

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

**Consolidated interim financial statements**  
**For the period ended 30 September 2017**  
**&**  
**Limited review report**

<b>Contents</b>	<b>Page</b>
Report on limited review of consolidated interim financial statements	
Consolidated statement of financial position	1-2
Consolidated income statement	3
Consolidated comprehensive income	4
Consolidated statement of changes in equity	5-6
Consolidated statement of cash flows	7-8
Notes to the consolidated interim financial statements	9-87
Significant accounting policies applied.	88-113



## Hazem Hassan

Public Accountants & Consultants

Pyramids Heights Office Park  
Km 22 Cairo/Alex Road  
P.O. Box 48 Al Ahram  
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11  
Telefax : (202) 35 36 23 01 - 35 36 23 05  
E-mail : [egypt@kpmg.com.eg](mailto:egypt@kpmg.com.eg)  
Postal Code : 12556 Al Ahram

**Translation from Arabic**

### **Report on Limited Review of Consolidated Interim Financial Statements**

**To: Board of Directors of Citadel Capital Company**

#### *Introduction*

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) as at 30 September 2017 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

#### *Scope of limited review*

Except as explained in the following paragraph "Basis for Qualified Conclusion", we conducted our limited review in accordance with Egyptian Standard on Review Engagements No. (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

*Basis for Qualified Conclusion*

- The consolidated interim financial statements as at 30 September 2017 of Citadel Capital Company include an amount of EGP 646 Million under “Due to related parties and shareholders” and a corresponding increase in the accumulated losses of the company by an equal amount. The said amount represents liabilities related to financial guarantees issued in favor of certain shareholders (other than board members) through a fully owned subsidiary of the company.

In our opinion, a study is required to determine the validity of the aforementioned guarantees and their financial impact - as indicated above - on the consolidated interim financial statements of Citadel Capital Company as at 30 September 2017. Management of the company indicated that it has appointed an independent legal firm to prepare the required study.

- The consolidated interim financial statements as at 30 September 2017 of Citadel Capital Company includes the consolidated interim financial statements of the Arabian Refining Company (ARC) and its subsidiary the Egyptian Refining Company (ERC) with consolidated assets for ARC amounting to EGP 56 Billion. During 2017, the share-capital of ARC was increased in several stages. The company did not participate in the said increases. Also, the pre-set date for the completion of construction and execution of the main project of ERC was extended several times. Management of the company anticipates completion of the project and start operation in the near future. In the light of all the aforementioned, in our opinion management of Citadel Capital Company should prepare a study to determine whether it has a full control over ARC and ERC and accordingly consolidate them in it's consolidated interim financial statements or it has a joint control; in which case equity method should be used in accounting for those two companies.

- As described in Note (48) of the notes to the consolidated interim financial statements for the period ended 30 September 2017 regarding Significant Events to the consolidated financial position date, the Company has indirect investments in "Rift Valley Railways (Kenya) Limited (RVRK)" in Kenya and "Rift Valley Railways (Uganda) Limited (RVRU)" in Uganda; through its subsidiary "KU Railways Holding (KURH) Limited (collectively referred to as “KURH Group”).

On 31 July 2017, the Court of Kenya issued an order to terminate the Concession Agreement granted to "RVRK" and to transfer all its assets and employees to "Kenya Railways Corporation". Similar events have evolved to the company's other subsidiary, Rift Valley Railways (Uganda) Limited "RVRU". Accordingly, Citadel Capital Company's management has recognized an impairment loss amounting to EGP 3.15 Billion for all assets of KURH Group.

As indicated in the previous paragraphs and according to the representations received from the management, the management was unable to obtain the financial and accounting information for KURH Group as at 30 September 2017. Accordingly, the management has prepared the financial statements of KURH Group for the purpose of the consolidated interim financial statements based on the latest available financial information. We were not provided with sufficient and appropriate evidence regarding this financial information.

- As described in Note (48) of the notes to the consolidated interim financial statements for the period ended 30 September 2017 regarding Significant Events to the consolidated financial statements date, the Board of Directors of Citadel Capital Company decided in its meeting held on 17 September 2017, to divest of all the owned subsidiaries in the railways sector by selling and /or dispensing and /or liquidating these subsidiaries. The ability to execute this decision, and the nature and extent of the possible financial effects as a result of the decision have not yet been determined.

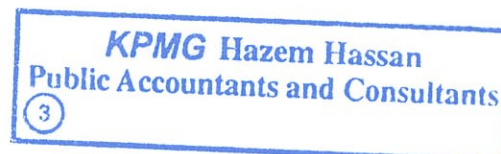
### *Qualified Conclusion*

Except for the adjustments to the consolidated interim financial statements that might be necessary had the information regarding the matters described above been available, based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at 30 September 2017 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

*KPMG Hazem Hassan*

KPMG Hazem Hassan  
Public Accountants & Consultants

Cairo, 30 December 2017



	Note	30/9/2017	31/12/2016	1/1/2016
			Restated	Restated
<i>(in EGP)</i>				
<b>Assets</b>				
Fixed assets	(5)	5 452 189 429	5 775 281 030	5 132 944 455
Projects under construction	(6)	52 400 781 075	48 084 277 663	17 140 102 652
Intangible assets	(7)	651 202 124	1 265 407 067	1 751 125 701
Goodwill	(8)	390 008 122	392 417 101	649 801 051
Biological assets	(9)	228 015 020	207 820 465	196 044 381
Trade and notes receivables	(15)	2 110 426 599	2 146 755 190	710 407 485
Investment property		-	-	24 000 000
Investments in associates	(10)	956 091 745	1 106 525 021	893 874 077
Available-for-sale investments	(11)	78 061 272	83 800 600	54 311 317
Payments for investments	(12)	116 615 631	110 930 719	80 997 503
Other assets	(13)	75 998 225	77 353 977	269 800 533
Deferred tax assets	(25)	70 901 976	61 084 782	395 240 419
<b>Total non- current assets</b>		<b>62 530 291 218</b>	<b>59 311 653 615</b>	<b>27 298 649 574</b>
Inventories	(14)	1 372 044 939	1 248 519 377	1 029 593 048
Biological assets	(9)	11 210 169	7 246 485	25 063 763
Work in process		75 350 132	68 754 396	17 768 790
Investments at fair value through profit or loss	(16)	2 716 769	1 279 211	33 789 381
Due from related parties	(17)	210 523 826	176 616 325	602 063 394
Trade and notes receivables	(15)	1 972 100 160	1 561 850 465	1 225 561 916
Debtors and other debit balances	(18)	2 952 201 467	1 628 063 933	1 303 644 983
Cash and cash equivalents	(19)	2 350 565 729	2 837 035 012	3 353 000 479
Assets held-for-sale	(20-1)	1 343 967 759	6 361 106 255	2 552 845 910
<b>Total current assets</b>		<b>10 290 680 950</b>	<b>13 890 471 459</b>	<b>10 143 331 664</b>
<b>Total assets</b>		<b>72 820 972 168</b>	<b>73 202 125 074</b>	<b>37 441 981 238</b>

to be continued ...

	Note	30/9/2017	31/12/2016 Restated	1/1/2016 Restated
<i>(in EGP)</i>				
<b>Equity</b>				
Issued and paid - up capital	(22)	9 100 000 000	9 100 000 000	9 100 000 000
Treasury shares	(22-1)	-	( 3 338 658)	-
Reserves		2 130 850 298	2 965 114 474	220 384 104
Carried forward losses		(15 966 032 664)	(12 485 409 214)	(7 121 370 434)
<b>Total</b>		<b>(4 735 182 366)</b>	<b>( 423 633 398)</b>	<b>2 199 013 670</b>
Shareholders' credit balances		-	-	1 464 311
<b>Equity attributable to owners of the Company</b>		<b>(4 735 182 366)</b>	<b>( 423 633 398)</b>	<b>2 200 477 981</b>
<b>Non-controlling interests</b>		<b>15 769 151 106</b>	<b>16 291 418 207</b>	<b>8 189 651 119</b>
<b>Total equity</b>		<b>11 033 968 740</b>	<b>15 867 784 809</b>	<b>10 390 129 100</b>
<b>Liabilities</b>				
Long term loans	(23-1)	37 562 105 874	34 487 692 249	13 675 665 666
Long term liabilities and derivatives	(24)	429 417 056	393 793 822	436 369 089
Loans from related parties	(23-2)	36 835 182	47 425 273	24 484 249
Deferred tax liabilities	(25)	515 840 701	543 364 255	664 181 100
<b>Total non-current liabilities</b>		<b>38 544 198 813</b>	<b>35 472 275 599</b>	<b>14 800 700 104</b>
Banks overdraft	(26)	685 704 582	498 992 120	508 626 802
Short term loans	(23-1)	9 547 796 528	5 041 084 010	2 929 274 268
Loans from related parties	(23-2)	2 002 996 660	1 892 125 247	718 705 574
Due to related parties and shareholders	(27)	2 096 514 418	2 290 358 708	1 368 179 118
Trade and notes payables	(28)	3 251 156 592	2 897 318 193	2 855 400 529
Creditors and other credit balances	(29)	3 369 902 332	1 930 253 757	1 540 677 543
Provisions	(30)	771 400 932	681 537 294	625 529 052
Liabilities directly associated with the assets held-for-sale	(20-2)	521 324 661	5 912 284 596	1 015 904 059
Due to Tax Authority		996 007 910	718 110 741	688 855 089
<b>Total current liabilities</b>		<b>23 242 804 615</b>	<b>21 862 064 666</b>	<b>12 251 152 034</b>
<b>Total liabilities</b>		<b>61 787 003 428</b>	<b>57 334 340 265</b>	<b>27 051 852 138</b>
<b>Total equity and liabilities</b>		<b>72 820 972 168</b>	<b>73 202 125 074</b>	<b>37 441 981 238</b>

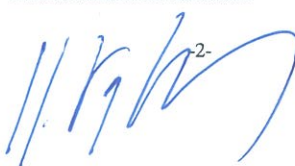
The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.

Limited review report "attached"

Chief Financial Officer  
Moataz Farouk



Managing Director  
Hisham Hussein El Khazindar



Chairman  
Ahmed Heikal



## Consolidated income statement

	Note no.	For the period		For the period	
		from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016 Restated	from 1/1/2016 to 30/9/2016 Restated
<i>(in EGP)</i>					
<b>Continuing operations</b>					
Operating revenues	(33)	2 469 688 783	6 866 353 852	1 762 861 728	5 323 685 591
Operating costs	(34)	(2 163 915 819)	(5 958 068 019)	(1 553 067 868)	(4 590 439 677)
<b>Gross profit</b>		<u>305 772 964</u>	<u>908 285 833</u>	<u>209 793 860</u>	<u>733 245 914</u>
Advisory fee income	(31)	37 745 900	45 280 957	2 624 126	7 644 325
Administrative expenses	(35)	( 275 208 887)	( 874 460 696)	( 245 619 470)	( 819 489 940)
Other expenses	(36)	( 16 225 566)	( 51 382 628)	( 60 064 799)	( 135 413 107)
Share of profit (loss) of investment in associates	(32)	4 283 186	5 395 964	( 1 191 036)	50 979 497
<b>Operating profit / (loss)</b>		<u>56 367 597</u>	<u>33 119 430</u>	<u>( 94 457 319)</u>	<u>( 163 033 311)</u>
Finance costs - net	(37)	( 376 771 749)	( 942 304 477)	( 117 028 468)	( 510 823 308)
<b>Net loss before tax</b>		<u>( 320 404 152)</u>	<u>( 909 185 047)</u>	<u>( 211 485 787)</u>	<u>( 673 856 619)</u>
Income tax expense	(38)	( 34 728 498)	( 86 775 095)	( 16 718 482)	( 71 852 713)
<b>Net loss from continuing operations</b>		<u>( 355 132 650)</u>	<u>( 995 960 142)</u>	<u>( 228 204 269)</u>	<u>( 745 709 332)</u>
<b>Discontinued operations</b>					
Operating revenues		699 103	207 684 476	137 549 658	450 465 686
Operating costs		( 2 455 328)	( 311 155 113)	( 144 600 788)	( 551 490 104)
Administrative expenses		( 609 712)	( 47 105 068)	( 25 770 427)	( 79 414 891)
Other expenses	(21,48)	( 12 707 435)	( 3 139 981 008)	( 13 241 455)	( 257 725 913)
Finance income (costs) - net		8 210 539	( 104 390 088)	( 66 482 101)	( 171 766 288)
<b>Results from operating activities</b>		<u>( 6 862 833)</u>	<u>( 3 394 946 801)</u>	<u>( 112 545 113)</u>	<u>( 609 931 510)</u>
Income tax expense		-	-	2 342 299	1 913 573
<b>Results from operating activities, net of tax</b>		<u>( 6 862 833)</u>	<u>( 3 394 946 801)</u>	<u>( 110 202 814)</u>	<u>( 608 017 937)</u>
(Loss) gain from discontinued operations, net of tax	(21-1)	( 103 091 873)	301 287 399	( 15 890 933)	3 630 779
<b>Loss from discontinued operations, net of tax</b>	(21)	<u>( 109 954 706)</u>	<u>( 3 093 659 402)</u>	<u>( 126 093 747)</u>	<u>( 604 387 158)</u>
<b>Net loss for the period</b>		<u>( 465 087 356)</u>	<u>( 4 089 619 544)</u>	<u>( 354 298 016)</u>	<u>( 1 350 096 490)</u>
<b>Attributable to:</b>					
Owners of the Company equity		( 311 607 743)	( 3 451 235 339)	( 214 013 230)	( 773 174 158)
Non-controlling interests		( 153 479 613)	( 638 384 205)	( 140 284 786)	( 576 922 332)
		<u>( 465 087 356)</u>	<u>( 4 089 619 544)</u>	<u>( 354 298 016)</u>	<u>( 1 350 096 490)</u>
Earnings per share	(39)	<u>(0.17)</u>	<u>(1.90)</u>	<u>(0.12)</u>	<u>(0.42)</u>

The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.



## Consolidated statement of comprehensive income

(in EGP)	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016 Restated	from 1/1/2016 to 30/9/2016 Restated
Net loss for the period	(465 087 356)	(4 089 619 544)	(354 298 016)	(1 350 096 490)
<b>Other comprehensive income items:</b>				
<b>Items that are or may be reclassified to profit or loss</b>				
Foreign operations - foreign currency translation differences	(549 682 402)	(1 229 875 414)	-	419 178 952
Available-for-sale investments - net change in fair value	958 526	1 370 311	-	(91 124)
Reserve of interest rate swap contracts hedge	2 913 199	(8 022 369)	-	(38 387 754)
<b>Total other comprehensive income, net of tax</b>	<u>(545 810 677)</u>	<u>(1 236 527 472)</u>	<u>-</u>	<u>380 700 074</u>
<b>Total comprehensive income</b>	<u>(1 010 898 033)</u>	<u>(5 326 147 016)</u>	<u>(354 298 016)</u>	<u>(969 396 416)</u>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company equity	(461 707 422)	(4 295 359 442)	(214 013 230)	(567 650 451)
Non-controlling interests	(549 190 611)	(1 030 787 574)	(140 284 786)	(401 745 965)
	<u>(1 010 898 033)</u>	<u>(5 326 147 016)</u>	<u>(354 298 016)</u>	<u>(969 396 416)</u>

The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.

## Consolidated statement of changes in equity

Note	Issued and paid-up capital	Reserves			Change in the fair value of hedge reserve-swap contract	Carried forward losses	Treasury shares	Total	Non-controlling interests	Total equity
		Legal reserve	Fair value reserve -AFS	F.C. translation reserve						
(in EGP)										
Balance as at December 31, 2016 (as previously issued)	9 100 000 000	89 578 478	( 1 068 496)	2 986 304 630	( 77 428 646)	( 32 271 492)	( 3 338 658)	( 460 212 969)	16 283 734 669	15 823 521 700
Adjustments	(47)	-	-	-	-	-	36 579 571	-	7 683 538	44 263 109
Balance as at December 31, 2016 (Restated)	9 100 000 000	89 578 478	( 1 068 496)	2 986 304 630	( 77 428 646)	( 32 271 492)	( 3 338 658)	( 423 633 398)	16 291 418 207	15 867 784 809
<b>Total comprehensive income</b>										
Loss for the period ended September 30, 2017	-	-	-	-	-	-	(3 451 235 339)	(3 451 235 339)	(638 384 205)	(4 089 619 544)
Other comprehensive income	-	-	1 370 311	( 837 472 045)	-	( 8 022 369)	-	( 844 124 103)	( 392 403 369)	(1 236 527 472)
Total comprehensive income	-	-	1 370 311	( 837 472 045)	-	( 8 022 369)	(3 451 235 339)	(4 295 359 442)	(1 030 787 574)	(5 326 147 016)
<b>Transactions with owners of the company</b>										
Board of directors and employees profit share	-	-	-	-	-	-	(28 670 545)	(28 670 545)	(16 489 545)	(45 160 090)
Sale of subsidiaries differences	-	-	-	-	9 859 927	-	-	9 859 927	(213 167 081)	(203 307 154)
Treasury shares selling	(22.1)	-	-	-	-	-	(717 566)	3 338 658	(346 183)	2 274 909
Changes in non-controlling interests	-	-	-	-	-	-	-	-	738 523 282	738 523 282
Balance as at September 30, 2017	9 100 000 000	89 578 478	301 815	2 148 832 585	( 67 568 719)	( 40 293 861)	(15 966 032 664)	(4 735 182 366)	15 769 151 106	11 033 968 740

The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.

