property, plant and equipment and projects under construction are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment review is carried out to determine the recoverable amount which takes into account the fair value of the property under consideration. The fair value of Club Houses properties and fixed assets classified under property, plant and equipment is determined by an independent expert.

  The recoverable amount is determined using fair value model.

  The fair values are compared to the carrying amounts to assess any probable impairment.

- **Useful lives of property, plant and equipment and intangible assets**

  Management reviews the residual values and estimates useful lives of property, plant and equipment and intangible assets at the end of each annual reporting year. Management determined that the current year's expectations do not differ from previous estimates based on its review.

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:

- Financial instruments
- S Clubs.

6. Sales

Revenue is represented in the present value of delivered units at the delivery date to the Customer during the year.

	2022 EGP	2021 EGP
Revenue from the sale of units in Sodic East project	1 882 571 205	-
Revenue from the sale of units in October Plaza project	464 302 471	538 943 742
Revenue from the sale of units in Allegria Residence project	284 805 240	-
Revenue from the sale of units in The portal project	77 995 035	270 366 054
Revenue from the sale of units in One 16 project	37 111 908	199 615 738
Revenue from the sale of units in Six West project	129 434 954	90 899 209
Revenue from the sale of units in Westown Medical Center proj	14 387 897	70 988 530
Revenue from the sale of units in Westown project	19 159 639	26 043 882
Revenue from the sale of units in Strip II project	133 126 580	-
Revenue from the sale of units in Polygon 9,10 project	80 221 389	67 162 014
Revenue from the sale of units in Allegria project	62 880 413	30 853 520
Revenue from the sale of units in Polygon X	102 279 175	55 897 588
Revenue from the sale of units in Westown Courtyard	18 370 350	50 380 860
Revenue from the sale of units in Forty West project	52 462 171	33 957 095
	3 359 108 427	**1 435 108 232**
Return of sales	-	(5 229 032)
	3 359 108 427	**1 429 879 200**
Realized Interest of installments during the year	104 887 700	67 559 360
Discount for early payment	(198 375 648)	(65 673 200)
	3 265 620 479	**1 431 765 360**

- Revenue from Units until December 31, 2022 Includes an amount 355 730 249 of EGP representing the value of interest on the collected installments revenue from customers of delivered units.

7. Cost of sales

	2022 EGP	2021 EGP
Cost of sales of units in **Sodic East** project	1 615 835 897	-
Cost of sales of units in **October Plaza** project	296 570 364	373 459 359
Cost of sales of units in **Westown** project	3 835 433	8 997 304
Cost of sales of units in **The portal** project	42 170 222	144 857 304
Cost of sales of units in **One 16** project	20 674 398	116 823 584
Cost of sales of units in **Six West** project	64 150 654	53 216 366
Cost of sales of units in **Westown Medical Center** project	6 375 358	37 515 590
Cost of sales of units in **Allegria residence** project	175 047 569	-
Cost of sales of units in **Strip II** project	48 328 731	-
Cost of sales of units in **Allegria** project	31 007 562	8 704 227
Cost of sales of units in **Polygon 9,10** project	25 780 466	28 149 048
Cost of sales of units in **Polygon X**	36 143 329	30 143 122
Cost of sales of units in **Westown Courtyard**	7 683 527	28 679 753
Cost of sales of units in **Forty West** project	15 811 794	30 127 553
	2 389 415 304	**860 673 210**
Onerous contracts – provision (*)	97 491 234	-
Write down to NRV in WIP (*)	143 258 087	-
Return of cost of sales of units	-	(4 123 373)
	2 630 164 625	**856 549 837**

- Cost of Sales from Units until December 31, 2022, includes an amount 355 730 249 of EGP representing the value of interest on the collected installments revenue from customers of delivered units
- Includes an amount 45 190 969 of EGP representing the adjustment to the cost of land for SODIC West El Sheikh Zayed plot as shown in detail in note (18-1).

(*) The Egyptian market witnessed a significant increase in inflation rates during the last quarter of 2022, due to the increase in interest rate at banks and the significant raise of the foreign currency exchange rates against the Egyptian Pound. Accordingly, the Company's management decided to re-measure the net realizable value of the work in progress, and as a result, the Company written down to NRV amounting to EGP 143 million and incurred onerous contracts losses amounting to EGP 97 million.

8. Other operating revenues

	2022 EGP	2021 EGP
Cancellations and delay penalties	30 735 708	57 739 886
Buildings leased revenue	12 581 940	9 702 695
Go Smart revenue	11 393 554	9 193 879
Reversal of impairment losses of fixed assets	1 822 590	1 822 590
Gain on sale of Property, Plant, and Equipment	30 654	-
Other revenue	5 762 901	817 166
	62 327 347	**79 276 216**

9. Selling and marketing expenses

	2022 EGP	2021 EGP
Salaries and wages	70 169 767	59 844 382
Sales commissions	143 869 977	84 891 761
Advertising	140 082 604	83 718 906
Conferences and exhibitions	35 065 916	31 650 532
Car rent	881 445	1 038 860
Travel, transportation and cars	2 370 715	334 351
Maintenance, cleaning, agriculture and security	14 773 720	5 396 174
Professional and consultants' fees	18 603 975	9 864 973
Gifts	8 695 335	4 034 366
Printing and photocopying	2 154 603	1 719 219
Fees, Stamps and licenses	4 513 132	4 112 940
Communication and electricity	3 119 410	3 566 269
Depreciation of fixed assets	1 331 473	1 042 416
Training of employees	9 200	5 000
Donations	-	30 000
Vacations	1 349 174	-
Right of use amortization	3 378 795	5 417 378
Others	255 154	254 471
	450 624 395	**296 921 998**

