Mostafa Shawki

forvis mazars

PALM HILLS DEVELOPMENTS COMPANY

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

<u>On 30 June 2024</u>

<u>Together with Limited Report</u>

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Translation of review
report Originally issued in Arabic.

LIMITED REVIEW REPORT
ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Chairman and Members of the Board of Directors

Palm Hills Development

INTRODUCTION

We have reviewed the accompanying interim consolidated statement of financial position of Palm Hills Development "PHD" (S.A.E) as of 30 june 2024 as well as the related interim consolidated statements of profit or loss and comprehensive income and the interim consolidated statements of changes in equity and cash flows for the Six-month period ending on that date and a summary of significant accounting policies and other explanatory notes, Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards Issued by Ministerial Resolution No. (110) for the year 2015 and its amendments, our responsibility is limited to expressing a conclusion on the periodic financial statements in accordance with our limited examination of them.

SCOPE OF REVIEW

We conducted our limited review in accordance with the Egyptian Standard on Auditing for the tasks of limited examination of the periodic financial statements of the entity, and the limited examination of the periodic financial statements includes making inquiries mainly from persons responsible for financial matters and accounting, applying analytical procedures, and other limited examination procedures. The limited review is substantially less in scope than the audit conducted in accordance with Egyptian Standards on Auditing, and therefore we cannot obtain confirmation of all significant matters that may be discovered in the audit process, and accordingly we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements It does not express fairly and clearly in all its important aspects the consolidated financial position of Palm Hills Development An Egyptian Joint Stock Company on June 30, 2024, and its financial performance and consolidated cash flows for the six months ending on that date in accordance with the Egyptian Accounting Standards issued by Ministerial Resolution No. (110) for the year 2015 and its amendments.

EXPLANATORY PARAGRAPHS:

- With not qualified on our opinion, some lands have been recorded in the books of the company and its subsidiaries under preliminary contracts or letters of allocation received from the New Urban Communities Authority (in the Sixth of October City, New Cairo City and from the competent agencies entrusted with concluding primary contracts and issuing letters of allocation), where The transfer and registration of ownership depends on the fulfillment of the financial criteria and the constructional executive conditions and the completion of those projects, taking into account that only the construction costs are established in the joint projects without the cost of the lands on which those projects are built.

- In addition to what was mentioned in the previous paragraph, the company has recorded the revenues generated from the units under construction or under delivery of the contracted units in application of the accounting policy for the recognition of revenues according to the extent of fulfillment of contract obligations at the contract unit level, where the progress in fulfilling contract obligations is determined and measured using The output method is by counting the completed performance up to the date of preparing the financial statements based on the opinion of the engineering management of the company for the contracted units at the level of each stage (Notes No. 29, 30, 63, 64).

- In addition to what was mentioned in the previous two paragraphs, the consolidated financial statements of Palm Hills Development Company have been prepared As of June 30, 2024, based on the internal financial statements of the subsidiaries at the date the accompanying consolidated financial statements were prepared.

Cairo: August 22, 2024

Auditor

Khaled Rabat

Khaled Said El-Rabat

Financial Supervision Authority Registration No. (6258)

R.A.A (8173)

