

**PALM HILLS DEVELOPMENTS COMPANY**

**(An Egyptian Joint Stock Company)**

**Consolidated Financial Statements**

**Ended In 30 September 2021**

**Together with Review Report**

Per discussion

**PALM HILLS DEVELOPMENTS COMPANY S.A. E'**  
**CONSOLIDATED FINANCIAL POSITION**

As of 30 September 2021

	<u>Note no.</u>	<u>30 September 2021</u> <u>EGP</u>	<u>31 Dec 2020</u> <u>EGP</u>
<b>Non-current assets</b>			
Investments in associates	(33 ·b11·d8)	102 656 474	150 481 920
Investment property	(36, f11)	171 684 745	174 011 283
Notes receivable - long term	(40 ·16)	16 637 538 644	15 338 184 314
Projects under construction	(41 ·12)	67 725 041	97 871 372
Advance payments for investments acquisition	(48)	313 390 301	313 390 301
Fixed assets (net)	(42 ·13)	2 694 892 065	2 762 305 090
Deferred tax assets	(b23)	1 289 639	3 049 521
Employee stock ownership plan (ESOP)	(71)	74 490 000	53 040 000
Right of use asset	(37)	14 530 337	-
Other long-term assets		1 379 724	1 505 155
<b>Total non-current assets</b>		<b>20 079 576 970</b>	<b>18 893 838 956</b>
<b>Current assets</b>			
Works in process	(43 ·14)	8 735 734 317	7 699 912 574
Held-to-maturity investments	(39 ·d11)	2 038 953 756	1 369 132 280
Cash and cash equivalents	(44 ·30)	1 222 573 347	1 579 250 273
Notes receivable - short term	(40 ·16)	5 473 319 900	5 025 563 370
Investments at fair value through profit and loss	(e11)	55 782 614	215 712 935
Accounts receivable	(45)	1 738 056 522	1 480 150 677
Suppliers - advance payments		595 558 645	514 994 304
Debtors and other debit balances	(46)	1 187 551 636	1 084 173 501
Due from related parties	(68 ·47 ·27)	332 022 140	440 619 311
<b>Total current assets</b>		<b>21 379 552 877</b>	<b>19 409 509 225</b>
<b>Current liabilities</b>			
Banks - credit balances	(49)	107 734 283	90 966 967
Bank- overdraft	(50)	1 350 750 220	1 334 506 443
Advances from customers	(51)	16 376 758 361	15 629 029 118
Completion of infrastructure liabilities	(21)	58 062 734	58 062 734
Provisions	(19)	184 017 128	176 792 225
Current portion of land purchase liabilities	(a52 ·20)	190 536 419	134 159 466
Notes payable - Short term	(a 54)	1 310 420 934	1 030 233 337
Current portion of Short-term loans	(55)	104 773 128	183 435 222
Suppliers And contractors		1 039 703 096	834 286 957
Income tax payable	(a 23)	118 912 529	37 270 445
Creditors & other credit balances	(56)	946 649 662	784 588 614
Lease contract liabilities - short term	(38)	5 433 266	-
Joint shares arrangement - short term	(61)	1 651 831 062	1 179 376 457
Due to related parties	(68 ·53 ·27)	2 535 616	2 535 616
<b>Total current liabilities</b>		<b>23 448 118 438</b>	<b>21 475 243 601</b>
Working capital		(2 068 565 561)	(2 065 734 376)
<b>Total investment</b>		<b>18 011 011 409</b>	<b>16 828 104 580</b>
<b>Financed as follows:</b>			
<b>Shareholders' equity</b>			
Share capital	(58)	6 162 499 270	6 235 199 270
Legal reserve	(a 60)	808 745 512	779 730 041
Special reserve	(b 60)	176 513 271	176 513 271
Treasury shares	(59 ·17)	(69 839 608)	(46 990 266)
ESOP Re-Measurement Reserve	(71)	(3 510 000)	(24 960 000)
Retained earning		1 055 334 509	1 036 333 384
Net profit for the period / Year		635 490 722	717 767 741
Net controlling equities		8 765 233 676	8 873 593 441
Non-controlling equities		441 590 784	583 301 606
<b>Total shareholders' equity</b>		<b>9 206 824 460</b>	<b>9 456 895 047</b>
<b>Non-current liabilities</b>			
Land purchase liabilities – Long Term	(b 52 ·20)	529 348 533	90 488 428
Notes payable - long term	(b 54)	2 467 604 446	2 151 086 266
Other long-term liabilities – Residents' Association	(57)	3 605 146 138	2 935 783 484
Lease contract liabilities - long term	(38)	5 890 319	-
Loans long-term	(55)	2 196 197 513	2 193 851 355
<b>Total non-current liabilities</b>		<b>8 804 186 949</b>	<b>7 371 209 533</b>
<b>Total equity and non-current liabilities</b>		<b>18 011 011 409</b>	<b>16 828 104 580</b>

- Auditor's report attached.

- The accompanying notes are integral part of the financial statements.

Chairman

Yasseen Mansour

Chief Financial Officer

Ali Thabet

**PALM HILLS DEVELOPMENTS COMPANY S.A.E**  
**CONSOLIDATED STATEMENT OF INCOME (PROFIT OR LOSS)**  
**For the Nine Months Ended 30 September 2021**

	<u>Note No.</u>	<u>Period from</u> <u>first of January</u> <u>2021 to 30</u> <u>September 2021</u> <u>EGP</u>	<u>Period from</u> <u>first of January</u> <u>2020 to 30</u> <u>September 2020</u> <u>EGP</u>	<u>Period from</u> <u>first of July</u> <u>2021 to 30</u> <u>September 2021</u> <u>EGP</u>	<u>Period from</u> <u>first of July</u> <u>2020 to 30</u> <u>September 2020</u> <u>EGP</u>
Revenues	(62-29)	5 892 607 454	3 549 216 075	1 882 998 018	1 541 004 065
<b>Deduct: -</b>					
Cost of revenues	(63-30)	3 764 894 392	2 214 889 861	1 197 170 830	964 598 926
Cash discount		39 435 471	14 190 269	15 802 506	6 849 317
Gross profit		<u>2 088 277 591</u>	<u>1 320 135 945</u>	<u>670 024 682</u>	<u>822 569 555</u>
<b>Deduct: -</b>					
General administrative, selling and marketing expenses	(64)	918 178 813	601 739 324	325 156 794	228 012 963
Interest on land purchase liabilities		56 119 616	83 040 513	22 490 396	29 438 253
Administrative depreciation	(42-36)	128 662 155	70 031 074	47 725 131	22 880 166
Finance costs & interests	(25)	259 252 436	176 271 013	128 121 045	71 384 904
Interest on land purchase - returned		-	( 127 547 612)	-	-
Provision		5 640 776	-	60 183	-
Total general, administrative, marketing and financing expenses, depreciation		<u>1 367 853 796</u>	<u>803 534 312</u>	<u>523 553 549</u>	<u>351 716 286</u>
<b>Add</b>					
Interest income – amortization of discount on notes receivables		11 472 066	12 840 660	3 824 022	4 280 220
Gains on investments in fair value through profit or loss	(66)	11 648 681	5 906 464	1 691 801	1 746 656
Interest Payable	(31)	29 644 660	29 104 089	11 830 920	12 884 062
Total other revenues		<u>52 765 407</u>	<u>47 851 213</u>	<u>17 346 743</u>	<u>18 910 938</u>
Net profit for the Period before income tax & non-controlling equities		773 189 202	564 452 846	163 817 876	474 236 750
<b>Deduct: -</b>					
Income tax	(65-c30)	118 884 544	27 657 907	5 264 550	(17 810 940)
Deferred tax	(a 23)	972 496	239 615	731 945	50 056
Net profit for the Period before & non-controlling interest		<u>653 332 162</u>	<u>536 555 324</u>	<u>157 821 381</u>	<u>254 511 358</u>
<b>Deduct: -</b>					
Non-controlling equities share- subsidiaries		17 841 440	22 009 141	(16 240 815)	16 550 308
Net profit for the Period after income tax & non-controlling equities		<u>635 490 722</u>	<u>514 546 183</u>	<u>174 062 196</u>	<u>237 961 050</u>
Earnings per share	(70-26)	<u>0,209</u>	<u>0,169</u>	<u>0,057</u>	<u>0,077</u>

- The accompanying notes are integral part of the financial statements.

**Chairman**

**Chief Financial Officer**

**Yasseen Mansour**

**Ali Thabet**

**PALM HILLS DEVELOPMENTS COMPANY S.A.E**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Nine Months Ended 30 September 2021**

	<u>Period from first of January 2021 to 30 September 2021</u> <u>EGP</u>	<u>Period from first of January 2020 to 30 September 2020</u> <u>EGP</u>	<u>Period from first of July 2021 to 30 September 2021</u> <u>EGP</u>	<u>Period from first of July 2020 to 30 September 2020</u> <u>EGP</u>
Net profit for the period	635 490 722	514 546 183	174 062 196	237 961 050
Other comprehensive income	--	--	--	--
Total comprehensive income for the period, net of tax	<u>635 490 722</u>	<u>514 546 183</u>	<u>174 062 196</u>	<u>237 961 050</u>
<b><u>Attributable to: -</u></b>				
Equity holders of the parent	635 490 722	514 546 183	174 062 196	237 961 050
Non-controlling equities	17 841 440	22 009 141	(16 240 815)	16 550 308
	<u>653 332 162</u>	<u>536 555 324</u>	<u>157 821 381</u>	<u>254 511 358</u>

- The accompanying notes are integral part of the financial statements

**Chairman**

**Yasseen Mansour**

**Chief Financial Officer**

**Ali Thabet**

**PALM HILLS DEVELOPMENTS COMPANY S.A.E**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Nine Months Ended 30 September 2021**

	Note No.	30 September 2021 EGP	30 June 2020 EGP
Net profit for the period before income tax & non-controlling equities		773 189 202	564 452 846
<b>Adjustments to reconcile net profit to net cash from operating activities</b>			
Interest on land purchase liabilities		56 119 616	83 040 513
Administrative depreciation	(42 :36)	137 965 486	85 049 422
Provision	(30c :19)	5 640 776	-
Finance costs & interests	(25)	259 252 436	176 271 013
Share of Loss of associates	(33)	(19 278 600)	5 579 383
Gain (loss) on disposal of fixed assets	(42)	(10 842 081)	(63 521)
Amortization of discount on notes receivables		(11 472 066)	(12 840 660)
Interest on land purchase - returned		-	(127 547 612)
Gains on investments in fair value through profit or loss	(31)	(11 648 681)	(5 906 464)
Interest income Payable	(31)	(29 644 660)	(29 104 089)
<b>Operating profit before changes in working capital items</b>		<b>1 149 281 428</b>	<b>738 930 831</b>
<b>Cash flow from operation activities</b>			
Change in work in process	(43 :14)	(525 992 369)	499 028 265
Change in notes receivables	(40 :16)	(1 735 638 794)	20 496 507
Change in investments in fair value through profit or loss	(11e)	159 930 321	16 801 598
Change in held to maturity investments	(39 :d11)	(669 821 476)	(383 340 495)
Change in accounts receivable	(45)	(257 905 845)	(63 904 202)
Change in suppliers - advance payments		(80 564 342)	(36 701 787)
Change in debtors & other debit balances		(103 378 135)	4 048 697
Change in due from related parties	(68 :47 :27)	108 597 171	(6 043 083)
Change in advances from customers	(51)	747 729 243	283 699 106
Change in obligations to complete facilities		-	(37 020 682)
Provisions	(30c :19)	1 584 127	1 816 667
Change in notes payable	(54)	540 586 161	(227 160 655)
Change in suppliers & contractors		205 416 143	85 435 430
Income Tax	(65)	(37 242 460)	(93 043 353)
Change in creditors and other credit balances	(56)	162 061 048	203 003 523
Change in other long term – Residents' Association	(57)	472 454 605	333 556 083
Change in due to joint arrangement partners	(61)	669 362 654	(262 733 586)
Change in lease contracts liabilities	(38)	11 323 585	-
<b>Net cash provided by operating activities</b>		<b>817 783 065</b>	<b>1 076 868 864</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of fixed assets	(42)	(75 087 457)	(35 994 393)
Proceeds from sale of fixed assets	(42)	12 837 429	228 345
Payments for Right of use asset		(14 530 337)	-
Payments for advance payments for investments acquisition		-	(93 001 000)
Payments for associate's investment	(35)	(10 367 500)	(12 000 000)
Proceeds for associate's investment	(35)	77 471 546	-
Payments for projects under construction	(41 :12)	30 146 331	(21 751 219)
Adjustments To real estate investment	(37)	( 318 227)	(881 494)
proceeds from other assets		125 429	(1 546 976)
Proceeds from investments in fair value through profit or loss	(66)	11 648 681	5 906 464
Proceeds from held-to-maturity investments		29 644 660	29 104 089
<b>Net cash provided by (used in) investing activities</b>		<b>61 570 555</b>	<b>(129 936 184)</b>
<b>Cash flows from financing activities</b>			
Capital deduction		(72 700 000)	-
Payments for Banks - credit balances	(49)	16 767 316	(65 502 640)
Proceeds from Banks – overdraft	(50)	16 243 777	88 095 843
Treasury stock		(22 849 342)	(46 990 266)
dividends		(337 843 877)	-
Non-controlling equities dividends		(159 552 262)	(8 793 989)
Adjustments to retained earnings		(331 907 269)	(700 540 991)
Deferred tax		787 387	-
Payment of loans	(55)	(503 631 217)	(517 850 681)
Proceeds from loans	(55)	417 907 377	702 141 610
Finance costs & interests paid	(25)	(259 252 436)	(176 271 013)
<b>Net cash (used in) financing activities</b>		<b>(1 236 030 546)</b>	<b>(725 712 127)</b>
<b>Net increase in cash and cash equivalents during the period</b>		<b>(356 676 926)</b>	<b>221 220 553</b>
<b>Cash and cash equivalents at beginning of the Period</b>		<b>1 579 250 273</b>	<b>1 375 178 390</b>
<b>Cash and cash equivalents as of 30 September 2021</b>	(44 :32)	<b>1 222 573 347</b>	<b>1 596 398 943</b>

- Non- Cash transactions are excluded from the cash flow statement.
- The accompanying notes an integral part of these financial statements and are to be read therewith.