10. General and administrative expenses

	2022 EGP	2021 EGP
Salaries, Wages and bonuses	277 582 493	236 467 915
Board of Directors' remunerations and allowances	13 000 000	6 397 727
Employees stock option plan	-	17 887 171
Training and medical care	32 100 020	17 049 680
Professional and consultancy fees (*)	70 577 329	109 363 608
Advertising	402 625	418 728
Donations	894 600	1 265 000
Maintenance, cleaning, agriculture and security	77 993 376	77 510 754
Depreciation of fixed assets	17 567 451	27 073 681
Subscriptions and governmental dues	36 290 732	11 133 597
Rent	4 703 965	5 365 351
Travel and transportation	6 295 725	2 178 448
Communication and electricity	2 819 522	3 430 820
Computer supplies	27 159 609	16 529 236
Buffet, hospitality and reception	2 443 136	1 174 515
Bank charges	2 353 267	1 803 768
Employees benefits	13 164 776	1 950 637
Employees vacations	4 601 515	3 162 339
Gifts	2 693 826	3 371 578
Conferences and exhibitions	3 809 027	122 753
Insurance installments	2 498 961	2 630 225
Takaful contribution	8 703 046	4 063 425
Others	1 174 396	1 450 572
	608 829 397	**551 801 528**

11. Other operating expenses

	2022 EGP	2021 EGP
Loss on sale of Property, Plant, and Equipment	-	539 618
Depreciation of investment properties	12 251 444	1 635 651
Provision for claims	19 999 999	-
500 acres losses	-	67 608 531
	32 251 443	**69 783 800**

12. Expected credit losses

	Balance in 31/12/2021	Movement during the year	Balance in 31/12/2022
	EGP	EGP	EGP
Long term notes receivable	559 624	6 996 796	7 556 420
Short term notes receivable	7 935 725	720 080	8 655 805
Due from related parties	495 283 203	4 565	495 287 768
Debtors and other debit balance	461 968	1 048 251	1 510 219
Financial investments at amortized cost	35 269	1 076 756	1 112 025
Cash at banks	88 563	239 170	327 733
	504 364 352	**10 085 618**	**514 449 970**

13. Finance income

	2022	2021
	EGP	EGP
Interest income	22 660 900	14 344 852
Return on investment at amortized cost	31 254 464	35 361 195
Foreign exchange gain from balances denominated in foreign currencies (*)	58 106 625	-
	112 021 989	**49 706 047**

(*) As the Company has a surplus of foreign currencies at the date of the financial position, the Company 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 year from EGP 15.64 /USD to EGP 24.68 /USD at the date of the financial position

14. Finance cost

	2022	2021
	EGP	EGP
Interest expense	193 503 405	130 412 817
Interest of lease contract liabilities	815 047	2 450 723
Foreign exchange losses from balances denominated in foreign currencies	-	316 491
	194 318 452	**133 180 031**

15. Income tax

A- Items recognized in the profit or loss

	2022 EGP	2021 EGP
Financial investments at amortized costs tax	6 250 892	7 072 240
Deferred income tax expense	30 908 919	-
Deferred income tax (benefit)	(165 053 656)	(92 934 256)
	(127 893 845)	**(85 862 016)**

B- Deferred tax assets and liabilities movement

	Statement of financial position		P&L Statement	
	31/12/2022 EGP	31/12/2021 EGP	31/12/2022 EGP	31/12/2021 EGP
Property, plant and equipment	(4 072 274)	(449 017)	(3 623 257)	3 403 194
Provisions	197 803 809	32 750 153	165 053 656	2 054 410
Carried forward tax losses	68 647 727	91 353 300	(22 705 573)	86 940 702
Foreign exchange differences	(10 269 596)	(5 689 507)	(4 580 089)	535 950
Net deferred income tax	**252 109 666**	**117 964 929**	**134 144 737**	**92 934 256**

C- Reconciliation of effective income tax rate

	31/12/2022 EGP	31/12/2021 EGP
Loss for the year before income taxes	(605 583 319)	(451 224 857)
Tax rate	**22.5%**	**22.5%**
Income tax calculated according to income tax law	**(136 256 247)**	**(101 525 593)**
Special tax pool (financial investments at amortized costs)	552 287	1 403 589
Other non-deductible expenses	5 086 270	17 403 446
Current-year losses for which no deferred tax asset is recognized	2 269 264	2 024 071
Other tax adjustments	454 581	(5 167 529)
Income tax according to profit or loss statement	**(127 893 845)**	**(85 862 016)**
Effective tax rate	**21.12%**	**19.03%**

D- Unrecognized deferred tax assets

	31/12/2022 EGP	31/12/2021 EGP
Deductible temporary differences	133 291 719	131 424 603
	133 291 719	**131 424 603**

The deferred tax assets related to net Impairment value on Golf Course, the decrease in the value of the due from related parties and the decrease in the value of debtors and other debit balances have not been recognized due to the lack of a appropriate degree to ensure the existence of sufficient future tax profits through which to benefit from these assets.

16. (Loss) per share

(Loss) per share is calculated based on the net (loss) of the year using the weighted average number of outstanding shares during the year as follows:

	2022 EGP	2021 EGP
Net (loss) for the year	(477 689 474)	(365 362 841)
Employees share of profit	-	-
	(477 689 474)	**(365 362 841)**
Divided on:	-	-
Weighted average number of shares outstanding during the year	356 197 368	356 197 368
(Loss) per share (EGP / share)	**(1.34)**	**(1.03)**

17. Inventory

	31/12/2022 EGP	31/12/2021 EGP
Operating equipment (Clubs)	8 306 053	8 306 053
Communication devices	2 067 295	934 250
	10 373 348	**9 240 303**

18. Work in process

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

	31/12/2022 EGP	31/12/2021 EGP
SODIC West project costs (18-1)	1 057 329 009	844 218 380
October Plaza project costs	230 622 291	402 925 101
Sodic East project costs	1 434 846 628	1 742 838 293
464.81 ACRE project cost (18-2)	4 892 915 837	4 616 516 184
	7 615 713 765	**7 606 497 958**

- Includes an amount of EGP 342 777 171 representing the value of capitalized interest on installments collected from customers.

(18-1) The balance contains on EGP 199 566 9077 representing the present value 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 profit 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").