Mazars Mostafa Shawki

Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E`

CONSOLIDATED FINANCIAL POSITION

As of 30 June 2024

Assets	Note no.	30 June 2024 EGP	31 Dec 2023 EGP
Non-current assets			
Investments in associates	(35 ‹b11‹d8)	871 368 956	499 485 857
Investment property	(36, c11)	1 061 433 513	45 830 027
Fixed assets (net)	(37 ‹13)	2 569 883 870	2 529 549 685
Projects under construction	(38 ‹12)	159 489 205	1 002 101 616
Advance payments for investments acquisition	(39)	11 364 852	92 364 852
Right of use assets	(40,a28)	9 167 134	10 923 079
Notes receivable - long term	(41 ‹16)	33 640 330 640	23 096 144 962
Notes receivable - long term for undelivered units	(42 ‹16)	3 812 019 513	4 546 630 300
Other long-term assets		919 811	1 003 433
Total non-current assets		**42 135 977 494**	**31 824 033 811**
Current assets			
Works in process	(43 ‹14)	8 671 293 021	8 788 379 627
Accounts receivable	(44)	10 228 059 533	8 087 041 825
Debtors and other debit balances	(45)	5 806 016 150	3 120 372 653
Suppliers - advance payments		4 924 076 304	3 931 155 595
Due from related parties	(72 ‹46 ‹27)	332 816 902	368 399 961
Financial investments at amortized cost	(47‹33/5)	5 880 921 146	4 445 198 927
Investments at fair value through profit and loss	(33/5)	156 808 089	100 784 825
Notes receivable - short term	(41 ‹16)	11 367 842 140	8 391 624 362
Notes receivable - short term for undelivered units	(42,16)	1 968 758 547	2 052 227 415
Cash and cash equivalents	(48 ‹32)	3 554 821 900	3 189 241 596
Total Current Assets		**52 891 413 732**	**42 474 426 786**
Total Assets		**95 027 391 226**	**74 298 460 597**
Shareholders' equity And Liabilities			
Shareholders' equity			
Share capital	(60)	5 883 189 778	5 883 189 778
Legal reserve	(61)	936 693 413	886 980 714
Retained earning		4 155 069 822	2 807 704 743
Net profit for the Period /year		1 703 705 918	1 581 511 689
Net controlling equities		**12 678 658 931**	**11 159 386 924**
Non-controlling equities		632 047 900	562 460 975
Total shareholders' equity		**13 310 706 831**	**11 721 847 899**
Non-current liabilities			
Loans long-term	(51)	4 441 318 748	3 959 030 721
Notes payable - long term	(b 52)	2 328 076 615	2 576 202 779
Deferred Tax Liability		5 016 250	4 737 653
Land purchase liabilities – Long Term	(b56 ‹20)	9 144 508	--
Other long-term liabilities – Residents' Association	(62)	12 542 109 862	9 428 558 877
Lease contract liabilities - long term	(b55)	827 467	1 296 288
Joint shares arrangement - long term	(58)	6 870 225 379	4 004 246 037
Partnership Sukuk	(74)	1 619 782 696	1 533 426 329
Total non-current liabilities		**27 816 501 525**	**21 507 498 684**
Current liabilities			
Banks - credit balances	(49)	870 488 004	234 053 719
Bank- overdraft	(50)	5 274 175 161	3 362 218 151
Current portion of Short-term loans	(51)	359 977 319	510 722 537
Notes payable - short term	(a 52)	1 652 207 301	1 858 467 641
Advances from customers	(53)	32 812 102 190	20 983 587 846
liabilities for checks received from customers	(54)	5 780 778 060	6 598 857 715
Lease contract liabilities - short term	(a55)	7 374 206	9 771 222
Current portion of land purchase liabilities	(a56 ‹20)	17 179 529	18 416 252
Due to related parties	(72 ‹57 ‹27)	21 383 836	3 823 853
Joint shares arrangement - short term	(58)	1 027 701 453	1 614 008 764
Creditors & other credit balances	(59)	2 480 886 320	2 653 908 991
Suppliers And contractors		2 772 281 264	2 504 006 437
Investments purchase liabilities		20 717 553	20 717 553
Provisions	(19,30c)	154 835 844	136 623 346
Income tax payable	(69,a23)	648 094 830	559 929 987
Total current liabilities		**53 900 182 870**	**41 069 114 014**
Total liabilities		**81 716 684 395**	**62 576 612 698**
Total equity and liabilities		**95 027 391 226**	**74 298 460 597**

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

Chairman

Yasseen Mansour

Chief Financial Officer

Ali Thabet

Translation of Income Statements

Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E

CONSOLIDATED STATEMENT OF INCOME (PROFIT OR LOSS)

For The Six Months Ended In 30 June 2024

	Note No.	Period from 1 Jan 2024 till 30 June 2024 EGP	Period from 1 Jan 2023 till 30 June 2023 EGP	Period from 1 April 2024 till 30 June 2024 EGP	Period from 1 April 2023 till 30 June 2023 EGP
Revenues	(63، 29)	10 938 011 420	6 919 045 896	4 709 324 593	3 390 202 714
Deduct: -					
Cost of revenues	(64 ،30)	6 695 578 813	4 557 836 327	2 814 709 285	2 179 511 927
Cash discount		24 766 232	17 906 152	15 000 476	5 651 691
Gross profit		**4 217 666 375**	**2 343 303 417**	**1 879 614 832**	**1 205 039 096**
Deduct: -					
General administrative, selling and marketing expenses	(65)	1 265 662 913	959 613 529	653 483 958	525 014 050
Administrative Fixed Assets Depreciation	،36 ،13) (37	104 775 761	86 103 483	57 917 595	43 381 564
Finance costs & interests	(66 ،25)	862 722 260	627 712 207	467 168 865	259 361 472
Provision	(30c,19)	17 000 000	4 000 000	--	2 000 000
Expected credit losses	(67)	6 790 264	1 944 331	2 760 669	(60 750)
Total general, administrative, marketing and financing expenses, depreciation		**2 256 951 198**	**1 679 373 550**	**1 181 331 087**	**829 696 336**
Gross profit		**1 960 715 177**	**663 929 867**	**698 283 745**	**375 342 760**
Add					
Amortization of discount on notes receivables		176 877 102	70 151 479	95 950 811	36 530 089
Gains on investments in fair value through profit or loss	(68,33/5)	13 772 656	6 406 982	8 591 181	3 170 731
Credit interest	(d31)	218 150 981	119 315 760	137 498 757	63 379 989
Total other revenues		**408 800 739**	**195 874 221**	**242 040 749**	**103 080 809**
Net profit for the Period before income tax & non-controlling equities		**2 369 515 916**	**859 804 088**	**940 324 494**	**478 423 569**
Deduct: -					
Current Income tax	(69 ، a 23)	586 997 029	220 649 611	207 998 351	95 939 673
Deferred tax	(b 23)	294 627	325 225	243 292	177 739
Net profit for the Period before & non-controlling equities		**1 782 224 260**	**638 829 252**	**732 082 851**	**382 306 157**
Deduct: -					
Non-controlling equities share- subsidiaries		78 518 342	30 781 449	30 412 097	26 928 571
Net profit for the Period after income tax & non-controlling equities		**1 703 705 918**	**608 047 803**	**701 670 754**	**355 377 586**
Earnings per share for profits	(70 ،26)	**0.579**	**0.204**	**0.235**	**0.119**