Chief Financial Officer

Ali Thabet

Chairman

Yasseen Mansour

**PALM HILLS DEVELOPMENTS COMPANY S.A.E**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For The Nine Months Ended 30 September 2021**

	<u>Share Capital</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Reserve for ESOP re-measurement</u>	<u>Retained earnings (losses)</u>	<u>Treasury stock</u>	<u>Net profit for the Period</u>	<u>Total before Non-controlling equities</u>	<u>Total Non-controlling equities</u>	<u>Total Shareholders' After non-controlling equities</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January 2020	6 235 199 270	738 358 146	176 513 271	(9 828 000)	995 810 936	--	846 785 352	8 982 838 975	554 741 875	9 537 580 850
Transferred to retained earnings	--	--	--	--	846 785 352	--	(846 785 352)	--	--	--
Transferred to legal reserve	--	41 371 895	--	--	(41 371 895)	--	--	--	--	--
Treasury stock	--	--	--	--	--	(46 990 266)	--	(46 990 266)	--	(46 990 266)
Amounts set aside for Employee stock ownership plan (ESOP)	--	--	--	(12 792 000)	--	--	--	(12 792 000)	--	(12 792 000)
Adjustments to retained earnings	--	--	--	--	(700 540 990)	--	--	(700 540 990)	--	(700 540 990)
Dividends – Non-Controlling equities	--	--	--	--	--	--	--	--	(8 793 988)	(8 793 988)
Net profit for the Period	--	--	--	--	--	--	514 546 183	514 546 183	22 009 141	536 555 324
<b>Balance as of 30 September 2020</b>	<b>6 235 199 270</b>	<b>779 730 041</b>	<b>176 513 271</b>	<b>(22 620 000)</b>	<b>1 100 683 403</b>	<b>(46 990 266)</b>	<b>514 546 183</b>	<b>8 737 061 902</b>	<b>567 957 028</b>	<b>9 305 018 930</b>
Balance as of 1 January 2021	6 235 199 270	779 730 041	176 513 271	(24 960 000)	1 036 333 384	(46 990 266)	717 767 741	8 873 593 441	583 301 606	9 456 895 047
Transferred to retained earnings	--	--	--	--	717 767 741	--	(717 767 741)	--	--	--
Capital deduction	(72 700 000)	--	--	--	25 709 734	46 990 266	--	--	--	--
Transferred to legal reserve	--	29 015 471	--	--	(29 015 471)	--	--	--	--	--
Adjustments to non-controlling interest	--	--	--	--	--	--	--	--	42 428 639	42 428 639
Treasury stock	--	--	--	--	--	(69 839 608)	--	(69 839 608)	--	(69 839 608)
Amounts set aside for Employee stock ownership plan (ESOP)	--	--	--	21 450 000	--	--	--	21 450 000	--	21 450 000
Adjustments to retained earnings	--	--	--	--	(357 617 002)	--	--	(357 617 002)	--	(357 617 002)
Dividends – Non-Controlling equities	--	--	--	--	(337 843 877)	--	--	(337 843 877)	(201 980 901)	(539 824 778)
Net profit for the Period	--	--	--	--	--	--	635 490 722	635 490 722	17 841 440	653 332 162
<b>Balance as of 30 September 2021</b>	<b>6 162 499 270</b>	<b>808 745 512</b>	<b>176 513 271</b>	<b>(3 510 000)</b>	<b>1 055 334 509</b>	<b>(69 839 608)</b>	<b>635 490 722</b>	<b>8 765 233 676</b>	<b>441 590 784</b>	<b>9 206 824 460</b>

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

Chief Financial Officer

Ali Thabet

Chairman

Yasseen Mansour

**Palm Hills Developments Company**  
**(S.A.E)**  
**Notes to the Consolidated**  
**Financial Statements As Of 30 September 2021**

**1. BACKGROUND**

Palm Hills for Developments Company (S.A.E) was established according to the Investment Guarantee and Incentives Law No. (8) of 1997 which was replaced by the Investment Guarantee and Incentives Law No. (72) of 2017 and the Companies Law No. 159 of 1981 that was modified according to Law No. (4) of 2018 and their executive regulations, taking into consideration the Capital Market Law No. 95 of 1992 and its executive regulations.

**2. COMPANY'S PURPOSE**

The company's purpose is to invest in real estate in the New Cities and New Urban Communities including building, constructing, owning and managing residential compounds, resorts, villas and touristic villages, selling and the resale of Associated services and facilities, leasing and the construction of integrated projects along with managing the entertainment activities Associated with the companies in activities. All such activities are subject to the approval of appropriate authorities.

**3. THE COMPANY'S LOCATION**

The company's head office is located on the 6th of October City in the Giza Governorate and the main branch is located in the Smart Village.

**4. COMMERCIAL REGISTER**

The company is registered in the Commercial Register under No. 6801 dated 10 January 2005.

**5. Financial Year**

The company's financial year begins on 1 January and ends on 31 Dec. except for the first financial year which began as from the date of commencement of activity and ended on Dec. 31, 2012.

**6. AUTHORIZATION OF THE FINANCIAL STATEMENTS**

The Consolidated financial statements for the Period ended in 30 September 2021 were authorized for issue by the board of directors on -----.

**7. STOCK EXCHANGE LISTING**

The company was listed in the unofficial schedule no. (2) of the Cairo and Alexandria Stock Exchange on 27 Dec 2006 and then listed in the official schedule no. (1) of the Cairo and Alexandria Stock Exchange in April 2008.

**8. EXISTING PROJECTS**

The company has several major activities for the development of new urban communities and tourist compounds through:

**a) Building and constructing residential compounds**

The objective of the company is to contribute in building integrated residential units, providing Associates services, and entertainment complexes, while the Company possesses a large land bank which includes land with a total area of 1,392.20 acres approx. located at 6th October City, land with a total area of 456.84 acres approx. located at New Cairo City, land measuring a total area of 3262.05 acres approx. which is located at Sidi Abdel Rahman, El Alamin, Marsa Matrouh Governorate, land with a total area of 22.68 acres approx. located at Hurghada.

**b) Other activity**

According to a preliminary contract with a related party, the Company obtained a plot of land measuring approximately 1702.79 acres situated 49 KMs from the beginning of the Cairo-Alexandria Road to be transformed into Botanical Gardens by reclamation and cultivation using modern irrigation methods.

**c) Joint Arrangement**

The company and its subsidiaries adopted a new strategy as from the fiscal year ended 31 Dec. 2015 in relation to real estate development activities, through the conclusion of contracts as joint projects with some other parties, the contract provides that each contracting party to obtain a share of the contractual values of the financing, marketing and technical management of these projects as follows:

**-Palm Hills Developments**

Palm Hills Developments Company (real-estate developer) has contracted with one of the owners (owner) of the plot of land with an area of 135 acres in Alexandria-Abis-Moharram Bek-Cairo Alexandria Desert Road- to develop this area and under this contract the owner and the real estate developer receives a share of the total project revenues to the paid through the proceeds of the project. the company has not started marketing and selling the project units yet.

Palm Hills Developments Company and Palm for Urban Development Company (real-estate developer) has contracted with The Urban Communities Authority (owner) for the development of integrated residential project (Badya) on an area of 3000 acres in West Cairo on the basis of a revenue sharing system in that the company (real-estate developer) gets 74% for the business of the marketing and development of the project while the Authority (owner) receives 26% in addition to an in kind shares of project units -for land and supply of external facilities for the project, the real-estate developers started developing, marketing and selling the project units as from May 2018.

**-Palm for Investment And Real Estate Development**

Palm for Investment & Real Estate Development Company (real-estate developer) has contracted with The New Urban Communities Authority (owner) to develop land with a total area of 501,20 acres in New Cairo for the construction of an integrated urban project -Palm New Cairo- under this contract the Authority (owner) and the Company (real-estate developer) receives a share of total project revenues that paid through the proceeds of the project. the company started developing, marketing and selling the project units as from November 2016.



**-Palm Real Estate Development**

Palm Real Estate Development Company (real-estate developer) has contracted with Nasr City for Housing & Development Company (owner) to develop a land with a total area of 103.25 acres in New Cairo for the construction of an integrated urban project -Capital Gardens Project- under this contract the (owner) and the (real-estate developer) receives a share of total project revenues that paid through the proceeds of the project. the company started developing, marketing and selling the project units as from the fiscal year 2016.

**-Palm Hills Development of Tourism and Real Estate**

Palm Hills Development of Tourism and Real Estate Company (real-estate developer) has contracted with Batterjee Development of Tourism and Real Estate Company (owner) to develop land with a total area of 134.64 acres located in 85KM of Alexandria-Matroh Road - El Fouka village - for the construction of a full-service tourist resort, under this contract the (owner) and the (real-estate developer) receives a share of total project revenues that paid through the proceeds of the project. the company has not started marketing and selling the project units yet.

**d) Investments in Associates and subsidiaries****1- Direct investments in Associates and subsidiaries as following: -**

	<b><u>Percentage share %</u></b>
Palm Hills Middle East Company for Real Estate Investment S.A.E	99.99%
Gawda for Trade Services S.A.E	99.996%
New Cairo for Real Estate Developments S.A.E	99.985%
Khedma for managing tourist resorts and real estate	99.96%
Rakeen Egypt for Real Estate Investment S.A.E	99.9454%
Palm Hills Sports	99.9%
Palm for Real Estate Development S.A.E	99.4%
Palm for Investment & Real Estate Development S.A.E	99.4%
Palm Hills Development of Tourism and Real Estate S.A.E	99.4%
Palm Hills for Tourism Investment S.A.E	99.4%
Palm Hills Resorts S.A.E	99.4%
Palm for Urban Development S.A.E	99.4%
Palm for Constriction, real state dev. S.A.E	99.4%
Palm Hills Properties S.A.E	99.2%
Palm for Club Management S.A.E	99.2%
Palm Alexandria for Real Estate S.A.E	99.2%
United Engineering for Construction S.A.E	98.88%
Palm Hills Hospitality S.A.E	98%
East New Cairo for Real Estate Development S.A.E	89%
Macor for Securities Investment Company S.A.E	60%
Al Naeem for Hotels and Touristic Villages S.A.E	60%
Gamsha for Tourist Development S.A.E	59%
Royal Gardens for Real Estate Investment Company S.A.E	51%
Nile Palm Al-Naeem for Real Estate Development S.A.E	51%
Saudi Urban Development Company S.A.E	51%
Coldwell Banker Palm Hills for Real Estate S.A.E	49%
Arkan Palm	20.99%
Six of October for Hotels and Touristic Services Company S.A.E	00.24%
IFS Facilities Management S.A.E	49%

**2- Indirect investments in Associates and subsidiaries as following: -**

	<u>Percentage share %</u>
Palm North Coast Hotels S.A.E	97.412%
Palm Gamsha Hotels S.A.E	87.50%
Middle East Company for Real Estate and Touristic Investment S.A.E	96.04%
East New Cairo for Real Estate Development S.A.E	10.998%
Asten College for Education	71.82%
Palm Hills for Education S.A.E	71.04%
The Egyptian International Company for Higher Education	40%
Inspired For Education - Egypt	47.7%

**1- Direct investments in Associates and subsidiaries****-Palm Hills Middle East Company for Real Estate Investment S.A.E. and Its Subsidiary**

Palm Hills Middle East Company for Real Estate Investment S.A.E. is engaged in real estate investment in new cities and urban communities, and the construction, ownership and management of residential compounds, resorts, and villas. The company and its subsidiary are also involved in the sale and lease and other related services for managing integrated projects and entertainment activities.

The company is registered in Egypt under commercial registration number 21091. The company's subsidiary is registered in Egypt under commercial registration number 25016. Both companies are registered under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital/ Market Law No. 95 of 1992.

**-Gawda for Trade Services S.A.E**

Gawda for Trade Services S.A.E is registered in Egypt under commercial registration number 10242 under the provisions of the Companies' Law No. 159 of 1981. The company is located at 66 Gameat El-Dewal El Arabia Street- Mohandessin- Cairo. The company is engaged in real estate investment in new cities, urban communities, remote areas and regions.

**-New Cairo for Real Estate Developments S.A.E**

New Cairo for Real Estate Development S.A.E. is registered in Egypt under commercial registration number 12613 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the Capital Market Law No. 95 of 1992. The company is located in plot 36 South investors' area in new Cairo. The company is engaged in construction, management, and the sale of hotels, motels, buildings and residential compounds and the purchase, development, diving and sale of land.

**-Khedma for the management of tourist resorts and real estate S.A.E**

An Egyptian joint stock company is subject to the provisions of Law No. 159 of 1981 and Law No. 95 of 1992 and their two implementing regulations. The purpose of the company is to supervise the implementation of projects and project management. The company was registered in the Commercial Registry with No. 136337 on June 18, 2019.

**-Rakeen Egypt for Real Estate Investment S.A.E**

Rakeen Egypt for Real Estate Investment S.A.E is registered in Egypt under commercial registration number 34611 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 6<sup>th</sup> of October City. The company is engaged in leasing, construction and operation of hotels, motels, resorts and residential compounds, construction, generation of electricity, desalination of water, land acquisition, diving and constructing villas, residential units and offices malls and the marketing thereof.