(18-2) 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 464.81 acres (previously 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 11.356 billion The co-development contract annex was signed on June 27, 2022.

The balance includes an amount of EGP 4 811 045 530 representing the net present value of the project's minimum land payments for the 464 Acre in Sheikh Zayed extension in addition to the capitalized interests in accordance with the co-development agreement between the Company and the New Urban Communities Authority "NUCA"

The Egyptian market witnessed a significant increase in inflation rates during the last quarter of 2022, due to the increase in interest rate at banks and the significant raise of the foreign currency exchange rates against the Egyptian Pound. Accordingly, the Company's management decided to re-measure the net realizable value of the work in progress, and as a result, the Company written down to NRV amounting to EGP 143 million.

19. Trade and note receivable – noncurrent

This item represents the present value of trade and note receivable long-term balances as follow:

	31/12/2022	31/12/2021
	EGP	EGP
Notes receivable – units' installments *	1 201 241 235	550 592 449
Unamortized interest-notes receivable	(297 667 046)	(104 701 457)
Expected credit losses on trade and notes receivable	(7 556 420)	(559 624)
	896 017 769	**445 331 368**

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

-Notes receivables not included in the financial statements have been disclosed in note no. (43).

-The Company's exposure to credit and currency risk related to trade and notes receivable is disclosed in note (40).

20. Trade and notes receivable – current

	31/12/2022	31/12/2021
	EGP	EGP
Trade receivable	99 430 847	77 366 864
Notes receivable – units' installments *	657 231 742	441 871 804
	756 662 589	**519 238 668**
Unamortized interest – notes receivable	(31 415 961)	(19 280 726)
	725 246 628	**499 957 942**
Expected credit losses on notes receivables	(8 655 805)	(7 935 725)
	716 590 823	**492 022 217**

* 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.

- Notes receivables not included in the financial statements have been disclosed in note no. (43).

-The Company's exposure to credit and currency risks related to trade and notes receivable is disclosed in note no. (40).

21. Debtors and other debit balances

	31/12/2022 EGP	31/12/2021 EGP
Contractors and suppliers – advance payments	421 722 536	321 765 799
Heliopolis Housing and Development Company (*)	260 802 472	228 532 600
Restricted cash for SODIC East project	37 973 577	27 018 818
Amounts withheld for the 464.81 acres project	39 838 876	286 414
Commissions and Prepaid expenses	348 014 217	291 848 818
Deposits with others	8 687 170	8 189 725
Due from the bonus and incentives plan to employees and managers fund	5 473 472	5 473 472
Bank current (**)	742 231 510	595 924 399
Withholding tax	7 164 437	26 638 802
Other debit balances	12 651 844	11 187 766
	1 884 560 111	**1 516 866 613**
Expected credit losses on debtors and other debit balances	(1 510 219)	(461 968)
	1 883 049 892	**1 516 404 645**

(*) 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 and 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 and 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 Meeting 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, 2020, an appendix has been signed to amend some of the terms and conditions of the co-development contract.

(**) 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 the Company cannot be used for any other purpose,

The Company's exposure to credit and currency risks related to debtors and other debit balances is disclosed in note no. (40).

22. Financial investments at amortized cost

	31/12/2022 EGP	31/12/2021 EGP
Treasury bills at par value	581 075 000	145 699 773
Unearned return on treasury bills	(11 492 344)	(1 485 595)
Expected credit losses	(1 112 025)	(35 269)
	568 470 631	**144 178 909**

The Company's exposure to market risk related to the trading investments is disclosed in note no. (40).

23. Cash and cash equivalent

	31/12/2022 EGP	31/12/2021 EGP
Bank - time deposits *	139 464 000	286 966 880
Bank - current accounts	248 863 811	307 244 544
Checks under collection	4 988 788	10 136 143
Cash on hand	2 289 217	1 578 980
	395 605 816	**605 926 547**
Expected credit losses	(327 733)	(88 563)
	395 278 083	**605 837 984**

* Deposits include an amount of EGP 1 million restricted as a guarantee for the credit facilities granted from a group of commercial banks.

Exposure to interest rate risk and currency risk for cash on hands and at banks which is disclosed in note no. (40).

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

	31/12/2022 EGP	31/12/2021 EGP
Cash and cash equivalents Before ECL	395 605 816	605 926 547
Restricted cash	(1 000 000)	(1 000 000)
Cash and cash equivalent according to separate statement of cash flows	**394 605 816**	**604 926 547**