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

Chairman

Yasseen Mansour

Chief Financial Officer

Ali Thabet

Translation of Comprehensive Income Statements

Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Ended In 30 June 2024

	Period from 1 Jan 2024 till 30 June 2024	Period from 1 Jan 2023 till 30 June 2023	Period from 1 April 2024 till 30 June 2024	Period from 1 April 2023 till 30 June 2023
	EGP		EGP	
Net profit for the period	1 703 705 918	608 047 803	701 670 754	355 377 586
Other comprehensive income	--	--	--	--
Total comprehensive income for the period, net of tax	**1 703 705 918**	**608 047 803**	**701 670 754**	**355 377 586**
Attributable to: -				
Equity holders of the parent	1 703 705 918	608 047 803	701 670 754	355 377 586
Non-controlling equities	78 518 342	30 781 449	30 412 097	26 928 571
	1 782 224 260	**638 829 252**	**732 082 851**	**382 306 157**

- The accompanying notes are integral part of the financial statements

Chairman	**Chief Financial Officer**
Yasseen Mansour	**Ali Thabet**

Translation of Cash Flow Statements
Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Ended In 30 June 2024

	Note No.	30 June 2024 EGP	30 June 2023 EGP
Net profit for the period before income tax & non-controlling equites		2 369 515 916	859 804 088
Adjustments to reconcile net profit to net cash from operating activities			
Land installments interest		136 480 091	30 076 369
Provisions	(ج30 ،19)	17 000 000	4 000 000
Depreciation & amortization	(37 ،36 ،13)	117 630 658	100 719 911
Finance cost & interest	(66 ،25)	726 242 169	597 635 838
Expected credit losses (reserve)	(67)	6 790 264	1 944 331
Gain on investments in Associates	(35)	(16 561 248)	(19 398 366)
Gain on disposal of fixed assets	(37)	(1 895 688)	(213 338)
Amortization of current value deduction for notes receivables		(176 877 102)	(70 151 479)
Gain on investment at fair value through profit or loss	(68 ،33/5)	(13 772 656)	(6 406 982)
Credit interest	(د 31)	(218 150 981)	(119 315 760)
Operating profits before changes in working capital		**2 946 401 423**	**1 378 694 612**
Cash flow from operation activates			
Change in work in process	(43 ،14)	(13 343 754)	(376 071 018)
Change In Financial investments at amortized cost	(47 ،5/33)	(1 435 722 220)	(499 619 155)
Change in notes receivables	(41،16)	(13 343 526 354)	(2 158 456 247)
Change in notes receivable for undelivered units	(42 ،16)	818 079 655	1 685 105 883
Change in investments at fair value through profit or loss	(5/33)	(56 023 264)	(580 970)
Change in accounts receivables	(44)	(2 155 302 635)	(2 094 682 760)
Change in suppliers – advanced payments		(992 920 709)	(1 275 355 508)
Change in Debtors and other debit balances		(2 684 191 221)	(608 376 084)
Change in due from related parties	(72 ،46 ،27)	41 625 451	(3 952 721)
Change in accounts receivables – advance payments	(53)	11 828 514 344	1 933 888 081
Liabilities for checks received from customers		(818 079 655)	(1 685 105 883)
Change from provision	(ج 30 ،19)	1 212 498	(299 637)
Change in notes payable	(52)	(590 866 595)	318 284 568
Change in due to related parties	(72 ،57 ،27)	17 559 983	435 328
Change in suppliers & contractors		268 274 823	546 406 675
Income taxes paid	(69)	(498 832 186)	(418 504 592)
Change in creditors & other credit balances	(59)	(173 022 671)	389 800 158
Change in Partners share in joint arrangements	(58)	2 279 672 032	761 452 201
Change in long term liabilities – Residents' Association	(62)	3 113 550 985	1 101 646 624
Lease obligations		(1 109 891)	(754 007)
Net cash (used in) operating activities		**(1 448 049 961)**	**(1 006 044 452)**
Cash flows from investing activities			
Payments for purchase of fixed assets	(37)	(160 370 790)	(70 267 091)
Proceeds from sale of fixed assets	(37)	1 895 688	372 705
Payments for associate's investment	(35)	(237 020 870)	(65 417 925)
Payments for projects under construction		(50 163 308)	(343 775 928)
proceeds from other assets		83 622	83 622
Collected Gains on investments in fair value through profit or loss	(68)	13 772 656	6 406 982
Collected Interest and returns on investments at amortized cost		218 150 981	119 315 760
Payments For Investments Property		(19 384 660)	--
Net cash (used in) investing activities		**(233 036 681)**	**(353 281 875)**
Cash flows from financing activities			
Proceeds for Banks - credit balances	(49)	636 434 285	284 626 137
Proceeds from Banks – overdraft	(50)	1 911 957 010	716 108 524
Paid dividends		(184 433 911)	(159 656 737)
Non-controlling interests – dividends		(8 931 417)	(6 739 727)
Deferred Tax		(16 029)	(325 225)
Partnership – sukuk		86 356 367	526 673 324
Payments for loans	(51)	(327 622 907)	(99 073 821)
Proceeds from loans	(51)	659 165 717	1 354 153 084
Finance costs & interests paid	(66 ،25)	(726 242 169)	(597 635 838)
Net cash provided by financing activities		**2 046 666 946**	**2 018 129 721**
Net increase in cash and cash equivalents during the period		365 580 304	658 803 394
(reverse) Expected credit impact		--	(443 528)
Cash and cash equivalents at beginning of the Period		3 189 241 596	1 165 167 798
Cash and cash equivalents as of 30 June 2024	(48 ،32)	**3 554 821 900**	**1 823 527 664**

