Translation of financial statements
and auditor's report originally issued in Arabic

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial Year Ended December 31, 2016

And Auditor's Report

KPMG Hazem Hassan
Public Accountants & Consultants

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Auditor's Report
To The Shareholders of Sixth of October for Development and Investment Company "SODIC"

Report on the Separate 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, 2016, 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 Separate 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

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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, 2016, 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

KPMG Hazem Hassan
Public Accountants and Consultants
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Cairo Feburary 27, 2017

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

EGP	Note No.	31 December 2016	31 December 2015
Non-current assets			
Property, plant, equipment	(21)	51 028 631	56 380 528
Projects under construction	(23)	211 036 626	-
Investments in associates	(36)	1 707 842 466	1 707 842 466
Investments - available for sale	(24)	4 276 152	4 276 152
Investment properties	(22)	16 498 918	53 155 878
Investment property - advances		-	148 224 050
Trade and notes receivables	(17)	1 873 745 246	1 499 422 614
Deferred tax assets	(13)	433 562	-
Total non-current assets		**3 864 861 601**	**3 469 301 688**
Current assets			
Completed units ready for sale	(15)	7 669 865	8 278 560
Works in process	(16)	1 443 451 819	1 350 528 719
Trade and notes receivable	(18)	1 061 303 152	1 145 112 984
Due from related parties	(39)	196 337 162	401 964 100
Debtors and other debit balances	(19)	450 663 222	234 830 272
Investments in treasury bills		260 503 005	20 750 123
Cash at banks and on hand	(20)	1 098 967 304	1 277 086 732
Total current assets		**4 518 895 529**	**4 438 551 490**
Total assets		**8 383 757 130**	**7 907 853 178**
Equity			
Issued & paid in capital	(25)	1 355 638 292	1 355 638 292
Legal reserve	(25)	195 088 853	184 428 817
Special reserve - share premium	(25)	1 357 933 479	1 357 933 479
Retained earnings		765 869 919	553 964 996
Profit from sale of treasury shares	(26)	1 725 456	3 692 867
Treasury shares		-	(10 150 000)
Reserve for employee stock option plan		18 276 121	-
Total equity		**3 694 532 120**	**3 445 508 451**
Non-current liabilities			
Loans - long term	(28)	262 738 475	473 096 436
Notes payable - long term	(29)	95 807 399	143 711 099
Deferred tax liabilities	(13)	-	456 892
Total non-current liabilities		**358 545 874**	**617 264 427**
Current liabilities			
Bank - credit facilities	(30)	-	31 105 204
Loans - Short term	(28)	169 640 020	123 335 275
Contractors, suppliers and notes payable	(31)	130 563 224	132 511 954
Due to related parties	(39)	144 336 542	146 540 962
Advances - from customers	(32)	3 083 651 470	2 497 567 579
Creditors and other credit balances	(33)	716 499 245	844 303 467
Provision for completion	(34)	80 262 514	64 080 385
Provisions	(35)	5 726 121	5 635 474
Total current liabilities		**4 330 679 136**	**3 845 080 300**
Total liabilities		**4 689 225 010**	**4 462 344 727**
Total equity and liabilities		**8 383 757 130**	**7 907 853 178**

* The accompanying notes form an integral part of these separate financial statements and to be read therewith.

Financial & Administration Executive Director	**Chief Financial Officer**	**Managing Director**	**Chairman**
Haney Henry	Omar Elhamawy	Magued Sherif	Hani Sarie El Din

"Auditors' report attached"

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Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Separate statement of profit and loss

for the financial year ended December 31,

EGP	Note	2016	2015
Continuing operations	**No**		
Revenue	(5)	1 025 169 291	1 157 062 339
Cost of sales	(6)	(511 964 002)	(642 468 417)
Gross profit		**513 205 289**	**514 593 922**
Other operating revenues	(7)	101 209 360	91 429 788
Selling and marketing expenses	(8)	(107 006 711)	(96 475 226)
General and administrative expenses	(9)	(223 941 484)	(158 951 205)
Other operating expenses	(10)	(71 562 891)	(68 477 487)
Operating profit		**211 903 563**	**282 119 792**
Finance income	(11)	185 960 233	93 147 982
Finance cost	(12)	(85 003 391)	(90 552 287)
Net finance income		**100 956 842**	**2 595 695**
Net profit before tax		**312 860 405**	**284 715 487**
Income tax	(13)	(90 295 446)	(71 514 764)
Profit from continuing operations		**222 564 959**	**213 200 723**
Profit for the year		**222 564 959**	**213 200 723**
Earnings per share from profit of the year (EGP / Share)	(14)	**0.66**	**0.63**

* The accompanying notes 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 December 31,

EGP	2016	2015
Profit for the year	222 564 959	213 200 723
Total other comprehensive income	-	-
Total comprehensive income of the year	222 564 959	213 200 723

* The accompanying notes 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 December 31, 2016

EGP	Issued and paid in capital	Legal reserve	Special reserve- share premium	Retained earnings	Profit from selling of treasury shares	Treasury shares	Shares kept for bonus and incentive plan	Set aside amount for bonus and incentive plan	Reserve for employee stock option plan	Total
Balance as at December 31, 2014	1 355 638 292	181 352 693	1 338 296 569	343 840 397	3 692 867	-	(8 000 000)	20 004 359	-	3 234 825 177
Total comprehensive income										
Net profit for the year	-	-	-	213 200 723	-	-	-	-	-	213 200 723
Other comprehensive income items	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	213 200 723	-	-	-	-	-	213 200 723
Transactions with owners of the Company										
Transferred to legal reserve	-	3 076 124	-	(3 076 124)	-	-	-	-	-	-
Transferred to Special reserve- share premium			17 486 910					(17 486 910)	-	-
Transferred to Treasury shares			2 150 000			(10 150 000)	8 000 000	-	-	-
Transferred to income statement	-	-	-	-	-	-	-	(2 517 449)	-	(2 517 449)
Total transactions with owners of the Company	-	3 076 124	19 636 910	(3 076 124)	-	(10 150 000)	8 000 000	(20 004 359)	-	(2 517 449)
Balance at December 31, 2015	1 355 638 292	184 428 817	1 357 933 479	553 964 996	3 692 867	(10 150 000)	-	-	-	3 445 508 451
Balance as at December 31, 2015	1 355 638 292	184 428 817	1 357 933 479	553 964 996	3 692 867	(10 150 000)	-	-	-	3 445 508 451
Total comprehensive income										
Net profit for the year	-	-	-	222 564 959	-	-	-	-	-	222 564 959
Other comprehensive income items	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	222 564 959	-	-	-	-	-	222 564 959
Transactions with owners of the Company										
Transferred to legal reserve	-	10 660 036	-	(10 660 036)	-	-	-	-	-	-
Selling of treasury shares	-	-	-	-	-	10 150 000	-	-	-	10 150 000
Loss from selling of treasury shares	-	-	-	-	(1 967 411)	-	-	-	-	(1 967 411)
Reserve for employee stock option plan	-	-	-	-	-	-	-	-	18 276 121	18 276 121
Total transactions with owners of the Company	-	10 660 036	-	(10 660 036)	(1 967 411)	10 150 000	-	-	18 276 121	26 458 710
Balance as at December 31, 2016	1 355 638 292	195 088 853	1 357 933 479	765 869 919	1 725 456	-	-	-	18 276 121	3 694 532 120

* The accompanying notes 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 December 31