24- Fixed Assets

EGP	Lands	Buildings	Vehicles	Furniture and fixtures	Generators, machinery and equipment	Computers and Printers	Communication devices	Computer Software's	Leasehold improvements	Solar power stations	Golf Course	Total
Cost												
Cost as at January 1, 2021	80 127 093	410 359 371	17 076 252	45 063 361	27 700 246	30 883 432	2 815 710	18 103 749	54 885 906	11 218 810	99 377 533	797 611 463
Additions during the year	923 092	195 035 968	4 834 000	5 063 783	17 168 976	4 106 128	22 063	1 009 554	20 159 916	-	-	248 323 480
Disposals during the year	-	-	(229 250)	-	(230 091)	(4 023 669)	(55 254)	-	-	-	-	(4 538 264)
Cost as at December 31, 2021	81 050 185	605 395 339	21 681 002	50 127 144	44 639 131	30 965 891	2 782 519	19 113 303	75 045 822	11 218 810	99 377 533	1 041 396 679
Cost as at January 1, 2022	81 050 185	605 395 339	21 681 002	50 127 144	44 639 131	30 965 891	2 782 519	19 113 303	75 045 822	11 218 810	99 377 533	1 041 396 679
Additions during the year	-	-	315 000	3 277 580	2 064 601	5 837 129	527 499	2 689 767	-	-	-	14 711 576
Disposals during the year	-	-	-	-	(40 926)	(85 942)	-	-	(8 172 388)	-	-	(8 299 256)
Balance at December 31, 2022	81 050 185	605 395 339	21 996 002	53 404 724	46 662 806	36 717 078	3 310 018	21 803 070	66 873 434	11 218 810	99 377 533	1 047 808 999
Accumulated depreciation												
Accumulated depreciation at January 1, 2021	-	44 452 336	10 282 713	9 782 383	5 848 477	18 734 959	2 135 703	14 819 296	43 145 777	409 474	17 774 682	167 385 800
Depreciation during the year	-	25 115 020	2 620 570	9 071 511	6 188 087	4 479 778	320 043	1 717 380	10 880 997	448 753	1 822 590	62 664 729
Accumulated depreciation of disposals during the year	-	-	(229 247)	-	(200 146)	(3 302 660)	(50 263)	-	-	-	-	(3 782 316)
Accumulated depreciation at December 31, 2021	-	69 567 356	12 674 036	18 853 894	11 836 418	19 912 077	2 405 483	16 536 676	54 026 774	858 227	19 597 272	226 268 213
Accumulated depreciation at January 1, 2022	-	69 567 356	12 674 036	18 853 894	11 836 418	19 912 077	2 405 483	16 536 676	54 026 774	858 227	19 597 272	226 268 213
Depreciation during the year	-	29 841 741	2 843 932	9 606 063	8 160 891	4 340 510	192 988	1 793 541	5 811 054	448 752	1 822 590	64 862 062
Accumulated depreciation of disposals during the year	-	-	-	-	(2 558)	(71 485)	-	-	(8 172 386)	-	-	(8 246 429)
Accumulated depreciation at December 31, 2022	-	99 409 097	15 517 968	28 459 957	19 994 751	24 181 102	2 598 471	18 330 217	51 665 442	1 306 979	21 419 862	282 883 846
Impairment of Golf course												
Accumulated Impairment at January 1, 2021	-	-	-	-	-	-	-	-	-	-	81 602 851	81 602 851
Impairment reversal during the year	-	-	-	-	-	-	-	-	-	-	(1 822 590)	(1 822 590)
Accumulated impairment at December 31, 2021	-	-	-	-	-	-	-	-	-	-	79 780 261	79 780 261
Impairment reversal during the year	-	-	-	-	-	-	-	-	-	-	(1 822 590)	(1 822 590)
Accumulated impairment at December 31, 2022	-	-	-	-	-	-	-	-	-	-	77 957 671	77 957 671
Net book value												
At January 1, 2021	80 127 093	365 907 035	6 793 539	35 280 978	21 851 769	12 148 473	680 007	3 284 453	11 740 129	10 809 336	-	548 622 812
At December 31, 2021	81 050 185	535 827 983	9 006 966	31 273 250	32 802 713	11 053 814	377 036	2 576 627	21 019 048	10 360 583	-	735 348 205
At December 31, 2022	81 050 185	505 986 242	6 478 034	24 944 767	26 668 055	12 535 976	711 547	3 472 853	15 207 992	9 911 831	-	686 967 482

*** Property, plant, and equipment include fully depreciated assets at a cost of EGP 118 782 195 at December 31, 2022.**

25. Investment properties

The movement of investment property during the year is as follow: -

Description	
Cost	**EGP**
At January 1, 2021	**34 139 903**
Additions during the year	225 438 514
Disposal during the year	(10 187 226)
At December 31, 2021	**249 391 191**
At January 1, 2022	**249 391 191**
Additions during the year	44 999 010
At December 31, 2022	**294 390 201**
Less	
Accumulated depreciation	
At January 1, 2021	**(4 229 475)**
Depreciation for the year	(1 635 652)
Accumulated amortization of disposals	2 958 552
At December 31, 2021	**(2 906 575)**
At January 1, 2022	**(2 906 575)**
Depreciation for the year	(12 251 444)
At December 31, 2022	**(15 158 019)**
Net carrying amount as at January 1, 2021	**29 910 428**
Net carrying amount as at December 31, 2021	**246 484 616**
Net carrying amount as at December 31, 2022	**279 232 182**

- The fair value of investment properties amounted to EGP 778 million as at December 31, 2022.

26. Investment properties under development

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

	31/12/2022	31/12/2021
	EGP	EGP
SODIC projects in **SODIC West**	106 245 091	1 082 572 244
SODIC projects in **October Plaza**	-	251 875 596
	106 245 091	**1 334 447 840**

27. Investment at fair value through OCI

	Legal Form	Ownership	Paid amount of Participation	Carrying amount as at 31/12/2022	Carrying amount as at 31/12/2021
		%	%	EGP	EGP
SODIC for Golf and Tourist Development Co.	S.A.E	0.0025	25	2 875	2 875
Beverly Hills for Management of Cities and Resorts Co.	S.A.E	0.06	100	26 152	26 152
				29 027	**29 027**
Impairment of available for sale investments				(2 875)	(2 875)
				26 152	**26 152**

Exposure to market risk related to available for sale investments is considered limited since these investments represent equity instruments that are not traded in an active market and are denominated in Egyptian Pound.

28. Lease Contracts Assets & Liabilities

During the year 2020, the Company early adopted the Egyptian Accounting Standard No. 49 "Lease contracts", accordingly the Company recognized right of use assets and liabilities of the lease contracts.

28-1 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:

	EGP
Cost	
At January 1, 2022	**38 004 628**
Disposals during the year	(26 219 781)
At December 31, 2022	**11 784 847**
Accumulated depreciation	
At January 1, 2022	**(13 790 955)**
Depreciation for the year	(3 378 795)
Accumulated depreciation of disposals	9 468 255
At December 31, 2022	**(7 701 495)**
Net carrying amount as at December 31, 2022	**4 083 352**

28-2 Lease contract liabilities

Present value of the total liabilities resulted from right of use are as follows:

	31/12/2022	31/12/2021
	EGP	EGP
Lease contract liabilities	3 092 311	34 002 810
Unamortized interests	(125 474)	(6 651 101)
Net present value of lease contract liabilities	**2 966 837**	**27 351 709**
Short-term lease liabilities	2 966 837	5 154 977
Long-term lease liabilities	-	22 196 732
	2 966 837	**27 351 709**

29. Share capital and reserves

29-1 Share capital

- The authorized capital of the Company is EGP 2.8 billion.
- The Company's issued and paid in capital is EGP 1.355 Billion distributed over 338 909 573 shares with a par value of EGP 4 per share.
- 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 executives 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 executives 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 for this increase.
- 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 necessary procedures are being taken to register this increase in the commercial register in 23 December 2020.