**-Palm Sports Clubs Company S.A.E**

Palm Sports Clubs Company "an Egyptian joint stock company" was established in accordance with the provisions of Law No. 72 of 2017 and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its implementing regulations. The company was registered in Commercial Register No. 8348 on December 5, 2019, and the issued capital amounts to 2,000,000 Egyptian pounds, and the company's contribution is 99.9% of the capital. The main activity of the company is in the services of the sports field and includes management, marketing, operation, management of sports games, establishment of private clubs, academies, health clubs and fitness centers.

The company started practicing its main and usual activity through the conclusion of a contract to manage the Palm Hills Club - Palm Hills Resort in 6th of October City - owned by Palm Hills Development Company as of 1st January 2020

**-Palm for Real Estate Development S.A.E**

Palm for Real Estate Development S.A.E is registered in Egypt under commercial registration number 83974 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment.

**-Palm for Investment & Real Estate Development S.A.E**

Palm for Investment & Real Estate Development S.A.E is registered in Egypt under commercial registration number 85861 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment and real estate marketing.

**-Palm Hills Development of Tourism and Real Estate S.A.E**

Palm Hills Development of Tourism and Real Estate S.A.E is registered in Egypt under commercial registration number 92998 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment and real estate marketing.

**-Palm Hills for Tourism Investment S.A.E**

**Palm Hills for Tourism Investment S.A.E is registered in Egypt under commercial registration number 93156 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment and real estate marketing.**

**The Company has not started its business yet.**

**-Palm Hills Resorts S.A.E**

**Palm Hills Resorts S.A.E is registered in Egypt under commercial registration number 93163 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment and real estate marketing.**

**-Palm for Urban Development S.A.E**

**Palm for Urban Development S.A.E is registered in Egypt under commercial registration number 99183 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment.**

**The Company has not started its business yet.**

**-Palm Hills Properties S.A.E**

**Palm Hills Properties S.A.E is registered in Egypt under commercial registration number 88228 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment and real estate marketing.**

**The Company has not started its business yet.**

**-Palm for Club Management S.A.E**

**Palm for Club Management S.A.E is registered in Egypt under commercial registration number 101134 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate marketing, establishing, managing, ownership, sale and rental of apartments and commercial malls and establishing and operating of hotels, motels, apartments, hotel suites and tourist villages**

**-Palm Alexandria for Real Estate S.A.E**

**Palm Alexandria for Real Estate S.A.E is registered in Egypt under commercial registration number 101133 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in real estate investment in new cities and urban communities.**

**The Company has not started its business yet.**

**-United Engineering for Construction S.A.E**

United Engineering for Construction S.A.E is registered in Egypt under commercial registration number 56910 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is located at 40 Lebanon Street-Mohandessin-Giza. The company is engaged in construction.

**-Palm Hills Hospitality S.A.E**

Palm Hills Hospitality S.A.E is registered in Egypt under commercial registration number 45441 under the provisions of the Companies' Law No. 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating hotels, motels, resorts and residential compounds.

**-East New Cairo for Real Estate Development S.A.E**

East New Cairo for Real Estate Development S.A.E was established under the name of Kappci Company for Real Estate and touristic Development S.A.E. according to Law No. 159 of 1981 and its executive regulation and the company was registered under commercial registration No. 1429 of Ismailia at 20 March 2007.

**-Palm Hills Education S.A.E**

Palm Hills Education S.A.E is registered in Egypt under commercial registration number 103987 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in establishing, managing, rental and equipping of schools.

**-Macor for Securities Investment Company S.A.E**

Macor for Securities Investment Company S.A.E was established in Egypt on 8 March 2000 under the provisions of Capital Market Law No. 95 of 1992. The objective of the company is to contribute in the establishment or investment in the companies' securities especially the companies engaged in owning, renting and managing the hotels, motels and resorts.

**-Al Naeem for Hotels and Touristic Villages S.A.E**

Al Naeem for Hotels and Touristic Villages S.A.E is registered in Egypt under commercial registration number 32915 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 6<sup>th</sup> of October City. The company is engaged in construction and operation of hotels in Hamata.

**-Gamsha for Tourist Development S.A.E**

Gamsha for Tourist Development S.A.E is registered in Egypt under commercial registration number 33955 under the provisions of the Companies' Law No. 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in real estate investments in new cities, urban communities, remote areas and regions outside the old valley.

**-Royal Gardens for Real Estate Investment Company S.A.E.**

**Royal Gardens for Real Estate Investment Company S.A.E. is registered in Egypt under commercial registration number 21574 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 11 El-Nakhil Street- Dokki-Giza.**

**The company is engaged in real estate investment in cities and new urban communities and the setup, execution, acquisition, and management of urban communities, resorts, villas and tourist villages through sale or lease. The company is also involved in all other types of related services such as finance leasing and construction.**

**-Nile Palm Al-Naeem for Real Estate Development S.A.E**

**Nile Palm Al-Naeem for Real Estate Development S.A.E is registered in Egypt under commercial registration number 27613 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 40 Lebanon Street-Mohandessin-Giza. The company is engaged in real estate investment in new cities and urban communities, and also in the construction, ownership and management of residential compounds, resorts, and villas.**

**-Saudi Urban Development Company S.A.E**

**Saudi Urban Development Company S.A.E is registered in Egypt under commercial registration number 1971 under the provisions of the Companies' Law No. 159 of 1981. The company is located in 72 Gamet El- Dewal El Arabia Street- Mohandessin- Cairo. The company is engaged in the construction of advanced residential projects.**

**-Coldwell Banker Palm Hills for Real Estate S.A.E**

**Coldwell Banker Palm Hills for Real Estate S.A.E is registered in Egypt under commercial registration number 15970 on 17 August 2005 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is engaged in real estate investment.**

**-Palm October for Hotels S.A.E**

**Palm October for Hotels S.A.E is registered in Egypt under commercial registration number 38357 under the provisions of the Companies' Law No. 159 of 1981. The company is located at 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating hotels, motels, resorts and residential compounds.**

**The Company has not started its business yet.**

## **2- Indirect investments in Associates and subsidiaries**

	<b><u>Percentage share %</u></b>
<b>Palm North Coast Hotels S.A.E</b>	<b>97.412%</b>
<b>Palm Gamsha Hotels S.A.E</b>	<b>96.04%</b>
<b>Middle East Company for Real Estate and Touristic Investment S.A.E</b>	<b>87.50%</b>
<b>East New Cairo for Real Estate Development S.A.E</b>	<b>10.998%</b>
<b>Asten College for Education S.A.E</b>	<b>71%</b>
<b>Palm hills for education</b>	<b>71.86%</b>

### **-Palm North Coast Hotels S.A.E**

**Palm October for Hotels S.A.E is registered in Egypt under commercial registration number 48189 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating the hotels, motels, resorts, and residential compounds.**

### **-Palm Gamsha Hotels S.A.E**

**Palm October Hotels S.A.E is registered in Egypt under commercial registration number 46193 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating the hotels, motels, resorts, and residential compounds.**

### **-Middle East Company for Real Estate and Touristic Investment S.A.E**

**Middle East Company for Real Estate and Touristic Investment S.A.E is registered in Egypt under commercial registration number 25016 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981.**

**The company is engaged in real estate investment in cities and new urban communities and the setup, execution, acquisition, and management of urban communities, hotel apartment and tourist villages.**

### **-East New Cairo for Real Estate Development S.A.E**

**East New Cairo for Real Estate Development S.A.E was established under the name of Kappci Company for Real Estate and touristic Development S.A.E. according to Law No. 159 of 1981 and its executive regulation and the company was registered under commercial registration No. 1429 of Ismailia at 20 March 2007.**

### **-Asten College for Education**

**Asten College for Education S.A.E is registered in Egypt under commercial registration number 106243 under the provisions of the Companies' Law No. 159 of 1981 and the statutes of the Capital Market Law No. 95 of 1992. The company is engaged in establishing, managing, rental and equipping of schools.**

**The Company has not started its business yet.**

**9. STATEMENT OF COMPLIANCE**

These consolidated financial statements of Palm Hills Developments and its subsidiaries (the 'group') were prepared in accordance with new Egyptian Accounting Standards issued by ministerial resolution NO. 110 of 2015 and amended pursuant to ministerial resolution NO. 69 of 2019 and following the same accounting policies applied for the preparation of the previous financial statements on December 31, 2019 which were not undergoes any modifications or updates.

**10. SIGNIFICANT ACCOUNTING POLICIES APPLIED****a) Basic of consolidated financial statements preparation**

The Company's management is responsible for the preparation the financial statements. The consolidated financial statements are prepared in accordance with Egyptian Accounting Standards issued by ministerial resolution NO. 110 of 2015 and amended pursuant to ministerial resolution NO. 69 of 2019 and related Egyptian Laws and regulations.

**b) Basic of consolidation**

The consolidated financial statements comprise the financial statements of Palm Hills Developments Company and its subsidiaries which are all entities over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The consolidated financial statements of Palm Hills Developments Company include its subsidiaries with the exception of the following:

	<u>Percentage share %</u>	<u>Nature</u>
Coldwell Banker Palm Hills for Real Estate	49%	Associates

1. In preparing consolidated financial statements, the Company combines the financial statements of the parent company and its subsidiaries line-by-line by adding together like items of assets, liabilities, equity, income and expenses the following steps are then taken:
2. Consolidated financial statements shall be prepared using uniform accounting policies. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.
3. The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. The difference between the cost of acquisition and the Company share in the fair value of the assets and liabilities of the investee is accounted for as a positive goodwill or as a negative goodwill and to be recognized on the consolidated income statement.



4. Combining balances and items of balance sheet as well as statements of income, changes in equity and cash flows, considering the acquisition date of subsidiaries, appropriate adjustments are made to cost of revenue, work in process and projects under construction which resulting from applying the acquisition method to account for resultant goodwill.
5. Intergroup balances, transactions shall be eliminated in full.
6. Profits and losses resulting from intergroup transactions are eliminated in full unless such transactions were eliminated or transferred to a third party.
7. Non-controlling interests in the net equity and in net earnings of subsidiary companies are included in a separate item "non-controlling interest" in the consolidated financial statements.
8. A subsidiary company is not included in the consolidated financial statements if the holding company loses its control over the financial and operational policies in this subsidiary starting from the date that control ceases.

c) Business combination

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquirer's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

d) Intangible assets

1- Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill Associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## **2- Other intangible assets**

Intangible assets are non-monetary assets which are without physical substantive. Intangible assets arise from contractual or other legal rights and from which future economic benefits (inflows of cash or other assets) are expected to flow and can be measured reliably. Intangible assets are initially measured at cost and to be re-measured at each financial year-end at cost of acquisition less accumulated amortization and accumulated impairment losses, which represents the fair value of those assets at that date.

### **e) Use of estimates and judgments**

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and Associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Revenue
- Estimated cost to complete projects
- Assets impairment
- Usufruct
- Investment Property
- Deferred tax
- Fair value of financial instruments

**f) Changes in accounting policies**

Changes in accounting policies are changes in the specific principles, bases, conventions, rules, and practices applied by the Company in preparing and presenting financial statements. A change in accounting policy may be a voluntary change from one accepted policy to another in the Framework of the Egyptian Accounting Standards, where such changes result in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Group's financial position, financial performance, or cash flows. The change in accounting policy is applied retrospectively as an adjustment to the beginning balance of retained earnings as a component of equity.

**g) Bookkeeping****1- Functional and presentation currency**

These consolidated financial statements are presented in Egyptian pound, which is the currency of the primary economic environment in which the Group operates (the functional currency). Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction.

**2- Foreign currency transactions and balances**

Monetary assets and liabilities in foreign currencies are retranslated at the end of each year at the exchange rates then prevailing. Foreign exchange gains and losses resulting from valuation differences are recognized in the income statement.

**h) Operating segment**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group has one operating segment which is real estate of all types and other operating segments are not identified according to EAS (41).

**11. INVESTMENTS****a) Investments in subsidiaries**

Subsidiaries are all companies that are controlled by the Company in that the Company owns more than half of the voting rights of a subsidiary, and Control is the power to govern the financial and operating policies of a subsidiary.

Investments in subsidiaries are stated at cost method. According to this method, investments recorded at cost- cost of acquisition- at the purchase order date less permanent impairment losses, if any, such impairment losses are recognized in income statement.

**b) Investments in Associates**

Subsidiaries are all companies over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in Associates are stated at equity method, under the equity method the investments in Associates are initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the Associates after the date of acquisition.

Distributions received from Associates reduce the carrying amounts of the investments. As an exception, investments in Associates are initially recognized at cost based on preparing the consolidated financial statements available for public use.

**c) Financial investments available for sale**

Available-for-sale financial assets are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognized at fair value plus directly attributable costs of acquisition or issue.

Gains and losses arising from changes in the fair value of available for sale financial investments are recognized as equity until the financial asset is derecognized, or impaired, at which time, the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.

The fair value for available-for-sale investments is identified based on the quoted price of the exchange market at the balance sheet date, except for investments which are not quoted in a stock exchange in an active market and whose fair value cannot be measured reliably in this case they are measured at cost.

**d) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Held-to-maturity investments are initially recognized at fair value plus directly attributable costs of acquisition or issue, after initial recognition held-to-maturity investments are measured at amortized cost using the effective interest method less impairment losses.

Gains and losses are recognized in income statement when the investments are derecognized or impaired, as well as through the amortization process.

**e) Investments at fair value through profit and loss**

Investments at fair value through profit and loss includes financial assets acquired principally for the purpose of selling or repurchasing it in the near term or are designated as such upon initial recognition. Investments at fair value through profit and loss initially recognize at fair value plus directly attributable costs of acquisition, after initial recognition investments at fair value through profit and loss are measured at fair value and any changes therein are recognized in income statement.