- Non- Cash transactions are excluded from the cash flow statement (note 75).
- 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
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Six Months Ended In 30 June 2024

	Share Capital	Legal reserve	Retained earning	Treasury shares	Net profit for the Period	Total before non-controlling equites	Total non-controlling equities	Total after non-controlling equites
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2023	6 003 189 778	834 679 344	1 686 908 716	(90 146 032)	1 255 848 310	9 690 480 116	481 106 612	**10 171 586 728**
Transferred to retained earnings	--	--	1 255 848 310	--	(1 255 848 310)	--	--	--
Capital Decrease –Treasury shares Execution	(120 000 000)	--	29 853 968	90 146 032	--	--	--	--
Transferred to legal reserve	--	51 958 622	(51 958 622)	--	--	--	--	--
Adjustment on non-controlling interest	--	--	--	--	--	--	(6 739 727)	**(6 867 227)**
Dividends	--	--	(159 656 737)	--	--	(159 656 737)	--	**(159 656 737)**
Net profit for the Three months ended in 30 June 2023	--	--	--	--	608 047 803	608 047 803	30 781 449	**638 829 252**
Balance as of 30 June 2023	**5 883 189 778**	**886 637 966**	**2 760 995 635**	--	**608 047 803**	**10 138 871 182**	**505 148 334**	**10 644 019 516**
Balance as of 1 July 2023	5 883 189 778	886 637 966	2 760 995 635	--	608 047 803	10 138 871 182	505 148 334	**10 644 019 516**
Transferred to legal reserve	--	342 748	(342 748)	--	--	--	--	--
Adjustment on non-controlling interest	--	--	--	--	--	--	(63 798 551)	**(63 798 551)**
Adjustment on retained earnings	--	--	47 051 856	--	--	47 051 856	--	**47 051 856**
Net profit for the Six months ended in 31 Dec 2023	--	--	--	--	973 463 886	973 463 886	121 111 192	**1 094 575 078**
Balance as of 31 Dec 2023	**5 883 189 778**	**886 980 714**	**2 807 704 743**	--	**1 581 511 689**	**11 159 386 924**	**562 460 975**	**11 721 847 899**
Balance as of 1 January 2024	5 883 189 778	886 980 714	2 807 704 743	--	1 581 511 689	11 159 386 924	562 460 975	**11 721 847 899**
Transferred to retained earnings	--	--	1 581 511 689	--	(1 581 511 689)	--	--	--
Transferred to legal reserve	--	49 712 699	(49 712 699)	--	--	--	--	--
Dividends	--	--	(184 433 911)	--	--	(184 433 911)	--	**(184 433 911)**
Adjustments on non – controlling interest	--	--	--	--	--	--	(8 931 417)	**(8 931 417)**
Net profit for the S months ended on 30 June 2024	--	--	--	--	1 703 705 918	1 703 705 918	78 518 342	**1 782 224 260**
Balance as of 30 June 2024	**5 883 189 778**	**936 693 413**	**4 155 069 822**	--	**1 703 705 918**	**12 678 658 931**	**632 047 900**	**13 310 706 831**

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 June, 30,2024

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 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 fiscal year begins on the first of March of each year and ends on February 28 of each year. The extraordinary general assembly held on September 19, 2007, decided to amend the company's bylaws so that the fiscal year begins on the first of January and ends on December 31 of each year.