– The current capital structure for the holding company represented as follow:

Shareholder	Number of shares	Share value EGP	Ownership percentage %
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**

29-2 Reserves

a. Legal Reserve

The balance as at December 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 2007 with limits of half of the Company's issued share capital.	5 000 000
Increase in legal reserve with a part of the capital share premium during 2010 with limits of half of the Company's issued share capital.	39 446 365
Increase of the legal reserve with 5% of the net profit for the year 2019.	9 756 581
Increase of the legal reserve with 5% of the net profit for the year 2020.	1 154 135
The amount used to increase the issued share capital during 2011.	(2)
	224 840 771

b. Special reserve – share premium

The balance is represented in the following:

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 at 2014 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 of set aside for employees' incentive and bonus plan for 3 273 263 shares during 2019	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 of set aside for employees' incentive and bonus plan for 7 052 169 shares during 2021	34 927 494
Amounts transferred to the legal reserve	(167 855 516)
Capital increase – related expenses	(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)
	1 483 154 057

30. Profit from sale of treasury shares

- On August 14, 2011, the Board of Directors of the 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 Company's shares offered on the Egyptian stock exchange. On August 13, 2012 the 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.
- During March 2016 treasury shares which were transferred from incentive and bonus plan for employees and executive directors of the Company according to the Extraordinary General Assembly meeting held on February 1st, 2015 were sold resulting in an actual loss amounting to EGP 1 967 411, the profit from sale of treasury shares reserve becomes EGP 1 725 456.

31. Loans

	31/12/2022 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 according to the previous syndicated loan contract signed on April 4, 2017 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%	1 288 721 749	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 14 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.	201 000 000	348 000 000
	1 489 721 749	**1 447 021 749**
Unamortized loan cost	(14 089 744)	-
	1 475 632 005	**1 447 021 749**
Current portion		
Syndicated loan from Arab African International Bank	-	1 099 021 749
Loan from CIB	80 000 000	87 000 000
Loan from Bank Misr	38 661 652	-
Transaction cost	(1 610 256)	-
Total current portion	**117 051 396**	**1 186 021 749**
Non-current portion	-	
Non-current portion	1 371 060 096	261 000 000
Transaction cost	(12 479 487)	-
Total non-current portion	**1 358 580 609**	**261 000 000**

32. New Urban Communities Authority

	31/12/2022 EGP	31/12/2021 EGP
New Urban Communities Authority "NUCA"	10 911 745 840	10 985 619 643
Unamortized interest	(6 545 837 240)	(6 921 946 202)
	4 365 908 600	**4 063 673 441**
Current portion	263 159 777	92 417 693
Non-current portion	4 102 748 823	3 971 255 748
	4 365 908 600	**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 464.81 acres (previously 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 11.356 billion The co-development contract annex was signed on June 27, 2022.

33. Contractors, suppliers and notes payable

	31/12/2022 EGP	31/12/2021 EGP
Contractors	2 158 999	8 159 144
Suppliers	42 861 269	8 868 696
Notes payable *	120 303 521	98 944 953
	165 323 789	**115 972 793**

The Company's exposure to currency and liquidity risks related to suppliers, contractors and notes payable is disclosed in note no. (40).

34. Advances from customers

This item represents the collected from customers for booking and contracting of units and lands as follows:

	31/12/2022 EGP	31/12/2021 EGP
Advances – **SODIC West**	1 037 373 307	803 465 104
Advances – **October Plaza 1**	159 713 136	128 519 821
Advances – **SODIC East (*)**	1 009 265 158	1 465 100 580
Advances – **Acres Sheikh Zayed 464.81**	1 137 991 724	788 150 539
Advances – **Clubs' memberships**	275 557 877	226 958 558
	3 619 901 202	**3 412 194 602**

- Includes an amount of EGP 502 083 387 representing the value of financial component on installments collected from customers.
- Uncollected notes receivables for undelivered units, that are not included in the financial statements have been disclosed in note no. (43).

(*) The balance of Advances – Projects in East Cairo includes an amount of EGP 1 037 978 452 which represents the net advances from customers of SODIC EAST project. The total contracted value has been reduced by EGP 28 713 294, 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).

35. Creditors and other credit balances

	31/12/2022 EGP	31/12/2021 EGP
Accrued expenses	172 167 024	215 188 165
Amounts collected on account for management, operation and maintenance of projects	793 893 296	595 924 399
Creditors of gas and electricity installments	12 014 998	7 483 037
Detained business guarantee	138 945 435	216 713 859
Contractors – Social Insurance	10 864 360	4 359 560
Insurance Deposits collected from customers – Against modifications	4 073 081	3 672 950
Customers - cancellation	20 324 764	18 009 425
Tax authority	35 218 848	23 681 399
Accrued compensated absence	9 087 782	354 507
Advances-rents	3 613 620	8 976 954
Sundry creditors	3 945 912	2 373 749
	1 204 149 120	**1 096 738 004**

(*) The balance represents the amount due to Polygon Co. for Real Estate Investment -a subsidiary, the value of notes receivable the Company collects it for and on behalf of SODIC polygon.

The Company's exposure to currency and liquidity risks related to creditors is disclosed in note no. (40).