EGP	Note No	2016	2015
Cash flows from operating activities			
Net profit for the year before tax		312 860 405	284 715 487
Adjustments for:			
Depreciation of fixed assets and leased units	(21) , (22)	13 719 411	18 896 959
Capital (gain)		(519 152)	(6 126 695)
Reserve for employee stock option plan		18 276 121	-
Interest Revenue Transferred from Set aside amount for bonus and incentive plan		-	(517 449)
Share based payment		-	(2 000 000)
Impairment losses from real estate investments		27 196 868	30 000 000
Return on investments in treasury bills		(104 190 240)	(44 885 170)
Impairment loss of due from related parties		15 669 186	18 224 174
Provision for completion formed	(34)	45 793 688	63 660 323
Provisions formed	(35)	90 647	90 647
Changes in:			
Finished units available for sale and material inventory		1 942 050	7 412 184
Works in process		(92 923 100)	(76 306 603)
Trade and notes receivables		(290 512 800)	37 638 798
Due from related parties		189 957 752	468 699 191
Debtors and other debit balances		(215 832 950)	(45 512 057)
Provision of completion used	(34)	(29 611 559)	(64 836 670)
Provisions used	(35)	-	(2 509 297)
Advances from customers		586 083 891	(334 870 038)
Contractors, suppliers and notes payable		(49 852 430)	156 985 248
Due to related parties		(2 204 420)	(66 109 330)
Creditors and other credit balances		(218 990 122)	173 086 617
Restricted cash		100 000 000	-
Net cash generated from operating activities		**306 953 246**	**615 736 319**
Cash flows from investing activities			
Payments for purchase of fixed assets, projects under construction	(21)	(69 136 047)	(58 020 310)
Payments for acquiring of investments in subsidiaries		-	(396 998 000)
Payments for acquisition of investment properties	(22)	6 066 576	(10 412 195)
Payments for Investments in treasury bills		(3 184 757 952)	(1 786 638 257)
Proceeds from Investments in treasury bills		3 049 195 310	1 810 773 304
Proceeds from sale of fixed assets		535 270	643 529
Net cash used in investing activities		**(198 096 843)**	**(440 651 929)**
Cash flows from financing activities			
Bank - credit facilities	(30)	(31 105 204)	(70 064 973)
Change in short and long term loans		(164 053 216)	(26 899 473)
Proceeds from sale of treasury shares		8 182 589	-
Net cash used in financing activities		**(186 975 831)**	**(96 964 446)**
Net decrease in cash and cash equivalents		**(78 119 428)**	**78 119 944**
Cash and cash equivalents at January 1		1 127 086 732	1 048 966 788
Cash and cash equivalents at December 31	(20)	**1 048 967 304**	**1 127 086 732**

* The accompanying notes 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)
Notes to the separate financial statements
for the financial year ended December 31, 2016

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 Company's purpose is represented in the following:

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

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

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

1-5 The registered office of the Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Dr. Hany Sarie El Din 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 27, 2017.

3. Functional and presentation currency

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

4. Use of judgment and estimates

- In preparing the separate 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. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- The recognition of the change in accounting estimates in the year in which the change in estimate, if the change affects only that year, or in the year of change and future years if the change affects both.

Measurement of fair value

- The fair value of financial instruments determines based on the market value of a financial instrument or similar financial instruments at the date of the financial statements without deducting any estimate future costs of sale. The financial asset values determine at current prices for the purchase of those assets, while determining the value of financial liabilities at current prices, which could be settled by those commitments.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the transactions price that has recently or be guided by the current fair value of other instruments which is substantially similar. Or the use of - discounted cash flow - or any other evaluating method that leads to results can rely on it.
- When using the discounted cash flow method as a way for the evaluation, the future cash flows are estimated based on the best estimates of management. And determined the discount rate used in the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

5. Revenues

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

	2016 EGP	2015 EGP
Revenues from the sale of units in **Allegria** project	189 398 096	311 008 691
Revenues from the sale of units in **Forty West** project	72 561 434	106 112 718
Revenues from the sale of units in **CASA** project	4 244 900	9 835 894
Revenues from the sale of units in **Westown Residence** project	764 613 985	730 105 036
	1 030 818 415	**1 157 062 339**
Less: sales returns	5 649 124	-
	1 025 169 291	**1 157 062 339**

6. Cost of sales

	2016 EGP	2015 EGP
Cost of sales of units in **Allegria** project	83 937 197	155 287 094
Cost of sales of units in **Forty West** project	47 138 937	78 084 236
Cost of sales of units in **CASA** project	2 590 300	6 041 350
Cost of sales of units in **Westown Residence** project	381 802 417	403 055 737
	515 468 851	**642 468 417**
Less: sales returns	3 504 849	-
	511 964 002	**642 468 417**

7. Other operating revenues

	2016 EGP	2015 EGP
Interest income realized from installments during the year	47 209 641	37 799 339
Assignment, cancellation dues and delay penalties	49 798 085	44 691 179
Other income	1 614 401	743 061
Income from management & operation of the golf course	1 200 000	1 200 000
Buildings leased revenue	868 081	869 515
Capital gain	519 152	6 126 694
	101 209 360	**91 429 788**

8. Selling and marketing expenses

	2016 EGP	2015 EGP
Salaries and wages	20 773 450	16 839 183
Sales commissions	34 868 654	39 152 449
Advertising expenses	34 228 682	20 132 241
Conferences and Exhibitions	4 550 966	1 630 444
Rent	2 774 947	8 081 637
Travel, transportation and cars	29 699	148 791
Donations	110 000	203 750
Maintenance, Cleaning, Agriculture and Security	3 840 648	2 790 872
Professional and consultants fees	1 072 676	1 200 754
Gifts	372 816	287 019
Fees, Stamps and licenses	1 162 240	3 491 761
Depreciation	604 731	405 497
Vacations	341 690	154 590
Communications and electricity	601 536	829 251
Stationary and computer supplies	1 347 259	665 337
Insurance	-	136 478
Others	326 717	325 172
	107 006 711	**96 475 226**

9. General and administrative expenses

	2016 EGP	2015 EGP
Salaries, wages and bonuses (9-1)	105 221 472	76 073 878
Board of Directors' remunerations and allowances	9 901 191	7 264 195
Reserve for employee stock option plan (9-2)	18 276 121	-
Training and medical care	8 613 193	6 844 730
Professional and consultancy fees	13 248 152	5 941 080
Advertising	2 753 501	1 340 491
Donations	3 302 868	2 397 560
Maintenance, cleaning, agriculture, security and guarding	24 690 030	17 942 550
Administrative depreciation of fixed assets and rented units	11 054 518	16 382 019
Subscriptions and governmental dues	2 157 527	1 297 675
Rent	1 443 784	5 630 376
Travel and transportation	2 253 794	1 707 050
Communication and electricity	5 490 042	3 020 301
Stationary and computer supplies	3 421 819	2 931 732
Reception and hospitality	1 308 905	1 267 612
Bank charges	2 341 820	3 190 353
Employees' defined benefit plan	5 489 505	3 639 081
Vacations	775 460	639 148
Gifts	1 135 238	1 033 623
Conferences and exhibitions	665 853	94 644
Insurance installments	327 408	271 265
Others	69 283	41 842
	223 941 484	**158 951 205**

(9-1)This item includes salaries of the executive Board of Directors as follows:

	2016 EGP	2015 EGP
Salaries	7 283 677	5 387 324
Share based transaction (*)	-	(2 000 000)
	7 283 677	**3 387 324**

* Reversal of the provisional amount related to 200 000 shares under the terminated incentives and bonus plan. The amount has been formerly deducted from wages and salaries expenses in the profit and loss statement during previous year.

(9-2) This item represents the change in fair value of the employee's stock options, granted to managers and the executive Board of Directors, at grant date as mentioned in note no. (44).