6. AUTHORIZATION OF THE FINANCIAL STATEMENTS

The company's Consolidated financial statements for Six Months on June 30, 2024 were authorized for issue by the board of directors on 22 August 2024.

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 1,435 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 750 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) Joint Arrangement

The company and its subsidiaries have begun to adopt adopted a new strategy as from the fiscal year ended 31 Dec. 2015 for real estate development activities, through signing project contract as joint projects with some other parties, the contract provides that each contracting party to obtain a share of the contractual values of contracted units to implement or the net operating profits, while the company retains control over the financing, marketing and technical management of these units 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, both of the owner and the real estate developer shall receive a share of the total project revenues paid out of the project income receipts, the developing company has started marketing and project development work as of June 2019.

Palm Hills real estate developer has contracted with Al Shorouk touristic development company (Egyptian joint stock company) S.A.E to develop an integrated tourist housing project in El Ein El Sokhna – laguna Bay project, under this contract, both of the owner and the real estate developer shall receive a share of the total project revenues paid out in accordance with the approved relevant schedule, the developing company has started the project development work as of June 2020.

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 management, marketing and development of the project while the Authority (owner) receives 26% of revenues are paid in accordance with approved annual payment schedule 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 on the basis of revenue sharing system for the construction of an integrated urban project -Palm New Cairo- under this contract, both the Authority (owner) and the Company (real-estate developer) receives a share of total contractual values of the project units that paid out through the project income receipt and accordance with the approved annual payment schedule company started developing, marketing and selling the project units as of 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 contractual values of the project units paid out through the project income receipts and in accordance with approved annual payment schedule. the company started developing, marketing and selling the project units as of November 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 started the development and marketing of the project as of June 2017.

- Palm for Urban Development

Palm for Urban Development - the real estate developer, contracted with one of the owners of a 32-acre plot of land in the new city of Alamein to establish a touristic residential project under the partnership system, according to which the company collects 70% of the project's revenue in return for marketing, management and development of the project, while the other party collects the 30% of the project's revenue in exchange for land and external facilities, and the company has started marketing the project as of March 2021.

c) Botanica Project

The company acquired an area of 1702.79 acres east of the Cairo-Alexandria Desert Road, kilo 49, in Botanica farms (formerly the European countryside) - under a preliminary sale contract - with a related party to exploit it in accordance with what is specified in the company's articles of association (to reclaim and cultivate desert lands using Modern irrigation methods) according to what is mentioned in the Commercial Register under No. 33 (b) dated June 3, 2011, The cost of the project has been transferred to an item of work under implementation during the year 2021 in light of the Prime Minister's Decision No. (2422) dated October 12, 2019 regarding the procedures for converting lands in the new Sphinx City from an agricultural space to an urban residential space - affiliated with the New Urban Communities Authority, as well as the decision of the New Urban Communities Authority. Urban Communities No. (103) dated February 26, 2017, dealing with in-kind payment, and an area of approximately 1,283 acres was assigned and settled in favor of the New Urban Communities Authority.

d) Investments in Associates and subsidiaries

1- Direct investments in Associates and subsidiaries as following: -

	Percentage share %
Palm Hills Middle East Company for Real Estate Investment S.A. E	99.99%
Gawda for Trade Services S.A. E	99.99%
New Cairo for Real Estate Developments S.A. E	99.99%
Khedma for managing tourist resorts and real estate	99.99%
Rakeen Egypt for Real Estate Investment S.A. E	99.95%
Palm Hills Sports	99.97%
Palm for Real Estate Development S.A. E	99.99%
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 Construction, real state development. 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	60%
United Engineering for Construction S.A.E	99.25%
Palm Hills for Hotels 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	100%
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%
Palm October for Hotels S.A.E	00.24%
EFS Palm Facilities Management S.A.E	49%
Inspired Education– Egypt S.A.E	1%
Palm hills For Education	99.99%
Palm Holding Company for Financial Investments	99%
Palm hills for restaurants	99%
Palm hills for real estate finance company	9%
Palm Hotels and Tourist Villages	0.0005%
6th of October for hotels and tourist villages	20.02%

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

	Percentage share %
Palm North Coast Hotels S.A.E	99.4%
Middle East Company for Real Estate and Touristic Investment S.A.E	87.50%
Palm Gamsha Hotels S.A.E	98%
The Egyptian International Company for Higher Education S.A.E	40%
Inspired For Education – Egypt S.A.E	48%
Disney investment S.A.E	35.52%
The Cocory-Co for Food and Restaurant Supply S.A.E	29.99%
Kenzy for restaurants	60%
International for lease (incolease)	18.237%
Palm hills for real estate finance company	90%
Palm October for hotels	99.75%
Asten College for Education	71%
Palmet Hotels and Tourist Villages	99.99%

e) **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 on 8 Feb. 2006.
- The issued and paid-up capital is 150 million Egyptian pounds, and the company contribution is 99.99% of the issued capital.
- The company started its activity by acquiring a number of plots of land in the north cost with a total area of 574,32 acres in the area of Sidi Abdelrahman.
- 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.