**f) Investments properties**

Investment property is property (land or a building or both) held to earn rentals or for capital appreciation or both, rather than for use in the ordinary course of business. Investment property includes lands held for sale on long term. Investment property does not include property acquired exclusively with a view to subsequent disposal in the near future or for development and resale. Investment property is initially measured at cost, including transaction costs, subsequent to initial recognition Investment property is measured at cost less accumulated depreciation and any impairment in value. Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

**12. PROJECTS UNDER CONSTRUCTION**

Include the direct and indirect cost of land allocated to the Company for engaging in its main activity which had been allocated to build golf courses and hotels in Palm Hills Residential Compound in 6<sup>th</sup> of October City, as well infrastructure and construction costs of such projects. Projects under construction also include acquisition of commercial shops from an Associates company.

**13. FIXED ASSETS**

Fixed assets are stated at historical cost –cost of acquisition-and to be depreciated by straight line method over the estimated useful life of the asset starting from the date of using the asset. Cost of acquisition does not include subsequent expenditure relating to routine maintenance or to ensure that a fixed asset maintains its original assessed standard of performance and useful life and should be charged to the income statement. Carrying amount of fixed assets after initial measurement is stated at historical cost less accumulated depreciation and cumulative impairment losses (if any). The estimated useful lives are as follows:

<u>Asset</u>	<u>Rate</u>
Buildings	5%
Tools & Equipment	25%
Furniture & Fixtures	25-30.33%
Vehicles	25%

The carrying amount of a fixed asset should be derecognized on disposal or when no future economic benefits are expected to be earned from its disposal. The gain or loss on the disposal of an asset is the difference between the proceeds and the carrying amount and should be in profit and loss.

The residual value, the useful life and the depreciation method of an asset should be reviewed at least at each financial year-end.

An asset is impaired when its carrying amount exceeds its recoverable amount, At the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired and therefore the asset should be written down to its recoverable amount and the impairment loss shall be recognized in the income statement.

An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. Any impairment loss is recognized in the income statement.

**14. WORK IN PROCESS**

Work in process includes direct and indirect cost of land allocated to the Company for it to carry out its main activity whether the Company started the marketing activities for such lands or not, as well as construction and infrastructure costs and other indirect construction costs, that are related to contracted units, in which the required criteria of percentage of completion to be achieved has not met yet to be recognized in income statement.

**15. COMPLETED UNITS READY FOR SALE**

Completed units ready for sale represent those units the Company started to build before or in conjunction with their marketing strategy and in accordance with the Master Plan.

All costs (cost of land, cost of developments and other indirect costs) attributable to such units are accumulated in the Work in Process Account until all units are completed for each phase. The cost is determined based on the outcome of multiplying the total area of the remaining completed units ready for sale at the date of consolidated balance sheet by the average meter cost of these units. Revenue from completed units ready for sale is recognized and matched to the cost of such units upon delivery. Completed units ready for sale are re-measured at each reporting period at the lower of cost or net realizable value.

**16. NOTES RECEIVABLE**

Notes receivable represent the checks which have certain maturity dates which the Company received as bank guarantees for the contractual values of the contracted units. Notes receivables are initially recognized at fair value at the date of contract and subsequently measured at amortized cost based on discounted future cash flow using the effective interest method.

**17. TREASURY SHARES**

These are the shares of the company acquired in accordance with the decisions of the board of directors approved in this regard, and they are proven at the cost of the acquisition deducted from the equity and prove profits or losses of sale within equity.

**18. IMPAIRMENT**

An asset is impaired when its carrying amount or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use while value in use is the present value of estimated cash flow expected to be derived from an asset or cash-generating unit. An impairment loss is recognized in income statement.

If there is an indication that there is an increasing in recoverable amount for an asset that increase is a reversal of the impairment. 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.

**19. PROVISION**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation; and the amount can be estimated reliably. Provision is charged to income statement. The provisions balances are reviewed on a going basis at the reporting date to disclose the best estimate on the current year and reflect the present value of expenditures required to settle the obligation where the time value of money is material.

**20. LAND PURCHASE LIABILITY**

Land purchase liability represents the obligations which incurred for purchase lands at certain amount and on certain maturity dates. Land purchase liability is recognized initially at the fair value. Land purchase liability is subsequently stated at amortized cost using the effective interest method.

**21. COMPLETION OF INFRASTRUCTURE LIABILITIES**

Completion of infrastructure liabilities presents the difference between the estimated cost and actual cost of the infrastructure in respect of the contracted units and to be deducted from earned revenue from plot of land of the contacted units.

**22. CAPITALIZATION OF BORROWING COST**

Capitalization of borrowing costs represents interest and other costs that the Company incurs in connection with the borrowing of funds which directly attributable to the acquisition, construction or production of a qualifying asset and would have been avoided if the expenditure on the qualifying asset had not been made .Capitalization should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress while capitalization should be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. Other indirect borrowing costs are recognized as expenses.

**23. INCOME TAX**

Taxation is provided in accordance with the Income Tax Law No. 91 of 2005.

**(A) Current income tax**

Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the taxation authorities.

**(B) Deferred tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

**24. SHARE PREMIUM**

Share premium is the amount received by a company over and above the face value of its shares. After deducting the issuance expenses attributable to the issuance, a part of share premium is credited to the legal reserve with limits of half of the Company's issued share capital, while the remaining balance of share premium is credited to special reserve, general assembly is responsible for determining the uses of such reserve, and it cannot be used for dividends.

**25. BORROWING COSTS**

The amount and value of the borrowing is initially recognized in the values received, and the amounts due within a year are classified within the current obligations, unless the company has the right to postpone the payment of the loan balance for a period of more than one year after the date of the financial statements, then the loan balance is presented within the long-term liabilities.

The borrowing and loan costs are measured after the initial recognition of the loans on the basis of amortized cost using the effective interest rate method. The gains and losses for eliminating liabilities are included in the income statement (profits and losses) in addition to the depreciation process using the effective interest rate method.

**26. EARNINGS PER SHARE**

Basic EPS is calculated by dividing profit or loss from continuing operations and net profit or loss (after deducting employee share and board of director's remuneration – if any) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

**27. RELATED PARTY TRANSACTIONS**

Related party transactions present the direct and indirect relationship between the Company and its Associates, subsidiaries, or an interest in a joint venture, also the relationship between the Company and key management personnel or employees who exercise direct or indirect strong influence on the Company's decision making. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

**28. RENT CONTRACTS**

**1) Asset Lease Contracts**

The "right of use" asset and the lease liability are recognized at the start date of the contract, where the "right of use" is measured at cost at the start date of the lease, and the cost of the "right of use" asset includes the initial measurement amount of the lease commitment and any lease payments made on or before the start date. The lease contract and any direct costs and any costs incurred in dismantling and removing the underlying asset. The lease obligations are



measured at the present value of the lease payments unpaid on that date using the interest rate implicit in the lease. The lease payments are the payments following the right to use the asset, whether payments Fixed or variable payments (LIBOR) or amounts expected to be repaid under guarantees, the exercise price of the purchase option, and penalty payments for terminating the lease.

### Post measurement

- At the end of the period, the “right of use” asset is depreciated from the date of the start of the lease contract until the end of the useful life of the asset subject of the contract in accordance with the depreciation requirements contained in Egyptian Accounting Standard No. (10), if the purchase option is to be exercised. Otherwise, the asset is depreciated to the end of the period. The useful life or the end of the lease term, whichever is sooner, and any impairment losses in the value of the usufruct asset, if any.

- After the lease date, the lease obligations are measured to reflect changes in lease payments as follows: -

- A. Increasing the carrying amount to reflect the interest on the lease commitment.
- B. Reducing the carrying amount to reflect the rental payments.
- C. Remeasure the carrying amount to reflect any revaluation or lease modifications.
- D. If there is a change in future lease payments as a result of a change in the interest rate used to determine the lease payments, the lease liability is re-measured to reflect the revised lease payments.

### 2) Contracts of sale with leaseback

In the case of sale with leaseback, the asset transfer process is evaluated if it is a sale (the buyer obtains control of the asset, directs its use and obtains the remaining benefits from it) or is not a sale, as follows:

#### Transferring the asset represents a sale

The asset is recognized as a usufruct in accordance with the requirements of the Egyptian Accounting Standard No. (49) on lease contracts in exchange for proving the lease contract obligations at the present value of the lease payments as commitments as stated in the policy of lease contracts listed in item (a) above, where the contract is classified in this case as a lease contract.

#### Transferring an asset is not a sale

The transferred asset is recognized in the company’s books within the assets in exchange for a financial obligation equal to the transfer proceeds in the contract, and this obligation is accounted for in accordance with the Egyptian Accounting Standard No. (47), where the contract in this case is classified as a financing contract with the guarantee of the asset.

### **3) Exemptions from recognition**

The company may choose not to apply the Egyptian Accounting Standard No. (49) on lease contracts for short-term leases and low-value lease contracts.

## **29. REVENUE FROM CUSTOMER CONTRACTS**

- The company has applied the Egyptian Accounting Standard No. (48) for revenue from customer contracts, where the company recognizes the revenue generated from contracts with customers in light of the terms of the Egyptian Accounting Standard No. (48) by defining and applying the following procedures: -

- Determine the contract.

- Determine performance obligations.

- Determining the transaction price.

- Distributing the transaction price to the performance obligations in the event that the client contract includes more than one performance obligation.

- Revenue from customer contracts is recognized over time (fulfillment of performance obligations over a period of time representing the time in which performance obligations are fulfilled) if one of the following criteria is met:

A - The customer receives the benefits resulting from the performance of the facility and consumes them at the time the company implements the implementation.

or b- As a result of the performance obligations, the company creates or improves an asset.

Or c- The company's performance does not result in the creation of an asset that has no alternative use, and the company has an enforceable right to collect payment for performance completed to date.

- Revenue from customer contracts is recognized at a point in time if the performance obligations are not fulfilled over a period of time, as the company fulfills the performance obligation at a point in time, which is the point at which the customer obtains control of the asset - directing the use of the asset - and obtaining Approximately all residual benefits, in which case the company must recognize revenue because it has fulfilled its performance obligations.

## **30. MATCHING OF REVENUES AND COSTS**

The accounting treatment of signed contracts of villas and townhouses is based on the recognized revenue of the elements of the contact as follows:

### **a) Villas and townhouses**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs Associated with the construction contract shall be recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting.

The recognition of revenue and expenses by reference to the stage of completion of a contract is often referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

Under the percentage of completion method, contract revenue is recognized as revenue in profit or loss in the accounting periods in which the work is performed. Contract costs are usually recognized as an expense in profit or loss in the accounting periods in which the work to which they relate is performed.

Cost of revenues includes the direct and indirect cost of land and the cost of construction and infrastructure, in addition to the indirect costs of construction.

**b) Completed units ready for sale**

Completed units ready for sale represent those units the Company started to build before or in conjunction with their marketing process and in accordance with the Master Plan. Completed units ready for sale (apartments of Palm Hills 7th Phase) are recognized at cost.

All costs (cost of land, cost of developments and other indirect costs) attributable to such units are accumulated in the Work in Process Account until all units are completed for each phase.

The cost is determined based on the outcome of multiplying of the total area of the remaining completed units ready for sale at the date of consolidated balance sheet by the average meter cost of these units. Revenue from completed units ready for sale is recognized and matched to the cost of such units upon delivery. Completed units ready for sale are re-measured at each reporting period at the lower of cost or net realizable value.

**c) Provision of completion**

When the estimated contractual costs exceeded or it is probable that will exceed the contractual values, in such cases, any expected excess is recognized as an expense immediately.

**31. REVENUE RECOGNITION**

**a) Sales revenues**

**1- Villas and townhouses**

Revenue from the Company's main activity is recognized in the income statement over time based on percentage of completion for each contracted unit.

**2- Completed units ready for sale**

Completed units ready for sale represent the contractual values of contracted units. Revenue is recognized in income statement at the point in time at which the entity transfers control of the asset to the customer.

**b) Gains on held-to-maturity investments**

Revenues resulting from investments in treasury bills and deposit certificates are recognized and recorded in the income statement (profits and losses) with the value of depreciation resulting from the consumption of issuance discount for the period from the date of acquisition and possession of those investments until the date of redemption and by following the maturity policy.

**c) Investments in Associates and subsidiaries**

Revenue from investments in Associates recognized based on equity method and in accordance with the company's share of the net profit or loss of the Associates which is determined on the basis of current ownership interests, in addition to changes in the Associate's other comprehensive income that have not been included in profit or loss.

Revenues from investments in subsidiaries are recognized based on cost method on the date the Company's right to receive such revenues is established or received which is more determinable.

**d) Gain (loss) on sale of investments in securities**

Gains (losses) from sale of investments in securities are recognized when a sale is consummated, and the Company has transferred to the buyer the usual risks and rewards of ownership. Such gains (losses) are measured by the difference between cost of acquisition and selling price less selling commission and expenses and to be recognized in profit or loss.

Revenues resulting from equity method application and revenues from cash dividends are eliminated in preparing the consolidated income statement.

**e) Revenues from investment property**

Revenues from investment in real estate are recognized when a sale is consummated, and the Company has in principle transferred to the buyer the usual risks of ownership. Such revenues are measured by the difference between cost of acquisition and selling price.

**f) Revenues from mutual funds**

Revenues from mutual fund are measured by the difference between cost of acquisition and selling price. Such revenues are recognized in profit or loss.

**g) Interest income**

Interest income is recognized in the profit or loss as it accrues using the effective interest rate method.

**32. CASH AND CASH EQUIVALENTS**

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less.

**33. FINANCIAL INSTRUMENTS & FAIR VALUE**

**-Financial instruments**

The financial instruments of the Company are represented in the financial assets and liabilities. The Company's financial assets include cash on hand and at banks, notes receivable, checks under collection and debtors and other debit balances, financial liabilities include bank overdraft, advances from customers and creditors & other credit balances.

- **Financial instruments fair value**

The financial instruments of the Company are represented in the financial assets and liabilities. The Company's financial assets include cash on hand and at banks, notes receivable, checks under collection and debtors & other debit balances, financial liabilities include bank overdraft, advances from customers and creditors & other credit balances.