10. Other operating expenses

	2016 EGP	2015 EGP
Discount for early payment	26 546 029	18 053 222
Provision of claims	90 647	90 647
Depreciation of leased unites	2 060 161	2 109 444
Impairment losses from real estate investments	27 196 868	30 000 000
Impairment losses of related parties	15 669 186	18 224 174
	71 562 891	**68 477 487**

11. Finance income

	2016 EGP	2015 EGP
Interest income	39 133 517	47 178 732
Return on investment in treasury bills	104 190 240	44 885 170
Net foreign exchange translation	42 636 476	1 084 080
	185 960 233	**93 147 982**

12. Finance cost

	2016 EGP	2015 EGP
Interest expense	83 664 474	87 286 186
Installments interest Sheikh Zayed land	1 338 917	3 266 101
	85 003 391	**90 552 287**

13. Income tax expense

A- Items recognized in the profit and loss

	2016 EGP	2015 EGP
Current income tax	(91 185 900)	(74 500 445)
Deferred income tax (benefit)	890 454	2 985 681
	(90 295 446)	**(71 514 764)**

B- Deferred tax assets and liabilities movement

	Statement of financial position		Statement of profit and loss	
	31/12/2016 EGP	31/12/2015 EGP	2016 EGP	2015 EGP
Property, plant and equipment	433 562	(456 892)	890 454	2 985 681
Net deferred income tax	**433 562**	**(456 892)**	**890 454**	**2 985 681**

C- Unrecognized deferred tax assets

	31/12/2016 EGP	31/12/2015 EGP
Deductible temporary differences	155 540 124	145 895 261
	155 540 124	**145 895 261**

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

14. Earnings per share

Earnings per share is calculated based on the net profit of the year using the weighted average number of outstanding shares during the year as follows:

	2016 EGP	2015 EGP
Net profit for the year	222 564 959	213 200 723
Employees share of profit	-	-
Board of directors' remunerations	-	-
	222 564 959	**213 200 723**
Divided on:		
Weighted average number of shares outstanding during the year	338 909 573	338 909 573
Earnings per share (EGP / share)	**0.66**	**0.63**

15. Completed units ready for sale

	31/12/2016 EGP	31/12/2015 EGP
Cost of completed commercial units	5 515 298	4 181 943
Cost of units purchased for resale (15-1)	2 154 567	4 096 617
	7 669 865	**8 278 560**

(15-1) This item represents the acquisition cost of 3 units in CASA project (Semi Finished) that were purchased from Royal Gardens Co. for Real Estate Investment – an associated company for the purpose of resale to others.

16. Work in process

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

	31/12/2016 EGP	31/12/2015 EGP
Allegria project costs	271 745 914	291 440 773
Westown project costs	896 596 317	814 319 057
October Plaza project costs (16-1)	254 241 133	227 211 825
Fourth phase costs (4A, 4B)	1 634 819	1 634 819
Showrooms and others costs	19 233 636	15 922 245
	1 443 451 819	**1 350 528 719**

(16-1) The cost of **October Plaza** includes the cost of land of North Expansions includes the acquisition cost of a 30.998 acres plot in Sixth of October City.

17. Trade and note receivable – long term

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

	31/12/2016 EGP	31/12/2015 EGP
Notes receivable	1 956 881 387	1 576 938 290
Deduct: Unamortized interest-notes receivable	83 136 141	77 515 676
	1 873 745 246	**1 499 422 614**

The Company's exposure to credit and currency risk related to trade and notes receivable is disclosed in note (38).

18. Trade and notes receivable – short term

	31/12/2016 EGP	31/12/2015 EGP
Trade receivable	76 448 496	76 021 276
Notes receivable	1 002 298 517	1 082 222 634
	1 078 747 013	**1 158 243 910**
Deduct : unamortized interest – notes receivable	(17 243 861)	(12 930 926)
	1 061 503 152	**1 145 312 984**
Deduct : Impairment losses of trade and notes receivable	(200 000)	(200 000)
	1 061 303 152	**1 145 112 984**

The Company's exposure to credit and currency risks related to trade and notes receivable is disclosed in note no. (38).

19. Debtors and other debit balances

	31/12/2016 EGP	31/12/2015 EGP
Contractors and suppliers – advance payments	233 301 066	148 964 312
Heliopolis Development and Housing Company (19-1)	100 100 000	-
Prepaid expenses	81 758 528	69 795 857
Deposits with others	1 033 135	1 140 687
Due from the bonus and incentives plan to employees and managers fund	122 736	122 737
Withholding tax	24 854 435	8 951 656
Other debit balances	9 848 479	6 210 180
	451 018 379	**235 185 429**
Impairment loss in debtors and other debit balances	(355 157)	(355 157)
	450 663 222	**234 830 272**

(19-1) This item representing the amount paid as a down payment to Heliopolis Development and Housing Company, this amount will settle with Heliopolis Development and Housing 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 to Heliopolis Development and Housing Company which amounted to 655 acres in New Heliopolis City and Heliopolis Development and Housing Company will earn a share of the revenue with guaranteed minimum amount equal 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 Company's exposure to credit and currency risks related to debtors and other debit balances is disclosed in note no. (38).

20. Cash at banks and on hand

	31/12/2016 EGP	31/12/2015 EGP
Bank - time deposits (20-1)	1 018 100 000	1 158 418 000
Bank - current accounts	68 542 759	108 622 334
Checks under collection	10 914 028	9 210 185
Cash on hand	1 410 517	836 213
	1 098 967 304	**1 277 086 732**

(20-1) Deposits include an amount of EGP 50 million restricted as a guarantee for the credit facilities granted from a group of commercial banks. In addition, it includes an amount of EGP 154 015 290 representing the value of deposits collected from customers against of the regular maintenance expenses.

The Company's exposure to interest rate risk for financial assets which is disclosed in note no. (38).

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

	31/12/2016	**31/12/2015**
	EGP	**EGP**
Cash at banks and on hand	1 098 967 304	1 277 086 732
Less:		
Restricted cash (facilities guarantee)	50 000 000	150 000 000
Cash and cash equivalent according to separate statement of cash flows	**1 048 967 304**	**1 127 086 732**

Sixth of October for Development and Investment Company "SODIC"

Notes to the separate financial statements for the financial year ended December 31, 2016

21 - Property, plant, equipment

EGP	Lands	Buildings of the Company's premises	Vehicles	Furniture and fixtures	Office equipment and communications	Generators, machinery and equipment	Leasehold improvements	Total
Cost								
Cost at January 1, 2015	-	1 315 286	7 644 706	9 076 959	16 710 353	6 299 119	12 426 863	53 473 286
Additions during the year	32 705 970	17 507 301	1 504 000	99 928	3 834 156	293 658	2 075 298	58 020 311
Disposals during the year	-	-	(230 000)	-	(266 641)	(8 000)	(4 254 475)	(4 759 116)
Cost at December 31, 2015	32 705 970	18 822 587	8 918 706	9 176 887	20 277 868	6 584 777	10 247 686	106 734 481
Cost at Januaray1, 2016	32 705 970	18 822 587	8 918 706	9 176 887	20 277 868	6 584 777	10 247 686	106 734 481
Additions during the year	-	-	1 650 950	237 782	4 115 423	9 356	309 960	6 323 471
Disposals during the year	-	-	(2 261)		(982 912)	(2 490 306)	-	(3 475 479)
Balance at December 31, 2016	32 705 970	18 822 587	10 567 395	9 414 669	23 410 379	4 103 827	10 557 646	109 582 473
Accumulated depreciation and impairment losses								
Accumulated depreciation and impairment losses at January 1, 2015	-	724 276	7 433 664	4 153 420	11 864 037	5 375 227	8 131 400	37 682 024
Depreciation during the year	-	9 034 991	210 047	866 282	3 058 502	789 486	2 828 208	16 787 516
Accumulated depreciation of disposals during the year	-	-	(229 998)		(255 459)	(7 999)	(3 622 131)	(4 115 587)
Accumulated depreciation and impairment losses at December 31, 2015	-	9 759 267	7 413 713	5 019 702	14 667 080	6 156 714	7 337 477	50 353 953
Accumulated depreciation and impairment losses at January 1, 2016	-	9 759 267	7 413 713	5 019 702	14 667 080	6 156 714	7 337 477	50 353 953
Depreciation during the year		4 791 597	624 894	959 201	2 980 785	180 906	2 121 867	11 659 250
Accumulated depreciation of disposals during the year	-	-	(2 261)	-	(968 128)	(2 488 972)	-	(3 459 361)
Accumulated depreciation and impairment losses at December 31, 2016	-	14 550 864	8 036 346	5 978 903	16 679 737	3 848 648	9 459 344	58 553 842
Net book value								
At January 1, 2015	-	591 010	211 042	4 923 539	4 846 316	923 892	4 295 463	15 791 262
At December 31, 2015	32 705 970	9 063 320	1 504 993	4 157 185	5 610 788	428 063	2 910 209	56 380 528
At December 31, 2016	32 705 970	4 271 723	2 531 049	3 435 766	6 730 642	255 179	1 098 302	51 028 631