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

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and Law No. 95 of 1992 and their executive regulations.

The company's purpose is to divide and market lands in new urban communities, real estate investment in general, and provide all kinds of advice except for legal advice.

The company was registered in the Commercial Register under No. 10242 on August 27, 2003.

The paid-up capital is 25,000,000 Egyptian pounds, and the company's shareholding is 99.996% of the issued capital.

The company started its activity by acquiring an area of 40 acres in the 6th of October City, with the aim of establishing a residential, touristic complex, and all works in the project are being completed.

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

An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997 regarding the Investment Guarantees and Incentives Law, which was replaced by Law No. 72 of 2017 and Law No. 159 of 1981 and their executive regulations.

The purpose of the company is to establish hotels, hotel apartments, tourist villages and related service activities, including family and administrative construction activities.

The company was registered in the Commercial Register under No. 12613 on September 1, 2005.

The company's paid-up capital is 100,000,000 Egyptian pounds, and the company's shareholding is 99.985% of the issued capital.

The company started its activities by acquiring 25,036 feddans in the Southern Investors Area in New Cairo City to carry out its activities, and all works related to the project are being completed.

- **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 September 18, 2019.

  The paid-up capital amounts to 5 000 000 Egyptian pounds, and the company's shareholding is 99.998% of the issued capital.

- **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 on 4 September 2007 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^{th} 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.

  - The Paid-in capital is 55 000 000 Egyptian pounds, and the company contribution is 99,9454% of the issued capital
  - The company started its activity through the development of the Palm Parks project on the area of 113 acres in the city of 6^{th} Oct in addition to an area of 116 acres on the North Coast (The Hecienda white project) (2).

- **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 2 800 000 Egyptian pounds, and the company's contribution is 99.97% 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 Real Estate Development Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

  The company was registered in the commercial registry No. 83974 on September 14, 2015, and the issued and paid-up capital amounted to 10,250,000 Egyptian pounds, and the company's shareholding rate reached 99.994% of the capital.

The main activity of the company is represented in real estate investment, buying, dividing and selling lands, building real estate on them of all kinds, establishing, managing, owning, selling and renting apartments and commercial malls, establishing and operating fixed hotels, reclamation, cultivation and preparation of lands.

The company (as a first party) began practicing its main and usual activity in the field of real estate development through a partnership contract with a company working in the same field, according to which the company (as a first party) obtains 64% of the contractual value of the contracted units for its implementation in exchange for marketing expenses. And the construction costs of the contracted units, while the company (the second party) gets 36% of the contractual value of the contracted units in return for the cost of the land and the implementation of external facilities. The company has begun marketing the first phase of the agreement on an area of approximately 103 acres - in New Cairo, Capital Project Gardens.

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

Palm Investment and Real Estate Development Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 85861 on the first of September 2015, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 99.4% of the capital.

The main activity of the company is to carry out investment and real estate marketing, to establish, manage, own, sell and rent apartments and commercial malls, to establish and operate fixed hotels and sports clubs, management and tourism marketing, and to establish and operate centers for the preparation and training of human resources.

The company (as a first party) began practicing its main and usual activity in the field of real estate development through a partnership contract with one of the parties entrusted with land allocation, according to which the company obtains approximately 72% of the contractual values of the contracted units, while the second party collects a percentage Approximately 28% of the contracted units for the cost of the land and the implementation of external facilities, on an area of 501.20 acres in New Cairo.

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

Palm Hills for Tourism and Real Estate Development "Egyptian Joint Stock Company" was established in accordance with the provisions of Law No. 159 of 1981 issuing the Law of Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.
The company was registered in the Commercial Register No. 92998 on April 26, 2016. The issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding amounted to 99.4% of the capital.

The main activity of the company is represented in real estate investment, buying, dividing and selling lands, building real estate on them of all kinds, establishing, managing, owning, selling and renting apartments and commercial malls, establishing and operating fixed hotels, reclamation, cultivation and preparation of lands.
The company (as a second party) has begun to practice its main and usual activity in the field of real estate development through a partnership contract with a company working in the same field, according to which the company (as a second party) gets 80% of the contractual value of the contracted units for its implementation in exchange for marketing expenses. And the construction costs of the contracted units, while the company (the first party) gets 20% of the contract value of the contracted units in exchange for the cost of the project land, which has an area of approximately 134.58 acres, kilo 85 Alexandria Road - Hacienda West project.