34. **RISK MANAGEMENT**

- **Interest rate risk**

The interest risk is represented in the interest rates changes and its effect on the current and future financial liabilities, represented in interests and commissions on bank overdraft, which may have a negative impact on the results of operations. The Company uses long-term financing sources with no interest represented in advances from customers.

	<u>NOTE</u>
	<u>NO.</u>
BANK OVERDRAFT	(50)
NOTES PAYABLE -SHORT TERM	(54-a)
NOTES PAYABLE -LONG TERM	(54-b)
LOANS -SHORT TERM	(55)
LOANS -LONG TERM	(55)
FINANCIAL LEASING COMPANIES	(34,42,54)

- **Credit risk**

Credit risk is represented in the inability of clients granted credit to pay their dues. This risk is limited because the company deals with clients of good financial solvency, in addition to the company's failure to deliver the contracted units before the client deposits negotiable bank debt instruments against unpaid installments in the date of receipt (note 45).

Credit risk is represented in the inability of customers granted credit to pay their dues. This risk is limited because the company has developed a distinguished credit policy that includes obtaining advance payments, as well as customers negotiable bank debt instruments against the installments due on the date of receipt, in the event that the company deals with high-net-worth clients

In addition to the above, the customer contracts stipulate that the ownership of the units shall not be transferred to the customers before the full value of the units is paid, and therefore no losses or impairment in customer balances occurred before that.

The company also achieves direct and indirect profits in the event that customers do not pay the rest of the dues on the unit, as the contract is canceled and the amounts previously paid are refunded after deducting the cancellation fees according to the contract concluded, in addition to the positive change in selling prices and thus the contractual values of the units

**35. INVESTMENT IN ASSOCIATES**

The consolidated balance of investments in Associates as of September 30, 2021 amounted to an amount EGP 102 656 474 as follows

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Naema for Touristic & Real Estate Investments S.A.E	79 864 983	77 902 192
Arkan palm for real state investment S.A.E	10 000	60 406 763
EFS palm for facilities services S.A.E	6 633 374	6 392 348
Villamora for Real Estate Development Company S.A.E	2 535 617	2 535 617
Palm Hills for Real Estate S.A.E-Coldwell Banker	245 000	245 000
Egyptian International for Higher Education S.A.E	10 000 000	--
Inspired Egypt for Education S.A.E	367 500	--
The Cookery - Co for catering and restaurants S.A.E	3 000 000	3 000 000
Balance on September 30, 2021	<u>102 656 474</u>	<u>150 481 920</u>

The following is a summary of the financial data for the Associates:

	<u>Assets</u>	<u>Liabilities</u>	<u>Shareholders'</u> <u>equity</u>	<u>Revenues</u>	<u>Expenses</u>
Naema for Touristic & Real Estate Investments	187 529 075	27 780 203	159 748 872	17 746 635	8 840 358
Palm Hills for Real Estate -Coldwell Banker	500 000	--	500 000	--	--
Villamora for Real Estate Development Company	2 535 619	--	2 535 619	--	--
EFS palm for facilities services	<u>97 676 280</u>	<u>84 630 671</u>	<u>13 045 609</u>	<u>195 527 589</u>	<u>184 481 980</u>

**36. INVESTMENT PROPERTY**

The consolidated balance of real estate investments on 30 September 2021 amounted to 171 684 745 EGP and its balance is the value of the cost of land acquired by the company under letters of allocation, initial contracts, or contracts with squatters, where real estate investments are represented in the value of real estate (land) that was acquired and held. With the purpose of obtaining capital gains resulting from a positive change in the fair or market value or to achieve returns or both together, which are lands held for an unspecified future purpose at the present time, in addition to the construction cost of the shops at Palm Hills Resort on the 6th of October (Mall 88Street) As well as the villas in Villa Mora Resort, as follows:

<u>Real estate investments - land</u>	<u>Acre</u>	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
		<u>EGP</u>	<u>EGP</u>
Gamsha for Tourist Development S.A.E	22,679	115 958 756	116 125 989
Total real estate investment - land		<u>115 958 756</u>	<u>116 125 989</u>
<b><u>Real Estate Investments - Buildings</u></b>			
<b><u>Commercial shops - Palm Hills Resort</u></b>			
Cost of shops (88 Street Mall)		68 954 767	68 469 307
Accumulated depreciation		<u>(17 228 778)</u>	<u>(14 584 013)</u>
Net cost of shops (88 Street Mall)		51 725 989	53 885 294
Villas at villa mora resort		<u>4 000 000</u>	<u>4 000 000</u>
Balance on 30 September 2021		<u>171 684 745</u>	<u>174 011 283</u>

**37. The Assets Of The Usufruct**

The assets of the usufruct are represented in the right to usufruct the rents of offices and administrative headquarters, and the balance has reached On September 30, 2021 an amount of 14 530 337 EGP is as follows: -

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
The Assets Of The Usufruct – headquarters rent .	20 832 345	--
Accumulated depreciation	6 302 008	--
<b>Balance on September 30, 2021</b>	<b>14 530 337</b>	<b>--</b>

**38. Lease Contract Obligations**

The net present value of the lease contract obligations as of 30 September 2021 is 11 323 585 EGP as follows: -

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Lease Contract Obligations – Short Term	5 433 266	--
Lease Contract Obligations – Long Term	5 890 319	--
<b>Balance on September 30, 2021</b>	<b>11 323 585</b>	<b>--</b>

**39. HELD-TO-MATURITY INVESTMENT**

The consolidated balance for held-to-maturity investments on September 30, 2021 is an amount EGP 2 038 953 756 It represents the value of investment in treasury bills and bonds as follows:

	<u>Face value</u>	<u>Unrecognized investment</u>	<u>Average return</u>	<u>Purchase price</u>
	<u>EGP</u>	<u>return</u>	<u>rate</u>	<u>EGP</u>
		<u>EGP</u>	<u>%</u>	
Palm Hills Development	1 009 125 000	57 689 377	%10	951 435 623
Palm Hills Middle East Company for Real Estate Investment	118 861 770	5 897 312	%10	112 964 458
East New Cairo for Real Estate Development	46 350 000	2 663 395	%10	43 686 605
Gawda for Trade Services	4 200 000	237 025	%10	3 962 975
Middle East Company for Real Estate and Touristic Investment	10 325 000	563 938	%10	9 761 062
Palm Hills For Constructions	103 000 000	2 547 544	%10	100 452 456
Palm Hills Development of Tourism and Real Estate	143 400 000	9 594 285	%10	133 805 715
Palm for investment and real estate development	201 980 000	11 184 000	%10	190 796 000
Palm real estate development	83 325 000	6 561 619	%10	76 763 381
Rakeen Egypt for Real Estate Investment	120 650 000	2 505 539	%10	118 144 461
Palmh Hills for Urban Development Company	36 650 000	2 302 864	%10	34 347 136
Royal Gardens for Real Estate Investment Company	65 625 000	1 163 332	%10	64 461 668
Saudi Urban Development Company	212 175 000	13 802 784	%10	198 372 216
	<u>2 155 666 770</u>	<u>116 713 014</u>		<u>2 038 953 756</u>

Those investments were disclosed according to their maturity dates in the notes supplementing the independent financial statements of the aforementioned companies.

**40. NOTES RECEIVABLE**

The notes receivables are represented in the checks received from the clients for the contractual values of the units contracted with the company to implement them, as well as the workers' union checks (against maintenance expenses) in addition to other checks collected from other parties. The consolidated balance of the receivables reached on 30 September 2021 is EGP 27 584 178 444 after deducting the difference in the present value of EGP 385 219 280 and the share of the partners in an amount of EGP 2 007 117 702 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Short term notes receivable	5 924 205 173	5 311 765 774
<u>Deduct: -</u>		
Notes receivable of joint venture	422 207 218	270 906 317
Unamortized discount	28 678 055	15 296 087
Current value for short term notes receivable	<u>5 473 319 900</u>	<u>5 025 563 370</u>
Long term notes receivable	18 578 990 353	16 853 222 002
<u>Deduct: -</u>		
Notes receivable of joint venture	1 584 910 484	1 303 168 570
Unamortized discount	356 541 225	211 869 118
Current value for long term notes receivable	<u>16 637 538 644</u>	<u>15 338 184 314</u>
Balance on 30 September 2021	<u>22 110 858 544</u>	<u>20 363 747 684</u>

According to the Central Bank of Egypt's Board of Directors No.1906 of 2007 concerning the regulations and rules governing banking finance to real estate development companies operating in the field of housing units and construction for the purpose of their sale, Bank cannot discount trade and notes receivable, unless contracted units be delivered to customers.

Notes receivables balances included an amount of 1.61 billion EGP representing the value of checks received in exchange for maintenance deposits of contracted units, whose collected value reverts to the Workers' Union upon its establishment in accordance with the provisions of the Building Law No. 119 of 2008 and its executive regulations and amendments thereof.

\*The share of the partner (the owner) in the notes receivables and checks under collection of the projects that the company started to market and implement under the project system with the participation system in light of the contracts concluded in this regard implement under the project system with the participation system in light of the contracts concluded in this regard (8c).

**41. PROJECTS UNDER CONSTRUCTION**

The consolidated balance of projects under construction on 30 September 2021 amounted to EGP 67 725 041 and is the value of the cost of land and construction work for service areas and recreational areas in the residential complexes of the Palm Hills Group, as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Palm club Constructions	59 560 802	57 785 796
Consultation and designs fees	4 413 088	37 479 467
Schools Construction cost	3 751 151	2 606 109
Balance on September 30, 2021	<u>67 725 041</u>	<u>97 871 372</u>



**42. Fixed Assets**

The net cost of the consolidated fixed assets on 30 September 2021 amounted to EGP 2 694 892 065 presented by fixed administrative assets on the site and the headquarter as follows:

	<u>Cost as of</u> <u>Jan. 1, 2021</u>	<u>Additions</u> <u>during the</u> <u>Period</u>	<u>Disposals</u> <u>during the</u> <u>Period</u>	<u>Cost as of</u> <u>30 Sep 2021</u>	<u>Accumulated</u> <u>depreciation</u> <u>as of Jan. 1,</u> <u>2021</u>	<u>Depreciation</u> <u>for the Period</u>	<u>Depreciation</u> <u>of Disposals</u>	<u>Accumulated</u> <u>depreciation</u> <u>as of</u> <u>30 Sep 2021</u>	<u>Net book value</u> <u>as 30 Sep 2021</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
* land	33 145 821	--	--	33 145 821	--	--	--	--	33 145 821
* Buildings	702 935 003	25 452 443	--	728 387 445	261 903 206	18 973 723	--	280 876 929	447 510 516
Machinery & equipment	204 705 001	17 981 916	21 082 668	201 604 249	154 273 146	11 828 511	21 079 514	145 022 143	56 582 106
Vehicles	28 215 158	5 368 748	1 795 100	31 788 806	22 494 033	2 069 380	1 771 787	22 791 626	8 997 180
Computer equipment	90 197 217	10 639 709	2 469 999	98 366 927	77 434 991	5 875 572	2 395 879	80 914 684	17 452 243
Leasehold improvements	21 244 693	--	75 749	21 168 944	20 563 265	600 649	75 749	21 088 165	80 779
Furniture	102 360 738	15 644 641	6 680 936	111 324 443	68 032 647	9 380 161	4 786 175	72 626 633	38 697 810
Golf Courses	2 412 302 955	--	--	2 412 302 955	161 060 721	91 777 137	--	252 837 858	2 159 465 097
<b>Total cost</b>	<b>3 595 106 585</b>	<b>75 087 452</b>	<b>32 104 452</b>	<b>3 638 089 590</b>	<b>765 762 009</b>	<b>140 505 133</b>	<b>30 109 104</b>	<b>876 158 038</b>	<b>2 761 931 552</b>
Impairment of Makor assets									(2 500 000)
Impairment of assets									(64 539 487)
<b>Balance as of 30 September 2021</b>									<b>2 694 892 065</b>

- All fixed assets in the group companies are available for use in operation.
- Fixed assets depreciation for the Nine Months Ended 30 September 2021 amounted To EGP 140 505 133 and allocated as follows:

	<u>EGP</u>
Operating assets-work in process	5 184 412
Administrative depreciation (income statement)	119 715 382
Depreciation expense of hotel operations	6 904 436
Depreciation expense of Palm Hills Club's assets - club's operating statement	8 700 903
<b>Total depreciation of fixed assets during the Period</b>	<b>140 505 133</b>

Capital Gains for the Nine Months ended 30 September, 2021 amounted to EGP 10 842 081 as follows:

	<u>EGP</u>	<u>EGP</u>
Proceed from sale of fixed assets		12 837 429
Deduct:		
Cost of assets sold	32 104 452	
Accumulated depreciation of assets sold	(30 109 104)	
<b>Carrying amount of assets sold</b>		<b>1 995 348</b>
<b>Gain on sale of fixed assets as of September 30, 2021</b>		<b>10 842 081</b>

The company has concluded sales lease back contracts for the lands and buildings of the Palm Hills Club and the company's head quarters in the smart village, which is owned by the company with one of the companies operating in the same field, and these transactions have been proven as guarantees (power of attorney to sell) and obligations resulting from financial transactions as a financing activity according to the essence of these transactions and not Completion of the conditions that must be fulfilled to prove those contracts as a finance lease and that these assets are presented as guarantees in accordance with the Egyptian Accounting Standard No. (49) for financial leasing contracts, as that transaction did not meet the requirements of Accounting Standard (48) pertaining to contracts with clients (Note No 54).