* Property, plant, equipment include fully depreciated assets at a cost of EGP 43 918 143 at December 31, 2016

22. Investment properties

The net carrying amount of the investment properties as at December 31, 2016 amounted to EGP 16 498 918, the movement of investment property during the year is as follow:-

Description	Leased out units	Golf course	Total
	EGP	EGP	EGP
Cost			
At January 1, 2015	17 842 713	99 377 533	117 220 246
Additions during the year	7 188 627	-	7 188 627
At December 31, 2015	**25 031 340**	**99 377 533**	**124 408 873**
At January 1, 2016	**25 031 340**	**99 377 533**	**124 408 873**
Disposals during the year	(7 923 577)	-	(7 923 577)
At December 31, 2016	**17 107 763**	99 377 533	**116 485 296**
Less			
Accumulated depreciation			
At January 1, 2015	609 378	6 837 173	7 446 551
Depreciation for the year	286 198	1 823 246	2 109 444
At December 31, 2015	**895 576**	**8 660 419**	**9 555 995**
At January 1, 2016	**895 576**	**8 660 419**	**9 555 995**
Depreciation for the year	236 915	1 823 246	2 060 161
Accumulated Disposals during the year	(523 646)	-	(523 646)
At December 31, 2016	**608 845**	**10 483 665**	**11 092 510**
Less			
Impairment of investment properties*			
At January 1, 2015	-	**31 697 000**	**31 697 000**
Impairment during the year	-	30 000 000	30 000 000
At December 31, 2015	-	**61 697 000**	**61 697 000**
At January 1, 2016	-	**61 697 000**	**61 697 000**
Impairment during the year	-	27 196 868	27 196 868
At December 31, 2016	-	**88 893 868**	**88 893 868**
Net carrying amount as at January 1, 2015	**17 233 335**	**60 843 360**	**78 076 695**
Net carrying amount as at December 31, 2015	**24 135 764**	**29 020 114**	**53 155 878**
Net carrying amount as at December 31, 2016	**16 498 918**	-	**16 498 918**

* This item represents the impairment of golf course by an amount of EGP 88 893 868 which arises from increasing the net book value of the golf course over the recoverable amount which has been measured based on the value in use.

23. Projects under construction

This item represents in the amounts transferred form investment property – advances which represents the value of land and the building and construction related to the new premises.

24. Available for sale investments

	Legal Form	Ownership %	Paid amount of Participation %	Carrying amount as at 31/12/2016 EGP	Carrying amount as at 31/12/2015 EGP
Egyptian Company for Development and Management of Smart Villages	S.A.E	1.8	100	4 250 000	4 250 000
SODIC for Golf and Tourist Development Co.	S.A.E	0.0025	25	1 250	1 250
Beverly Hills for Management of Cities and Resorts Co.	S.A.E	0.06	100	26 152	26 152
				4 277 402	**4 277 402**
Impairment of available for sale investments				(1 250)	(1 250)
				4 276 152	**4 276 152**

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.

25. Share capital and reserves

25.1. Share capital

- The authorized capital of the Company is EGP 2.8 billion.
- The Company's issued and paid in capital is EGP 1 355 638 292 distributed over 338 909 573 shares with a par value of EGP 4 per share, the commercial register was notified on December 7, 2014.
- The board of directors have decided on the meeting dated November 30, 2016 to increase the issued capital from EGP 1 355 638 292 to EGP 1 369 194 672 by an amount of EGP 13 556 380 divided on 3 389 095 shares at a 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 share 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 legal procedures for notarizing the increase in paid up capital are currently taking place.
- The current capital structure for the holding company is represented as follow:

Shareholder	Number of shares	Share value EGP	Ownership percentage %
Olayan Saudi Investment Company.	43 121 432	172 485 728	12.72
RA Six Holdings Limited	31 992 544	127 970 176	9.44
Rashed Abdelrahman Al Rashed & Sons Co	15 586 983	62 347 932	4.60
EFG Hermes Holdings Financial Group.	15 183 111	60 732 444	4.48
Al- Majid Investments LLC.	10 548 092	42 192 368	3.11
Abdel Monem Rashed Abdel Rahman Al Rashed	9 897 756	39 591 024	2.92
NORGES Bank	9 746 829	38 987 316	2.88
Financial Holdings International LTD	7 267 503	29 070 012	2.14
Other shareholders	195 565 323	782 261 292	57.71
	338 909 573	**1 355 638 292**	**100**

25.2. Reserves

a. Legal Reserve

The balance as at December 31, 2016 is represented as follows:-

	EGP
Legal reserve 5% form the Company's net profit till year 2014	11 945 929
Add:	
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 2015.	10 660 036
Deduct:	
The amount used to increase the issued share capital during 2011.	2
	195 088 853

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
Add:	
Share premium of the employees' incentive and bonus plan issued during 2007.	90 000 000
The value of selling 712 500 share which has been sold through beneficiaries of incentive and bonus plan during 2014 with EGP 30 per share (after split).	21 375 000
The value of 200 000 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 with the capital increase in 2008 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
Deduct:	
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
	1 357 933 479

26. 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.
- The remaining treasury shares with a value amounted to EGP 10 150 000 have been sold with an amount of EGP 8 182 589 resulting in actual loss amounted to EGP 1 967 411. Accordingly, the profit from sale of treasury shares reserve becomes EGP 1 725 456.

27. Treasury shares

On February 1, 2015, the Company's Extraordinary General Assembly agreed on the termination of the current incentive and bonus plan for employees and executive directors of the Company by the end of its duration as of march 31, 2015 and converting the remaining shares amounting to 737 500 shares which have not been exercised yet, into treasury shares in accordance with the related regulations, and the conversion of the shares into treasury shares has been executed on July 14, 2015, these shares had a selling amounted to EGP 10 150 000 during year 2016 with selling amount EGP 8 182 589 and resulted in actual loss amounted to EGP 1 967 411.

28. Long-term loans

	31/12/2016 EGP	31/12/2015 EGP
On December 19, 2013 the Company signed a medium-term syndicated loan contract with a group of banks represented by the Arab African International Bank "facility agent" with a total amount of EGP 900 million to finance the total debt outstanding on the Company and to finance SODIC West projects located in Kilo 38 Cairo/Alex desert road -Giza- Egypt. On May 6, 2015 the Company signed an addendum to the above mentioned loan agreement, adding land plots in SODIC WEST project and using the facility to refinance the outstanding debt to PIRAEUS Egypt bank. **Guarantees:** – Unconditional and irrevocable revenue transfer by which the lender and some of its subsidiaries transfer all current and future proceeds, selling and lease contracts of the current and foreseeable project units to the interest of the "Guarantee agent". – Accounts mortgage contracts: debt interest and all amounts deposited therein are pledged for the interest of the "guarantee agent", and pledge the project's account. – Promissory note from the Company (the borrower). **Grace period:** 12 months from the date of the first drawdown, this applies to the principle amount of the debt only. **Repayment:** Commenced on March 31, 2015 and payable on (16) quarterly unequal installments.	243 030 695	407 083 911
On July16, 2014 the Company signed a medium-term loan contract with Commercial International Bank (CIB) for an amount of EGP 300 million as follows: Tranche (A) to refinance the total amount due to Solidere International following the settlement agreement and Tranche (B) to finance any deficit in the cash flows related to the development of specific blocks on Westown Residences in stage (B) tranche (B).	189 347 800	189 347 800
Total	**432 378 495**	**596 431 711**
Deduct: Current portion		
– Syndicated loan from Arab African International Bank	112 835 680	123 335 275
– Loan from CIB	56 804 340	-
Total current portion	**169 640 020**	**123 335 275**
	262 738 475	**473 096 436**

29. Long-term notes payable

This item is as follow:

	31/12/2016 EGP	31/12/2015 EGP
Total present value of the checks issued to New Urban Communities Authority which are payable till September 8, 2019.	109 819 232	171 734 763
Less:		
Unamortized interest	14 011 833	(28 023 664)
	95 807 399	**143 711 099**

The Company's exposure to credit risk related to long-term notes payable are disclosed in Note No. (38).