Consolidated statement of changes in equity (continued)

(in EGP)	Note	Issued and paid-up	Reserves			Company's share of changes in associates' equity	Change in the fair value of hedge reserve-swap contract	Carried forward losses	Shareholders' credit balances	Treasury shares	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve								
Balance as at December 31, 2015 (as previously issued)		9 100 000 000	89 578 478	( 976 696)	369 449 580	(77 428 646)	(33 642 075)	(6 650 504 492)	1 464 311	-	2 797 940 460	8 152 325 712	10 950 266 172
Adjustments	(47)	-	-	( 126 596 537)	-	-	-	(470 865 942)	-	-	(597 462 479)	37 325 407	(560 137 072)
Balance as at December 31, 2015 (Restated)		9 100 000 000	89 578 478	( 976 696)	242 853 043	(77 428 646)	(33 642 075)	(7 121 370 434)	1 464 311	-	2 200 477 981	8 189 651 119	10 390 129 100
Total comprehensive income		-	-	-	-	-	-	(773 174 158)	-	-	(773 174 158)	(576 922 332)	(1 350 096 490)
Loss for the period ended September 30, 2016		-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	( 91 124)	244 002 585	-	(38 387 754)	-	-	-	-	205 523 707	175 176 567	380 700 074
Total comprehensive income		-	( 91 124)	244 002 585	-	(38 387 754)	-	(773 174 158)	-	-	(567 650 451)	(401 745 965)	(969 396 416)
Transactions with owners of the Company		-	-	-	-	-	-	-	-	-	-	-	-
Board of directors and employees profit share		-	-	-	-	-	-	(11 812 651)	-	-	(11 812 651)	(11 911 566)	(23 724 217)
Acquisition of non-controlling interests without change in control		-	-	-	-	-	-	(2 328 859)	-	-	(2 328 859)	2 328 859	-
Treasury shares purchase	(22.1)	-	-	-	-	-	-	-	-	(3 338 658)	(3 338 658)	-	(3 338 658)
Reclassification of shareholders' credit balances		-	-	-	-	-	-	-	(1 464 311)	-	(1 464 311)	-	(1 464 311)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	755 335 739	755 335 739
Balance as at September 30, 2016		9 100 000 000	89 578 478	( 1 067 820)	486 855 628	(77 428 646)	(72 029 829)	(7 908 686 102)	-	(3 338 658)	1 613 883 051	8 533 658 186	10 147 541 237

The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.

## Consolidated statement of cash flows

for the period ended

30/9/2017

30/9/2016

*(in EGP)***Cash flows from operating activities**

Loss before income tax (909 185 047) (673 856 619)

**Adjustments for:**

Profit (loss) from discontinued operations, net of tax 327 873 481 (604 387 158)

Gains on sale of discontinued operations, net of tax (301 287 399) (3 630 779)

Depreciation and amortization 416 048 780 385 567 083

Share of profit of investments in associates (5 395 964) (50 979 497)

Net change in the fair value of investments at fair value through profit or loss (1 442 380) 244 627

Foreign currency translation differences 1 612 290 366 403 978 852

Foreign currency exchange differences 110 025 437 101 288 820

Interest income (225 872 169) (75 642 499)

Gain on sale of fixed assets and PUC (25 961 946) (7 894 882)

Interest expenses 778 028 921 494 161 822

Provisions formed 116 530 997 126 447 897

Impairment on assets 27 679 767 27 224 895

(Reversal) write-down of inventories (1 943 348) 211 229

Provisions no longer needed (3 578 269) (6 010 749)

1 913 811 227

116 723 042

**Change in :**

Inventories (181 787 116) (13 898 176)

Work in process (15 019 317) (36 430 944)

Due from related parties (214 816 221) (331 844 801)

Trade and other receivables (699 543 762) (274 962 524)

Debtors and other debit balances (185 213 212) 82 841 319

Due to related parties and shareholders (152 291 741) (65 666 470)

Trade and other payables (512 327 545) (1 019 225 776)

Creditors, other credit balances and long term liabilities 1 083 670 622 74 273 609

Assets and liabilities held-for-sale (100 679 320) 164 413 488

Cash generated (used in) operating activities 935 803 615 (1 303 777 233)

Provision used (20 130 288) (33 799 868)

Income tax paid (14 940 242) (49 071 648)

Net cash from (used in) operating activities 900 733 085 (1 386 648 749)

to be continued ...

The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.

## Consolidated statement of cash flows

	for the period ended	
	30/9/2017	30/9/2016
<i>(in EGP)</i>		
<b>Cash flows from investing activities</b>		
Payments to purchase of fixed assets and projects under construction	(4 537 325 085)	(3 322 077 063)
Proceeds from sale of fixed assets and projects under construction	63 492 304	6 985 166
Payments to purchase of biological assets	( 68 650 188)	(44 257 633)
Proceeds from sale of biological assets	28 098 224	18 446 599
Payments to purchase of intangible assets	( 2 937 551)	( 223 200)
Proceeds / (payments for) sale of assets classified as held for sale	803 759 862	(78 550 119)
Payments for from loans to related parties	( 874 632)	(105 435 396)
Payments for investments	(10 277 127)	(25 251 600)
Proceeds from treasury bills	191 577 230	-
Payments from other assets	( 2 124 593)	( 2 473 920)
Dividends income from associates	11 545 229	6 585 835
Assets and liabilities held-for-sale	453 393 082	3 946 019
Net cash used in investing activities	<u>(3 070 323 245)</u>	<u>(3 542 305 312)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans	3 541 574 183	2 968 547 355
Payments for loans	(89 248 935)	(178 212 466)
Proceeds from banks overdraft	285 169 380	190 996 613
Proceeds from non-controlling interests	69 589 999	346 489 218
Dividends paid for board of directors and employees	(75 336 913)	(23 724 217)
Interest paid	(136 392 387)	(45 508 162)
Net cash from financing activities	<u>3 595 355 327</u>	<u>3 258 588 341</u>
Net changes in cash and cash equivalents during the period	1 425 765 167	(1 670 365 720)
Assets held for sale	-	4 761 616
Deconsolidation of subsidiaries	(196 145 228)	9 425 918
Cash and cash equivalents at the beginning of the period - (Note 19)	2 837 035 012	3 353 000 479
Effect of movements in exchange rates on cash held	(1 716 089 222)	(99 547 653)
Cash and cash equivalents at the end of the period - (Note 19)	<u>2 350 565 729</u>	<u>1 597 274 640</u>

The accompanying notes and accounting policies from page (9) to page (113) are an integral part of these consolidated interim financial statements and are to be read therewith.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**1. Company's background**

**1.1 Legal status and activity**

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

**1.2 Purpose of the Company**

- The Company's basic activity extends to the region of the Middle East, North and East Africa, especially Egypt, Algeria, Libya, Syria and Sudan. The purpose of the Company is represented as follows:
  - \* Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, engineering, technological, marketing, financial, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
  - \* Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
  - \* Managing, executing and restructuring of projects.
- On October 20, 2013 the extra-ordinary general assembly has agreed on amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no. (27) of the Capital Market Law and article no.(122) of its executive regulations, provided that required legal procedures for amending the statute of the company will take place

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

---

after completing the required legal procedures for the aforementioned capital increase.

- The Company will be known as “Qalaa Holdings” in the English language only without change in the Arabic trade mark which Qalaa has been the firm's name since it was founded in 2004. Subsequently to the successful completion of the capital increase, the company has transformed its business model from being a private equity company to an investment company with a focus on business segments of energy, cement, agrifoods, transportation & logistics, and mining. The required procedures to amend the Company’s commercial register are taking place.

**1.3 The Company’s headquarter**

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

**1.4 Consolidated interim financial statements frame work**

The consolidated interim financial statements of the Company for the period ended September 30, 2017 comprise the parent company’s and its subsidiaries’ financial statements (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates.

**2. Basis of preparation**

**2.1 Statement of compliance**

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

**2.2 Authorization of the consolidated interim financial statements**

The consolidated interim financial statements were authorized for issuance in accordance with a resolution of the board of directors on December 30, 2017.

**3. Functional and presentation currency**

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**4. Use of estimate and judgements**

In preparing these consolidated interim financial statements in accordance with the Egyptian Accounting Standards (EASs), management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.

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

**4.1 Fair value measurement**

- The fair value of financial instruments are determined based on the market value of the financial instrument or similar financial instruments at the date of the consolidated interim financial statements without deducting any estimated future selling costs.
- The value of financial assets are determined by the values of the current purchase prices for those assets, while the value of financial liabilities is determined by the current prices that can be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other instruments substantially similar - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.
- When using the discounted cash flow method as a way to evaluate, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined in the light of the prevailing market price at the date of the consolidated interim financial statements that are similar in nature and conditions.



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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**  
(In the notes all amounts are shown in EGP unless otherwise stated)

5. Fixed assets	Cost	Land	Buildings and constructions	Lease hold improvements	Machinery, equipment and tools	Furniture, fixtures and electric	Computer equipment	Transportation		Total
								means and barges		
Balance as at 1/1/2017		1 963 526 487	1 447 236 970	170 380 458	4 476 025 377	256 644 920	44 036 586	683 095 302		9 040 946 100
Additions ***		7 789 583	22 694 267	363 661	89 660 758	10 331 044	4 740 413	15 775 892		151 355 618
Disposals		--	(271 328)	--	(27 686 399)	(19 699 211)	(1 269 625)	(13 567 705)		(62 494 268)
Transferred from assets held for sale **		--	15 777 306	16 909 686	522 573 884	38 248 100	32 568 212	13 925 759		640 002 947
Foreign currency translation differences		(33 503 193)	(9 459 548)	(453 391)	(185 312 036)	(2 516 163)	(1 236 449)	(6 508 684)		(238 989 464)
Total cost as at 30/9/2017		1 937 812 877	1 475 977 667	187 200 414	4 875 261 584	283 008 690	78 839 137	692 720 564		9 530 820 933
Balance as at 1/1/2016		1 394 103 556	1 207 861 606	113 288 302	3 749 621 609	241 111 418	58 520 242	538 616 084		7 303 122 817
Additions ***		400 760	12 341 705	3 182 989	54 733 158	11 089 481	1 396 897	6 827 139		89 972 129
Transferred to assets held for sale		--	(8 524 370)	(8 182 304)	(267 754 193)	(8 307 914)	(15 860 149)	(6 374 432)		(315 003 362)
Transferred from assets held for sale **		4 232 967	23 027 836	9 142 636	31 476 813	16 705 937	451 563	1 713 662		86 751 414
Disposals		--	(7 280 309)	(19 526 229)	(36 852 544)	(36 724 634)	(14 847 859)	(3 885 027)		(119 116 602)
Foreign currency translation differences		54 617 140	31 171 995	8 623 324	225 314 715	3 981 012	3 462 060	19 961 186		347 131 432
Total cost as at 30/9/2016		1 453 354 423	1 258 598 463	106 528 718	3 756 539 558	227 855 300	33 122 754	556 858 612		7 392 857 828

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

<b>Accumulated depreciation</b>	<b>Land</b>	<b>Buildings and constructions</b>	<b>Lease hold improvements</b>	<b>Machinery, equipment and tools</b>	<b>Furniture, fixtures and electric</b>	<b>Computer equipment</b>	<b>Transportation means and barges</b>	<b>Total</b>
Accumulated depreciation as at 1/1/2017	183 490	337 280 889	45 958 550	2 111 506 302	222 408 372	34 211 653	276 863 129	3 028 412 385
Impairment loss as at 1/1/2017 ****	--	17 767 807	107 857 426	104 700 719	6 678 137	56 528	192 068	237 252 685
Accumulated depreciation and impairment loss as at 1/1/2017	183 490	355 048 696	153 815 976	2 216 207 021	229 086 509	34 268 181	277 055 197	3 265 665 070
Depreciation for the period*	44 136	36 200 030	3 741 211	247 111 942	9 150 206	1 751 752	29 178 554	327 177 831
Impairment loss during the period ****	--	12 317 622	3 114 065	415 784 314	4 198 871	3 551 120	48 726	439 014 718
Transferred from assets held for sale	--	3 023 948	13 683 972	93 553 780	31 737 199	29 032 714	12 647 364	183 678 977
Accumulated depreciation of disposals	--	(232 935)	(342 663)	(16 362 065)	(19 753 214)	(931 072)	(8 673 254)	(46 295 203)
Foreign currency translation differences	(63 971)	(8 448 270)	(812 819)	(69 124 504)	(146 265)	(1 126 284)	(10 887 776)	(90 609 889)
Accumulated depreciation as at 30/9/2017	163 655	397 909 091	173 199 742	2 887 170 488	254 273 306	66 546 411	299 368 811	4 078 631 504
Accumulated depreciation as at 1/1/2016	143 596	252 187 150	41 761 596	1 407 872 490	207 220 383	47 032 145	213 961 002	2 170 178 362
Depreciation for the period*	54 684	33 700 581	6 063 645	210 641 372	9 436 857	2 631 459	22 741 199	285 269 797
Transferred to non-current assets held for sale	--	(2 685 934)	(6 862 708)	(32 785 462)	(4 648 317)	(14 443 023)	(5 952 488)	(67 377 932)
Transferred from non-current assets held for sale**	--	5 763 848	6 661 792	19 605 970	27 806 164	451 562	1 275 852	61 565 188
Accumulated depreciation of disposals	--	(2 872 128)	(14 652 122)	(30 643 075)	(32 957 539)	(9 494 515)	(3 364 792)	(93 984 171)
Foreign currency translation differences	41 856	8 005 603	1 860 245	65 264 140	3 418 386	1 533 121	8 227 731	88 351 082
Accumulated depreciation as at 30/9/2016	240 136	294 099 120	34 832 448	1 639 955 435	210 275 934	27 710 749	236 888 504	2 444 002 326
<b>Carrying amounts</b>								
At 30/9/2017	1 937 649 222	1 078 068 576	14 000 672	1 988 091 096	28 735 384	12 292 726	393 351 753	5 452 189 429
At 31/12/2016	1 963 342 997	1 092 188 274	16 564 482	2 259 818 356	27 558 411	9 768 405	406 040 105	5 775 281 030
At 30/9/2016	1 453 114 287	964 499 343	71 696 270	2 116 584 123	17 579 366	5 412 005	319 970 108	4 948 855 502

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

- \* Administrative depreciation for the period has been recognized in administrative expenses (note 35) and operating depreciation has been recognized in operating costs (note 34).
- \*\* Transferred from assets held for sale are represented in assets related to Bright Living Company. (a subsidiary in the Real Estate segment) and ESACO for Manufacturing Engineering and Construction (a subsidiary in the cement segment) and KU Railways Holding (a subsidiary in the Transportation and logistics segment)
- \*\*\* Additions include the amount transferred from projects under construction (note 6).
- \*\*\*\* Impairment as at January 1, 2017 represented in assets related to Wafra Agricultural Company (a subsidiary in the agricultural and Food segment), while impairment during the period represented in assets related to KU Railways Holding (a subsidiary in the transportation logistics segment)

**6. Projects under construction**

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

	<b>30/9/2017</b>	<b>31/12/2016</b> <b>Restated**</b>
Balance at the beginning of the period/year	48 628 176 224	17 233 833 544
Reclassification from assets held for sale	68 903 975	--
Additions	5 647 853 439	5 382 636 932
Disposals	(5 381 635)	(2 756 359)
Reclassification to assets held for sale	(69 000 708)	(68 903 975)
Transferred to fixed assets (note 5)	--	(6 041 716)
Foreign currency translation differences	<u>(1 264 651 544)</u>	<u>26 089 407 798</u>
Balance	53 005 899 751	48 628 176 224
Accumulated impairment losses	<u>(605 118 676)</u>	<u>(543 898 561)</u>
Net	<u>52 400 781 075</u>	<u>48 084 277 663</u>

**6.2 Projects under construction are represented in the following:**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Energy Sector *	52 182 017 527	47 854 713 531
Agriculture and Food Sector	12 046 104	9 515 724
Transportation and Logistics Sector	91 894 985	67 988 694
Cement Sector	86 208 910	96 466 928
Financial Services Sector	20 998 926	12 829 726
Mining Sector	7 614 623	42 763 060
Total	<u>52 400 781 075</u>	<u>48 084 277 663</u>

\* Projects under construction - Energy sector include an amount of EGP 50 099 868 920 as at September 30, 2017 against EGP 47 801 655 455 as at December 31, 2016 represents the project of Egyptian Refining Company- a subsidiary in the energy sector.

\*\* Note (47).

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

**7. Intangible assets**

	<b>Note</b>	<b>30/9/2017</b>	<b>31/12/2016</b>
Software	(7-1)	14 989 192	12 886 930
Exploration and valuation assets	(7-2)	32 819 445	607 122 996
Trade name	(7-3)	346 210 520	346 210 520
Customer contracts	(7-4)	252 928 695	294 670 356
Other intangible assets	(7-5)	4 254 272	4 516 265
Concession	(7-6)	--	--
Balance		<u>651 202 124</u>	<u>1 265 407 067</u>

**7.1 Software**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Cost at the beginning of the period/year	58 297 051	59 044 102
Additions	2 937 551	284 063
Disposals	--	(265 752)
Reclassification to assets held for sale	--	(49 266 344)
Transferred from assets held for sale	49 266 344	--
Foreign currency translation differences	<u>(11 106 793)</u>	<u>48 500 982</u>
Cost at the end of the period / year	<u>99 394 153</u>	<u>58 297 051</u>
Accumulated amortization at the beginning of the period / year	(45 410 121)	(45 892 898)
Amortization for the period / year	(770 602)	(617 377)
Reclassification to assets held for sale	--	41 485 608
Transferred from assets held for sale	( 41 485 608)	--
Foreign currency translation differences	<u>3 322 300</u>	<u>(40 385 454)</u>
Accumulated amortization at the end of the period / year	<u>(84 344 031)</u>	<u>(45 410 121)</u>
Total	15 050 122	12 886 930
Impairment losses for the period / year	<u>(60 930)</u>	<u>--</u>
Net	<u>14 989 192</u>	<u>12 886 930</u>

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

**7.2 Exploration and valuation assets**

**7.2.1 Site preparation expenses**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Cost at the beginning of the period / year	990 467	463 588
Amortization for the period / year	(32 151)	(24 563)
Foreign currency translation differences	(34 329)	551 442
Balance (A)	<u>923 987</u>	<u>990 467</u>

**7.2.2 Search and exploration expenses**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Cost at the beginning of the period / year	581 213 997	234 391 228
Additions	40 490 323	39 945 866
Disposals (note 20)	(604 179 836)	--
Foreign currency translation differences	(9 462 748)	306 876 903
Balance (B)	<u>8 061 736</u>	<u>581 213 997</u>

**7.2.3 License**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Cost at the beginning of the period / year	33 164 554	14 953 666
Amortization for the period / year	(88 886)	(97 068)
Foreign currency translation differences	(1 180 881)	18 307 956
Balance (C)	<u>31 894 787</u>	<u>33 164 554</u>
Total (A+B+C)	40 880 510	615 369 018
Accumulated impairment losses *	(8 061 065)	(8 246 022)
Net	<u>32 819 445</u>	<u>607 122 996</u>

**\*Accumulated impairment losses**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Impairment at the beginning of the period / year	(8 246 022)	(3 520 406)
Foreign currency translation differences	184 957	(4 725 616)
Balance	<u>(8 061 065)</u>	<u>(8 246 022)</u>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

**7.3 Trade name**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Silverstone Capital Investment Ltd. Group	108 279 000	108 279 000
Falcon for Agricultural Investments Ltd. *	129 485 000	129 485 000
National Development and Trading Company *	<u>246 277 987</u>	<u>246 277 987</u>
Total	484 041 987	484 041 987
Accumulated impairment losses *	<u>(137 831 467)</u>	<u>(137 831 467)</u>
Net	<u>346 210 520</u>	<u>346 210 520</u>

**7.4 Customer contracts**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Global for Energy (Distribution)	92 709 000	92 709 000
Global for Energy (Generation)	76 357 000	76 357 000
Gas & Energy Company (Genco Group)	<u>292 571 000</u>	<u>292 571 000</u>
Balance	<u>461 637 000</u>	<u>461 637 000</u>
Accumulated amortization at the beginning of the period / year	(166 966 644)	(111 311 096)
Amortization during period / year	<u>(41 741 661)</u>	<u>(55 655 548)</u>
Accumulated amortization at the end of the period / year	<u>( 208 708 305)</u>	<u>(166 966 644)</u>
Net	<u>252 928 695</u>	<u>294 670 356</u>

**7.5 Other intangible assets**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Payment for waiving of the license to establish a black cement factory for ASEC Syria	3 474 234	3 688 190
Compensation for project workers	<u>780 038</u>	<u>828 075</u>
Net	<u>4 254 272</u>	<u>4 516 265</u>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

**7.6 Concession\***

	<b>30/9/2017</b>	<b>31/12/2016</b>
Transferred from assets held for sale	2 111 798 656	--
Foreign currency translation differences	129 786 027	--
Cost at the end of the period / year	2 241 584 683	--
Transferred from assets held for sale	534 839 766	--
Amortization during period / year	26 640 148	--
Foreign currency translation differences	219 851 484	--
Accumulated amortization at the end of the period / year	781 331 398	--
Balance	1 460 253 285	--
Accumulated impairment losses	(1 460 253 285)	--
Net	--	--

\* Note (48).