The net cost of the consolidated fixed assets in 31 DEC 2020 amounted to EGP 2 762 305 090 presented by fixed administrative assets on the site and the headquarter as follows:

	<u>Cost as of</u> <u>Jan. 1, 2020</u> <u>EGP</u>	<u>Additions</u> <u>during the</u> <u>year</u> <u>EGP</u>	<u>Disposals</u> <u>during the</u> <u>year</u> <u>EGP</u>	<u>Cost as of</u> <u>31 DEC 2020</u> <u>EGP</u>	<u>Accumulated</u> <u>depreciation</u> <u>as of Jan. 1,</u> <u>2020</u> <u>EGP</u>	<u>Depreciation</u> <u>for the year</u> <u>EGP</u>	<u>Depreciation</u> <u>of Disposals</u> <u>EGP</u>	<u>Accumulated</u> <u>depreciation</u> <u>as of</u> <u>31 DEC, 2020</u> <u>EGP</u>	<u>Net book value</u> <u>as 31 DEC 2020</u> <u>EGP</u>
* land	18 920 662	14 225 159	--	33 145 821	--	--	--	--	33 145 821
* Buildings	521 631 464	181 303 539	--	702 935 003	242 383 859	19 519 348	--	261 903 206	441 031 797
Machinery & equipment	185 325 275	19 467 718	87 992	204 705 001	137 406 240	16 902 649	35 743	154 273 146	50 431 855
Vehicles	25 417 616	2 797 542	--	28 215 158	19 076 905	3 417 128	--	22 494 033	5 721 125
Computer equipment	84 746 569	5 589 617	138 969	90 197 217	67 922 849	9 604 010	91 868	77 434 991	12 762 226
Leasehold improvements	21 244 693	--	--	21 244 693	19 597 208	966 057	--	20 563 265	681 428
Furniture	80 971 255	23 159 335	1 769 852	102 360 734	59 167 785	10 265 751	1 400 889	68 032 647	34 328 091
Golf Courses	1 123 489 349	1 288 813 606	--	2 412 302 955	95 283 623	65 777 098	--	161 060 721	2 251 242 234
<b>Total cost</b>	<b>2 061 746 883</b>	<b>1 535 356 516</b>	<b>1 996 813</b>	<b>3 595 106 586</b>	<b>640 838 468</b>	<b>126 452 041</b>	<b>1 528 500</b>	<b>765 762 009</b>	<b>2 829 344 577</b>
Impairment of Makor									(2 500 000)
Impairment of assets									(64 539 487)
<b>Balance as at 31 Dec. 2020</b>									<b>2 762 305 090</b>

- All fixed assets in the group companies are available for use in operation.
- Fixed assets depreciation for the year Ended 31 Dec 2020 amounted To EGP 126452 041 and allocated as follows:

	<u>EGP</u>
Operating assets-work in process	9 286 025
Administrative depreciation (income statement)	97 293 247
Depreciation expense of hotel operations	7 953 173
Depreciation expense of Palm Hills Club's assets - club's operating statement	11 919 596
<b>Total depreciation of fixed assets during the year</b>	<b>126 452 041</b>

Capital Gains for the year ended 31 Dec. 2020 amounted to EGP 75 059 as follows:

	<u>EGP</u>	<u>EGP</u>
Proceed from sale of fixed assets		543 372
Deduct:		
Cost of assets sold	1 996 813	
Accumulated depreciation of assets sold	(1 528 500)	
Carrying amount of assets sold		468 313
<b>Gain on sale of fixed assets as of December 31, 2020</b>		<b>75 059</b>

The company has concluded sales lease back contracts for the lands and buildings of the Palm Hills Club and the company's headquarters in the smart village, which is owned by the company with one of the companies operating in the same field, and these transactions have been proven as guarantees (power of attorney to sell) and obligations resulting from financial transactions as a financing activity according to the essence of these transactions and not Completion of the conditions that must be fulfilled to prove those contracts as a finance lease and that these assets are presented as guarantees in accordance with the Egyptian Accounting Standard No. (49) for financial leasing contracts, as that transaction did not meet the requirements of Accounting Standard (48) pertaining to contracts with clients (Note No 54)

**43. WORK IN PROCESS**

The work in process represents the direct and indirect value and cost of the lands allocated to the group companies to carry out the usual and main activity of these companies, after excluding the cost of the contracted lands to build units on them, as well as the construction works, utility works and other indirect costs related to the construction works for the units contracted to implement and not The percentage of completion specified for inclusion in the income statement is realized , and the consolidated balance of work in progress has reached 30 September 2021 The amount of EGP 8 735 734 317 which is as follows:

	<u>Balance</u> <u>30 Sep 2021</u>	<u>Balance</u> <u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Total work carried out until 31 Dec .2020	29 816 432 362	28 006 111 550
Add:		
Work carried out for the Nine Months ended 30 Sep 2021	4 287 387 511	2 222 290 449
NET work carried out as of 30 Sep.2021	34 103 819 873	30 228 401 999
<u>Less:</u> excluded from income statement until 30 Sep 2021	25 368 085 556	22 528 489 425
The Balance Of Work in progress as of 30 Sep 2021	<u>8 735 734 317</u>	<u>7 699 912 574</u>
Represented As follows:		
Land acquisition cost	3 975 920 280	2 733 376 765
Cost of construction and facilities	4 759 814 037	4 966 535 809
Balance as of 30 September 2021	<u>8 735 734 317</u>	<u>7 699 912 574</u>

\* The interest of the loans capitalized on the work in progress account which allocated to financing construction in the existing projects according to the concluded loan contracts for the Period ended 30 September 2021 amounted to EGP 262 501 062 (Note NO. 55).

\* The company concluded sales and leaseback contracts for the Botanica project lands and the mall's stores (Street 88) owned by the company with one of the companies operating in the same field, and these transactions have been proven as guarantees (power of attorney to sell) and obligations resulting from financial transactions as a financing activity in accordance with the essence of those transactions and the lack of completion of any of the conditions that must be met to prove these contracts as a financial lease. Investments are provided as guarantees, and this classification complies with the Egyptian Accounting Standard No. (49) concerning leasing contracts for sale and leaseback (note 55).

**44. CASH AND CASH EQUIVALENTES**

The consolidated balance of cash and cash equivalent as of 30 September 2021 amounted to 1 222 573 347 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Banks-current accounts- EGP	1 160 105 546	1 550 303 676
Banks-current accounts- foreign currency	43 822 197	15 395 579
Banks – Deposits- EGP	2 500 000	2 500 000
Cash on hand- EGP	16 145 604	11 051 018
Balance as of 30 September 2021	<u>1 222 573 347</u>	<u>1 579 250 273</u>

**45. ACCOUNTS RECEIVABLE**

The present value of accounts receivable - debit balances on 30 September 2021 amounted to EGP 1 738 056 522 This due balance is represented in the difference between the contractual value of some contracted units and the advance of reservation and the installments paid for those units, without paying or depositing cash notes receivable or any other credit instruments for due installments, and it also includes the value of returned checks or non-collected checks from some clients as followings:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Palm Hills Developments Company	635 887 703	478 009 040
Palm Hills Middle East Company for Real Estate Investment	131 507 565	128 047 289
Royal Gardens for Real Estate Investment Company	5 350 333	6 792 630
New Cairo for Real Estate Developments	1 365 515	1 426 015
Gawda for Trade Services	867 569	1 101 709
Saudi Urban Development Company	50 331 174	52 295 090
Rakeen Egypt for Real Estate Investment	86 147 928	84 424 834
East New Cairo for Real Estate Development	81 399 411	73 491 792
Middle East Company for Real Estate and Touristic Investment	2 377 655	2 771 766
United Engineering for Construction	349 602	3 644 229
Palm Real Estate Development	37 974 391	43 260 057
Palm for Investment and Real Estate Development	376 585 633	314 645 495
Palm Hills Development of Tourism and Real Estate	1 635 861	1 635 859
Palm Hills Properties	10 632 385	4 079 568
Palm for Urban Development	287 413 559	276 151 526
Palm for Clubs Management	9 498 623	8 054 147
Palm for Construction	16 470 118	-
Palm Sports for Clubs	2 261 497	319 631
Balance as of 30 September 2021	<u>1 738 056 522</u>	<u>1 480 150 677</u>

**46. DEBTORS AND OTHER DEBIT BALANCES**

The consolidated balance of debtors and other debit balances as of 30 September 2021 amounted to 1 187 551 636 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Paid under land account	29 898 867	121 728 238
Residents' Association	762 928 210	643 969 802
Investment's debtors	5 019 721	5 019 431
Deposits with others	62 583 053	63 201 369
Prepaid expenses	168 365 283	113 982 186
Accrued Revenues	17 438 260	14 599 743
Payments to joint venture partners	44 607 933	--
Withholding tax	7 918 124	2 044 309
Letter of Guarantee	30 148 419	30 148 419
Loans to employee & custodies	10 602 304	7 955 090
Other debit balances	48 041 462	81 524 914
<b>Balance as of 30 September 2021</b>	<b><u>1 187 551 636</u></b>	<b><u>1 084 173 501</u></b>

The legal position of the Residents' Association is being completed at the level of various projects in accordance with the requirements of the Building Law No. 119 of 2008.

**47. DUE FROM RELATED PARTIES**

The consolidated balance of due from related parties as of 30 September 2021 amounted to 332 222 140 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Al Ethadia for Real Estate S.A.E	271 817 003	260 748 253
Al Naeem for investments	48 755 256	48 755 256
Debtors of dividends	--	127 689 298
Palm Hills for Real Estate S.A.E-Coldwell Banker	20 480	20 480
Novotel Cairo 6th Of October S.A.E	1 935 307	1 013
The cookery co for catering and restaurant	2 880 000	1 250 000
Mercure Ismailia Hotel S.A.E	4 477 322	1 723 032
Palm Hills.Saudi _ELBaltan	269 320	269 320
Arkan palm for real estate investment S.A.E	--	162 659
ALMansour and Maghribi For investment	1 867 452	--
<b>Balance as of 30 September 2021</b>	<b><u>332 022 140</u></b>	<b><u>440 619 311</u></b>

**48. ADVANCE PAYMENTS FOR INVESTMENTS ACQUISITION**

The consolidated balance of advance payments for investments acquisitions as of 30 September 2021 amounted to 313 390 301 as follows:

	<u>Nature of transaction</u>	<u>30 Sep 2021</u> <u>EGP</u>	<u>31 Dec 2020</u> <u>EGP</u>
Kenzie company for restaurant	Establishment	4 209 316	4 209 316
Palm Hills – Saudi	Establishment	135 121 743	135 121 743
Gamsha for Tourist Development S.A.E	Acquisition	4 010 000	4 010 000
Middle East Company for Real Estate and Touristic Investment	Acquisition	10 262 352	10 262 352
Al Naeem for Hotels and Touristic Villages	Acquisition	41 303 890	41 303 890
Disney Beach company	Acquisition	118 483 000	118 483 000
Balance as of 30 September 2021		<u>313 390 301</u>	<u>313 390 301</u>

- The amounts paid for the purchase of investments in companies have been included in the item purchased under the advance payments for investments acquisition account, based on the sale contracts or the agreement concluded between the company and some of the shareholders of the above-mentioned companies, provided that these amounts are transferred to the contributions in companies upon completion of the ownership transfer procedures to The company, and for the purposes of preparing the consolidated financial statements, the amounts paid directly to the continuing companies in it to increase the capital of those companies have been excluded.
- The name of the company was changed during the incorporation period to Palm Hills Saudi Company Ltd. - in Riyadh and it has not started practicing its activity yet, and there has been no developing in the type of the contribution or its amounts during the period from the date of incorporation until now.
- No legal or executive measures have been taken towards settling these amounts until the date of preparing the financial statements.

**49. BANKS- CREDIT BALANCES**

The consolidated balance of Banks credit accounts as of 30 September 2021 amounted to 107 734 283 as follows:

	<u>30 Sep 2021</u> <u>EGP</u>	<u>31 Dec 2020</u> <u>EGP</u>
Banks –EGP	102 147 665	87 516 452
Banks-foreign currencies	5 586 618	3 450 515
Balance as of 30 September 2021	<u>107 734 283</u>	<u>90 966 967</u>

**50. BANK OVERDRAFT**

The consolidated balance of Banks overdraft as of 30 September 2021 amounted to 1 350 750 220 as follows:

	<u>30 Sep 2021</u> <u>EGP</u>	<u>31 Dec 2020</u> <u>EGP</u>
Arab -African Bank	59 794 156	316 455 102
CIB - Bank	488 997 601	556 681 391
Arab - Bank	299 999 954	299 999 954
Ahli United Bank	124 348 864	138 871
Arab -African Bank	377 609 645	161 231 125
Balance as of 30 September 2021	<u>1 350 750 220</u>	<u>1 334 506 443</u>

**51. ADVANCES FROM CUSTOMERS**

The present value of Advances from customers account as 30 September 2021 amounted to 16 376 758 361 as follows:

	<u>Down payment</u> <u>booking clients</u>	<u>Net contracts</u> <u>for clients</u>	<u>30 Sep 2021</u>	<u>31 Dec 2021</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Palm Hills Developments Company	60 526 526	5 275 714 747	5 336 241 273	5 759 395 704
Palm Hills Middle East Company for Real Estate Investment	29 353 160	715 239 360	744 592 520	748 284 601
Royal Gardens for Real Estate Investment Company	--	2 628 725	2 628 725	2 628 725
New Cairo for Real Estate Developments	--	4 652 838	4 652 838	4 502 838
Saudi Urban Development Company	1 250 000	123 238 739	124 488 739	305 573 268
Rakeen Egypt for Real Estate Investment	20 792 428	840 539 320	861 331 748	895 357 707
East New Cairo for Real Estate Development	2 611 138	103 637 184	106 248 322	84 273 205
Middle East Company for Real Estate and Touristic Investment	3 291 148	--	3 291 148	6 426 348
United Engineering for Construction	--	--	--	11 336 727
Palm for Real Estate Development S.A.E	141 000	756 740 848	756 881 848	873 891 456
Palm for Investment and Real Estate Development	11 150 261	3 665 085 581	3 676 235 842	3 746 354 817
Palm Hills For Tourism and Real Estate Development	118 223 386	196 472 430	314 695 816	262 156 782
Palm Hills Properties	--	9 869 416	9 869 416	9 869 416
Palm for Urban Development	8 711 702	3 211 031 706	3 219 743 408	2 918 105 916
Palm for constructions	72 973 960	1 141 492 780	1 214 466 740	--
Palm for Clubs	1 389 978	--	1 389 978	871 608
Balance as of 30 September 2021	<u>330 414 687</u>	<u>16 046 343 684</u>	<u>16 376 758 361</u>	<u>15 629 029 118</u>