30. Bank - credit facilities

This item is as follow:

	31/12/2016 EGP	31/12/2015 EGP
Represents the amounts drawn down from the EGP 150 million fully secured overdraft facility signed with Bank Audi and one of the subsidiaries. The facility is fully secured by deposits amounting to EGP 150 million.	-	31 105 204
	-	**31 105 204**

31. Contractors, suppliers and notes payable

	31/12/2016 EGP	31/12/2015 EGP
Contractors	69 466 777	41 651 123
Suppliers	3 180 374	1 886 246
Notes payable (31-1)	71 083 356	102 615 983
	143 730 507	**146 153 352**
Deduct: Unamortized interest-notes payable	13 167 283	13 641 398
	130 563 224	**132 511 954**

(31- 1) Notes payable includes EGP 61 915 531 which represents the amount due to the New Urban Communities Authority.

The Company's exposure to currency and liquidity risks related to suppliers, contractors and notes payable is disclosed in note no. (38).

32. Advances from customers

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

	31/12/2016 EGP	31/12/2015 EGP
Advances for booking, contracting and installments of residential units (Fourth area)	676 599	676 599
Advances - **Allegria** project	275 873 614	343 303 921
Advances - **Forty West** project	415 626 576	119 178 174
Advances - **Westown Residences** project	592 619 631	1 269 721 594
Advances - **The Courtyards**	1 644 701 347	743 142 701
Advances - **Casa**	2 343 330	6 139 847
Advances - **Polygon 9–10**	151 810 373	15 404 743
	3 083 651 470	**2 497 567 579**

33. Creditors and other credit balances

	31/12/2016 EGP	31/12/2015 EGP
Accrued expenses	112 590 875	92 923 232
Amounts collected on account for management, operation and maintenance of projects	232 048 293	173 093 529
Amounts collected on account of premiums of club	66 698 957	20 966 529
Creditors of gas and electricity installments	9 374 741	7 398 312
Insurance Deposits collected from customers – Against modifications	199 615	149 615
Customers-credit balances of **Polygon** project (33-1)	195 610 773	454 769 148
Customers - cancellation	3 087 677	7 913 877
Dividends payable	91 643	91 643
Tax Authority	88 108 389	79 218 857
Accrued compensated absence	2 806 247	1 301 774
Sundry creditors	4 062 486	4 867 791
Due to beneficiaries from Incentive plan	1 192 600	1 192 600
Advances-rents	626 949	416 560
	716 499 245	**844 303 467**

(33-1) The balance represents the amount due to Polygon Co. for Real Estate Investment -a subsidiary, the value of notes receivables 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. (38).

34. Provision for completion

	Balance as at 1/1/2016 EGP	Formed during the year EGP	Used during the year EGP	Balance as at 31/12/2016 EGP
Provision for completion of works	64 080 385	45 793 688	(29 611 559)	80 262 514
	64 080 385	**45 793 688**	**(29 611 559)**	**80 262 514**

This provision is formed against the estimated costs expected to be incurred to complete the execution of the project in its final stage related to units delivered to customers, which are expected to be incurred in the following years.

35. Provisions

	Balance as at 1/1/2016 EGP	Formed during the year EGP	Used during the year EGP	Balance as at 31/12/2016 EGP
Provision for expected claims	5 635 474	90 647	-	5 726 121
	5 635 474	**90 647**	-	5 726 121

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

36. Investments in subsidiaries

	Legal Form	Ownership %	Paid amount of Participation %	Carrying amount as at 31/12/2016 EGP	Carrying amount as at 31/12/2015 EGP
SODIC Property Services Co.	S.A.E	51	100	510 000	510 000
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.	S.A.E	99.99	100	299 999 980	299 999 980
Tabrook Development Co.	S.A.E	99.99	100	99 998 000	99 998 000
				1 707 842 466	**1 707 842 466**

37. Fair values

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 period/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 period / year. The Company is not subject to externally imposed capital requirements.

Fair values versus carrying 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.

38. Financial risk management

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

- Credit risk
- Liquidity risk
- Market 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, and 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, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

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

The audit committee and the internal control department assist the Company's Board of Directors in its supervisory role, the internal audit department is also responsible for regular and sudden inspection of internal control and the policies associated with the risk management and reports conclusion to the Company's Board of Directors.

38-1 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. The demographics of the Company's customer base, including 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 at 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. Company's management does not expect any counterparty to fail to meet its obligation.

Guarantees

The Company extends corporate guarantees to subsidiaries, when needed, after the approval of the Extra Ordinary General Assembly Meeting (EGM). The following corporate guarantees were provided:

On the 1st of February, 2015, Sixth of October for Development and Investment Company's "SODIC" EGM approved extending a corporate guarantee to SOREAL For Real Estate Investments (99.99 % owned by SODIC).

38-2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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 facility amounting to EGP 150 million. The facility is fully secured by deposits amounting to EGP 150 million.
- A medium term loan in the amount of EGP 900 million.
- A medium term loan in the amount of EGP 300 million.

38-3 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.

38-4 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.

38-5 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 is periodically evaluated by the Company's management. The Company does not enter into hedging contracts for interest rates.

38-6 Other market price risk

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

Material investments within the portfolio are managed on an individual basis and all buy 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 at held for trading because their performance is actively monitored and they are managed on a fair value basis.

38-7 Credit risk

The carrying amount of financial assets represented in the balances of trade and notes receivables, debtors and cash and cash equivalent.

38-8 Liquidity risk

The following are the contractual maturities of financial liabilities:

December 31, 2016	**Carrying amount**	**Less than 1 year**	**1-2 years**	**2-5 years**
	EGP	**EGP**	**EGP**	**EGP**
Short - term loans	169 640 020	169 640 020	-	-
Long – term loans	262 738 475	-	158 597 185	104 141 290
Contractors and suppliers	72 647 151	72 647 151	-	-
Other creditors	716 499 245	445 459 700	261 182 003	9 857 542
Notes payable –short term	57 916 073	57 916 073	-	-
Notes payable –long term	95 807 399	-	47 903 700	47 903 699
	1 375 248 363	**745 662 944**	**467 682 888**	**161 902 531**

December 31, 2015	**Carrying amount EGP**	**Less than 1 year EGP**	**1-2 years EGP**	**2-5 years EGP**
Banks – credit facilities	31 105 204	31 105 204	-	-
Short - term loans	123 335 275	123 335 275	-	-
Long – term loans	473 096 436	-	225 671 359	247 425 077
Contractors and suppliers	43 537 370	43 537 370	-	-
Other creditors	844 303 467	555 470 959	278 327 847	10 504 661
Notes payable – short term	88 974 585	88 974 585	-	-
Notes payable – long term	143 711 099	-	47 903 700	95 807 399
	1 748 063 436	**842 423 393**	**551 902 906**	**353 737 137**

38-9 Currency risk

Exposure to currency risk

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

Description	**31/12/2016 Euro**	**31/12/2016 USD**	**31/12/2015 Euro**	**31/12/2015 USD**
Notes receivable short / long - term	-	8 571 731	-	11 767 591
Advances - from customers	-	(12 262 002)	-	(11 932 203)
Maintenance creditors	-	(486 000)	-	(432 000)
Cash at banks	2 208	4 635 180	295 049	2 188 586
Surplus of foreign currencies	**2 208**	**458 909**	**295 049**	**1 591 974**

38-10 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	
	31/12/2016	**31/12/2015**
Financial instruments with a fixed rate	**EGP**	**EGP**
Financial assets	2 947 857 773	2 644 535 598
Financial liabilities	(153 723 427)	(232 685 684)
	2 794 134 346	**2 411 849 914**
Financial instruments with a variable rate		
Financial liabilities	(432 378 495)	(627 536 915)
	(432 378 395)	**(627 536 915)**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss and 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 and loss.