- **Palm Hills for Tourism Investment S.A.E**
  Palm Hills Tourism Investment Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.
  The company was registered in the commercial register No. 9 3156 on the first of May 3, 2016, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 99.4% of the capital.
  The main activity of the company is to carry out investment and real estate marketing, to establish, manage, own, sell and rent apartments and commercial malls, to establish and operate fixed hotels and sports clubs, management and tourism marketing, and to establish and operate centers for the preparation and training of human resources.
  *The company has begun to carry out its main activities by investing in the capital of Disney Investment Company.
  The main activity of the company is to carry out investment and real estate marketing, to establish, manage, own, sell and rent apartments and commercial malls, to establish and operate fixed hotels and sports clubs, management and tourism marketing, and to establish and operate centers for the preparation and training of human resources.
  * The company has begun to carry out its main activities by investing in the capital of Disney Investment Company.

- **Palm Hills Resorts S.A.E**
  Palm Hills Real Estate Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.
  The company was registered in Commercial Registry No. 9 3163 on May 3, 2016, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding amounted to 99.4% of the capital.

The main activity of the company is to carry out real estate investment and marketing, establish, manage, own, sell and rent apartments and commercial malls, establish and operate fixed hotels, motels, apartments, hotel suites and tourist villages at a level of not less than three stars, tourism management and marketing, and establish and operate sports clubs.
The company has begun to carry out its main and usual activities by investing in the capital of companies operating in the fields of education and restaurants.

- **Palm for Urban Development S.A.E**
  Palm Urban Development Company was established as an "Egyptian joint stock company" in accordance with the provisions of Law No. 159 of 1981 and taking into account the provisions of Law No. 95 of 1992 and its executive regulations.
  The company was registered in the Commercial Register No. 99183 on November 21, 2016, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the shareholding percentage in the company reached 99.40% of the capital.
  The main activity of the company is to carry out real estate investment and development, planning and establishing urban areas.
  Palm Hills Development Company and Palm Urban Development Company (a subsidiary) contracted with the New Urban Communities Authority as real estate developers to develop an integrated urban project with a participation system - (Badya) project on an area of 3000 acres in West Cairo on the basis of a revenue sharing system, so that companies - the real estate developer 74% in return for the work of managing, marketing and developing the project, while the authority gets 26% of the revenues, paid in light of the approved schedules for paying the annual payments, in addition to an in-kind share of the project units in exchange for the land and the supply of external facilities for the project. The real estate developers have begun marketing work And project development as of May 2018.

- **Palm Construction and Real Estate Development S.A.E**
  Palm Construction and Real Estate Development Company was established as an "Egyptian joint stock company" in accordance with the provisions of Law No. 159 of 1981 and considering the provisions of Law No. 95 of 1992 and its executive regulations. The company was registered in the commercial registry No. 85861 on September 1, 2015, and the issued and paid-in capital is 250,000 Egyptian pounds, and the company's contribution is 99.40% of the capital.
  The main activity of the company is the planning and construction of urban areas and equipping them with facilities and services.
  The company has started as a first party in carrying out its main activity in the field of real estate development through a partnership contract with one of the parties at percentage 70% from contractual values of the contracted units, while the other party collects a percentage 30% from contacted values of the contacted units, for the cost of the land and the implementation of external facilities, on the area 501,20 acres in New Cairo City.

- **Palm Hills Properties S.A.E**
  Palm Hills Real Estate Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 88228 on November 26, 2015, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 99.2% of the capital.
The main activity of the company is to carry out real estate investment and marketing, establish, manage, own, sell and rent apartments and commercial malls, establish and operate fixed hotels, motels, apartments, hotel suites and tourist villages at a level of no less than three stars, tourism management and marketing, and establish and operate sports clubs.

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

Palm Hills Clubs Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 101134 on January 17, 2017, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 99.2% of the capital.

The main activity of the company is to carry out real estate investment and marketing, establish, manage, own, sell and rent apartments and commercial malls, establish and operate fixed hotels, motels, apartments, hotel suites and tourist villages at a level of no less than three stars, tourism management and marketing, and establish and operate sports clubs.

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

Palm Alexandria Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 101133 on January 17, 2017, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 60% of the capital.

The main activity of the company is investment, real estate development, planning and constructing urban areas and equipping them with all facilities.
* The company started practicing the main and usual activity by acquiring a plot of land with an area of 13,800 square meters in the eastern expansions of the 6th of October City.

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

United Engineering and Contracting Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law of Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and considering the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 56910 on February 29, 2012. The issued and paid-up capital amounted to 20,000,000 Egyptian pounds, and the company's shareholding percentage reached 99.25% of the capital.

The main activity of the company is to carry out construction and building works, finishing works, decorations and general supplies, and to carry out construction and building activities related to residential, commercial and hotel projects, beach resorts, recreational areas and projects, to carry out infrastructure works and facilities for projects, as well as engineering consultancy.

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

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, facilities, tourist villages, motels and hotel apartments in addition to the timeshare system.