**8. Goodwill**

	<b>Balance as at 1/1/2017</b>	<b>Foreign currency translation differences</b>	<b>Balance as at 30/9/2017</b>
National Development and Trading Group	62 240 706	--	62 240 706
Falcon for Agriculture Investments Ltd.- Group - BVI	281 157 503	--	281 157 503
Silverstone Capital Investment Ltd. Group	16 407 581	( 2 408 979)	13 998 602
Tawazon for Solid Waste Management (Tawazon)	32 611 311	--	32 611 311
Balance	392 417 101	( 2 408 979)	390 008 122

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**

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

**9. Biological assets**

	Note	30/9/2017	31/12/2016
<b>Non-current</b>			
Fruitful fruit gardens and orchards	(9.1)	5 845 428	6 150 207
Fruitless fruit gardens and orchards	(9.2)	4 665 770	3 224 288
Pregnant heifer, dry and dairy cows	(9.3)	99 232 826	109 803 933
Heifers	(9.4)	118 270 996	88 642 037
		<u>228 015 020</u>	<u>207 820 465</u>
<b>Current</b>			
Plants (cotton , corn , sun flower)*		3 390 656	2 528 400
Others		10 347 913	7 246 485
		<u>13 738 569</u>	<u>9 774 885</u>
Accumulated impairment loss *		<u>(2 528 400)</u>	<u>(2 528 400)</u>
Net		<u>11 210 169</u>	<u>7 246 485</u>
Balance		<u>239 225 189</u>	<u>215 066 950</u>

**9.1 Fruitful fruit gardens and orchards**

	30/9/2017	31/12/2016
<b>Costs</b>		
Balance at the beginning of the period/year	9 868 436	10 028 124
Transferred from fruitless fruit gardens and Orchards	--	1 568 153
Disposals	--	(1 662 780)
Foreign currency translation differences	15	(65 061)
	<u>9 868 451</u>	<u>9 868 436</u>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period/year	3 718 229	5 366 899
Depreciation	304 779	1 349 469
Disposals	--	(1 622 701)
Foreign currency translation differences	15	(1 375 438)
	<u>4 023 023</u>	<u>3 718 229</u>
Net	<u>5 845 428</u>	<u>6 150 207</u>



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

<b>9.2 Fruitless fruit gardens and orchards</b>	<b>30/9/2017</b>	<b>31/12/2016</b>
<b>Costs</b>		
Balance at the beginning of the period/year	3 224 288	5 318 485
Additions	1 441 478	327 171
Transferred to fruitful fruit gardens and orchards	--	(1 568 153)
Foreign currency translation differences	4	(853 215)
<b>Balance</b>	<u>4 665 770</u>	<u>3 224 288</u>
<b>9.3 Pregnant heifer, dry and dairy cows</b>	<b>30/9/2017</b>	<b>31/12/2016</b>
<b>Costs</b>		
Balance at the beginning of the period/year	185 540 150	179 534 550
Transferred from heifers	34 070 560	30 838 830
Disposals during period/year	(43 020 437)	(27 280 019)
Foreign currency translation differences	90 064	2 446 789
	<u>176 680 337</u>	<u>185 540 150</u>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period/year	75 736 217	69 410 554
Depreciation of period/year	19 292 721	28 891 419
Disposals during period/year	(17 760 146)	(11 027 940)
Foreign currency translation differences	178 719	(11 537 816)
	<u>77 447 511</u>	<u>75 736 217</u>
<b>Net</b>	<u>99 232 826</u>	<u>109 803 933</u>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**9.4 Heifers**

	<b>30/9/2017</b>	<b>31/12/2016</b>
<b>Costs</b>		
Balance at the beginning of the period/year	88 642 037	75 940 675
Additions	67 208 710	39 469 425
Transferred to pregnant heifer, dry and dairy cows	(34 070 560)	(30 838 830)
Disposals	(3 208 015)	(1 104 018)
Foreign currency translation differences	(301 176)	5 174 785
Balance	<u>118 270 996</u>	<u>88 642 037</u>

**10. Investments in associates**

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

	<b>Share</b>		<b>Carrying amounts</b>	
	<b>percentage</b>		<b>30/9/2017</b>	<b>31/12/2016</b>
	<b>2017</b>	<b>2016</b>		
	<b>%</b>	<b>%</b>		
El Kateb for Marketing & Distribution Co.	48.88	48.88	781 054	816 772
El Sharq Book Stores Co.	40.00	40.00	12 372 851	12 368 993
Dar El-Sherouk Ltd. – BVI */**	58.51	58.51	123 118 416	123 870 951
Mena Glass Ltd.	47.64	47.64	335 053 096	633 969 045
Societe Des Ciments De Zahana	35.00	35.00	441 263 796	435 499 260
Ascom Precious Metals (APM)	35.54	--	143 502 532	--
Total			<u>1 056 091 745</u>	<u>1 206 525 021</u>
Accumulated impairment loss **			(100 000 000)	(100 000 000)
Net			<u>956 091 745</u>	<u>1 106 525 021</u>

\* The group does not consolidate this company as the group determined that it has no control and consequently no power over its returns.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**10.2 Summary of significant interim financial statements of associates**

	<b>Current</b>	<b>Non-current</b>	<b>Total assets</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Revenues</b>	<b>Expenses</b>
	<b>assets</b>	<b>assets</b>		<b>liabilities</b>	<b>liabilities</b>	<b>liabilities</b>		
<b>30/9/2017</b>								
El Kateb for Marketing & Distribution Co.	9 819 445	9 038 996	<b>18 858 441</b>	10 875 571	116 754	<b>10 992 325</b>	7 151 293	7 224 365
El Sharq Book Stores Co.	7 980 605	1 875 588	<b>9 856 193</b>	4 510 025	146 203	<b>4 656 228</b>	16 710 731	16 645 774
Dar El-Sherouk Ltd. -BVI	129 854 129	119 586 748	<b>249 440 877</b>	109 878 344	6 765 220	<b>116 643 564</b>	29 988 121	33 689 674
Mena Glass Ltd. *	609 127 259	--	<b>609 127 259</b>	118 401 592	--	<b>118 401 592</b>	--	29 219 020
Societe Des Ciments De Zahana	767 763 921	3 615 751 137	<b>4 383 515 058</b>	683 032 288	1 793 425 878	<b>2 476 458 166</b>	700 643 738	639 231 023
Ascom Precious Metals (APM) *	14 159 286	591 677 795	<b>605 837 081</b>	109 140 420	527 385 995	<b>636 526 415</b>	3 540	--

- Note (32)

\* Note (20).

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**11. Available-for-sale investments**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Logria Holding Ltd. *	1 144 650 000	1 173 900 000
Golden Crescent Investment Ltd. *	1 115 901 675	1 144 417 050
EFG Capital Partners Fund II & III *	17 430 027	23 705 289
Sphinx Turnaround	63 348 083	64 966 859
Modern Co. for Isolating Materials *	43 396	43 396
MEFEK Co. *	872 388	872 388
ASEC Automation Co. - Free Zone	116 300	116 300
Ecligo Design Ltd.	1 000	1 000
Sharming Sharm	702 005	706 308
Medcom National Company	1 000	1 000
Trance Force	51 000	51 000
ASEC Cement	50 000	50 000
Cayman Resources *	31 331 774	31 331 774
Arab Swiss Engineering Co.(ASEC)	17 480	--
Al Ahram Machinery	26 900	--
Sphinx International Management Ltd.	1 903 782	--
Total	<u>2 376 446 810</u>	<u>2 440 162 364</u>
Accumulated impairment loss *	<u>(2 298 385 538)</u>	<u>(2 356 361 764)</u>
Net	<u>78 061 272</u>	<u>83 800 600</u>

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

	<b>Balance as at 1/1/2017</b>	<b>Reversal of impairment **</b>	<b>Foreign currency translation differences</b>	<b>Balance as at 30/9/2017</b>
Logria Holding Ltd.	1 173 900 000	--	(29 250 000)	1 144 650 000
Golden Crescent Investment Ltd.	1 144 417 050	--	(28 515 375)	1 115 901 675
EFG Capital Partners Fund II & III	5 962 037	--	--	5 962 037
Modern Co. for Isolating Materials	43 396	--	--	43 396
MEFEK Co.	872 388	--	--	872 388
Cayman Resources	31 166 893	(44 419)	(166 432)	30 956 042
Balance	<u>2 356 361 764</u>	<u>(44 419)</u>	<u>(57 931 807)</u>	<u>2 298 385 538</u>

\*\* Note (36)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**12. Payments for investments**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Nile Valley Petroleum Ltd. *	131 800 742	135 168 734
Citadel Capital Al Qalaa – Saudi Arabia	2 546 441	2 611 512
National Development and Trading Co. (IRAQ) Ltd. *	300 514	300 514
ASA International Co.	1 432 407	1 432 407
Golden Crescent Investment Ltd.*	4 402 500	4 515 000
Others **	112 636 800	106 886 800
<b>Total</b>	<b>253 119 404</b>	<b>250 914 967</b>
Accumulated impairment loss *	<u>(136 503 773)</u>	<u>(139 984 248)</u>
<b>Net</b>	<b><u>116 615 631</u></b>	<b><u>110 930 719</u></b>

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

	<b>Balance as</b>	<b>Foreign</b>	<b>Balance as</b>
	<b>at 1/1/2017</b>	<b>currency</b>	<b>at 30/9/2017</b>
		<b>translation</b>	
		<b>differences</b>	
Nile Valley Petroleum Ltd.	135 168 734	(3 367 992)	131 800 742
National Development and Trading Co. (IRAQ) Ltd.	300 514	--	300 514
Golden Crescent Investment Ltd.	4 515 000	(112 483)	4 402 517
<b>Balance</b>	<b><u>139 984 248</u></b>	<b><u>(3 480 475)</u></b>	<b><u>136 503 773</u></b>

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**13. Other investments**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Restricted cash	58 800 847	61 267 882
Others*	<u>17 197 378</u>	<u>16 086 095</u>
Balance	<u><u>75 998 225</u></u>	<u><u>77 353 977</u></u>

\* Others item with an amount of EGP 17 197 378 as at September 30, 2017 (against EGP 15 579 376 as at December 31, 2016) represents in deposits at Syria Central Bank as a guarantee for the seriousness of constructing ASEC Syria Cement Capital Factory and will be refunded at the beginning of production process.

**14. Inventories**

	<b>30/9/2017</b>	<b>31/12/2016</b>
		<b>Restated*</b>
Spare parts	697 315 638	377 819 423
Raw materials	417 473 695	430 415 649
Work in process	254 708 742	177 255 783
Finished goods	167 625 369	129 604 701
Goods in-transit	12 102 842	23 986 415
Packing materials	13 185 500	17 980 924
Oil and lubricants	99 191 173	46 442 832
Letters of credit	8 167 577	24 677 314
Others	<u>35 689 852</u>	<u>61 746 088</u>
Total	1 705 460 388	1 289 929 129
Less : Inventories write-down	<u>( 333 415 449)</u>	<u>(41 409 752)</u>
Net	<u><u>1 372 044 939</u></u>	<u><u>1 248 519 377</u></u>

\* Note (47)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**15. Trade and notes receivables**

	30/9/2017	31/12/2016
<b>Non-current</b>		
Trade receivables	2 186 898	3 823 970
Gas consumption deposits	235 935 909	242 108 531
Egyptian General Petroleum Corp.*	1 497 730 500	1 536 003 000
Receivables from sale of investment **	206 254 552	220 467 409
Others	168 318 740	144 352 280
Total	<u>2 110 426 599</u>	<u>2 146 755 190</u>
<b>Current</b>		
Trade receivables	2 578 861 821	1 650 817 499
Notes receivables	14 459 729	10 053 257
Receivables from sale of investment **	147 129 688	71 996 263
Total	<u>2 740 451 238</u>	<u>1 732 867 019</u>
Accumulated impairment Loss	<u>(768 351 078)</u>	<u>(171 016 554)</u>
Net	<u>1 972 100 160</u>	<u>1 561 850 465</u>
Balance	<u>4 082 526 759</u>	<u>3 708 605 655</u>

\* The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital of the Egyptian Refining Company –free zone – a subsidiary.

\*\* The amount represents the accrued consideration from sale of investments in accordance with the United Foundries Company's extra-ordinary general assembly meeting held on November 23, 2014 decree which decided to sell its entire share interest in Alexandria for Car Foundries and Amreya. Metal Company On December 11, 2014 the company sold its entire share interest according to the signed sale agreement.

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

	30/9/2017	31/12/2016
Modern Shorouk for Printing Co.	2 716 769	1 274 389
Bank Audi investment fund certificates	--	4 822
Balance	<u>2 716 769</u>	<u>1 279 211</u>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

<b>17. Due from related parties</b>	<b>30/9/2017</b>	<b>31/12/2016</b>
		<b>Restated****</b>
Logria Holding Ltd. **	110 377 156	109 757 085
Golden Crescent Investment Ltd. **	67 186 553	68 903 415
Golden Crescent Finco Ltd. **	516 487 899.	529 686 056
Emerald Financial Services Ltd. **	580 591 698	599 112 435
Nile Valley Petroleum Ltd. **	379 703 932	388 947 221
Citadel Capital East Africa	66 566	68 267
Citadel Capital ALQALAA -Saudi Arabia	1 299 231	1 324 972
El Kateb for Marketing & Distribution Co.	1 010 538	1 003 038
Nahda **	11 646 009	11 646 009
Egyptian Company for International Publication	23 760 330	23 760 330
Citadel Capital Partners*	85 929 175	80 575 087
Ecligo	2 000 000	2 000 000
Mena Glass Ltd **	60 507 960	62 054 160
Societe Des Ciments De Zahana	121 057	1 697 472
ASEC Electrical Repairs Co. (REPELCO) **	526 236	526 236
Egyptian Polypropylene Bags Co. (EPBC)	20 000	20 000
ASA International Co.	138 976	448 665
Visionaire **	26 344 736	27 017 941
Haider	--	600 828
Rotation Ventures **	89 231 119	68 832 367
Benu one Ltd.**	184 606 827	189 324 208
Financial Holding International	3 784 248	8 412 408
Grandview	1 689 609	--
Ascom Precious Metals (APM)	3 767 956	--
Scimitar Production Egypt Ltd	15 073 227	
Others **	85 070 448	70 250 258
<b>Total</b>	<b>2 250 941 486</b>	<b>2 245 968 458</b>
Accumulated impairment loss ***	<b>(2 040 417 660)</b>	<b>(2 069 352 133)</b>
<b>Balance</b>	<b>210 523 826</b>	<b>176 616 325</b>



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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

\*\* Accumulated impairment loss of due from related parties is as follows:

	Balance as at 1/1/2017	Formed during the period ***	Reversal of impairment ***	Foreign currency translation differences	Balance as at 30/9/2017
<b>Related parties</b>					
Logria Holding Ltd.	109 757 085	2 717 038	--	( 2 096 968)	110 377 155
Golden Crescent Investment Ltd.	68 903 415	--	--	( 1 716 862)	67 186 553
Golden Crescent Finco Ltd.	529 686 056	--	--	( 13 198 157)	516 487 899
Emerald Financial Services Ltd.	599 112 435	--	(3 629 205)	( 14 891 532)	580 591 698
Nile Valley Petroleum Ltd.	388 947 221	--	--	( 9 243 254)	379 703 967
Nahda	11 646 009	--	--	--	11 646 009
Mena Glass Ltd.	62 054 160	--	--	( 1 546 200)	60 507 960
ASEC Electrical Repairs Co. (REPELCO)	526 236	--	--	--	526 236
Visionaire	27 017 941	--	--	( 673 205)	26 344 736
Rotation Ventures	68 832 367	22 292 392	--	( 1 893 639)	89 231 120
Benu one ltd.	189 324 208	--	--	( 4 717 381)	184 606 827
Others	13 545 000	--	--	( 337 500)	13 207 500
<b>Balance</b>	<b>2 069 352 133</b>	<b>25 009 430</b>	<b>(3 629 205)</b>	<b>( 61 960 707)</b>	<b>2 040 417 660</b>

- Transactions with related parties represent financing transactions.