39. 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, excluded added value, 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	31/12/2016 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.	8 250 217
Sixth of October for Development and Real Estate Projects (SOREAL)	A subsidiary	Payments on behalf of the Company	65 027 862
		Cash payments	114 214 978
Sodic Garden City for development and investment	A subsidiary	Payments on behalf of the Company	897 625
		Cash payments	509 964
Move-In for Advanced Contracting Company	A subsidiary	Cash payments	526 659
		constrictions	95 042
Edara for Services of Cities and Resorts Company	A subsidiary	Works of agriculture, maintenance and security services for Allegria City.	42 961 261
Tegara Company for trading centers	A subsidiary	Expenses on behalf of the company	15 356
SODIC for Golf and Tourist Development Company	A subsidiary	Payments on behalf of the Company	1 375 660
		Revenue from management and operation of the golf course and club.	1 200 000
		Expenses recovery	850 405
		Cash payments	8 238 800
SODIC Polygon for Real estate investment Company	A subsidiary	Payments on behalf of the Company	41 322 849
		Cash proceeds	4 262 559
		Works of SODIC building No.(1)	40 771 707
		Proceeds from trade and notes receivable	138 806 093
El Yosr for Projects and Agriculture Development Company	A subsidiary	Payment on behalf of the company	3 505
Fourteen for real estate investment Company	A subsidiary	Payments on behalf of the Company	1 223 078
SODIC for development and Real estate investment	A subsidiary	Payments on behalf of the Company	196 706
		Cash proceeds	9 811 902
Royal Gardens Company	A subsidiary	Payments on behalf of the Company	565 776
		Cash proceeds	743 284
SODIC – Syria Company	A subsidiary	Payments on behalf of the Company	23 822
La Maison for Real estate investment Company	A subsidiary	Payments on behalf of the Company	14 670 740
		Cash payments	5 026 038
SOREAL for Real estate investment Company	A subsidiary	Payments on behalf of the Company	30 275 334
		Cash payments	33 590 030
Tabrook Development Company	A subsidiary	Payments on behalf of the Company	23 268 377
		Cash payments	54 372 690
		Payment on behalf of the Company	7 350
Executive directors and board members			(Note No.9)

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

a) **Due from related parties**

	31/12/2016 EGP	31/12/2015 EGP
Sixth of October for Development and Real Estate Projects (SOREAL) – a subsidiary	7 129 431	17 559 573
SOREAL for Real Estate Company – a subsidiary.	6 722 709	10 037 404
Tabrook Development Company – a subsidiary.	6 331 071	37 435 385
SODIC for securitization – a subsidiary.	-	8 185
Greenscape for Agriculture and Reclamation Company – a subsidiary (under Liquidation)	6 283 349	6 219 961
Move-In for Advanced Contracting Company – a subsidiary	23 189 522	22 406 500
El Yosr for Projects and Agriculture Development Company – a subsidiary	-	3 505
SODIC for Development and Real Estate Investment Company – a subsidiary	32 662	9 710 061
SODIC Polygon for Real Estate Investment Company – a subsidiary	147 444 932	305 250 879
SODIC Syria Company – a subsidiary	433 768 723	433 744 901
Fourteen for Real Estate Investment Company – a subsidiary	58 766 982	57 543 905
La Maison for Real Estate Investment Company - S.A.E	20 106 605	10 461 903
Edara for Services of Cities and Resorts Company – a subsidiary	466 117	32 954
Palmyra Real Estate Development Company –a Joint project	35 191 620	35 191 620
Tegara for Trading Centers Company – a subsidiary	3 707 454	3 692 099
SODIC Garden City for Development and Investment Company – a subsidiary	727 994	340 334
SODIC for Golf and Tourist Development Company – a subsidiary	48 386 466	38 444 095
Other related companies	121 939	252 064
	798 377 576	**988 335 328**
Impairment of due from related parties (39- 1)	(602 040 414)	(586 371 228)
	196 337 162	**401 964 100**

(39-1) 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 593 976 775 as at September 30, 2016.

b) Due to related parties

	31/12/2016 EGP	31/12/2015 EGP
Sixth of October for Development and Real Estate Projects (SOREAL)	47 097 625	-
Move - In for Advanced Contracting Co. – a subsidiary	356 649	596 307
Green scape for Agriculture and Reclamation Co. – a subsidiary (under Liquidation).	3 028 861	2 748 261
SODIC Polygon for Real Estate Investment Company – a subsidiary	35 750 126	84 605 176
Tegara for Trading Centers Co. – a subsidiary	55 595 000	55 595 000
SODIC Property Services Co. – a subsidiary (under Liquidation)	2 278 738	2 252 660
Edara for Services of Cities and Resorts Co. – a subsidiary	179 903	743 558
Beverly Hills Co. for Management of Cities and Resorts	19 679	-
Tabrook Development Company – a subsidiary.	29 961	-
	144 336 542	**146 540 962**

40. Tax status

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

Corporate tax

- A ten years corporate tax exemption period starting from the year following the date of the activity inception as of 1/1/1998 until 31/12/2007 according to Law No. 59 of 1979 concerning the New Urban Communities.
- During the month of January 2011, the Company submitted a request to the Tax Authority demanding the amendment of the tax exemption period to start from the date of the actual handing over of the units in the year 2002.
- On January 18, 2011, the Disputes Dispersal Committee of the Tax Authority considered and studied the Company's request in the light of the actual date of handing over of the units and the regulations applicable to similar companies. Accordingly, the committee decided to approve the Parent Company's request thus considering the date of the actual business activity of the Company to be the year 2002, hence, the Parent Company shall be entitled to tax exemption from 1/1/2003 to 31/12/2012, and the amendment of the new exemption period was registered in the Company's tax card. The amended tax return for year 2008 was submitted to the Tax Authority.
- Years from 1996 till 2005 have been tax inspected and tax differences have been paid and settled.
- Years from 2006 till 2010 have been inspected thus no tax claims have been received till the date of authorizing of these financial statements for issuance.
- Years from 2011 till 2014 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.

Salary tax

- Tax inspection was carried out for the previous years till 2012 and tax differences have been paid and settled.
- Years from 2013 till 2015 has 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 a regular basis.

Withholding tax

- Tax inspection has been carried out till the third quarter of the year 2016, and the Company has not received any tax claims till the date of authorizing of these financial statements for issuance.
- The Company pays the tax quarterly according to withholding and add on tax forms on a regular basis.

Stamp tax

- Tax inspection was carried out for the previous years till December 31, 2012 and tax differences have been fully paid.
- Years from 2013 till 2015 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company provides stamp tax returns on a regular basis.

Sales tax

- The Company was inspected from inception till December 31, 2013 and tax differences have been paid and settled.
- Years from 2014 and 2015 has not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company provides sales tax returns on a regular basis.

The value added tax

- On September 7, 2016, the VAT law No. 67 for 2016 was issued, which stipulates the cancellation of sales tax law No. 11 for 1991, with the continuation of the conciliation and the appealing committees in accordance to the provisions of sales tax law for the appeals presented for a period of three months, following which the appeals are to be transferred to the committees set forth in the VAT law. The law came into effect on September 8, 2016.

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.

41. Capital commitments

Capital commitments as at December 31, 2016 amounted EGP 257 009 is represented in contracted and unexecuted works (December 31, 2015: EGP 253 259).

42. Legal status

There is a dispute between the parent Company and another party regarding the contract concluded between them on 23/2/1999 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 sentence 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 On November 24, 2014, 6 of October partial court decided to dissuade its decline decree of previous proof procedures dated February 22, 2010 and the coming one will be held on March 19, 2017.

The parent Company's legal counsel is of the opinion that the parent Company has the right to maintain and exploit this land under the contract as the said contract has not been affected and no usufruct right has been arisen to this party since its effect was based on conditions that have not been met. In addition, in case of any dispute raised by this party to possess the land, the parent Company has the actual and physical possession of the land and hence it has the right to continue in possessing the land till settlement of this dispute in front of court.