**52. LAND PURCHASE LIABILITY**

The consolidated balance of Land purchase liabilities as of 30 September 2021 amounted to 719 884 952 follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Land purchase liabilities - short term	190 536 419	134 159 466
Land purchase liabilities - long term	529 348 533	90 488 428
Balance as of 30 September 2021	<u>719 884 952</u>	<u>224 647 894</u>

**53. DUE TO RELATED PARTIES**

The consolidated balance of Due to related parties as of 30 September 2021 amounted to 2 535 616 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Villamora for Real Estate Development Company S.A. E	2 535 616	2 535 616
Balance as of 30 September 2021	<u>2 535 616</u>	<u>2 535 616</u>

## 54. NOTES PAYABLE

### A) Short Term Notes Payable

The consolidated balance of short-term notes payable (net) as of 30 September 2021 amounted to 1 310 420 934 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
* Notes payable- (New Urban Communities Authority)	426 331 943	394 546 306
<b><u>Deduct: -</u></b>		
Delayed installments interest	<u>102 361 313</u>	<u>92 260 380</u>
Net Notes payable (short term)- Land	323 970 630	302 285 926
<b><u>Add: -</u></b>		
Other notes payable **	1 228 016 737	813 126 549
Deduct: Deferred interest	<u>241 566 433</u>	<u>85 179 138</u>
Net Other Notes payable (short term)	<u>986 450 304</u>	<u>727 947 411</u>
Balance as of 30 September 2021	<u><u>1 310 420 934</u></u>	<u><u>1 030 233 337</u></u>

### B) Long Term Notes Payable

The consolidated balance of long-term notes payable (net) as of 30 September 2021 amounted to 2 467 604 446 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Notes-payable (New Urban Communities Authority)	1 850 551 072	1 618 842 192
<b><u>Deduct: -</u></b>		
Delayed installments interest	<u>444 313 031</u>	<u>378 548 711</u>
Net Notes payable (long term)- Land	1 406 238 041	1 240 293 481
<b><u>Add: -</u></b>		
Other notes payable **	1 916 071 050	1 811 611 365
Deduct: Deferred interest	<u>854 704 645</u>	<u>900 818 580</u>
Net Other Notes payable (Long term)	<u>1 061 366 405</u>	<u>910 792 785</u>
Balance as of 30 September 2021	<u><u>2 467 604 446</u></u>	<u><u>2 151 086 266</u></u>

\*\*The other notes payable includes about 2.38 billion EGP represented in the value of the notes payable that were issued to the financing agencies according to the essence of the sale and lease back contracts as financing contracts concluded with these parties, and the obligations have been amounted at their present value (note 36, 42)



**55. LOANS**

	<u>30 sep 2021</u>		<u>31 Dec 2020</u>	
	<u>Short term</u> <u>EGP</u>	<u>Long term</u> <u>EGP</u>	<u>Short term</u> <u>EGP</u>	<u>Long term</u> <u>EGP</u>
<b><u>Arab African international Bank</u></b>				
Medium term financing contract in the amount of 365 million Egyptian pounds to finance projects of Palm Hills Middle East Real Estate Investment	--	--	--	53 278 770
<b><u>CIB Bank</u></b>				
A medium-term financing contract of 1.099 billion Egyptian pounds, to pay off the existing debts of the Arab African Bank and some other banks.	32 744 147	160 119 925	109 483 000	478 179 297
<b><u>Emirates NBD Bank</u></b>				
A credit facility contract in the amount of EGP 100 million for the purpose of financing the Contracting contracts of United Engineering Company	45 188 224	--	55 554 222	--
<b><u>Misr Bank</u></b>				
Medium-term joint financing of 2.5 billion Egyptian pounds to finance part of the investment cost of the Palm New Cairo project.	--	87 500 000	--	--
<b><u>National Bank of Egypt</u></b>				
Medium-term co-financing of EGP 1.28 billion to finance the <u>Palm Hills Development Crown project</u>	--	1 281 300 000	--	1 271 892 096
<b><u>Ahli United Bank</u></b>				
A 41-feddan project financing loan	--	216 832 118	--	--
<b><u>Ahli United Bank</u></b>				
Revolving financing of 505 million Egyptian pounds to refinance the debt resulting from the Arab African Bank, as well as financing part of the investment cost of the Palm Parks project	26 840 757	450 445 470	18 398 000	390 501 192
Balance as of 30 September 2021	<u>104 773 128</u>	<u>2 196 197 513</u>	<u>183 435 222</u>	<u>2 193 851 355</u>

The above loans were obtained by guaranteeing the cash flows of the funded projects and within the framework of the general controls for granting credit established by the Central Bank of Egypt for financing real estate development companies.

**56. CREDITORS AND OTHER CREDIT BALANCES**

The consolidated balance of creditors and other credit balances as of 30 September 2021 amounted to 946 649 662 as follows:

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	<u>EGP</u>	<u>EGP</u>
Other credit balances	255 404 415	238 978 287
Insurance for others	237 244 492	179 463 274
Social insurance	41 680 912	40 086 360
Accounts receivable under settlement	266 897 183	243 493 037
Accrued expenses	145 422 660	82 567 656
Balance as of 30 September 2021	<u>946 649 662</u>	<u>784 588 614</u>

**57. OTHER LONG-TERM LIABILITIES- RESIDENTS' ASSOCIATION**

Other long term liabilities represent time deposit checks received from residents or customers due on the sold units to finance the maintenance and other running expenses, such time deposit checks are temporarily invested in favor of residents until the compound has separate legal personality and separate assets and liabilities, then the compound's management and its General Assembly will be responsible for running the compound's assets and liabilities according to the Buildings & Housing Law No.119 for 2008. Other long-term liabilities balance as of 30 September 2021 amounted to EGP 3 605 146 138.

**58. CAPITAL**

The authorized capital was set at EGP 10 000 000 000 (10 billion Egyptian pound) and the issued and paid-up capital amounted to EGP 6 235 199 270 (six billion two hundred thirty-five million one hundred and ninety-nine thousand two hundred seventy Egyptian pounds) distributed over 3 117 599 635 shares with a nominal value of EGP 2 per share, and the following is the development of the company's capital from the date of incorporation to the date:

	<u>Issued capital</u>	<u>EGP</u>
- The Company's issued capital was determined at EGP 121 500 000 representing 1 215 000 shares with a par value of EGP 100 per share.		121 500 000
- On 20 Dec. 2006, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 185,500,000 to be after such increasing amounted EGP 307,000,000 representing 3,070,000 shares with a par value of EGP 100 per share.		307 000 000
- On 13 May 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 93,000,000 to be after such increasing amounted EGP 400,000,000 representing 4,000,000 shares with a par value of EGP 100 per share.		400 000 000
- On 15 July 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 200,000,000 to be after such increasing amounted EGP 600,000,000 representing 6,000,000 shares with a par value of EGP 100 per share.		600 000 000
- On 6 November 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 200,000,000 to be after such increasing amounted EGP 800,000,000 representing 8,000,000 shares with a par value of EGP 100 per share. The Company's Extra-Ordinary General Assembly Meeting held in March 2009 approved a 50-for-1 stock split and the par value of the Company's share reduced to EGP 2 per share.		800 000 000
- On 27 March 2008, the Company's Board of Directors approved the issued Capital increase amounting to EGP 32,000,000 to be after such increasing amounted EGP 832,000,000 representing 416,000,000 shares with a par value of EGP 2 per share.		832 000 000
- On 8 May 2008, the Company's Board of Directors approved the issued Capital increase amounting to EGP 99,840,000 to be after such increasing amounted EGP 931,840,000 representing 465,920,000 shares with a par value of EGP 2 per share.		931 840 000
- On 30 June 2009, the Company's Board of Directors approved the issued Capital increase amounting to EGP 465,880,000 to be after such increasing amounted EGP 1,397,760,000 representing 698,880,000 shares with a par value of EGP 2 per share.		1 397 760 000
- On 28 January 2010, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 698,880,000 to be after such increasing amounted EGP 2,096,640,000 representing 1,048,320,000 shares with a par value of EGP 2 per share.		2 096 640 000
- On 22 Sep. 2013, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 600,000,000 to be after such increasing amounted EGP 2,696,640,000 representing 1,348,320,000 shares with a par value of EGP 2 per share.		2 696 640 000
- On 8 February 2015, the Company's Extra-ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 1 648 000 000 to be after such increasing amounted EGP 4 344 640 000 representing 2 172 320 000 shares with a par value of EGP 2 per share.		4 344 640 000
- On 29 November 2015, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase out of retained earnings amounting to EGP 53 359 478 to be after such increasing amounted EGP 4 397 999 478 representing 2 198 999 739 shares with a par value of EGP 2 per share.		4 397 999 478
- On 13 March 2016, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase out of retained earnings via the issuance of bonus shares amounting to EGP 53 359 478 to be after such increasing amounted EGP 4 397 999 478 representing 2 308 949 726 shares with a par value of EGP 2 per share.		4 617 899 452
- On 6 September 2018, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase out of retained earnings via the issuance of bonus shares amounting to EGP 769 649 909 to be after such increasing amounted EGP 6 157 199 270 represent 3 078 599 635 shares with a par value of EGP 2 per share.		6 157 199 270
- The issued capital after the increase in the amount of EGP 78 000 000 in favor of the employee compensation shares, through the dividends carried out in accordance with the resolution of the Extraordinary General Assembly on April 4,2019 distributed over the number of 3 117 599 635 shares, the nominal value of the share is 2 EGP and has been marked in the commercial register on 26 June 2019.		<u>6 235 199 270</u>
- The issued capital after reducing the value of treasury shares in accordance with the decision of the extraordinary general assembly held on the first of April 2021 in the amount of 72 270 000 Egyptian pounds for 36 350 000 shares with a nominal value of 2 Egyptian pounds per share. The shares were registered in the commercial registry on the date May 20, 2021, so the issued capital will be distributed over 3,081,249,635 shares.		<u>6 162 499 270</u>

**59. TREASURY BILLS**

As Of March 2,2020 The Board of Directors of the company, in its session held on approved the purchase of treasury shares, with a maximum of 62 351 992 shares representing 2% of the total issued share capital of the company, and the implementation was carried out during the period from March 2, 2020 to March 15, 2020, and the number of shares purchased reached 31 In March 2021, 36 350,000 shares amounted to 46,990,266 Egyptian pounds, with an average cost per share by an amount 1.29 Egyptian pounds.

and on January 18, 2020 and in order to support the share price and limit the unjustified decline in the share price, the Board of Directors decided to purchase treasury shares with a maximum amount of 62 351 992 shares representing 2% Of The company contributed through the market It is open for implementation to take place from the session on 01/19/2021 until 2/28/2021, and the number of Shares purchased reached 40 654 746 shares, worth 69 839 608 EGP.

And on the first of April 2021, 36,350,000 shares representing treasury shares that had been in place for more than a year, with a purchase value of 46,990,266 Egyptian pounds, were executed in exchange for a capital reduction in the nominal value of those shares, with a total of 72,700,000 Egyptian pounds, and the difference between the nominal value and the purchasing value was charged to Retained earnings in accordance with the decision of the held extraordinary general assembly.

- The outstanding shares:

The outstanding shares represent the number of issued and subscribed shares minus the number of shares that were acquired as treasury shares as follows:

	<u>Number of shares</u>	<u>Book value / Acquisition value EGP</u>	<u>EGP per share</u>
Shares of the issued capital which subscribed in	3 081 249 635	6 162 499 270	2
Deduct: -			
Treasury shares -cost	40 654 746	69 839 608	1,71
The number of outstanding shares and the net of the issued and paid-up capital	<u>3 040 594 889</u>	<u>6 092 659 662</u>	—————

**60. RESERVES****a) Legal reserve**

	<u>30 Sep. 2021</u>	<u>31 Dec. 2020</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance	779 730 041	738 358 146
Transferred from the prior year profit	29 015 471	41 371 895
Balance as of 30 September 2021	<u>808 745 512</u>	<u>779 730 041</u>

**b) Special reserve**

The net balance of the special reserve on 30 September 2021 amounted to EGP 176 513 271 after amortization and the special reserve is the value of the reserve formed to meet the expected decline in the value of some real estate investments of the company and its subsidiary companies in implementation of the decision of the company's Ordinary General Assembly in its session held on June 30, 2012 through Transferred profits, as the position of some real estate investments was settled by exclusion in exchange for reducing the reserve for the same value for some of the lands invested in it through one of the subsidiary companies for the lack of economic viability and the withdrawal of the allocation. The value of the reduction during the year 2019 amounted to EGP 299 550 896.

**61. Joint Share Arrangement**

The share of project partners in the participation system on 30 September 2021 amounted to EGP 1 651 831 062 which is the net share of the partners (the owner) in exchange for the value of the land and the preparation of external facilities in accordance with the contracts concluded in this regard, which are paid in light of the approved timelines for the payment of annual payments This is represented in the following:

	<u>30 Sep 2021</u>	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>	<u>31 Dec 2020</u>
	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Partners in Palm New Cairo-Project	1 066 169 600	--	798 302 535	--
Partners in (Badya) Project	585 661 462	--	381 073 922	--
Balance as of 30 September 2021	<u>1 651 831 062</u>	<u>--</u>	<u>1 179 376 457</u>	<u>--</u>

**62. REVENUES**

The net revenues of the activity for the Nine Months ended September 30, 2021 amounted to EGP 5 892 607 454 as follows: -

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Net revenues from building and development activities	5 632 221 717	3 266 425 188
Revenues from the construction activity	11 713 287	71 006 898
The owner's share in the profits of operating the hotels	22 532 353	2 432 902
Other revenues (Note No.67)	123 851 714	164 355 418
Revenues from commercial and service activities	29 685 728	6 751 609
Revenues from Palm Hills Club	72 602 655	38 244 060
Total as of 30 September 2021	<u>5 892 607 454</u>	<u>3 549 216 075</u>

-The percentage of the level of completion is determined at the level of the contract unit in light of the actual executed costs to the estimated costs of those works, based on the internal abstracts and estimates that are prepared by the company's engineering department.