36. Provisions

36-1 Provision for completion of works

	Balance as at 01/01/2022 EGP	Formed during the year EGP	Used during the year EGP	Balance as at 31/12/2022 EGP
Provision for completion of works	145 556 237	556 147 855	(83 325 372)	618 378 720
	145 556 237	**556 147 855**	**(83 325 372)**	**618 378 720**

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

36-2 Provision for claims

	Balance as at 01/01/2022 EGP	Formed during the year EGP	Used during the year EGP	Balance as at 31/12/2022 EGP
Provision for claims	10 000 001	19 999 999	-	30 000 000
	10 000 001	**19 999 999**	**-**	**30 000 000**

- The provision is created 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 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.

36-3 Onerous contracts provision

	Balance as at 01/01/2022	Formed during the year	Used during the year	Balance as at 31/12/2022
	EGP	EGP	EGP	EGP
Onerous contracts provision	-	97 491 234	-	97 491 234
	-	97 491 234	-	97 491 234

The provision is formed for onerous contracts as shown in detail in note (7).

37. Investments in subsidiaries

	Legal Form	Ownership	Paid amount of Participation	Carrying amount as at 31/12/2022	Carrying amount as at 31/12/2021
		%	%	EGP	EGP
Sixth of October for Development and Real Estate Projects Co. (SOREAL)	S.A.E	99.99	100	807 334 516	807 334 516
SOREAL for Real Estate Investment Co.	S.A.E	99.99	100	499 999 970	499 999 970
SODIC for Development and Real Estate Investment Co.		99.99	100	299 999 980	299 999 980
Tabrouk Development Co.	S.A.E	99.99	100	99 998 000	99 998 000
SODIC for Management of Hotels and Clubs	S.A.E	40	100	11 200 000	8 000 000
				1 718 532 466	1 715 332 466

38. Fair values

Financial instruments are represented, in cash at banks and on hand, investments, customers, notes receivable and investments in subsidiaries, and associates, 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 Company.

According to the valuation techniques used to evaluate the assets and liabilities of the Company, the carrying value of these financial instruments represent a reasonable estimate of their fair value.

39. 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 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. The Company is not subject to externally imposed capital requirements.

40. Financial risk management

The Company 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 Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, as well as the Company management of capital. Further quantitative disclosures are included throughout these separate 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 Company aims to develop a disciplined and constructive control environment through which all employees understand their roles and obligations.

40-1 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 Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the demographics of the Company's customer base, which includes the default risk of the industry which has less influence on credit risk.

Almost all of the Company's revenues is attributable to sales transaction with a vast group of customers. Therefore, demographically, there is no concentration of credit risk.

The Company'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 obtained advance payments and cheques covers for 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 after 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 date 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).

40-2 Liquidity risk

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

The Company'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 Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate year 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 Company maintains the following lines of credit:

- A medium-term loan in the amount of EGP 1 570 million.
- A medium-term loan in the amount of EGP 500 million.

40-3 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 Company'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.

40-4 Currency risk

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

In respect of monetary assets and liabilities denominated in other foreign currencies, the Company 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.

40-5 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.

40-6 Other market price risk

Equity price risk arises from available-for-sale equity securities and the management of the Company 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 sell 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.

40-7 Credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk as follows.

	Note No.	31/12/2022 EGP	31/12/2021 EGP
Trade and note receivable – noncurrent	(19)	903 574 189	445 890 992
Trade and notes receivable – current	(20)	725 246 628	499 957 942
Due from related parties	(41)	595 142 719	495 865 728
Debtors and other debit balances	(21)	1 536 545 894	1 225 017 795
Financial investments at amortized cost	(22)	569 582 656	144 214 178
Cash at banks	(23)	393 316 599	604 347 567
		4 723 408 685	**3 415 294 202**

40-8 Liquidity risk

The following are the contractual maturities of financial liabilities:

December 31, 2022	**Carrying amount EGP**	**Less than 1 year EGP**	**1-2 years EGP**	**2-5 years EGP**
Loans	1 475 632 005	117 051 396	317 531 357	1 041 049 252
New Urban Communities Authority	4 365 908 600	263 159 777	599 759 632	3 502 989 191
Contractors and suppliers	45 020 268	45 020 268	-	-
Other creditors	1 204 149 120	482 727 132	703 965 786	17 156 202
Notes payable –short term	120 303 521	120 303 521	-	-
	7 211 013 514	**1 028 262 094**	**1 621 256 775**	**4 561 194 645**

December 31, 2021	**Carrying amount EGP**	**Less than 1 year EGP**	**1-2 years EGP**	**2-5 years EGP**
Loans	1 447 021 749	1 186 021 749	104 400 000	156 600 000
New Urban Communities Authority	4 063 673 441	92 417 693	350 508 676	3 620 747 072
Contractors and suppliers	238 101 259	238 101 259	-	-
Other creditors	1 096 738 004	462 512 967	619 136 199	15 088 838
Notes payable – short term	98 944 953	98 944 953	-	-
	6 944 479 406	**2 077 998 621**	**1 074 044 875**	**3 792 435 910**

40-9 Currency risk

Exposure to currency risk

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

	31/12/2022	31/12/2021
	USD	USD
Notes receivable short / long - term	-	596 610
Maintenance creditors	-	(486 000)
Cash at banks	5 048 966	11 507 347
Surplus of foreign currencies	**5 048 966**	**11 617 957**

The following is the average exchange rates during the Year:

	Average exchange rate during the year		Spot rate at the financial statements date	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	EGP	EGP	EGP	EGP
USD	20.16	15.64	24.68	15.64

Sensitivity Analysis

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound As of December 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
USD	6 230 424	(6 230 424)

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
USD	9 085 242	(9 085 242)

40-10 Interest rate risk

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

	Carrying amount	
	31/12/2022	31/12/2021
	EGP	EGP
Financial instruments with a fixed rate		
Financial assets	1 612 608 592	937 353 585
Financial liabilities	120 303 521	(98 944 953)
	1 732 912 113	**838 408 632**
Financial instruments with a variable rate		
Financial liabilities	1 475 632 005	(1 447 021 749)
	1 475 632 005	**(1 447 021 749)**

The Company 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 separate financial statements date would not affect the statement of profit or loss.