43. Basis of measurement

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

- Financial assets and liabilities recognized at fair values through profits and losses.
- Held for trading investments are valued at fair value.
- Available for sale investments, which have market values are valued at fair value.
- Transactions liabilities of share based payments, which paid in cash, are valued at fair value.

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

- On January 20, 2016 the extra ordinary general assembly approved the new stock option plan for employees, directors and the executive board members through granting shares with special conditions. The plan states that the company shall assign 1% of its issued shares annually to the employee stock option plan on five tranches for a period 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 with a par value of 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 share 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 legal procedures for notarizing the increase in paid up capital are currently taking place.

45. Significant accounting policies

45.1. Consolidated 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 recognised 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.

45.2. 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 recognised in profit or loss, however, foreign currency differences arising from the translation of the following items are recognised in OCI:
  - Available – for - sale equity investments (except on impairment, in which case foreign currency differences that have been recognised 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.

45.3. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the future economic benefits will flow to the entity and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of that consideration due or associated costs.

a. Sales revenue

Revenue from sale of residential units, offices, commercial shops, service and villas for which contracts were concluded is recorded when all the ownership risks and rewards are transferred to customers and upon the actual delivery of these villas and units whether the said villas and units have been (completed or semi – completed). Revenue from sale of lands is recorded upon the delivery of the sold land to customers and the transfer of all the ownership rewards and risks to the buyer.

Net sales are represented in the selling value of units and lands delivered to customers - after excluding the future interests that have not been realized till the balance sheet date and after deducting the value of sales returns (represented in the saleable value of the sales returns less unrealized interests that have been previously excluded from the saleable value). Discounts granted to customers are recorded within the other operating expenses.

b. Return on investments

Return on investments is recognized in the statement of profit and loss at the date when the Company has the right to collect the amount.

c. Rental income

Rental income resulting from investment properties (less any discounts) is recognized in the statement of profit and loss on a straight-line basis over the terms of the lease.

45.4. 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 period 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 period 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 and loss using the accrual basis.

45.5. 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. Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

45.6. 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.

45.7. 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, labor 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.

45.8. 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 balance sheet at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status.

45.9. 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 periods are as follow:

Asset	Years
Buildings and construction works	5-10
Vehicles	5
Furniture and fixtures	10
Office and communications equipment	5
Generators, machinery and equipment	5
Leasehold improvements	5 years or lease term whichever is lower

45.10. 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.

45.11. Investment properties

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

Depreciation is charged to statement of profit and 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	50
Golf course constructions	20
Irrigation networks	15
Golf course equipment and tools	15

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.

45.12. Financial instruments

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

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

1) **Non-derivative financial assets and financial liabilities – Recognition and derecognition**

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

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

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

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

2) **Non-derivative financial assets – Measurement**

Financial assets at fair value through profit or loss:

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

Held-to-maturity financial assets:

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

Loans and receivables:

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

Available-for-sale financial assets:

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

3) **Non-derivative financial liabilities – Measurement:**

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

Other non - derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

4) **Derivative financial instruments and hedge accounting:**

The Company holds derivative financial instruments to hedge it's foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Cash Flow Hedges:

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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

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

If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or lose.

45.13. <u>Share capital</u>

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.

45.14. <u>Impairment</u>

1) **Non-derivative financial assets**

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

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

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

Financial assets measured at amortised cost

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

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

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses which have been recognized previously in OCI and the accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or Impairment loss.

losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2) **Non-financial Assets:**

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

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

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

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

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed in the subsequent year. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) if no impairment loss had been recognised in previous years.

45.15. 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 year until finalization of all the project works.

45.16. Operational lease

Lease payments under an operating lease, excluding any incentives received from the lessor over the contract period, shall be recognized as an expense charged to the statement of income for the year on a time pattern basis and accrued base.

45.17. Sale and leaseback

When a company lets a property to a lessee, the legal title of this property is transferred to the lessee according to an executory contract subject to a finance lease contract signed between parties, accordingly any gain or loss resulting from the differences between the sale price and the net book value of the property is deferred and amortized over the period of the lease contract.

When the property is then bought back, any unamortized gains or losses are recognized in the income statement on the buyback date.

45.18. Investments

a- 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 and loss for each investment.

b- Available for sale investments

Financial instruments held by the Company and classified as available-for-sale investment are stated at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component in equity. When these investments are derecognized, the cumulative gain or loss previously recognized in equity is recognized in the statement of profit and loss. Except the impairment loss, Investments in unlisted securities such investments are stated at cost less impairment losses.
Financial instruments classified as available-for-sale investments are recognized /derecognized by the Company on the date it commits to purchase / sell the investments.

c- **Held for trading investments**

Held for trading investments are classified as current assets and are stated at fair value. Any gain or loss resulting from the change in fair value or sale of such investment is recognized in the statement of profit and loss.

Treasury bills are stated at their net cost after deducting the amortized interest and the Impairment losses.

45.19. Trade, notes receivable and debtors

Trade and notes receivables, debtors and other debit balances, that do not carry interest are stated at their nominal value and are reduced by impairment losses, Impairment losses are formed when there is objective evidence that the Company is not able to collect the due amounts according to the original terms of the contracts. Impairment represents the difference between the book value and net recoverable amount which is represented in the future cash flows that the Company expects. Long-term trade and notes receivables are initially recognized at fair value and subsequently re-measured at amortized cost using the effective interest rate method.

45.20. 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.

45.21. Borrowing costs

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

45.22. 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 and loss over the period of the borrowing using the effective interest rate.

45.23. Trade, contractors and other credit balances

Trade, contractors and other credit balances are stated at cost.

45.24. Notes payable

Notes payable are stated at amortized cost using the effective interest rate method.

45.25. 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.

45.26. Expenses

Lease payments

Payments under leases are recognized (net after discounts) in the statement of profit and loss on a straight-line basis over the terms of the lease and according to the accrual basis.

45.27. 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.

45.28. 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.

45.29. New Issues and Amendments issued to the Egyptian Accounting Standards (EAS) and it have been applied from January 01, 2016.

During the year 2015, a modified version of the Egyptian Accounting Standards (EAS) was issued including some of the new accounting standards and the amendments to some existing standards provided that they shall come into force for the financial years that start after January 1, 2016, while taking into consideration that the early implementation of these standards is not permissible.

In the following table, we shall present the most prominent amendments on the Egyptian Accounting Standards (EAS) that have been applied on the financial statements of December 31, 2016:

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
EAS (1) **Presentation of Financial Statements**	***Financial Position Statement*** • The Standard does not require to present the working capital presentation. The reference financial statements that was included in 2006 Standards was excluded; which presented the working capital presentation. • A statement shall be added to the statement of financial position including balances of the beginning of the first presented comparative year in case of retrospective implementation or change in an accounting policy or reclassification carried out by the entity. ***Income Statement (Profit or Loss)/ and Statement of Comprehensive Income*** The entity shall disclose all recognized income and expense captions during the financial year in two separate statements; one of them presents the profit or loss components (*Income Statement*) and the other one starts with the profit or loss and presents the other comprehensive income items *(Statement of Comprehensive Income)*.	• All the presented financial statements, disclosures and their accompanying notes including the comparative figures had been represented to be in conformity with the required amendments to the Standard. • *Statement of Comprehensive Income,* had been added for the current and comparative year.
EAS (10) **Property, Plant and Equipment *(PPE)* and its depreciations**	• The option of using the revaluation model in the subsequent measurement of PPE has been canceled.	The amendment does not apply retroactively, and the carrying amounts in the transitional date is the cost and the accumulated depreciation at the beginning of the application of this revised standard. The comparative figures relating to the PPE in the notes accompanying the