-Real estate development revenues for villas and townhouses are recorded in light of the percentage of completion achieved at the level of the contract unit for each unit (stage) separately, as for the complete units – apartment- (Cabins and Chalets) The revenues generated from them are fully recorded in the actual delivery of these units.

### 63. ACTIVITY COST

The net cost of the activity for the Nine months ended September 30, 2021 amounted to EGP 3 764 894 392 as follows: -

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Cost of Real estate development	3 698 712 652	2 117 157 330
Cost of Contracting activity	13 529 152	66 885 250
Cost of Commercial and service activity	10 073 989	123 474
Cost of Palm Hills Club operation	26 973 260	15 705 458
Depreciation of club assets	8 700 903	9 030 194
Depreciation of Fixed assets – Macor investments	6 904 436	5 988 155
<b>Total as of 30 september 2021</b>	<b><u>3 764 894 392</u></b>	<b><u>2 214 889 861</u></b>

### 64. GENERAL ADMINISTRATIVE, SELLING AND MARKETING EXPENSES

The general administrative, selling and marketing expenses for the Nine Months ended September 30, 2021 amounted to EGP 918 178 813 as follows: -

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Wages and salaries	324 734 869	252 203 632
Selling and marketing expenses	333 814 820	201 854 638
Telephone, post, and fax	2 219 090	2 120 117
Utilities	36 162 329	20 011 592
Professional and Government fees	76 030 482	33 693 803
Maintenance and Insurance	52 585 361	45 907 333
Travel and transportation	1 764 299	803 312
Bank charges	8 591 750	3 485 477
Other administrative expenses	67 014 295	32 818 325
Contribution Symbiotic	15 261 518	8 841 095
<b>Total as of 30 September 2021</b>	<b><u>918 178 813</u></b>	<b><u>601 739 324</u></b>

### 65. Income Tax

The consolidated balance Income Tax as of 30 September 2021 amounted to 118 884 544 as follows:

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Net profit before income tax	635 490 722	514 546 183
Adjustments for the net accounting profit to get net taxable profit	(107 114 971)	(391 622 152)
Net taxable profit	<u>528 375 751</u>	<u>122 924 031</u>
Tax At (22.5%)	<u>118 884 544</u>	<u>27 657 907</u>

**66. GAINS ON INVESTMENTS IN FAIR VALUE THROUGH PROFIT OR LOSS**

The Gains on Investments in Fair value through profit or loss for the Nine months ended September 30, 2021 amounted to EGP 11 648 681 as follows: -

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Gains on sale of mutual funds certificates	11 648 681	5 906 464
<b>Total as of 30 September 2021</b>	<b><u>11 648 681</u></b>	<b><u>5 906 464</u></b>

**67. OTHER REVENUES**

Other income for the year ended 30 September 2021 amounted to EGP 123 851 714 and is as follows:

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Transfer fees and delay benefits	86 461 309	152 927 046
Revenues from selling fixed asset	10 842 080	63 521
Revenues from selling Investments	17 722 945	--
Retrieve the value of the facilities	7 812 727	8 480 993
Miscellaneous income	1 012 653	2 883 858
<b>Total as of 30 September 2021</b>	<b><u>123 851 714</u></b>	<b><u>164 355 418</u></b>

**68. TRANSACTION WITH RELATED PARTIES**

The transactions with related parties are represented in the transactions that took place with the shareholders, whether they were a natural person or a legal person, or the transactions with the shareholders of the company or any of the Associates or subsidiary companies as follows:

<u>Party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amount of transaction</u> <u>EGP</u>
Palm Hills Middle East Company for Real Estate Investment S.A.E	A subsidiary	Finance	1 463 606 033
Royal Gardens for Real Estate Investment Company S.A.E	A subsidiary	Finance	7 930 358
Middle East Company for Real Estate and Touristic Investment S.A.E	A subsidiary	Finance	359 050 471
Gawda for Trade Services S.A.E	A subsidiary	Finance	133 282 163
Rakeen Egypt for Real Estate Investment S.A.E	A subsidiary	Finance	5 389 460 557
Saudi Urban Development Company S.A.E	A subsidiary	Finance	189 450 168
Nile Palm Al-Naeem for Real Estate Development S.A.E	A subsidiary	Finance	137 645
Al Ethadia for Real Estate S.A.E	Associate	Finance	45 259 520
East New Cairo for Real Estate Development S.A.E	A subsidiary	Finance	2 320 960 575
New Cairo for Real Estate Development S.A.E	A subsidiary	Finance	29 002 513
Al Naeem for Hotels and Touristic Villages S.A.E	A subsidiary	Finance	420 970
Palm Hills for Investment Tourism S.A.E	A subsidiary	Finance	461 779
United Engineering for Construction S.A.E	A subsidiary	Finance	2 489 985
El Mansour & El Maghraby Investment and Development S.A.E	A subsidiary	Finance	170 575 638
Gamsha for Hotels S.A.E	A subsidiary	Finance	27 500
Palm North Coast For Hotels S.A.E	A subsidiary	Finance	27 500
Palm Real Estate Development S.A.E	A subsidiary	Finance	66 458 491
Palm for Investment and Real Estate Development S.A.E	A subsidiary	Finance	1 775 070 342
Palm Hills Properties S.A.E	A subsidiary	Finance	20 126 015
Palm Hills Development of Tourism and Real Estate S.A.E	A subsidiary	Finance	210 174 026

Palm Hills for Investment Tourism S.A.E	A subsidiary	Finance	46 485
Palm Hills Resorts S.A.E	A subsidiary	Finance	90 529
Palm Hills hotels S.A.E	A subsidiary	Finance	63 470
Palm Hills Education S.A.E	A subsidiary	Finance	14 018 462
Palm for Urban Development	A subsidiary	Finance	627 941 573
Palm for Club Management S.A.E	A subsidiary	Finance	5 139 121
Palm Alexandria for Real Estate S.A.E	A subsidiary	Finance	65 932 101
Asten College for Education S.A.E	A subsidiary	Finance	1 997
Palm El Alamein Real Estate Development S.A.E	Associate	Finance	162 659
Palm for Constructions and Real Estate Development S.A.E	A subsidiary	Finance	163 976 662
Palm sports for Clubs S.A.E	A subsidiary	Finance	160 856 880
The Co- Cookery Restaurants S.A.E	Associate	Finance	<u>1 630 000</u>

**a- Transaction with related parties**

**b- Resulting balances from these transactions**

<u>Party</u>	<u>Item as in balance sheet</u>	<u>EGP</u>
Palm Hills Middle East Company for Real Estate Investment S.A.E	Due from (to) related parties	1 485 518 487
Royal Gardens for Real Estate Investment Company S.A.E	Due from (to) related parties	( 101 639)
Middle East Company for Real Estate and Touristic Investment S.A.E	Due from (to) related parties	( 157 864 772)
Gawda for Trade Services S.A.E	Due from (to) related parties	( 57 086 616)
Rakeen Egypt for Real Estate Investment S.A.E	Due from (to) related parties	468 206 274
Saudi Urban Development Company S.A.E	Due from (to) related parties	40 084 123
Nile Palm Al-Naeem for Real Estate Development S.A.E	Due from (to) related parties	( 44 126 180)
Al Ethadia for Real Estate S.A.E	Due from (to) related parties	260 167 306
East New Cairo for Real Estate Development S.A.E	Due from (to) related parties	( 428 652 975)
Palm October for Hotels S.A.E	Due from (to) related parties	11 340 558
New Cairo for Real Estate Developments S.A.E	Due from (to) related parties	7 597 915
Al Naeem for Hotels and Touristic Villages S.A.E	Due from (to) related parties	( 125 312 209)
Palm for Tourism Development S.A.E	Due from (to) related parties	70 718 544
United Engineering for Construction S.A.E	Due from (to) related parties	( 11 216 601)
El Mansour & El Maghraby Investment and Development S.A.E	Due from (to) related parties	( 10 028 611)
Palm Gemsha for Hotels S.A.E	Due from (to) related parties	57 550
Palm North Coast Hotels S.A.E	Due from (to) related parties	54 358
Palm for Real Estate Development S.A.E	Due from (to) related parties	12 979 500
Palm for Investment and Real Estate Development S.A.E	Due from (to) related parties	299 639 914
Palm Hills Properties	Due from (to) related parties	1 575 490
Palm Hills Development of Tourism and Real Estate	Due from (to) related parties	218 830 118
Palm Hills for Investment Tourism	Due from (to) related parties	( 25 196 086)
Palm Hills Resorts	Due from (to) related parties	3 510 943
Palm Hills for hotel S.A.E	Due from (to) related parties	100 405 014
Palm Hills Education S.A.E	Due from (to) related parties	15 635 622
Palm Hills – Saudi Baltan S.A.E	Due from (to) related parties	269 320
Coldwell Banker - Palm Hills for Real Estate S.A.E	Due from (to) related parties	20 480
Palm for Urban Development	Due from (to) related parties	( 211 759 264)
Palm for Club Management S.A.E	Due from (to) related parties	( 5 641 644)
Palm Alexandria for Real Estate	Due from (to) related parties	47 557 116
Asten College for Education S.A.E	Due from (to) related parties	389 212
Palm El Alamein Real Estate Development S.A.E	Due from (to) related parties	5 809 489
Palm for Constructions And Real Estate Development S.A.E	Due from (to) related parties	( 59 872 841)
khedma for management of tourist and urban resorts	Due from (to) related parties	500
Palm sports for Clubs S.A.E	Due from (to) related parties	7 380 421
The Co Korean Company for Restaurants	Due from (to) related parties	<u>2 880 000</u>

**69. TAX STATUS****A) Corporate tax**

- The Company started its operations on 14 March 2005
- The Company is exempted from income tax for ten years to end on 31 Dec. 2015
- Years 2005 to 2009: These years have been inspected and settled with the Tax Authority
- Years 2010 to 2014: These years are currently being inspected
- Years 2015 to 2020: Tax returns were provided for this period.

**B) Payroll tax**

- From inception till 2011: This period has been inspected and differences were paid.
- Years 2012 to 2014: under inspecting.
- Years 2015 to 2020 : The company pays the deducted income tax of the employees on regularly basis within the legal dates.

**C) Stamp tax**

- The company is subject to the Law No. 111 of 1980 and its amendments and executive regulations.
- From inception till 31/7/2006 The company was notified by tax forms and the taxes due were paid according to / as per these forms.
- From 1/8/2006 till 31/12/2015 This period has been inspected and the resulting disputes have not been settled.
- Years 2016 to 2020 The company pays the taxes due on regularly basis within the legal dates.

**70. EARNINGS PER SHARE**

	<u>30 Sep 2021</u>	<u>30 Sep 2020</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	635 490 722	514 546 183
<u>Divided by:</u> Weighted average number of shares	3 040 594 889	3 040 594 889
Earnings per share	<u>0.209</u>	<u>0.169</u>

For the purpose of calculating the earnings per share for the Nine months ended on 30 September 2021 the profit per share was calculated on the basis of the average number of shares outstanding during the period weighted by time factor after excluding treasury shares of 40 654 746 shares, in addition to not preparing a distribution project for the Nine Months Ended on 30 September 2021 (Note 59)

**71. EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)**

The extraordinary general assembly of the company, in its session held on November 29, 2015, approved the increase of the issued capital by the amount of 53 359 478 Egyptian pounds through the dividends carried forward to the independent financial statements on December 31, 2014 fully devoted to the reward and incentive system for employees and members of the company's



executive board of directors, through a promise Selling shares in their favor at a preferential price in accordance with the ministerial decision No. 282 of 2005 amending some provisions of the executive regulations of the Joint Stock Companies Law No. 159 of 1981, By issuing 26 679 739 shares, which was approved by the Financial Supervisory Authority on May 14, 2015, in addition to 1 333 987 shares, which represents a share The reward and incentive system from the bonus shares distributed in accordance with the decision of the extraordinary general assembly in its session held on June 13, 2016, so that the number of system shares is 28 013 725 shares, and the right to sell has been exercised for the entire number of shares of the system.

The company's extraordinary general assembly was called to convene on May 13, 2018, to consider extending the remuneration and incentive system with the same conditions and previous controls, which decided to extend the system's term by issuing 39 million shares, worth 78 million Egyptian pounds, are fully allocated to the system, and in light of the approval of the company's general assembly on April 4, 2019 for this increase, the commercial register has been marked on the date of June 26, 2019, and the fair value of these shares as of September 30, 2021 was an amount 74 490 000 Egyptian pounds at a price of 1,91 Egyptian pounds per share.

## 72. Comparative figures

Adjustment of some comparative figures to match the classification of the current financial period as follows:

	<u>30 Sep 2021</u> <u>EGP</u>	<u>30 Sep 2021</u> <u>EGP</u>	<u>30 Sep 2020</u> <u>EGP</u>
Investment properties	386 524 021	(212 512 740)	174 011 283
Projects under construction	297 328 271	(199 456 899)	97 871 372
Work in progress	7 287 942 937	411 969 637	7 699 912 574
Loans	(2 493 851 309)	299 999 954	(2 193 851 355)
Bank over-drafts	(1 034 506 489)	(299 999 954)	1 334 506 443