41. Related parties

Related parties are represented in the Company' shareholders, board of directors, executive directors and Companies in which they own directly or indirectly shares giving them significant influence over these Companies. The Company made several transactions during the year with related parties and these transactions have been done in accordance with the terms determined by the Company's management, and have been approved by the Company's Ordinary General Assembly. A summary of significant transactions concluded during the year at the separate financial position date were as follows:

Party	Nature of relationship	Nature of transaction	31/12/2022 Amount of Transaction EGP
Beverly Hills Company for Management of Cities and Resorts	A subsidiary	Works of agriculture, maintenance and security services for Beverly Hills City	4 859 639
Sixth of October for Development and Real Estate Projects (SOREAL)	A subsidiary	Payments on behalf of the Company	437 916 378
Sodic Garden City for development and investment	A subsidiary	Payments on behalf of the Company	241 656
Edara for Services of Cities and Resorts Company	A subsidiary	Works of agriculture, maintenance and security services for SODIC West	193 921 694
Al Yosr for Projects and Real estate Development Company	A subsidiary	Payment on behalf of the company	55 787 241
SOREAL for Real estate investment Company	A subsidiary	Payments on behalf of the Company	173 138 032
Tabrouk Development Company	A subsidiary	Payments on behalf of the Company	157 741 396
SODIC for Development and Real Estate Investment Company	A subsidiary	Payments on behalf of the Company	3 299 021
SODIC Clubs	A subsidiary	Payments on behalf of the Company	104 273 340
		Administrative fees	2 052 000
Sodic Securitizations	A subsidiary	Payments on behalf of the Company	421 974
Aldar Egypt for Projects Development	A subsidiary	Payments on behalf of the Company	9 142 671
La Maison for real Estates	A subsidiary	Payments on behalf of the Company	81 130
Executive directors and board members			36 492 213

The following is the balances of related parties at the date of the financial statements

a) Due from related parties

	31/12/2022 EGP	31/12/2021 EGP
Green scape for Agriculture and Reclamation Company (under Liquidation)	3 651 668	3 651 668
Move-In for Advanced Contracting Company	22 411 128	22 411 128
SODIC Syria Company	434 027 785	434 027 785
Palmyra Real Estate Development Company –a Joint project	35 191 620	35 191 620
SODIC for securitization	425 780	3 807
SODIC Garden City for development and investment	821 376	579 720
Aldar for Real Estate Company – Egypt	9 142 672	-
Al Yosr for Projects and Real estate Development Company	27 045 821	-
Edara for Services of Cities and Resorts Company	755 433	-
SOREAL for Real Estate Company	59 052 576	-
Beverly Hills for Management of Cities and Resorts Co	2 616 860	-
	595 142 719	**495 865 728**
Expected credit losses (*)	(495 287 768)	(495 283 203)
	99 854 951	**582 525**

(*) Due to the current political circumstances in the Syrian Arab Republic which affected a significant impact on the economic sectors in general, and the confiscation of assets and documents related to Palmyra - SODIC Real Estate Development Company by the Syrian Arab Republic government, the management of SODIC addressed the Embassy of the Syrian Arab Republic in Egypt to protect all of its interest from these acts and commissioned a law firm for trying to reserve its interest.

Accordingly, the Board of Directors of Sixth of October Development and Investment "SODIC" saw that the assets of the investee company all become in dispute with the mentioned country's government, which requires to recognize a loss arising from an inability to recover its investments and therefore the Board of Directors decided on April 16, 2014 to impair the due from related parties relating to investments that have been injected for projects in the Syrian Arab Republic in addition to an impairment for due from some subsidiaries related to debts unexpected to be collected which are amounted to EGP 495 287 768 as at December 31, 2022.

b) Due to related parties

	31/12/2022 EGP	31/12/2021 EGP
Sixth of October for Development and Real Estate Projects (SOREAL)	1 575 610 413	1 137 694 074
SOREAL for Real Estate Company	-	114 085 456
Al Yosr for Projects and Real estate Development Company	-	28 741 419
SODIC for Clubs	68 492 723	37 945 544
Tabrouk Development Company	377 506 313	219 764 917
SODIC for Development and Real Estate Investment Company	118 691 898	115 392 878
La Maison for real Estates	81 130	-
Edara for Services of Cities and Resorts Company	-	849 868
	2 140 382 477	**1 654 474 156**

42. 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 2020 have been inspected and tax differences have been paid and settled.
- Years 2021 to 2022 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 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 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 2022 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.

43. Post-dated checks (off balance sheet)

The value of post-dated checks and installment customers are not included in the consolidated statement of financial position items - for the undelivered units, is the value of the post-dated checks retained and received from customers according to the payment terms of each customer in accordance with the contracts, as well as the value of future installments that have not received checks on them where the contract was made and the payment was collected in advance and no future checks have been presented for the rest of the unit value until the date of the financial position, and its statement is as follows:

	31/12/2022 EGP	31/12/2021 EGP
Postdated checks clients and unit's installments	8 872 147 397	6 208 209 400
Postdated checks customers cancellations	19 252 005	318 939 272
Postdated checks clubhouse installments	324 908 672	214 484 055
Postdated checks clients and maintenance installments	553 241 743	410 176 033
	9 769 549 817	**7 151 808 760**
These checks are due		
Checks due short term	2 077 509 067	1 853 949 833
Checks due long term	7 692 040 750	5 297 858 927
	9 769 549 817	**7 151 808 760**

44. 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.

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

- On January 20, 2016 the extra ordinary 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 year of six years and three months as per annex (1). These shares should be available through the special reserve- additional paid in capital, or through reserves, or part of it, or through retained earnings, or part of it which is to be used in the capital increase, this capital increase is based on the approval of the Board of Directors as per the proxy granted by the company's extra ordinary general assembly dated January 20, 2016. The grant of the employee stock option plan is done 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 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 executives 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 executives 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 as mentioned in details in note (29).