\* The main shareholder 24.36%

\*\*\* Note (36)

\*\*\*\* Note (47)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**18. Debtors and other debit balances**

	<b>30/9/2017</b>	<b>31/12/2016</b>
		<b>Restated*</b>
Prepaid expenses	50 541 775	44 487 022
Deposits with others	61 678 589	61 474 413
Advances to suppliers	422 623 508	401 583 596
Letters of guarantee margin	52 718 646	48 523 009
Employees' imprest	64 730 694	40 851 680
Accrued revenues	142 410 178	94 293 546
Refundable deposits	3 908 346	4 303 951
Operation retention	152 073 132	143 893 523
Advances to contractors	--	14 499 777
Payments for purchase of fixed assets	11 052 952	11 052 991
Tax Authority	256 427 210	211 348 349
Custom Authority	1 636 172	4 790
Letters of credit	75 318	61 393 706
FLSmidth	446 693 905	430 467 996
Debit balances under settlement	12 940 891	12 940 891
Due from sale of investments (Note 20)	199 622 871	--
Restricted cash**	1 056 600 000	--
Other debit balances	128 943 819	124 208 194
<b>Total</b>	<b>3 064 678 006</b>	<b>1 705 327 434</b>
Accumulated impairment losses	(112 476 539)	(77 263 501)
<b>Balance</b>	<b>2 952 201 467</b>	<b>1 628 063 933</b>

\* Note (47)

\*\* Restricted cash with an amount of EGP1 056 600 000 (equivalent to US.\$ 60 million) represents the amount deposited at a bank under Arab Refining Company's capital increase (a subsidiary).

**19. Cash and cash equivalents**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Cash on hand	6 234 130	16 424 031
Banks - current accounts	1 543 924 343	2 139 718 348
Banks - time deposits	206 366 778	122 474 813
Cheques under collection	17 175 849	27 980 466
Treasury bills (less than 3 months)	576 864 629	530 437 354
<b>Cash and cash equivalents</b>	<b>2 350 565 729</b>	<b>2 837 035 012</b>

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

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

• **National Development and Trading company's subsidiaries**

- National Development and Trading Company's management decided in its meeting held on December 24, 2012 to sell its entire share in ESACO for Manufacturing Engineering and Construction (subsidiary, 70%). Then the National Development and Trading Company's management decided to keep its investment in ESACO for Manufacturing Engineering and construction (subsidiary, 70%) and accordingly re-classified as continued operation.
- ASEC Cement Company's board of directors decided on May 4, 2014 the commitment to the selling plan of ASEC Algeria Cement Company (ASEC CIMENT) and the Company has received an offer from one of the investors to acquire the Company (ASEC CIMENT) and the Company is currently examining the feasibility of the offer.
- ASEC Cement Company's Extra-ordinary General Assembly meeting approved on May 16, 2016 the debt transfer agreement to be concluded between ASEC Cement Company and ASEC Cement Gulf Offshore Limited, in addition to the debt transfer and settlement agreement to be concluded with the creditors of ASEC Cement Algeria Company and both of the ASEC Cement and ASEC Cement Gulf Offshore Limited, as a part of the entire debts cancelation of ASEC Cement Algeria as a pre-condition to sell the entire shares of ASEC Cement Algeria.
- On 15 May 2017, the Citadel Capital Company announced that it has signed an agreement to sell its investment in ASEC Algeria Cement Company – indirect subsidiaries with 37 % ownership percentage, within a deal amounted to approximately USD 60 million for selling the whole company note (18).

- **Falcon for Agricultural Investments Ltd BVI subsidiary**

- Falcon for Agriculture Investments Ltd. BVI Company's management decided to sell its shares in the following companies:
  1. El-Eguizy International for Economic Development
  2. Misr October Company for Food Industries "Elmisrieen"
  3. Up-date Company for Food Products
  4. Nile for Food Products "Enjoy"

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

These are in accordance with the following general assembly decisions:

- National Company for Agriculture Products (Gozour) –a subsidiary of Falcon for Agriculture Investments Ltd. BVI- decided in its extra-ordinary general assembly meeting held on February 23, 2014 to sell its investment in El-Eguizy International for Economic Development Company, and on July 26, 2016 the Company signed an agreement to sell its whole investment in El-Eguizy International for Economic Development Company (a subsidiary of Falcon for Agriculture Investments Ltd. BVI – 99.95%) –Note (20-1)
- National Company for Agriculture Products (Gozour) – a subsidiary of Falcon for Agriculture Investments Ltd. BVI- decided in its ordinary general assembly meeting held on March 30, 2014 to sell its investment in the following companies:
  - Misr October Company for Food Industries “El Masrieen”
  - Up-date Company for Food Products
- On November 30, 2015, Gozour group has made an agreement with an Egyptian investor to purchase Misr October for Food Industries "Elmisrieen"- Subsidiary of Falcon for Agriculture Investments Ltd. with a total consideration of EGP 50 million, and it is worth mentioning that Misr October Company for Food Industries- indirect subsidiary of Citadel Capital Company (55%)- stopped its operating activities in 2012. The sale has been finalized and the shares were transferred to the new acquirer on March 22, 2016.
- Misr October Company for Food Products ”El misrieen”-Subsidiary of Falcon for Agriculture Investments Ltd. BVI decided in its extra-ordinary general assembly meeting held on March 30, 2014 to sell its investment in Nile for Food Products Company “Enjoy” and on March 22, 2016 the Company signed an agreement to sell its whole investment in Misr October for Food Industries " Elmisrieen"Subsidiary of Falcon for Agriculture Investments Ltd. BVI – 99.95%. –Note (20-1)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

- **KU Railways Holding Limited company**

The Company's management expressed its intention to sell its subsidiary "KU Railways Holdings", a number of investors have expressed their interest in purchasing the company.

On July 31, 2017, the Court of Kenya issued an order to terminate the Concession Agreement granted to "RVRK" and transfer all the assets and the transition of the employees of "RVRK" to "Kenya Railways Corporation". The same events have been evolved to the company's other subsidiary, Rift Valley Railways (Uganda) Limited "RVRU". (note 48)

- **ASEC Mining (Ascom)**

ASEC Company for Mining – ASCOM (a subsidiary) has signed a shareholders' agreement with Allied Gold Corp (Allied), where Allied Gold Corp (Allied) acquires 64.46% of its subsidiary's share APM Ethiopia – An owned Ethiopian Company specialized in extracting, mining materials and precious metals owned by ASEC Company for Mining (ASCOM)– through APM Ethiopia capital increase.

The transaction will be executed through a capital increase in APM Ethiopia. The amount of the capital increase shall be paid in tranches over the period from 18-24 months. Allied will be granted full management control rights after completion of the transaction. Meanwhile, APM Ethiopia will allocate the full amount of the proceeds of the transaction to accelerate the pace of development at its concession Dish Mountain, in Western Ethiopia, after the fulfilment of the remaining requirements of the Ethiopians Ministry of Mines, Petroleum and natural Gas in order to obtain a license to operate in exploring activities for precious metals mining, which the Company has completed all initial approvals of such license.

As per the agreement (referred to above) AME Ethiopia became owned by 35.54% (Investment in associates) as a result of losing control and becoming with significant influence. (note 7.2.2)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

- **Silverstone Capital Investment Ltd.**

TAQA Arabia Company has decided to sell its shares in TAQA Solar Reserve (a subsidiary) accordingly all assets of this subsidiary has classified as held for sale in the consolidated financial statement.

- **Ledmore Holdings Ltd company**

Due to the fact that Mashreq Company for Petroleum (a subsidiary of Ledmore Holdings Ltd) has terminated concession with the Suez Canal Economic Zone (SCzone) to build, operate and transfer a liquid bulk station (2) at East Port said, where the Suez Canal Economic Zone (SCzone) have to pay back all expenditures of the project that Mashreq Company For Petroleum incurred during the concession. Accordingly, the Company classified the assets and liabilities of Ledmore Holdings Ltd. (subsidiary and the parent company of Mashreq Company for Petroleum) as assets held for sale due to the inability to continue in operation at the present time.

- **Mena Glass Ltd company (Investment in associate)**

On January 19, 2016 the Company sold all its shares in Misr Glass Manufacturing Company (MGM) – an associate of Mena Glass ltd. to Middle East Glass Manufacturing Company with a total amount of approximately EGP 127 Million.

- **Tanmeyah Micro Enterprise Services S.A.E**

On February 24, 2016 the Company announced that Financial Unlimited (a subsidiary) has signed an agreement to sell its entire shares in Tanmeyah Micro Enterprise Services, leading company of microfinance solutions in Egypt, to EFG Hermes with total equity of Tanmeyah Micro Enterprise Services with an amount of EGP 450 million. The transaction has been finalized on March 23, 2016).

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

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

On 15 November 2016, the company sold its investment in Ostool for Land Transportation S.A.E (associate) with a total consideration of EGP 44 million.

- **Assets and Liabilities held for sale -others**

The company announced its intention to conclude a set of agreements with Financial Holdings International (FHI), one of Citadel Capital major co-investors, to sell its share in the non-core projects and acquire from Financial Holding International (FHI), additional equity stakes in the following companies:

- 1- ASEC Holding (Cement Sector)
- 2- TAQA Arabia (Energy Sector)
- 3- Nile Logistics (Transportation and logistics Sector)
- 4- Dina Farms Supermarkets (food retail chain Sector)
- 5- United Foundries (metallurgy Sector).

Simultaneously, the company will transfer to Financial Holding International (FHI) its equity stakes in the following companies:

- 1- Mena Home Furnishing Malls Ltd company
- 2- Grandview Investment Holding company
- 3- Dina farms company\*

\* Represents a plot of land which will be separated from the Dina farms company and the company is currently in the process of separating procedures. Accordingly, the company has not classified this asset as assets held for sale.





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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

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

	NDT Subsidiaries		Mena Home		Falcon for		KU	Ledmore	Grandview	Total
	Arab Swiss Engineering Co. (ASEC)	ASEC Algeria Cement Company	Furnishing Malls Ltd.	Investments Ltd. BVI Subsidiaries	Agriculture	RAILWAYS HOLDING LIMITED	Holding Limited.	Investment Holding		
Fixed assets	5 750 000	11 437 031	287 913	132 293 762		456 323 970	373 554	--		606 466 230
Intangible assets	--	--	--	1 033 809		1 584 739 626	--	--		1 585 773 435
Projects under construction	--	1 717 062 338	188 539 628	--		68 903 975	--	--		1 974 505 941
Inventories	--	--	--	16 110		308 560 699	--	--		308 576 809
Trade and other receivables	--	--	--	--		228 797 318	--	--		228 797 318
Debtors and other debit balances	--	34 227 788	6 476 768	913 475		438 968 509	164 292	--		480 750 832
Due from related parties	--	--	--	45 331		--	7 892	--		53 223
Investment property	--	--	326 848 670	--		--	--	--		326 848 670
Cash and cash equivalents	--	--	375 955	4 688 539		75 134 675	11 737 772	--		91 936 941
Goodwill	--	81 058 922	76 929 157	--		--	--	--		157 988 079
Investment in associates	--	--	--	--		--	--	909 626 870		909 626 870
Deferred tax assets	--	--	--	--		189 895 625	--	--		189 895 625
<b>Balance</b>	<b>5 750 000</b>	<b>1 843 786 079</b>	<b>599 458 091</b>	<b>138 991 026</b>		<b>3 351 324 397</b>	<b>12 283 510</b>	<b>909 626 870</b>		<b>6 861 219 973</b>
<b>Less: Impairment loss</b>										
Projects under construction	--	(97 235 557)	--	--		--	--	--		(97 235 557)
Goodwill	--	(81 058 922)	--	--		--	--	--		(81 058 922)
Investment in associates	--	--	--	--		--	--	(321 819 239)		(321 819 239)
<b>Net</b>	<b>5 750 000</b>	<b>1 665 491 600</b>	<b>599 458 091</b>	<b>138 991 026</b>		<b>3 351 324 397</b>	<b>12 283 510</b>	<b>587 807 631</b>		<b>6 361 106 255</b>

Notes to the consolidated interim financial statements

For the period ended September 30, 2017

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

**20.2 Liabilities directly associated with the assets as at September 30, 2017 are represented in the following:**

	Falcon for			Total
	Mena Home Furnishing Malls Ltd.	Agriculture Investments Ltd. BVI Subsidiaries	Ledmore Holding Limited.	
Provisions	19 957 800	16 451 632	--	36 409 432
Loans	196 673 640	--	--	196 673 640
Trade and notes payables	--	116 129 709	--	116 129 709
Due to related parties	--	1 035 045	5 951	1 040 996
Creditors and other credit balances	170 597 756	--	473 128	171 070 884
Balance	387 229 196	133 616 386	479 079	521 324 661

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

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

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

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

**21. Loss from discontinued operations (net of tax)**

**For the financial period ended September 30, 2017**

	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Taqa Solar Reserve	KU Railways Holding Limited**	Ascom Precious Metals (APM)	Total
<b>Discontinued operations :-</b>						
Operating revenues	--	3 326 383	--	204 358 093	--	207 684 476
Operating costs	(2 161 535)	(8 758 058)	--	(300 235 520)	--	(311 155 113)
Administrative expenses	--	(2 511 460)	--	(44 593 608)	--	(47 105 068)
Other (expenses) / revenues*	(8 041 162)	(3 949 727)	4 676 959	(3 132 667 078)	--	(3 139 981 008)
Finance costs – (net)	--	(15 707 707)	--	(88 682 381)	--	(104 390 088)
<b>Results from operating activities</b>	<b>(10 202 697)</b>	<b>(27 600 569)</b>	<b>4 676 959</b>	<b>(3 361 820 494)</b>	<b>--</b>	<b>(3 394 946 801)</b>
Gain (loss) on sale of discontinued operation (Note 21.1)	403 014 193	--	--	--	(101 726 794)	301 287 399
<b>Profit (loss) from discontinued operation, net of tax</b>	<b>392 811 496</b>	<b>(27 600 569)</b>	<b>4 676 959</b>	<b>(3 361 820 494)</b>	<b>(101 726 794)</b>	<b>(3 093 659 402)</b>

\* Other (expenses) / revenues item include impairment loss of assets with an amount of EGP 3 150 769 146 related to KU Railways Holding Limited (which owns RVR Uganda and RVR Kenya).

\*\* (Note 48)

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**For the period ended September 30, 2016**

	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI Subsidiaries	Misr Glass Manufacturing Company	Tanmeyah Micro Enterprise Services Company S.A.E	KU Railways Holding Limited	Ledmore Holding Limited	Total
<b>Discontinued operations :-</b>								
Operating revenues	--	3 831 186	--	--	26 343 930	420 290 570	--	450 465 686
Operating costs	--	(9 442 846)	--	--	(16 151 184)	(525 896 074)	--	(551 490 104)
Administrative expenses	(2 868 529)	(3 393 086)	--	--	(11 588 254)	(61 514 146)	(50 876)	(79 414 891)
Other (expenses) / revenues	(254 906 868)	(11 425 545)	--	--	2 288 735	21 940 641	(15 622 876)	(257 725 913)
Finance costs – (net)	(26 515 517)	(26 722 445)	--	--	(42 534)	(118 485 792)	--	(171 766 288)
Income tax	1 913 573	--	--	--	--	--	--	1 913 573
<b>Results from operating activities</b>	<b>(282 377 341)</b>	<b>(47 152 736)</b>	<b>--</b>	<b>--</b>	<b>850 693</b>	<b>(263 664 801)</b>	<b>(15 673 752)</b>	<b>(608 017 937)</b>
(Loss) gain on sale of discontinued operation (Note 21.1)	--	--	(6 313 553)	(173 805 406)	210 043 776	--	--	29 924 817
Income tax	--	--	--	--	(26 294 038)	--	--	(26 294 038)
<b>(Loss) profit from discontinued operation, net of tax</b>	<b>(282 377 341)</b>	<b>(47 152 736)</b>	<b>(6 313 553)</b>	<b>(173 805 406)</b>	<b>184 600 431</b>	<b>(263 664 801)</b>	<b>(15 673 752)</b>	<b>(604 387 158)</b>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**21-1 (Losses) gain on sale of discontinued operations**

	Tanmeyah Micro Enterprise Services Company S.A.E.*	Falcon for Agricultural Investments Ltd. BVI Subsidiaries *	Misr glass manufacturing Company *	Total as at 30/9/2016	ASEC Algeria Cement Company *	Ascom Precious Metals (APM) *	Total as at 30/9/2017
Total assets	(187 357 975)	(83 123 114)	--	(270 481 089)	--	--	--
Total liabilities	144 442 860	76 809 561	--	221 252 421	--	--	--
Equity – accounted investee	--	--	(301 278 649)	(301 278 649)	(583 418 621)	--	(583 418 621)
Net assets	(42 915 115)	(6 313 553)	(301 278 649)	(350 507 317)	(583 418 621)	--	(583 418 621)
Income tax	(26 294 038)	--	--	(26 294 038)	--	--	--
Cash consideration	252 958 891	--	127 473 243	380 432 134	986 432 814	--	986 432 814
Gain (loss) on sale of discontinued operation *	183 749 738	(6 313 553)	(173 805 406)	3 630 779	403 014 193	(101 726 794)	301 287 399

\* (Note 21)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**22. Share capital**

- \* The Company's authorized capital is EGP 6 Billion and the issued and paid-in capital is EGP 4 358 125 000 represents 871 625 000 shares distributed over 653 718 750 ordinary shares and 217 906 250 preferred shares with par value EGP 5 per share.
- \* The Company's extra-ordinary general assembly meeting held on October 20, 2013 approved the increase of the authorized capital from EGP 6 billion to EGP 9 billion and the increase of the issued capital from EGP 4 358 125 000 to EGP 8 billion, with an amount of EGP 3 641 875 000 by issuing 728 375 000 new shares at par value of EGP 5 per share, distributed over 182 093 750 preferred shares and 546 281 250 ordinary shares, without issuance costs. The purpose of this capital increase is to finance the acquisition of additional shares in its subsidiary companies, financing the Company's contribution in the capital increases of certain of its subsidiary companies and entering into new investments and settlement of certain liabilities of the Company. The Board of Directors approved in its meeting held on February 13, 2014 to cover the subscription of the unsubscribed Company's shares in the capital increase through offsetting the shareholders' credit balances that are payable by the Company against the subscription price of the shares. The commercial register has been updated to reflect such increase on April 16, 2014.
- \* The Company's extra-ordinary general assembly meeting held on March 25, 2015 approved the increase of the authorized capital from EGP 9 billion to EGP 10 billion and the increase of the issued capital from EGP 8 billion to EGP 9.7 billion, with an amount of EGP 1.7 billion in cash allowing the use of credit balances payable to existing shareholders through issuance of 340 million new shares at par value of EGP 5 per share, consisting of (85 million preferred shares and 255 million ordinary shares), without issuance costs. The capital increase subscription has been completed on two stages on June 2, 2015 and closed on the end of the working day September 9, 2015. The subscription had been covered by 64.71% represented in 220 million share of which 1 738 649 preferred share with an amount of EGP 8 693 245 and 218 261 351 ordinary share with an amount of EGP 1 091 306 755, with a total amount of EGP 1.1 billion accordingly the company's issued share capital after increase became EGP 9.1 billion, represents 1,820 billion shares comprising of 1 418 261 351 ordinary share and 401 738 649 preferred share at par value of EGP 5 per share. The commercial register has been updated with the increase on September 29, 2015.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

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

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

<b>Shareholder's name</b>	<b>Percentage</b>	<b>No. of</b>	<b>Amount</b>
	<b>%</b>	<b>Shares</b>	<b>EGP</b>
Citadel Capital Partners Ltd.	24.36	443 295 671	2 216 478 355
Emirates International Investments Company	7.62	138 767 960	693 839 800
Other shareholders	68.02	1 237 936 369	6 189 681 845
	<u>100</u>	<u>1 820 000 000</u>	<u>9 100 000 000</u>

22.1 Treasury shares are represented in 2 159 000 shares acquired by United Company for Foundries (subsidiary – 67.46%), equivalent to approximately 0.12% of the Company's total issued shares with an acquisition cost of EGP 3 338 658. On March 14, 2017, United Company for Foundries, sold all the acquired shares with an amount of EGP 2 621 092 and incurred a loss amounted to EGP 717 566.