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
	• The financial shall disclose a movement of the PPE and its depreciations in the notes accompanying the financial statements at the beginning and the end of the current year and the comparable year. • The strategic (major) spare parts and stand-by equipment can be classified as PPE when the entity expects to use them for more than one year (when the definition of PPE applies thereto).	financial statements had been re-presented to be in conformity with the required amendments on the standard. **In case of non- re-evaluation of its assets in the past be disclosed as**: the comparative figures related to the PPE in the notes accompanying the financial statements had been re-presented to be in conformity with the required amendments on the standard.
Egyptian Standard No. (45) **Fair Value Measurement**	The new Egyptian Accounting Standard No. (45) "*Fair Value Measurement*" was issued and shall be applied when another Standard requires or allows measurement or disclosure to be made at fair value. This Standard aims the following: (a) Defining the fair value (b) Laying down a framework to measure the fair value in one Standard and (c) Identifying the disclosure required for the fair value measurements.	The standard had been applied prospectively in the preparation of financial statements in December 31, 2016, including the disclosure contained in this standard requirements.
Egyptian Standard No. (29) **Business Combination**	The purchase method was cancelled and replaced by the acquisition method; as results: 1- Changing the acquisition cost to become the cash consideration transferred; and to be measured at fair value at the acquisition date. 2- Contingent consideration: the fair value of the contingent consideration shall be recognized at the acquisition date as a part of consideration transferred. 3- Changing the method of measuring goodwill in case of Step acquisition is made. • The transaction cost (the cost related to the acquisition): Shall be charged to the statement of profit and loss as an expense in the year in which the costs incurred it and shall not be added to the cash consideration transferred; except for the costs of issuing equity instrument or debt instruments directly related to the acquisition process.	This amendment Standard applied for all business combination which its acquisition date on or after the beginning of January 2016, therefore no adjustment made for assets and liabilities which arising from business combination acquired before the beginning of January 2016.

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
Egyptian - Standard No. (42): **The Consolidated Financial Statements**	• The new Egyptian Accounting Standard No. (42) *"The Consolidated Financial Statements"* was issued and accordingly Egyptian Accounting Standard No. (17) *"The Consolidated and Separate Financial Statements"* has changed to become *"The Separate Financial Statements"*. Pursuant to the new Egyptian Accounting Standard No. (42) *"The Consolidated Financial Statements"* The control model has changed to determine the investee entity that must be consolidated.	**In case of the financial statements not affected by the standard amendments:** There is no impact on the comparative figures of the financial statements from the application of this standard
	• Accounting for the changes in the equity of the parent company in a subsidiary which don't lead to loss of control are accounted for as transactions of equity.	These amendments do not apply retrospectively.
	• Any Investment quotes retained in a former subsidiary re-measured at fair value at the date when control is lost and recognize any resulting difference in the Income Statement.	This amendment doesn't apply retroactively
	• In case of losses applicable to the Non-Controlling Interest "NCI" in a subsidiary are more than its share in equity including all component of Other Comprehensive Income are allocated to the owners of the holding entity and the NCI even if this causes the NCI to have a deficit balances.	
Egyptian Standard No.(43): **Joint Arrangements**	• The new Egyptian Accounting Standard No. (43) *"Joint Arrangements"* was issued and accordingly Egyptian Accounting Standard No. (27) *"Interests in Joint Ventures"* was replaced. • According to the new Egyptian Accounting Standard No. (43) *"Joint Arrangements"* a new model for the joint arrangements was laid down in order to classifies and determine their kind whether (Joint Venture) or (Joint Operation). As such, action depends on the substance of the arrangement and not only its legal form. • In case the arrangement is classified as a joint venture, each party of the arrangement parties shall account for that investment using the equity method only (as the proportionate consolidation method was eliminated) whether in the Consolidated or separate Financial Statements issued thereby.	**In case of affecting the financial statements with standard amendments:** all Comparative figures and all presented financial information have been modified from the beginning of previous year (January 1, 2015).

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
Egyptian Standard No. (18): Investments in Associates	The accounting treatment of the joint ventures shall be added to this standard, accordingly the Investments in associates and joint ventures shall be accounted for that investments using the equity method in the Consolidated and Individual Financial Statements. • The entity shall discontinue to use the Equity method from the date when its investment ceases to be an associate or a joint venture provided that the retained interest shall be re-measured using the fair value and the difference shall be recognized in the Income Statement. • If an investment in an associate becomes an investment in a joint venture or vice versa, the entity continues to apply the Equity Method and does not re-measure the retained Interest. • If an entity's ownership interest in an associate or a joint venture reduced, but the entity continues to apply the Equity Method, the entity shall reclassify to profit or loss the proportions of the gain or loss that previously been recognized in OCI relating to that reduction in Ownership interest.	**In case of affecting the financial statements with standard amendments:** all Comparative figures and all presented financial information have been modified It is not retroactive adjustment with respect to stop using the equity method, and so if the date to stop using the equity method in previous year on the application of this revised standard. As well as with respect to changes in the company's ownership rights in its associate company or joint venture, while continuing to use the equity method.
Egyptian Standard No. (44): Disclosure of Interests in Other Entities	• A new Egyptian Accounting Standard No. (44) "**Disclosure of Interests in Other Entities**" was issued in order to comprise all the required disclosures pertaining to the investments in subsidiaries, associates, joint arrangements, and the unconsolidated Structured Entities. • The objective of this standard is to comply the entity to disclose the information that enable users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance, and cash flows.	**In case of affecting the financial statements with standard amendments:** All Comparative figures and disclosures have been modified
EAS (34) Investment Property	**The option of using the fair value model in the measurement after recognition of the Property Investment has been canceled.**	**For companies which applying the fair value model:** The fair value of the investment at the beginning of the application of this standard (the date of transition to cost model) is the cost of that investment, for the purposes of subsequent accounting treatment according to

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
		Egyptian account standard No. (10) Property, Plant and Equipment *(PPE)* and its depreciations -Revaluation surplus related to investment property inscribed in owners equity in the date of transferring to cost model, which resulted from reclassification of the property from a fixed assets to investment property , this surplus then transferred to retained earnings / (carried forward losses) when this property is disposed of, taking in account the tax impact of this transferring.
<u>EAS (14)</u> **Borrowing Costs**	Elimination of the previous benchmark treatment that recognized the borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset in the Income Statement without being capitalized on the asset.	**<u>For companies which applying the standard treatment:</u>** This standard had been applied on borrowing costs related to qualified assets in which capitalization date at or after 1/1/2016.
<u>EAS (38)</u> **Employee Benefits**	**<u>Actuarial Gains and Losses</u>** • All the accumulated actuarial gains and losses shall be immediately recognized as part of the defined benefit liabilities and charged to the other Comprehensive Income items. **<u>The Cost of Past Service</u>** An entity shall recognize past service cost as an expense at the earlier of the following dates: (a) When the plan amendment or curtailment occurs; and (b) When the entity executes a significant restructuring plan; it should recognize the related restructuring costs that include paying the termination benefits (Provisions Standard).	**<u>In case of affecting the financial statements with standard amendments:</u>** employee benefits have been modified at the date of applying the modified standard and also all presented comparative figures

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
EAS (25) **Financial Instruments: Presentation**	Any financial instrument with a resale right shall be classified as an equity instrument instead of classifying it as a financial liability; if it meets the conditions in accordance with the paragraphs (16 A or 16 b) or paragraphs (16 c and 16 d) of the same Standard, from the date the instrument has all the features and meets all the conditions set out in those paragraphs. An entity shall re-classify the financial instrument from the date the instrument ceases to have all the features or meet all conditions set out in those paragraphs.	**In case of affecting the financial statements with standard amendments:** any financial instrument has been re-presented in which these conditions applies including all comparative figures for the presented years.
EAS (40) **Financial Instruments: Disclosures**	• **A new Egyptian Accounting Standard No. (40) *"Financial Instruments: Disclosures"* was issued including all the disclosures required for the financial instruments.** • Accordingly, EAS (25) was amended by separating the disclosures from it. The name of the Standard became *"Financial Instruments: Presentation"* instead of "Financial Instruments: Presentation and Disclosure"	**In case of affecting the financial statements with standard amendments:** Retroactive amendment to all the comparative figures of the presented disclosures carried out.