46. Subsequent events

In the early of January 2023, the Central Bank of Egypt (CBE) moved to a durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the Egyptian Pound against other foreign currencies. Accordingly, the exchange rate of the US Dollar began to rise against the Egyptian Pound, which led to an increase from EGP 24.63 /USD1 to reach EGP 29.63/USD1 by the end of January 11, 2023, and this increase in the exchange rate of the US Dollar against the Egyptian Pound will lead to an increase from EGP 58 106 625 to EGP 83 115 668 in the foreign currency exchange gains charged to the statement of profit or loss for the financial year ended December 31 , 2022.

47. Significant accounting policies

The Company has consistently applied the following accounting policies to all years presented in these Separate financial statements, except if mentioned otherwise (see also Note No. 5).

47-1 Financial statement

- The Company has subsidiaries and according to the Egyptian Accounting Standards No. (42) "consolidated financial statements" and Article 188 of the executive regulations for Companies' law No. 159 of 1981, the Company is preparing consolidated financial statements for the Group which should be used as a reference to understand the financial position, financial performance and cash flows for the group as a whole.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase in recognized 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 contingent consideration that met the definition of financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

47-2 Foreign currency transactions

- Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction.
- 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 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.

47-3 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 that date.

b) The Company arise or improves a customer-controlled asset when the asset is arisen 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 Year 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 financing component

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

Revenue recognition

a. Real estate and land sales

- Revenue from sale of residential, admin, commercial and Land, service, and Land for which contracts were concluded is recorded 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 confanies 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 of Sales Return value of sales as 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 Realized interest on installments collected during the financial year / period from previous years' sales.

The significant financing 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. Interest income

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

d. Commission revenue

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

e. Dividends

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

f. 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 it 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.

47-4 Employee benefit

a) Short – term employee benefits

Short - term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company 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 recognised as an expense, with a corresponding increase in equity, over the vesting year of the awards. The amount recognised 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 re-measured 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) Define contribution plans

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

The Company 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 Company's commitment is limited to the value of their contribution. And the Company'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 confined 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.

47-5 Finance income and finance costs

The Company's finance income and finance costs include:

- Interest income
- Interest expense
- The foreign currency gain or loss on financial assets and financial liabilities
- The net gain or loss on hedging instruments that are recognized in profit or loss

Interest income or expense is recognized using the effective interest method.

47-6 Income Tax

The recognition of the current tax and deferred tax as income or expense in the profit or loss for the year, except in cases in which the tax comes from process or event recognized - at the same time or in a different year - outside profit or loss, whether in other comprehensive income or in equity directly or business combination.

a) Current income tax

The recognition of the current tax for the current Year and prior years and that have not been paid as a liability, but if the taxes have already been paid in the current Year and prior years in 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 measured at expected value paid to (recovered from) the tax authority, using the current tax rates (and tax laws) or in the process to issue in the end of the financial year. Dividends are subject to tax as part of the current tax. But do not be offset for tax assets and liabilities only when certain conditions are met.

b) Deferred tax

Deferred tax is recognised 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 recognised for:

- Taxable temporary differences arising on the initial recognition of goodwill.,
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not:
  a. A business combination.
  b. And not affects neither accounting nor taxable profit or loss.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company 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 recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. deferred tax assets are reassessed at each reporting date and recognised 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 Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

47-7 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.

47-8 Units ready for sale

Units ready for sale are stated at lower of cost or net realizable value. 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.

47-9 Work in process

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 statement of financial position at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status.

47-10 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 recognised in profit or loss.

b) Subsequent expenditure

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

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 recognised 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	5-20
Vehicles	5
Furniture and fixtures	10
Computers, communications devices and computer software	5
Generators, machinery and equipment	5
Solar power stations	25
Golf course assets	
Constructions	20
Irrigation networks	15
Equipment and tools	15
Rental improvements	5 years or lease term

47-11 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.

47-12 Investments properties under development

Investments properties under development are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the investment properties 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.

47-13 Investment properties

This item includes properties held for rent or increase in its value or both, Investment property is initially measured at cost measure at cost after deducting.

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

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 recognised in profit or loss.

47-14 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 FAIR VALUE THROUGH PROFIT OR LOSS, 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; FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – debt investment; FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – equity investment; or FAIR VALUE THROUGH PROFIT OR LOSS.

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 FAIR VALUE THROUGH PROFIT OR LOSS:

- 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME if it meets both of the following conditions and is not designated as at FAIR VALUE THROUGH PROFIT OR LOSS:

- 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME as described above are measured at FAIR VALUE THROUGH PROFIT OR LOSS. 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME as at FAIR VALUE THROUGH PROFIT OR LOSS 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 FAIR VALUE THROUGH PROFIT OR LOSS.

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 FAIR VALUE THROUGH PROFIT OR LOSS	Financial assets at FAIR VALUE THROUGH PROFIT OR LOSS 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	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.

Financial assets – Policy applied before January 1, 2020

The Company classifies financial assets into one of the following classifications:

- Loans and debts
- Investments held to maturity
- Investments available for sale
- At fair value through profit or loss

47-15 Share capital

1) **Ordinary Shares:**

   Incremental costs directly attributable to the issue of ordinary shares are recognised 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 recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised 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 recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

47-16 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME; 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, 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.

47-17 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 recognised 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 period until finalization of all the project works.

Onerous contracts provision

If the Company has a contract that is onerous, the present obligations under onerous contracts are recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

47-18 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.

47-19 Investments in subsidiaries

Subsidiary companies are the entities in which the "Company" investor has the ability to control its financial and operating policies of the entity this ability exists by possessing half of the voting power or more in the related subsidiary.

Investments in subsidiaries are stated – when acquired – at its acquisition cost. If a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such impairment and will be charged to the statement of profit or loss for each investment.

47-20 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

47-21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of the qualifying asset, which require a long period to be prepared for use in its intended purposes or sold as part of the cost of the asset, and other borrowing costs are charged as an expense in the year in which they are incurred. The borrowing costs represent in the interest and other costs incurred by the Company to borrow the funds.

47-22 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.

47-23 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.

47-24 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.

47-25 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.