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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017  
(In the notes all amounts are shown in EGP unless otherwise stated)**

**23. Loans**

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
AFIC	- Commercial International Bank	--	--	203 933 447	--	203 933 447	--
Dina for Agriculture Investments	- Ahly United Bank	EGP: Average 3.625% plus Corridor	2014-2018	112 612 498	32 175 002	80 437 496	* Pledge over all the company's assets and real estate first rank Pledge on 7 172 feddan of company's lands.
National Development and Trading Company	- Ahli Bank Qatar	12.5%	December 2018	232 912 263	202 468 813	30 443 450	* Partially pledging shares of ASEC Cement Company
National Development and Trading Company	- Arab Investment Bank	12%	December 2018	121 936 346	106 674 492	15 261 854	* Partially pledge of ASECC Cement Co. shares, ASECC Engineering shares, ASENPRO shares and ESACO shares to the bank.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
National Development and Trading Company	Bank/Company Industrial Development and Workers Bank of Egypt	11.5%	December 2018	242 351 495	211 970 183	30 381 312	* Pledging of ASECCement Co. shares, ASECC Engineering shares, ASECC ASENPRO shares, ASECC Automation shares and ESACO shares to the bank. * Pledging 33.3 million shares of subsidiaries with a value not less than 333% from the total amount of credit facility which is accepted by the bank to cover the minimum market value within the last three months, also shares custody should be by the bank and dividends to be collected under the cognition of the bank.
National Development and Trading Company	Misr Iran Development Bank	2.50% plus corridor rate	December 2018	161 672 715	141 684 751	19 987 964	
Arab Swiss Engineering Co. (ASEC)	Ahli United Bank	2.25% Plus corridor for current 3.25% plus corridor for non-current	November 2018	77 935 184	71 153 041	6 782 143	Assignment of South Valley Cement Co. management contract.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Arab Swiss Engineering Co. (ASEC)	Al Baraka Bank	11.5%	March 2019	17 507 717	6 000 000	11 507 717	Assignment of White Sinai Cement Co. management contract.
ASEC Cement Company	Sudanese Egyptian Bank	11%	2017-2020	117 423 619	106 962 501	10 461 118	Murabaha contracts.
Taqat Arabia	Commercial International Bank	3.25% plus corridor rate	2016-2020	175 000 009	50 000 003	125 000 006	
Global Energy	-HSBC	EGP: 2.25% plus average Corridor	2014-2018	15 364 003	15 364 003	--	* The amount of capital injected parallel to the premiums payable in the event that the net profit + depreciation + cash inadequate to pay the premiums due.
	-Arab Bank	US\$: 1.3% plus Libor	2014-2018				* No change in the company shall take place without written consent from the bank

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017  
(In the notes all amounts are shown in EGP unless otherwise stated)**

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							* The company undertakes not to pledge, mortgage, or impose any liens / seniority over any assets in Sharm El Sheikh Project.
							* The company executed a commercial pledge contract with Arab Bank. The pledge include all the Group's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Taqa Marketing	-HSBC -Cairo Bank	EGP: 3% plus corridor rate	2014-2018 2014-2020	38 196 337	12 167 489	26 028 848	* The company made a proxy to the bank that is empowering to impose a commercial pledge on existing tangible and intangible assets which was financed by the loan. Taqa Arabia undertakes the following:- * Maintain the direct or indirect controlling interest during the contract period and till the actual repayment. * Cover any deficiency in the debt service ratio or increase in the investment costs or operating expenses by injecting cash in the form of capital increase or subordinated loans with priority to the bank.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Egyptian Refining Company – S.A.E.	Japan Bank for International Cooperation (JBIC)	US.\$: 4.1% plus Libor rate	2017-2029	6 891 641 274	--	6 891 641 274	* Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes. * Egyptian Refining Company has signed a general irrevocable power of attorney dated August 10, 2010 to the benefits of Commercial International Bank ‘‘CIB’’ at his capacity as the Egyptian Security Agent of the term loan facility.
Egyptian Refining Company – S.A.E.	Group of Commercial Banks (NEXI – Covered Lenders)	US.\$: 1.75% Plus Libor rate	2017-2029	4 484 371 461	--	4 484 371 461	
Egyptian Refining Company – S.A.E.	Export – Import Bank of Korea (KEXIM)	US.\$: 3.6% plus Libor rate per annum up to the project completion date. 4% per annum from the project completion to the end of the 5th year. 4.6% per annum for any time thereafter.	2017-2029	8 549 775 223	--	8 549 775 223	

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Egyptian Refining Company – S.A.E.	Bank/Company Financial Institutions (KEXIM Initial Guaranteed facility lenders)	US\$. Libor for such interest period plus 1.95 % per annum plus Mandatory cost	2017-2029	2 858 583 612	--	2 858 583 612	
Egyptian Refining Company – S.A.E.	European Investment Bank (EIB)	Libor for such interest period Plus or minus the spread of the related year as determined by the bank (1.5% for the current period) Plus Mandatory cost	2017-2029	5 344 601 541	--	5 344 601 541	
Egyptian Refining Company – S.A.E.	African Development Bank (AFDB)	Fixed interest rate: 3.30 % per annum Plus Base rate calculated by the bank as set in the agreement Or Variable interest Libor rate: LIBOR for such interest period Plus 3.30 % per annum	2017-2029	3 522 000 000	--	3 522 000 000	

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Egyptian Refining Company – S.A.E.	Bank/Company						
	African Development Bank (AFDB)	Fixed interest rate: -5% per annum -Plus base rate	2017-2025	4 153 376 138	--	4 153 376 138	* Egyptian Refining Company shall deliver to AFDB an original, signed, undated and blank promissory notes. * Egyptian Refining Company shall not make any distribution or other payment to the shareholders (or their affiliates) in respect of equity financing or shareholders loans until all amounts due and payable under the loan have been paid in full.
	Or	Variable interest rate: Libor for such interest period plus 5% per annum					
Egyptian Refining Company – S.A.E.	MITSUE & Co. Ltd.	- US\$ Libor rate for 6 months Plus 3 % per annum	2020	213 346 347	--	213 346 347	



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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
(Less): Deferred borrowing cost *							
Egyptian Refining Company – S.A.E.	Citi Bank (syndication loan manager) and other banks	US\$: First tranche: (4.25 %plus Libor rate). Second tranche: 3.9% plus Libor	2012-2022	(2 308 496 309)	--	(2 308 496 309)	
Citadel Capital S.A.E	International Bank, Arab International Bank, Banque du caire, Misr Bank, and Piraeus Bank)	Third Tranche: 3.9% plus Libor	2012-2022	4 247 687 285	3 269 353 873	978 333 412	* First degree lien contract of the shares owned by the Company in National Development and Trading Company. * First degree lien contract of the shares owned by the Company in International Company for Mining Consulting. * First degree lien contract of the shares owned by the Company in United Foundries Company. * First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

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

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							* Silverstone Capital Investment Ltd.
							* Mena Glass Ltd.
							* Mena Home Furnishings Mall.
							* Valencia Trading Holding Ltd.
							* Andalusia Trading Investments Ltd.
							* Citadel Capital Transportation
							Opportunities Ltd.
							* Lotus Alliance Limited.
							* Citadel Capital Financing Corp.
							* Grandview Investment Holding
							* Africa Railways Holding
							* National Company for Marine Petroleum
							Services (Petromar)
							* Taqa Arabia S.A.E.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017  
(In the notes all amounts are shown in EGP unless otherwise stated)**

Borrowing company	Lender	Interest	Maturity	Outstanding	Current	Non-current	Guarantees
	Bank/Company	rate	date	balance			
International for Refining Consultation	Arab International Bank	US\$.5.2% per annum	2016	537 918 107	537 918 107	---	* Egyptian Company for Solid Waste Recycling (ECARU) * Engineering Tasks Group (ENTAG) * Ledmore Holdings Ltd. * Everys Holdings Limited * Eco-Logic Ltd. * Sequoia Willow Investments Ltd. * Underscore International Holdings Ltd. * Brennan Solutions * Citadel Capital Transportation Opportunities II Ltd. * Citadel for Investments Promotion Company * Letter of guarantee from Standard chartered Bank of Korea Limited with the mount due to Arab International Bank.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
National Company for Refining Consultation	Arab International Bank	Interest to be paid upon maturity	Under renewal	1 283 330 264	--	1 283 330 264	The loan is guaranteed by pledging the Company's (50 million) share in Orient Investments Properties Ltd. in favour of the bank. And the bank has the authority to switch the ownership of these shares any time against granted loan.
Sabina for Integrated Solutions	Khartoum Bank – Sudan	US.\$: Murabaha	--	8 671 305	8 671 305	--	* Possessory pledge for machinery and equipment.
National Company for Multimodal Transport S.A.E.	Arab African International Bank, Bank of Alexandria and Misr Bank (syndicated loan)	EGP: corridor Average accrued every 6 months	2012-2016	583 155 291	583 155 291	--	* Open the Revenue Account with the Loan Agent (Misr Bank). * Conclude a first degree pledge over the Revenue Account. * Conclude first degree mortgage on the barges. * Conclude first degree mortgage over all present and future tangible and intangible assets.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest	Maturity	Outstanding	Current	Non -current	Guarantees
	Bank/Company	rate	date	balance			
							* An undertaking to provide the Security Agent with the operational insurance policies over the New Barges within 15 days from the expiry date of the construction insurance policy.
							* Assign the Borrower's rights under the insurance policies covering operating Barges, for the full replacement value against all insurable risks for which it would be prudent to insure for ("Adequate Insurance") to be endorsed in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<p>* Assign all borrower's compensation rights under the insurance policies covering the Borrower's New Barges during construction year, in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.</p> <p>* Assign the proceeds (one year or more) from long term transportation service contracts signed with the borrower's customers in favour of the Security Agent (Arab African International Bank).</p> <p>* Assign the borrower's rights of any damages arising under the Material Project Contracts and related banks' guarantees under such contracts in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the banks.</p>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
ASCOM company for chemicals and carbonates manufacturing	Bank/Company Ahli United Bank	2 % plus Libor for each 3 months, Default rate 1% annually	April 2019	95 832 000	46 728 000	49 104 000	* First rank mortgage for all property and real estate on the project. * First rank commercial mortgage on all physical and moral assets. * First rank commercial mortgage on calcium carbonate production line. * Deposit all earnings resulting from future sale contracts related to calcium carbonate production in the favour of the bank. * The company undertakes not to change, pledge, mortgage, sell, or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the Bank.



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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Glass Rock company for isolation	Misr Bank	4.5% Libor for each 3 months plus Default rate 1% annually	November 2021	673 251 637	95 894 298	577 357 339	<ul style="list-style-type: none"> <li>* First rank mortgage for all property and real estate on the project.</li> <li>* First rank commercial mortgage on all physical and moral assets.</li> <li>* Deposit all earnings resulting from future sale contracts in the favour of the bank.</li> <li>* The company undertakes not to change, pledge, mortgage, sell, or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the Bank.</li> <li>* ASEC company for mining- the holding company- undertake the obligation to pay the company debt in case of default.</li> </ul>

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Trimstone Assets Holdings Ltd.	Bank/Company Arab International Bank	US.\$ 5% plus six months Libor	2020	370 552 895	--	370 552 895	* Includes a first degree pledge over all shares owned by the borrower of "TAQA Arabia" covering 115% of the value of the existing liability in favour of (Arab International Bank). * Includes a first degree pledge over shares of "Citadel Capital for financial consultancy" S.A.E (the ultimate parent company) covering 35% of the value of the existing liability in favour of (Arab International Bank).
United Foundaries Company	Piraeus Bank	Debit interest rate 1.5% annually over loan rate and apply debit interest rate 1.5% plus 3 months Libor rate for the liability in USD	2018	5 025 609	5 025 609	--	
KU Railways Holding Limited	International Finance Corporation	US.\$ 14% Effective interest rate for year 2013	2017-2021	656 943 286	656 943 286	--	
KU Railways Holding Limited	International Finance Corporation	US.\$ fixed interest rate: basic lending rate plus 6.25% or variable rate: Libor for six months plus 6.25%	2017-2026	421 863 769	421 863 769	--	

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

<b>Borrowing company</b>	<b>Lender</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Outstanding balance</b>	<b>Current</b>	<b>Non-current</b>	<b>Guarantees</b>
KU Railways Holding Limited	Bank/Company Africa Development Bank FMO	US.\$ Libor plus 6.25%	2017-2021	766 172 640	766 172 640	--	
KU Railways Holding Limited	FMO	US.\$ Libor plus 6.25%	2017-2026	575 111 694	575 111 694	--	
KU Railways Holding Limited	International Finance Corporation	US.\$ Libor plus (5.5% or 6.25%)	2017-2021	389 876 014	389 876 014	--	
KU Railways Holding Limited	Equity Bank	US.\$ Interest rate for treasury bills of Kenya 91 days plus 4% or 14% which is bigger	2017-2021	347 889 882	347 889 882	--	
KU Railways Holding Limited	KFW	US.\$ Libor plus (5.5% or 6.25%)	2017-2026	604 690 208	604 690 208	--	
KU Railways Holding Limited	Barclays	US.\$ Libor plus (5.5% or 6.25%)	2017-2026	62 289 176	62 289 176	--	
KU Railways Holding Limited	Equity Bank EARH Loan	US.\$ Libor plus (5.5% or 6.25%)	2017-2027	34 860 087	34 860 087	--	- The loan from Equity Bank is repayable on semi-annually installments over 10 years starting from June 2017.
KU Railways Holding Limited	Standard Bank	US.\$ Libor plus (5.5% or 6.25%)	2017-2028	272 589 082	272 589 082	--	
<b>(Less): prepaid fee</b>				( 91 512 320)	( 91 512 320)	--	
ESACO for Manufacturing Engineering and Construction	HSBC		2020	37 659 571	3 656 249	34 003 322	
Balance as at 30/9/2017				<u>47 109 902 402</u>	<u>9 547 796 528</u>	<u>37 562 105 874</u>	
Balance as at 31/12/2016				<u>39 528 776 259</u>	<u>5 041 084 010</u>	<u>34 487 692 249</u>	

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
<b>Loans from related parties</b>							
National Development and Trading Company	Financial Holdings International	11.5% per annum compound interest	Under renewal	1 964 078 703	1 964 078 703	--	The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies: ASECCement Company 41 050 000 shares Arab Swiss Engineering Company (ASEC) 899 900 shares.
National Development and Trading Company	Vigemar Company	11.5% per annum compound interest	Under renewal	38 917 957	38 917 957	--	The guarantees are represented in a first degree lien of United Foundries Company shares in Ameryah Metal Company one of its subsidiaries with a percentage of 99.72%.
United Foundries	Financial Holdings International	11.5% per annum compound interest	Under renewal	36 835 182	--	36 835 182	
Balance as at 30/9/2017				<u>2 039 831 842</u>	<u>2 002 996 660</u>	<u>36 835 182</u>	
Balance as at 31/12/2016				<u>1 939 550 520</u>	<u>1 892 125 247</u>	<u>47 425 273</u>	
Total as at 30/9/2017				<u>49 149 734 244</u>	<u>11 550 793 188</u>	<u>37 598 941 056</u>	
Total as at 31/12/2016				<u>41 468 326 779</u>	<u>6 933 209 257</u>	<u>34 535 117 522</u>	

\* This balance represents the financing cost incurred by Egyptian Refining Company S.A.E to obtain the necessary credit facilities and loans required to finance its project. The amount will be amortized over the loan term using the effective interest rate.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**24. Long term liabilities and derivatives**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Derivatives swap contracts (24.3)	267 715 233	195 679 468
Creditors-purchase of investments (24.1)	10 787 486	10 787 486
End of service provision	2 579 769	2 383 685
Deposits from others (24.2)	121 024 267	163 112 502
Social Insurance authority	23 241 642	9 554 760
Other liabilities	<u>4 068 659</u>	<u>12 275 921</u>
Balance	<u><u>429 417 056</u></u>	<u><u>393 793 822</u></u>

24.1 This balance represents the amount due from Tanweer for Marketing and Distribution Company "Tanweer" (a subsidiary - 99.88%) for purchasing investment in Dar El-Sherouk Ltd.-BVI- in the favour of the shareholders of the mentioned company.

24.2 Deposits from others

	<b>30/9/2017</b>	<b>31/12/2016</b>
Gas consumption deposits	48 821 031	106 779 497
Power consumption deposits	<u>72 203 236</u>	<u>56 333 005</u>
Balance	<u><u>121 024 267</u></u>	<u><u>163 112 502</u></u>

24.3 Egyptian Refining Company (a subsidiary) has entered into five Interest Rate Swap transactions with the following parties;

- Societe General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Standard Chartered Bank.

The main terms of the transactions are as follows;

Trade date: June 25, 2012.

Effective date: July 3, 2012.

Termination date: December 20, 2024.

Fixed portion rate paid by the company is 2.3475%.

Floating rate paid by bank is USD – LIBOR – BBA semi-annual.

Payment date: Semi – annually commencing from December 20, 2012.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Maximum estimated amount under these transactions are:

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

As at September 30, 2017 the balance of the change in the fair value of cash flow hedges related to hedged transactions is amounting to EGP 267 715 233 (equivalent to US.\$ 15 202 455) versus EGP 195 679 468 (equivalent to US.\$ 10 834 965) as at December 31, 2016 as follows:

	<b>30/9/2017</b>	<b>31/12/2016</b>
Standard Chartered Bank	109 512 540	81 147 391
Societe General Corporate & Investment Banking	63 386 895	46 967 667
HSBC Bank Middle East Limited	53 559 706	36 639 261
KFW IPEX – Bank GMBH	14 959 079	11 211 395
Mitsubishi UFJ Securities International PLC	26 297 013	19 713 754
Balance	<u>267 715 233</u>	<u>195 679 468</u>

**25. Deferred tax assets /liabilities**

	<b>30/9/2017</b>		<b>31/12/2016</b>	
	<b>Asset</b>	<b>Liability</b>	<b>Asset</b>	<b>Liability</b>
Fixed assets	--	166 773 180	--	166 954 128
Intangible assets	--	138 349 474	--	147 741 347
Fair value of interest rate hedge	60 235 938	--	44 027 860	--
Provisions	6 390 089	--	4 156 683	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	12 599 998	--	13 726 848
Tax losses	4 275 949	--	12 900 239	--
Others	--	198 118 049	--	214 941 932
Total deferred tax assets / liabilities	<u>70 901 976</u>	<u>515 840 701</u>	<u>61 084 782</u>	<u>543 364 255</u>

- The Parent Company has carried-forward tax losses as of September 30, 2017 amounted to EGP 431 347 270 and the related deferred tax assets amounted EGP 97 053 135 which have not been recognized as it is not probable that future taxable profit will be available against which the Group can utilize the benefits relating to these assets.

\* (Note 47).

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**26. Banks overdraft**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Silverstone Capital Investments Ltd.	354 580 097	161 074 214
United Foundries Company	57 032 897	69 928 101
National Development and Trading Company	34 952 847	62 047 466
Tawazon for Solid Waste Management (Tawazon)	45 380 023	35 624 023
ASEC for mining (ASCOM)	170 747 044	155 618 975
Falcon Agriculture Investment	23 011 674	14 699 341
Balance	<u>685 704 582</u>	<u>498 992 120</u>

**27. Due to related parties and shareholders**

	<b>30/9/2017</b>	<b>31/12/2016</b>
		<b>Restated**</b>
Scimitar Production Egypt Ltd	--	24 640 035
Mena Glass Ltd.	931 682 444	956 784 685
Pharos Holding Co.	488 449	488 451
ASEC Automation Europe Co.	161 007	161 007
ASEC Automation Co. Free Zone	1 792 747	6 339 777
Kimonix Egypt for Consultancy Libya	2 696 808	3 403 400
Grandview Investment Holding	--	11 995 506
Haider	5 158	--
Others	32 665 201	15 751 350
Total	<u>969 491 814</u>	<u>1 019 564 211</u>
<b>Due to shareholders:</b>		
Sadek Ahmed El Swedey *	123 270 000	297 990 000
Fenix one Ltd.	73 090 640	75 367 360
Aly Hassan Dayekh	175 395 248	142 250 945
Olayan	104 114 458	98 190 324
Joussour	419 938 344	422 458 620
IFC	226 424 995	224 489 338
Others *	4 788 919	10 047 910
Total	<u>1 127 022 604</u>	<u>1 270 794 497</u>
Balance	<u>2 096 514 418</u>	<u>2 290 358 708</u>

- Transactions with related parties represent in financing transactions.

\* The shareholders of the Company

\*\* Note (47)

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**28. Trade and notes payables**

	<b>30/9/2017</b>	<b>31/12/2016</b>
Trade payables	2 764 874 342	2 696 330 159
Notes payables	<u>486 282 250</u>	<u>200 988 034</u>
Balance	<u><u>3 251 156 592</u></u>	<u><u>2 897 318 193</u></u>

**29. Creditors and other credit balances**

	<b>30/9/2017</b>	<b>31/12/2016</b>
		<b>(Restated) *</b>
Accrued expenses	1 486 078 199	855 251 278
Accrued interest	939 876 111	281 942 689
National Authority for Social Insurance	32 334 289	44 530 456
Advances from customers	126 308 768	121 823 474
Egyptian Petroleum Corporation (EGPC)	329 604 486	--
Refundable deposits	2 966 774	2 937 694
Deferred revenues	9 718 762	24 464 398
Subcontractors	4 398 416	11 530 654
Creditors – purchase of fixed assets	12 087 350	12 386 904
Deposits from others	69 437 478	60 378 225
Dividend payable – prior years	15 107 553	23 051 725
Shareholders' credit balances	1 441 919	1 441 919
Other credit balances	<u>340 542 227</u>	<u>490 514 341</u>
Balance	<u><u>3 369 902 332</u></u>	<u><u>1 930 253 757</u></u>

\* (Note 47).



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**30. Provisions**

	<b>Provision for claims *</b>	<b>Legal provisions</b>	<b>Other provisions **</b>	<b>Total</b>
Balance at the beginning of the period	670 359 184	1 264 609	9 913 501	681 537 294
Provisions formed	94 554 154	85 943	21 890 900	116 530 997
Provisions used	(18 622 527)	--	(1 507 761)	(20 130 288)
Provision reversed	(3 510 819)	(67 450)	--	(3 578 269)
Foreign currency translation differences	(2 944 313)	(14 489)	--	(2 958 802)
Balance	<u>739 835 679</u>	<u>1 268 613</u>	<u>30 296 640</u>	<u>771 400 932</u>

\* The provision for claims has been formed against the expected claims from certain external parties in connection with the Company's operations. The information usually required by the Egyptian Accounting Standards (EASS) is not disclosed because the management believes that it would seriously prejudice the outcome of the negotiation with that external party. The management reassess the provision on annual basis and the amount provided is revised based on latest development, discussions and agreements with the external party.

\*\* Other provisions formed during the period by EGP 21 890 900 has been recognized in the operating costs and represent provision related to ASEC Automation Co. and ASEC Manufacturing Co. (ARESCO).

**31. Related party transactions**

**Advisory fee**

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

	<b>For the period</b>		<b>For the period</b>	
	<b>from 1/7/2017 to 30/9/2017</b>	<b>from 1/1/2017 to 30/9/2017</b>	<b>from 1/7/2016 to 30/9/2016</b>	<b>from 1/1/2016 to 30/9/2016</b>
Scimitar Production Egypt Ltd.	37 745 900	45 280 957	2 624 126	7 644 325
Total	<u>37 745 900</u>	<u>45 280 957</u>	<u>2 624 126</u>	<u>7 644 325</u>

- The Company did not recognize advisory fee related to Golden Crescent, Logria holding LTD., according to the signed contracts due to non fulfilling the conditions of recognition and collection. The unrecognized advisory fees at September 30, 2017 comprised the following:

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Company's name	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016
Golden Crescent	27 752 310	84 214 527	211 580	13 407 943
Logria holding LTD.	5 138 752	15 593 569	39 177	2 482 686
<b>Total</b>	<b>32 891 062</b>	<b>99 808 096</b>	<b>250 757</b>	<b>15 890 629</b>

**32. Share of profit (loss) of investment in associates**

	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016
El Kateb for Marketing & Distribution Co.	(45 783)	(35 718)	(144 920)	(206 255)
Elsharq Book Stores Co.	96 426	25 983	138 518	(176 488)
Dar El-Sherouk Ltd.	(1 419 995)	(2 165 778)	(2 615 134)	(3 832 153)
Societe Des Ciments De Zahana	18 351 032	21 491 267	10 914 804	29 118 424
Mena Glass Ltd.	(12 698 494)	(13 919 790)	(10 394 225)	23 227 958
Ostool for Land Transportation S.A.E	--	--	909 921	2 848 011
<b>Total</b>	<b>4 283 186</b>	<b>5 395 964</b>	<b>(1 191 036)</b>	<b>50 979 497</b>

**33. Operating revenues**

	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016
Agriculture and food sector	184 072 606	652 618 848	203 670 132	607 335 957
Energy sector	1 355 567 870	3 255 672 776	802 206 048	2 168 860 822
Transportation and logistics sector	24 355 479	82 275 957	12 512 088	65 254 092
Cement sector	663 247 781	2 039 796 236	543 679 872	1 830 371 864
Metallurgy sector	23 376 570	108 054 180	25 573 758	107 673 879
Financial Services sector	1 285 000	6 935 000	2 442 000	7 913 300
Mining sector	217 783 477	721 000 855	172 777 830	536 275 677
<b>Total</b>	<b>2 469 688 783</b>	<b>6 866 353 852</b>	<b>1 762 861 728</b>	<b>5 323 685 591</b>

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**34. Operating costs**

	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016
Agriculture and food sector	165 952 802	516 005 694	170 841 950	492 040 552
Energy sector	1 222 907 124	2 915 749 194	693 268 526	1 884 938 902
Transportation and logistics	27 928 603	96 941 031	22 370 900	77 711 678
Cement sector	529 816 779	1 719 312 814	488 169 510	1 562 170 886
Metallurgy	23 779 015	77 510 517	22 041 662	81 623 000
Financial Services sector	1 250 995	4 986 540	1 470 000	4 636 730
Mining sector	192 280 501	627 562 229	154 905 320	487 317 929
<b>Total</b>	<b>2 163 915 819</b>	<b>5 958 068 019</b>	<b>1 553 067 868</b>	<b>4 590 439 677</b>

**35. Administrative expenses**

	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	Restated* from 1/1/2016 to 30/9/2016
Wages , salaries and similar items	119 247 292	363 182 155	136 053 227	298 115 652
Consultancy	3 447 902	73 688 047	33 480 120	104 922 471
Advertising and public relations	928 908	5 408 264	3 183 837	10 988 296
Selling and marketing	41 882 489	123 023 075	33 946 045	102 616 433
Travel and accommodation	3 992 341	11 368 161	1 846 351	8 492 460
Rent	4 192 193	9 656 772	3 555 799	6 735 214
Depreciation and amortization	25 384 717	76 120 847	9 636 037	30 861 162
Donations	1 405 000	4 155 000	3 399 332	9 930 766
Other	74 728 045	207 858 375	20 518 722	246 827 486
<b>Total</b>	<b>275 208 887</b>	<b>874 460 696</b>	<b>245 619 470</b>	<b>819 489 940</b>

\* Note (47)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**36. Other expenses**

	Note	For the period		For the period	
		from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	from 1/1/2016 to 30/9/2016
<b>Impairment (loss):</b>					
Due from related parties	(17)	( 6 995 524)	( 21 380 225)	--	( 6 359 718)
Debtors and other debit balances		270 183	(162 409)	( 18 721 016)	( 20 836 823)
Receivables		( 1 086 324)	( 6 181 552)	--	--
Available-for-sale investments	(11)	--	44 419	(24 970)	(28 354)
		<u>( 7 811 665)</u>	<u>( 27 679 767)</u>	<u>( 18 745 986)</u>	<u>( 27 224 895)</u>
<b>Others:</b>					
Gain on sale of fixed assets		17 887 589	26 328 310	9 261 420	10 485 747
Loss on sale of biological assets		(366 346)	(366 346)	( 1 973 334)	( 2 590 865)
Provisions formed	(30)	( 34 339 555)	( 94 640 097)	( 31 723 995)	( 96 129 465)
Net change in the fair value of investments at fair value through profit and loss		1 183 236	1 442 380	(125 302)	( 244 627)
Provisions reversed	(30)	3 510 819	3 578 269	1 144 371	6 010 749
Other revenues (expenses)		3 710 356	39 954 623	( 17 690 674)	( 25 508 452)
Inventory write down		--	--	(211 299)	(211 299)
		<u>(8 413 901)</u>	<u>( 23 702 861)</u>	<u>( 41 318 813)</u>	<u>( 108 188 212)</u>
Net		<u>(16 225 566)</u>	<u>( 51 382 628)</u>	<u>( 60 064 799)</u>	<u>( 135 413 107)</u>

**37. Finance costs-net**

		For the period		For the period	
		from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	(Restated) * from 1/1/2016 to 30/9/2016
Interest income		112 984 708	170 158 637	31 837 814	75 642 499
Interest expenses – (Note 23)		(1 026 811 260)	(1 002 437 679)	( 119 460 875)	( 525 492 358)
Foreign currency translation differences		537 054 803	( 110 025 435)	( 29 405 407)	( 60 973 449)
Net		<u>( 376 771 749)</u>	<u>( 942 304 477)</u>	<u>( 117 028 468)</u>	<u>( 510 823 308)</u>

\* Note (47)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**38. Income tax expense**

	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	Restated* from 1/1/2016 to 30/9/2016
Current income tax	( 37 329 681)	( 117 140 013)	(19 612 273)	(70 215 333)
Deferred tax	2 601 183	30 364 918	2 893 791	( 1 637 380)
Net	<u>( 34 728 498)</u>	<u>( 86 775 095)</u>	<u>(16 718 482)</u>	<u>( 71 852 713)</u>

\* Note (47)

**39. Earnings per share**

	For the period		For the period	
	from 1/7/2017 to 30/9/2017	from 1/1/2017 to 30/9/2017	from 1/7/2016 to 30/9/2016	Restated* from 1/1/2016 to 30/9/2016
Net loss for the period	<u>( 465 087 356)</u>	<u>(4 089 619 544)</u>	<u>( 354 298 016)</u>	<u>(1 350 096 490)</u>
Net loss for equity holders of the parent Company	<u>( 311 607 743)</u>	<u>(3 451 235 339)</u>	<u>( 214 013 230)</u>	<u>( 773 174 158)</u>
The weighted average number of shares including the preferred shares with same distribution rights as ordinary shares	<u>1 820 000 000</u>	<u>1 820 000 000</u>	<u>1 820 000 000</u>	<u>1 820 000 000</u>
Earnings per share	<u>(0.17)</u>	<u>(1.90)</u>	<u>(0.12)</u>	<u>(0.42)</u>

\* Note (47)

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements  
For the period ended September 30, 2017**

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

**40. Business segments**

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

Assets and liabilities include items directly attributable to a segment.

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

Operating income analysis	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining	Eliminations	Total
<b>For the period ended September 30, 2017</b>										
Operating revenues	652 618 848	3 255 672 776	82 275 957	2 039 796 236	108 054 180	--	6 935 000	721 000 855	--	6 866 353 852
Operating costs	(516 005 694)	(2 915 749 194)	(96 941 031)	(1 719 312 814)	(77 510 517)	--	(4 986 540)	(627 562 229)	--	(5 958 068 019)
Gross profit (loss)	136 613 154	339 923 582	(14 665 074)	320 483 422	30 543 663	--	1 948 460	93 438 626	--	908 285 833
Net (loss) profit for owners equity of the parent Company	(70 824 498)	(13 330 350)	(3 446 548 059)	(111 640 066)	57 200 512	(59 704 812)	(371 441 746)	(234 180 098)	799 233 778	(3 451 235 339)
<b>Balance as at September 30, 2017</b>										
Current assets	448 495 756	3 971 323 929	565 003 888	4 167 788 490	300 098 097	517 384 002	8 354 769 869	526 157 348	(8 560 340 429)	10 290 680 950
Non-current assets	1 567 064 271	57 550 118 893	6 434 315 876	1 390 127 682	243 133 568	1 442 232	26 832 967 616	1 245 028 559	(32 733 907 479)	62 530 291 218
Total assets	2 015 560 027	61 521 442 822	6 999 319 764	5 557 916 172	543 231 665	518 826 234	35 187 737 485	1 771 185 907	(41 294 247 908)	72 820 972 168
Current liabilities	2 467 165 585	4 008 678 562	7 708 686 192	2 996 791 739	283 809 572	925 782 222	15 868 564 806	823 636 867	(11 840 310 930)	23 242 804 615
Non-current liabilities	117 152 413	34 311 722 283	--	4 405 754 609	631 856 290	--	3 313 696 398	784 674 661	(5 020 657 841)	38 544 198 813
Owners' equity	(568 757 971)	23 201 041 977	(709 366 428)	(1 844 630 176)	(372 434 197)	(406 955 988)	16 005 476 281	162 874 379	(24 433 279 137)	11 033 968 740
Total liabilities and equity	2 015 560 027	61 521 442 822	6 999 319 764	5 557 916 172	543 231 665	518 826 234	35 187 737 485	1 771 185 907	(41 294 247 908)	72 820 972 168

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**  
**For the period ended September 30, 2017**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Operating income analysis	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Mining	Eliminations	Total
For the period ended September 30, 2016										
Operating revenues	607 335 957	2 168 860 822	65 254 092	1 830 371 864	107 673 879	--	7 913 300	536 275 677	--	5 323 685 591
Operating costs	(492 040 552)	(1 884 938 902)	(77 711 678)	(1 562 170 886)	(81 623 000)	--	(4 636 730)	(487 317 929)	--	(4 590 439 677)
Gross profit (loss)	115 295 405	283 921 920	(12 457 586)	268 200 978	26 050 879	--	3 276 570	48 957 748	--	733 245 914
Net (loss) profit for owners equity of the parent										
Company	(20 453 854)	26 643 217	(331 487 010)	(442 844 293)	(9 435 315)	(62 558 899)	(86 754 188)	(37 738 325)	191 454 509	(773 174 158)
<b>Financial position as at December 31, 2016</b>										
Current assets	374 470 002	4 094 360 414	1 971 234 597	2 948 367 746	109 415 331	526 882 870	6 246 268 427	315 000 787	(2 695 528 715)	13 890 471 459
Non-current assets	1 308 977 661	24 323 412 081	4 061 972 974	1 628 657 695	179 547 995	--	24 431 099 493	934 145 971	2 443 839 745	59 311 653 615
Total assets	1 683 447 663	28 417 772 495	6 033 207 571	4 577 025 441	288 963 326	526 882 870	30 677 367 920	1 249 146 758	(251 688 970)	73 202 125 074
Current liabilities	1 444 054 636	2 021 194 834	3 718 056 279	2 265 264 775	166 074 245	552 371 347	7 048 211 705	553 987 283	4 092 849 562	21 862 064 666
Non-current liabilities	157 369 022	15 565 533 732	--	2 455 624 066	305 281 017	--	1 461 261 756	409 625 677	15 117 580 329	35 472 275 599
Owners' equity	82 024 005	10 831 043 929	2 315 151 292	(143 863 400)	(182 391 936)	(25 488 477)	22 167 894 459	285 533 798	(19 462 118 861)	15 867 784 809
Total liabilities and equity	1 683 447 663	28 417 772 495	6 033 207 571	4 577 025 441	288 963 326	526 882 870	30 677 367 920	1 249 146 758	(251 688 970)	73 202 125 074

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

The Group has the following eight strategic segments, which are its reportable segments. These segments are managed separately because they require different technology and marketing strategies.

The following summary describes the entities of each reportable segment:

Agriculture and food sector

- \* Wafra Agriculture S.A.E Group.
- \* Falcon for Agriculture Investments Group
- \* Everys Holding Limited

Energy sector

- \* Silverstone Capital Investments Ltd. Group
- \* Orient Investment Properties Ltd. Group
- \* Ledmore Holdings Ltd. Group – (Note 20)
- \* Tawazon for Solid Waste Management (Tawazon) company Group
- \* Qalaa Energy Ltd.

Transportation and logistics sector

- \* Africa Railways Holding
- \* Africa Railways Limited
- \* Citadel Capital Transportation Opportunities Ltd. Group
- \* KU Railways Holding Limited – (Note 20,48)
- \* Ambience Ventures Ltd.

Cement sector

- \* National Development and Trading Company Group

Metallurgy sector

- \* United Foundries

Specialist real estate sector

- \* Mena Home Furnishings Malls Ltd Group. (Note 20)

Financial Services sector

- \* Citadel Capital S.A.E.
- \* Citadel Capital Ltd.
- \* Sequoia Williwow Investments Ltd.



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

- 
- \* Arab Company for Financial investments
  - \* Lotus Alliance Limited
  - \* Citadel Capital Holding for Financial Investments–Free Zone
  - \* Citadel Capital for International Investments Ltd.
  - \* International for Mining Consultation
  - \* International for refinery Consultation
  - \* Tanweer for Marketing and Distribution Company (Tanweer)
  - \* Financial Unlimited for Financial Consulting
  - \* Citadel Company for Investment Promotion
  - \* National Company for Touristic and Property Investment
  - \* United for Petroleum Refining Consultation
  - \* Specialized for Refining Consulting
  - \* Specialized for Real Estate Company
  - \* National Company for Refining Consultation
  - \* Citadel Capital Algeria
  - \* Valencia Trading Holding Ltd.
  - \* Andalusia Trading Investments
  - \* Citadel Capital Financing Corp.
  - \* Brennan Solutions Ltd.
  - \* Mena Enterprises Ltd.
  - \* Alcott Bedford Investments Ltd.
  - \* Eco-Logic Ltd.
  - \* Alder Burke Investments Ltd.
  - \* Black Anchor Holdings Ltd.
  - \* Cobalt Mendoza
  - \* Africa Railways Investments Ltd.
  - \* Darley Dale Investments Ltd.
  - \* Citadel Capital Joint Investment Fund Management Limited
  - \* Mena Joint Investment Fund
  - \* Trimestone Assets Holding Limited – BVI
  - \* Cardinal Vine Investments Ltd.
  - \* Global Service Realty Ltd.
  - \* Crondall Holdings Ltd.
  - \* Mena Joint Investment Fund
  - \* Africa Joint Investment Fund
  - \* Underscore International Holdings Ltd.
  - \* Valencia Regional Investment Ltd
  - \* Sphinx Egypt for Financial Consulting Company
  - \* Investment Co. for Modern Furniture.

Mining sector

- \* ASEC company for mining Group (ASCOM)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

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

**Corporate tax**

The Company submitted its tax returns on regular basis for the years from 2005 to 2016 according to tax law No. 91/2005. The Company's books have not been inspected yet.

**Salaries tax**

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period since inception till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2016 have not been inspected yet.

**Stamp tax**

The Company was inspected since inception till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2013 has been inspected and the dispute has transferred to Internal Committee in the Authority. The years 2014 and 2016 have not been inspected yet.

**Withholding tax**

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

**42. Group entities**

Company's name	Country of incorporation	Group share percentage	
		Direct %	Indirect %**
Citadel Capital Holding for Financial Investments	Arab Republic of Egypt-Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
Bright Living International for Mining Consultation	Arab Republic of Egypt	--	56.17
International for Refinery Consultation	Arab Republic of Egypt	99.99	--
Arab Company for Financial Investments	Arab Republic of Egypt	--	99.99
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	94.00
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.88
			99.90

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Company's name	Country of incorporation	Group share percentage	
		Direct %	Indirect %**
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
United for Petroleum Refining Consultation Specialized for Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized for Real Estate Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	100.00
Africa Railways Limited *	British Virgin Island	--	86.81
Sequoia Williwow Investments Ltd.	British Virgin Island	--	100.00
Brennan Solutions Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00
Darley Dale Investments Ltd.	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	66.24
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00
Wafra Agriculture S.A.E	Arab Republic of Egypt	--	99.99
Valencia Assets Holding Ltd.	British Virgin Island	--	100.00
Sabina for Integrated Solutions Ltd.	Sudan	--	96.00
Concord Agriculture	South Sudan	--	96.00
Trimestone Assets Holding Limited – BVI	British Virgin Island	--	100.00
Cardinal Vine Investments Ltd.	British Virgin Island	--	100.00
Global Services Realty	British Virgin Island	--	100.00
Silverstone Capital Investments Ltd.	British Virgin Island	--	61.56
Taqa Arabia Company	Arab Republic of Egypt	--	93.49
Gas and Energy Company (GENCO Group) – SAE	Arab Republic of Egypt	--	99.99
Taqa for Electricity ,Water and Cooling- SAE	Arab Republic of Egypt	--	98.74

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Company's name	Country of incorporation	Group share percentage	
		Direct %	Indirect %**
Taqa for Marketing Petroleum Products- SAE Gas and Energy Group Limited	Arab Republic of Egypt	--	99.99
Genco for Mechanical and Electricity Work	British Virgin Island	--	99.99
Qatar Gas Group Limited *	Qatar	--	99.99
Arab Company for Gas Services *	Qatar	--	45.00
Arabian Libyan Company for Energy	Libya	--	49.00
Taqa Arabia Solar Co.	Libya	--	65.00
Taqa Solar Reserve Co.	Arab Republic of Egypt	--	100.00
National Development and trading Company	Arab Republic of Egypt	47.65	21.63
Arab Swiss Engineering Co. (ASEC)	Arab Republic of Egypt	--	99.97
ASEC for Manufacturing and Industries Project Co. (ARESCO)	Arab Republic of Egypt	--	99.80
ASEC Cement Co.	Arab Republic of Egypt	1.86	68.36
ASEC Environmental Protection Co. (ASENPRO)	Arab Republic of Egypt	--	63.01
ASEC Automation Co.	Arab Republic of Egypt	--	53.64
ESACO for Manufacturing Engineering and Construction	Arab Republic of Egypt	--	70.00
Grandiose Services Ltd.	British Virgin Island	--	100.00
ASEC Integrated – Sudan	Sudan	--	99.90
Al Takamoul for Cement Ltd. Co.	Sudan	--	51.00
ASEC Algeria Cement Co.	Algeria	--	71.73
ASEC Syria Cement Co.	Syria	--	99.99
Dejalfa Offshore	British Virgin Island	--	67.13
ASEC Trading Company	Arab Republic of Egypt	--	99.88
Berber for Electricity – limited	Sudan	--	51.00
United Foundries Company	Arab Republic of Egypt	29.29	38.17
Ledmore Holdings Ltd.	British Virgin Island	--	85.12
National Company for Marine Petroleum Services “PETROMAR”	Arab Republic of Egypt-FZ	--	93.54
Mashreq Petroleum Company	Arab Republic of Egypt	--	94.99
El Dawlia for Bunkering Services	Arab Republic of Egypt	--	70.00
Mena Home Furnishings Malls Ltd.	British Virgin Island	--	60.18
Bonian for Trade and Development	Arab Republic of Egypt	--	99.99
Investment Company for Modern Furniture	Arab Republic of Egypt	--	99.88
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	--	67.55
Nile Logistics S.A.E.	Arab Republic of Egypt	--	99.99
Citadel Capital Transportation Opportunities II Ltd- Malta	Republic of Mauritius	--	81.62

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Company's name	Country of incorporation	Group share percentage	
		Direct %	Indirect %**
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	--	99.88
National Company for River Transportation - Nile Cargo S.A.E.	Arab Republic of Egypt	--	99.99
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	--	99.88
National Company for Maritime Clearance S.A.E.	Arab Republic of Egypt	--	99.98
EL -Orouba Company for Land Transportation S.A.E.	Arab Republic of Egypt	--	99.98
NMT for Trading S.A.E	Arab Republic of Egypt	--	99.99
National Company for Marina Ports Management	Arab Republic of Egypt	--	99.90
NRTC Integrated Solutions Co Ltd.	Sudan	--	99.00
Nile barges for River transport Co Ltd.	Sudan	--	99.00
Regional River Investment Ltd	British Virgin Island	--	100.00
Falcon for Agriculture Investments	British Virgin Island	--	54.90
National Company for Investments and Agriculture	Arab Republic of Egypt	--	99.99
National Company for Food products	Arab Republic of Egypt	--	99.99
Dina Company for Agriculture and Investments	Arab Republic of Egypt Limited partnership	--	99.99
Dina for Auto Services	Company	--	99.00
Arab Company for Services and Trade	Arab Republic of Egypt	--	99.67
National Company for Agriculture Products	Arab Republic of Egypt	--	99.88
National Company for Integrated Food	Arab Republic of Egypt	--	99.99
Royal Food Company	Arab Republic of Egypt Limited partnership	--	99.99
Up-Date Company for Food Products	Company	--	85.00
Nile for Food Products "Enjoy"	Arab Republic of Egypt	--	99.99
Investments Company for Dairy Products	Arab Republic of Egypt	--	99.99
Tiba Farms for Agriculture Developments	Arab Republic of Egypt	--	95.88
Dina for Agriculture Development	Arab Republic of Egypt	--	100.00
National Company for Dairy Exchange	Arab Republic of Egypt	--	100.00
Mena Development Limited	British Virgin Island	--	100.00
Anchor Real Estate Investments	British Virgin Island	--	100.00
Everys Holdings Limited	British Virgin Island	--	100.00
Orient Investment Properties Ltd.*	British Virgin Island	--	37.40
Arab Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Company's name	Country of incorporation	Group share percentage	
		Direct %	Indirect %**
Egyptian Refining Company – S.A.E.– *	Arab Republic of Egypt	--	48.25
National Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
Africa Railways logistics Limited	Republic of Mauritius	--	100.00
KU Railways Holding Limited-KURH	Republic of Mauritius	--	85.00
E A Rail & Handling Logistics Co. Limited	Republic of Mauritius	--	100.00
East African Rail And Handling Logistics Limited	Kenya	--	100.00
RVR Investments (Pty) Ltd.	Republic of Mauritius	--	100.00
Rift Valley Railways Kenya Co. (RVRK)	Kenya	--	100.00
Rift Valley Railways Uganda Co. (RVRU)	Uganda	--	100.00
Cron dall Holdings Ltd.	British Virgin Island	--	94.53
Capella Management Investments Inc. Company	British Virgin Island	--	100.00
Lotus Management Investment Ltd. Company	British Virgin Island	--	100.00
Cordoba Investment Services Inc. Company	British Virgin Island	--	100.00
Tawazon for Solid Waste Management (Tawazon)	Arab Republic of Egypt	--	66.67
Egyptian Company for Solid Waste Recycling (ECARU)	Arab Republic of Egypt	--	75.63
Engineering Tasks Group (ENTAG)	Arab Republic of Egypt Limited partnership	--	75.73
Entag Oman	Company Oman	--	70.00
Qalaa Energy Ltd.	British Virgin Island	--	100.00
Mena Joint Investment Fund*	Luxembourg	--	73.25
Africa Joint Investment Fund*	Republic of Mauritius	--	31.00
Underscore International Holdings Ltd.*	British Virgin Island	--	100.00
Valencia Regional Investment Ltd.*	British Virgin Island	--	100.00
Sphinx Egypt for Financial Consulting Company *	Arab Republic of Egypt	--	69.88
Sphinx capital corp	British Virgin Island	--	100.00
Melbourn Investments Ltd	British Virgin Island	--	100.00
Borton Hill Investments Ltd	British Virgin Island	--	100.00
Metal Anchor Holdings Ltd.*	British Virgin Island	--	15.00
Tempsford Investments Ltd	British Virgin Island	--	100.00
ASEC company for mining (ASCOM)	Arab Republic of Egypt	54.74	--
ASCOM Carbonate & Chemical Manufacture Company	Arab Republic of Egypt-Free Zone Limited partnership	--	99.99
ASCOM for Geology & Mining- Syria	Company	--	95.00

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

Company's name	Country of incorporation	Group share percentage	
		Direct %	Indirect %**
Nebta for Geology & Mining-Sudan	Limited partnership Company	--	99.00
Glass Rock Insulation Company	Arab Republic of Egypt-Free Zone	--	92.50
ASCOMA Algeria	Republic of Algeria	--	99.40
Lazerg Travaux Public	Republic of Algeria	--	70.00
ASCOM Precious Metals Mining S.A.E	Arab Republic of Egypt Limited partnership Company	--	99.99
ASCOM Emirates for Mining UAE	Emirates	--	69.40
ASCOM Middle East	Joint Stock Company Limited partnership Company	--	100.00
Nubia Mining Development PLC	Limited partnership Company	--	52.80
Sahari Gold company	Limited partnership Company	--	99.99
ASCOM for Geology & Mining- Ethiopia	Limited partnership Company Ethiopia	--	99.99
ASCOM Precious Metals- Sudan	Limited partnership Company Sudan	--	99.99
Golden Resources company	Limited partnership Company	--	99.99
ASCOM Cyprus Ltd	Limited partnership Company Cyprus	--	99.99
International Company for Mineral Exploration- Cyprus	Limited partnership Company Cyprus	--	99.99
Golden International Ltd	Limited partnership Company	--	99.99

\* The Group has the right to appoint the majority of the board of director's members which enables the Group to control the main operations. Consequently, these Companies have been consolidated.

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

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

Translation of consolidated interim financial  
Statements originally issued in Arabic

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**43. Capital Commitments**

The capital commitments as at September 30, 2017 represented in the following:

**43.1 Asec Algeria Cement Company (Asec Cement)**

Contractor	Contract amount	Uncompleted part	Contract currency	Uncompleted part	
				30/9/2017	31/12/2016
FLSmith Denmark Company	--	--	Euro	--	1 091 458 800
ESACO Company	--	--	US dollar	--	74 927 908
ESACO Company	--	--	DZD	--	27 464 380
ASCOM Company	--	--	Euro	--	578 665
ASEC Automation Company	--	--	Euro	--	811 248 774
Energya Company	--	--	US dollar	--	67 041 356
Energya Company	--	--	US dollar	--	68 353 176
TCB Company	--	--	EGP	--	1 292 646
CTC Company	39 500 000	14 188 400	DZD	--	2 331 154
Cetim Company	--	--	DZD	--	14 678 151
				--	<u>2 159 375 010</u>

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

	Contract amount	Contract amount
	30/9/2017	31/12/2016
Work shop (1)	675 000	675 000
Work shop (7)	3 285 000	3 285 000
Work shop (9)	370 000	370 000
Self-extinguishing system in the factory	100 350	100 350
Legal consultancy fees	1 500 000	1 500 000
Total	<u>5 930 350</u>	<u>5 930 350</u>

**44. Contingent liabilities**

The contingent liabilities as at September 30, 2017 are represented in the following:

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

	30/9/2017	31/12/2016
Letters of guarantee	<u>1 822 607</u>	<u>2 654 228</u>

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

	30/9/2017	31/12/2016
Letters of guarantee	<u>1 487 475</u>	<u>1 710 650</u>



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

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

	30/9/2017			31/12/2016		
	EURO	Dirham	EGP	EURO	Dirham	EGP
Letters of guarantee	36 037	50 000	34 794 305	36 037	50 000	34 794 305

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

	30/9/2017			31/12/2016		
	EURO	US.\$	EGP	EURO	US.\$	EGP
Letters of guarantee	6 412 744	5 158 263	53 692 081	6 739 680	6 309 405	56 294 245

**44.5 United Foundries Company**

	30/9/2017	31/12/2016
Letters of guarantee (outstanding)	--	652 838
Letters of guarantee (cover)	--	652 838
Letters of credit (cover)	--	32 642
	<u>--</u>	<u>1 338 318</u>

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

	30/9/2017	31/12/2016
Letters of guarantee – Uncovered portion (A)	24 977 261	25 200 165
Bank commitments for loans to subsidiaries (B)	563 521 518	524 557 015
	<u>588 498 779</u>	<u>549 757 180</u>

(A-1) The uncovered portion of letters of guarantee includes a letter of guarantee an amount of to EGP 1 760 100 (equivalent to US.\$ 100 000) issued from one of the banks the company deals with on behalf of ASCOM Carbonate & Chemical Manufacture Company (subsidiary) at October 3, 2007 and available for use until January 1, 2018.

(B-1) ASEC Company for Mining (ASCOM) guarantees Glass Rock Insulation Company (subsidiary) against the loan provided to the subsidiary company from one of the banks the company deals with amounted to EUR 27 802 000 due to the subsidiary's inability to settle its obligations resulting from the mentioned loan.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**45. Employees Stock Option Plan**

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

On June 22, 2008 the Financial Regularity Authority (FRA) approved the ESOP plan and the Company has not start to apply it yet.

**46. Contingent liabilities**

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

**47. Comparative figures**

The following table summarizes the adjustments on the consolidated financial position as at December 31, 2016 and the consolidated income statement for the period ended September 30, 2016, in addition to certain comparative figures which have been reclassified to conform with the current period presentation.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

	<b>Balance as at 31/12/2016 (as previously reported)</b>	<b>Reclassification and restates</b>	<b>Balance as at 31/12/2016 (restated)</b>
<b>Statement of financial position</b>			
Projects under construction	48 103 488 327	(19 210 664)	48 084 277 663
Inventories	1 174 203 173	74 316 204	1 248 519 377
Due from related parties	189 750 543	(13 134 218)	176 616 325
Debtors and other debit balances	1 379 632 613	248 431 320	1 628 063 933
Assets held-for-sale	6 631 428 162	(270 321 907)	6 361 106 255
<b>Total change in assets</b>		<b>20 080 735</b>	
Long term loans	34 234 277 130	253 415 119	34 487 692 249
Deferred tax liabilities	548 951 505	(5 587 250)	543 364 255
Short term loans	5 294 499 129	(253 415 119)	5 041 084 010
Due to related parties	2 303 492 926	(13 134 218)	2 290 358 708
Creditors and other credit balances	1 935 714 663	(5 460 906)	1 930 253 757
<b>Total change in liabilities</b>		<b>(24 182 374)</b>	
Retained earnings	(12 521 988 785)	36 579 571	(12 485 409 214)
Non-controlling interests	16 283 734 669	7 683 538	16 291 418 207
<b>Total change in equity</b>		<b>44 263 109</b>	
<b>Total change in liabilities and equity</b>		<b>20 080 735</b>	
	<b>For the period Ended 30/9/2016 (as previously reported)</b>	<b>Reclassification and restates</b>	<b>For the period Ended 30/9/2016 (restated)</b>
<b>Income statement</b>			
<b>Continued operation</b>			
Administrative expenses	(775 593 041)	(43 896 899)	(819 489 940)
Finance costs-net	(519 808 143)	8 984 835	(510 823 308)
Income tax	(80 376 882)	8 524 169	(71 852 713)
<b>Total change in continued operation</b>		<b>(26 387 895)</b>	
Net loss discontinued operation	(572 476 504)	(31 910 654)	(604 387 158)
<b>Total change in consolidated income statement</b>		<b>(58 298 549)</b>	

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

**48. Significant events**

- On July 31, 2017, the Court of Kenya issued an order to terminate the Concession Agreement granted to Rift Valley Railways (Kenya) Limited "RVRK" – Railway operator in Kenya , which is indirectly owned by the Citadel Capital Company through its subsidiary KU Railways Holding Limited "KURH". Accordingly, it was decided to form a takeover committee by all parties in the Concession Agreement to supervise the termination process of the Concession and to transfer all the assets and the employees of Rift Valley Railways (Kenya) Limited "RVRK" to "Kenya Railways Corporation" within 30 days. The Group management was unable to access the financial and accounting information for those companies as at September 30, 2017.
- During June 2017, the Governments of Uganda issued a 90-Day Notice to terminate the Concession Agreement granted to Rift Valley Railways (Uganda) Limited "RVRU" – Railway operator in Uganda , which is indirectly owned by the Citadel Capital Company through its subsidiary KU Railways Holding Limited "KURH", and to resume the operation to Uganda Railways Corporation.
- Consequently, Citadel Capital recognized an impairment with the entire carrying value of the assets related to KU Railways Holding Limited "KURH" with an amount of EGP 3.15 billion in its consolidated financial information for the period ended September 30, 2017.
- The consolidated financial information for the period ended September 30, 2017 of KU Railways Holding Limited "KURH" (which include RVRK and RVRU) represented in the following:

	<b>EGP</b>
Total assets	3 150 769 146
Impairment of assets	(3 150 769 146)
Total loans and other liabilities	5 155 687 103
Net loss for the period (including impairment loss)	3 363 372 090

- The Board of Directors of Citadel Capital Company decided in its meeting held on September 17, 2017, to divest from all the owned subsidiaries in railways sector by selling and /or dispensing and /or liquidating these subsidiaries and take all the required procedures to execute that as soon as possible.
- There have been investigations conducted by the World Bank -in its capacity as a lender - at RVR Group. The legal counsel of Citadel Group is of the opinion that Citadel Capital Company is not subject to these investigations.
- Subsequent to the consolidated interim financial statement date, on 22 November 2017 the Government of Uganda has decided to withdraw the notice of termination of the Concession Agreement granted to Rift Valley Railways (Uganda) Limited (RVRU) in order to give the company one last opportunity to meet the different covenants and obligations spell out in the Concession Agreement. In consequence Government of Uganda expects that Rift Valley Railways (Uganda) Limited (RVRU) shall immediately withdraw the arbitration proceedings and to fulfill its obligations under the Concession Agreement.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49. Significant accounting policies applied**

**49.1 Business Combination**

- \* The Group accounts for business combinations using the acquisition method when control is transferred to the Group (Note 49.2). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (Note 49.21.2), any gain on a bargain purchase is recognized immediately in consolidated income statement. Transaction costs are expensed as incurred, except if related to the issue of debtor equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in consolidated income statement. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in the consolidated income statement.

**49.2 Subsidiaries**

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

**49.3 Non-controlling interests**

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.4 Loss of control**

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other comprehensive income. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**49.5 Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, where by the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group's share of the profit and loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

**49.6 Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**49.7 Foreign currency**

**49.7.1 Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in income statement. However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- \* Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to income statement).
- \* A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- \* Qualifying cash flow hedges to the extent that the hedges are effective.

**49.7.2 Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially the such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated income statement.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.8 Discontinued operation**

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated income statement and consolidated statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

**49.9 Revenue**

**49.9.1 Gain (loss) on sale of investments**

Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses. In case of derecognizing of investments in associates, the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in shareholders' equity shall be recognized in the consolidated income statement.

**49.9.2 Dividend income**

Dividend income is recognized when declared.

**49.9.3 Interest income and expenses**

Interest income and expenses are recognized in the consolidated income statement under "Interest income" item or "Interest expenses" by using the effective interest rate method of all instruments bearing interest other than those classified held for trading or which have been classified at inception "fair value through the consolidated income statement".

**49.9.4 Fee and commission income**

Fees related to servicing the loan or facility are recognized in income when performing the service while the fees and commissions related to non-performing or impaired loans are not recognized, instead,



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

they are to be recorded in marginal records off the consolidated financial position. Then they are recognized within the income pursuant to the cash basis when the interest income is collected. As for fees which represent an integral part of the actual return on the financial assets, they are treated as an amendment to the rate of actual return.

**49.9.5 Management fee**

Management fee is calculated as determined by the management contract of each investment fund & portfolio and recorded on accrual basis.

**49.9.6 Advisory fee**

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies upon rendering the service.

**49.9.7 Services**

Revenue from services rendered is recognised in consolidated income statement in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

**49.9.8 Finance lease income**

Income resulted from lease contracts is recognized based on internal return rate resulted from lease contracts in addition to the equivalent amount of a periodical depreciation installment. The differences between the income recognized and accrued rental value for the same period is suspended in a separate account, and is to be settled with the carrying amount of the leased assets at the end of contract period.

**49.9.9 Investment property rental income**

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.9.10 Sale of goods**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customers, recovery of consideration is probable, the associates costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of return, trade discounts and volume rebates.

**49.9.11 Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated the consolidated reliably, then contract revenue and expenses are recognized in the consolidated income statement in proportion to the stage of completion of the contract. The stage of completion is assessed by survey of work performed.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in the consolidated income statement.

**49.9.12 Car conversion revenues**

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

**49.9.13 Gas sales revenues**

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.9.14 Fuelling revenues**

Revenues is recognized when supplying ships with fuel.

**49.9.15 Natural gas revenues**

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

**49.9.16 Financial guarantees contracts revenues**

- The Group is involved in Microfinance Operations and acts in the Capacity of an agent, then the revenue (Commission) recognized is the difference between the return on the funding given to the micro-projects and the company's bank dues by deducting the revenue from the services directly from the amounts to be collected from the owners of the projects.
- Recognition of the benefits and commissions resulting from performing the service according to the accrual basis as soon as the performance of the service to the client only if those revenues more than cover the financial year are recognized on a time proportion basis.
- Administrative commission of 3% of the value of the loan granted to customers are collected and that when hiring and are consumed on the duration of the loan.
- Interest of deposits are recognized according to the accrual basis of the temporal distribution throughout the year until the maturity date.
- Commission to delay for the payment of premiums is collected at rates to be agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of extended delay.

**49.10 Income tax**

Income tax expense comprises current and deferred tax. It is recognized in the consolidated income statement except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.10.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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

**49.10.2 Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- \* Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- \* Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- \* Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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

**49.11 Fixed assets**

**49.11.1 Recognition and measurement**

Items of fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of fixed assets. If significant parts of an item of fixed assets have different useful lives, then they are accounted for as separate items (major components) of fixed assets. Any gain or loss on disposal of an item of fixed assets is recognized in consolidated income statement.

**49.11.2 Subsequent expenditure**

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.11.3 Depreciation**

Depreciation is calculated to write off the cost of items of fixed assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in consolidated income statement. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of fixed assets for current and comparative periods are as follows:

	<b>Estimated useful life (Year)</b>
- Buildings and Constructions	5 -50
- Lease hold improvements	3 -10
- Machinery, Equipment and tools	4 -33
- Furniture, Fixtures and electric	4 -16
- Computers equipment	2 -10
- Transportation means	3 -15
- Barges	5 -20

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

**49.11.4 Biological assets**

The biological assets are recorded at fair value less estimated point-of-sale costs, and where the fair value cannot be measured, the biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment. And where the fair value can be measured reliably, the biological are recorded at fair value less estimated point-of-sale costs.

The biological assets includes fruit gardens and orchards and live stock. All the biological assets recorded within the group's

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

consolidated interim financial statements are recorded at cost less the accumulated depreciation. Since there was not any active market to determine the fair value reliably.

The fruit gardens and orchards are depreciated according to the useful life of the trees which varies between three and fifty years. And the biological assets live stock are depreciated over the useful production life which have been estimated to be 56 month which is equivalent to 21.4% annually. Calculation of depreciation starts at the end of pregnancy stage.

**49.11.5 Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property.

**49.12 Projects under construction**

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Projects under construction are transferred to fixed assets caption when they are completed and are ready for their intended use.

**49.13 Work in process**

Work in process represents the cost of work not invoiced to the customer for contract work performed to date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

**49.14 Intangible assets and goodwill**

\* **Goodwill**

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

\* **Research and development**

Expenditure on research activities is recognized in the consolidated income statement as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in the consolidated income statement as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

\* **Other intangible assets**

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

**49.15 Exploration and valuation assets**

**Recognition**

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

**Measurement**

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



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.16 Investment property**

Investment property is measured at cost on initial recognition.

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

**49.17 Assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in the consolidated income statement.

Once classified as held-for-sale, intangible assets and, fixed assets are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

**49.18 Financial instruments**

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

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

**49.18.1 Non-derivative financial assets and financial liabilities –  
Recognition and Derecognition**

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

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

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

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

**49.18.2 Non-derivative financial assets – Measurement**

**Financial assets at fair value through profit or loss**

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

**Held-to-maturity financial assets**

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**Loans and receivables**

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

**Available-for-sale financial assets**

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

**49.18.3 Non-derivative financial liabilities – Measurement**

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

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

**49.18.4 Derivative financial instruments and hedge accounting**

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

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in the consolidated income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the consolidated income statement.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.18.5 Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated income statement.

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

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

**49.19 Share capital**

**49.19.1 Ordinary shares**

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24.

**49.19.2 Preference shares**

The Group's preference shares are all non – redeemable and are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends there on are recognized as equity distributions on approval by the company's shareholders.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

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

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

**49.20 Legal reserve**

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

**49.21 Impairment**

**49.21.1 Non-derivative financial assets**

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

Objective evidence that financial assets are impaired includes:

- \* Default or delinquency by a debtor.
- \* Restructuring of an amount due to the Group on terms that the Group would not consider otherwise.
- \* Indications that a debtor or issuer will enter bankruptcy.
- \* Adverse changes in the payment status of borrowers or issuers.
- \* The disappearance of an active market for a security because of financial difficulties.
- \* Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.21.2 Non-financial assets**

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

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

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

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

Impairment losses are recognized in the consolidated income statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.22 Provisions**

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

**49.23 Treasury bills**

Treasury bills are recorded at nominal value and the unearned income is recorded under the item of "creditors and other credit balances". Treasury bills are presented on the financial position net of the unearned income.

**49.24 Trade, and notes receivables, debtors and other debit balances**

- Trade, notes receivables, debtors and other debit balances are stated at nominal value less impairment losses.

**Financial assets measured at amortized cost**

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

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

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

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

**Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to the consolidated income statement. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in the consolidated income statement. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through the consolidated income statement. Impairment losses recognized in the consolidated income statement for an investment in an equity instrument classified as available-for-sale are not reversed through the consolidated income statement.

**Equity-accounted investees**

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in the consolidated income statement, and is reversed if there has been an estimates used to determine the recoverable amount.

- The Company's lessees and the leased assets are regularly classified & evaluated and their obligations are reduced by the rent value paid in each financial period, and with the assurance of the availability of adequate guarantee to collect the client's rent values.
- The provision for doubtful debts is calculated on the investment cost of the leased assets (cost of leased assets in addition to its return at the date of calculating the provision) which are uncertainly collected i.e. (doubtful rent value) after deducting the credit deposits held by the Company. The Company's provisions committee specifies the provision percentage for



**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

each credit class which is calculated according to the risk rates of the doubtful rent values or according to the negative changes of the credit indicators, this provision is reviewed regularly or whenever there is a need to do so.

**49.25 Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on the normal operating capacity.

**49.26 Trade and other payables**

Short-term trade and other payables are stated at cost.

**49.27 Cash and cash equivalents**

For the purpose of preparing the consolidated statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition, cash on hand, cheques under collection and due from banks and financial institutions.

**49.28 Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated income statement attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

**49.29 Profit sharing to employees**

The parent company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.30 Interest bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, Interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest rate basis.

**49.31 Dividends**

Dividends are recognised as a liability in the year in which they are declared.

**49.32 Employees benefits**

**Pensions**

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law employees and employers contribute to the system a fixed percentage of the employees' salaries basis. The Group's liability is confined to such contributions amount. Contributions are charged to the consolidated income statement using the accrual basis of accounting.

**Other short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**49.33 Share – based payments**

For Equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The entity shall settle the grant of equity instruments during the vesting period with the amount that would otherwise have been recognized for services received. The entity accounted for any settlements as a deduction from equity based on the final share price when the options are exercised.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**49.34 Borrowing costs**

Borrowing costs are recognized as expenses in the consolidated income statement when incurred, with the exception of borrowing cost directly attributable to the construction and acquisition of new assets which is capitalized as part of the relevant assets cost and depreciated over assets' estimated useful lives. This capitalization ceases once the assets become in operational condition and ready for use.

**49.35 Financial lease**

Payments made under financial lease contracts are recognized as general and administrative expenses in the consolidated income statement during the period.

**49.36 Employees' compulsory government social insurance share**

The Company contributes to the government social insurance share for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The company's liability is confined to the amount of its contribution. Contributions are charged to the consolidated income statement using the accrual basis of accounting.

**49.37 Inventories**

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

**49.38 Operating segment**

A segment is a group assets and related operations which is subjected to risks and rewards that are different from those of other segments or within the same economic environment which characterized by its particular risk and rewards from those that are related, to segment operated in different economic environment. The Group has eight reportable segments, which represent the Group's strategic divisions. those divisions offer different products and services, and are managed separately because they require different technology and marketing strategies (Note 40)

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**50. Financial instruments and management of related risks:**

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes to consolidated interim financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks. (Note 49)

**50.1 Credit risk**

Credit risk is the risk of a person or an organization defaulting in the repayment of their obligations to the Group in respect of the terms and conditions of the credit facilities granted to them by the Group. The management minimizes this risk by spreading its loan portfolio overall economic sectors and by adopting appropriate procedures and controls to evaluate the quality of the credit facilities granted and the creditworthiness of the borrowers. The credit risk of connected accounts is monitored on a united basis. In addition, the effective credit appraisal procedure for examining applications for credit facilities followed by the Group, adopts as the main criteria the repayment capability and obtaining sufficient collateral. The continuous monitoring of credit accounts and the timely preventive action further minimize, to a large extent, the exposure to credit risk.

**50.2 Liquidity risk**

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind and monitors future cash flows and liquidity on daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of high marketable and diverse assets that can be easily liquidated in the event of an unforeseen interpretation of cash flow. In addition, the Group maintains statutory deposits with the Central Banks.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and to the Group in specific. The Group maintains a solid ratio of high liquid net assets in foreign currencies to deposits and commitments in foreign currencies taking markets conditions into consideration.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**50.2 Foreign currencies risk**

The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the group's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.

The group has revalue assets and liabilities at the consolidated financial statement of position date as disclosed in foreign currency accounting policy.

**50.3 Interest rate risk**

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities.

The Group's management closely monitors interest rate fluctuations on a continuous basis and ensures that assets and liabilities are matched and re-priced in a timely manner. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or are re-priced in a given period. The most important source of interest rate risk derives from the lending, funding and investing activities, where fluctuations in interest rates are reflected in interest margins and earnings.

**50.4 Market risk**

Market risk is defined as the potential loss in both on and off financial position resulting from movements in market risk factors such as foreign exchange rates, interest rates, and equity prices.

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

**Notes to the consolidated interim financial statements**

**For the period ended September 30, 2017**

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

---

**50.7 Equity price risk**

Equity price risk is the risk that the value of a portfolio will fall as a result of change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies/maturities), in which the Group holds equity-related positions.

The Group sets tight limits on equity exposures and the types of equity instruments that traders are allowed to take positions in. Nevertheless, depending on the complexity of financial instruments, equity risk is measured in first cash terms, such as the market value of a stock/index position, and also in price sensitivities, such as sensitivity of the value of a portfolio to changes in the underlying asset price. These measures are applied to an individual position and/or a portfolio of equity products.