The company was registered in the commercial register under No. 45441 on April 27, 2011, and the paid-up capital is 62,500 Egyptian pounds. The contribution of Palm Hills Development Company to the capital of Palm Hills Hotels Company is 98% of the issued capital.
* The company did not start practicing its main activity until the date of issuing the financial statements.

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

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations.
The purpose of the company is real estate investment, construction and urban development.
The company was registered in the Commercial Register under No. 59772 on November 13, 2009.
The paid-up capital amounts to 38,125,000 Egyptian pounds, and the direct contribution percentage is 89% of the issued capital, in addition to the indirect contribution rate amounting to 10.998%, through the contribution of Palm Hills Development Company by 99.985% in the capital of the New Cairo Real Estate Development Company, which owns 11%. From the issued capital of East New Cairo Real Estate Development Company.

The company started its activity by acquiring three plots of land with an area of 171.22 acres in New Cairo to establish integrated tourist housing complexes.

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

An Egyptian joint stock company established on September 8, 2000 in accordance with the provisions of Law No. 95 of 1992 and its executive regulations, for the purpose of participating in the establishment of companies that issue securities, contributing to them, or increasing their capital.

The issued and paid-up capital amounts to 95,402,000 Egyptian pounds. The company's shareholding is 60% of the issued capital. Its main activity is the ownership and operation of several fixed-floating hotels.

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

An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997, the Investment Guarantees and Incentives Law, which was replaced by Law No. 72 of 2017 and Law No. 159 of 1981 and their executive regulations.

The company's purpose is to establish and operate a five-star hotel in Hamata, as well as to establish an integrated development project and operate a five-star hotel in the second region of the Ain Sokhna tourist sector.

The company was registered in the Commercial Register under No. 32915 on September 8, 2005.

The paid-up capital is 103,250,000 Egyptian pounds, and the company's contribution to the issued capital is 100%.

The company started its activity by acquiring an area of 1297.86 acres in Ain Sokhna, as well as a right of use to an area of 2.447 acres in the same area, for the purpose of establishing a tourist residential complex in addition to a five-star hotel. **The company's management decided not to complete the project and decided to return the lands to the Tourism Development Authority.**

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

An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997 regarding the Investment Guarantees and Incentives Law and Law No. 159 of 1981 and their executive regulations.

The company's purpose is to invest in real estate in new cities and urban communities, and to establish residential compounds, villas and tourist villages, including integrated contracting works for the company's projects and others.

The company was registered in the Commercial Register under No. 21574 on December 7, 2006.The issued and paid-up capital is 15,000,000 and the company contribution is 51% of the issued capital.

The company started its activity by acquiring 294,000 inside the space designated for the sixth of October Company (kanza) project.

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

An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997 Investment Guarantees and Incentives Law, which was replaced by Law No. 72 of 2017 Investment and Law No. 159 of 1981 and their executive regulations.

The purpose of the company is to invest in real estate in new cities and urban communities and complementary activities related to the company's activity.

The company was registered in the Commercial Register under No. 27613 on October 4, 2007.

The paid-up capital is 99,186,000 Egyptian pounds, and the company's shareholding is 51% of the issued capital.

The company started practicing its activities by acquiring an area of approximately 3.2029 acres in Mostafa Kamel district - Alexandria Governorate to carry out its activities and in light of re-studying the extent of economic feasibility towards developing and developing that area, **the company decided not to complete the studies related to the project, and the plot of land referred to was sold pursuant to a preliminary sale contract on September 1, 2015.**

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

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its implementing regulations.

  The company's purpose is to establish a distinguished residential project complete with buildings, facilities and services, called the Oasis of Palaces, as well as family and commercial construction activities and commercial services.

  The company was registered in the Commercial Register under No. 1971 on November 26, 1998.

  The paid-up capital is 10,000,000 Egyptian pounds, and the company's shareholding is 51% of the issued capital. The paid-up capital is 10,000,000 and the company contribution is 51% of the issued capital.

  The company started its activity by acquiring 56,77 acres (Faddan) at 6th of October in addition to 39,533 acres (Faddan) at New Cairo.

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

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981, taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.
  The company is engaged in marketing, buying and selling real estate, real estate investment, real estate brokerage, and advertising.
  The company was registered in the Commercial Register under No. 15970 on August 17, 2005. The company's paid-up capital is 500,000 Egyptian pounds, and the company's shareholding is 49% of the issued capital.
  * The company did not start practicing its main activity until the date of issuing the financial statements.

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

  An Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, facilities, tourist villages and hotel apartments in addition to the timeshare system.

  The company was registered in the Commercial Register No. 38357 on April 22, 2011, and the issued and paid-up capital amounted to 100,250,000 Egyptian pounds. The direct shareholding in Palm October Hotels Company is 0.2443%, and the Palm Hills Development Company also owns an indirect shareholding of 97.75% through its contribution of 98% in the capital of Palm Hills Hotels Company, whose contribution in the capital of October Hotels Company amounts to 99.75% of the issued capital.
  * The company did not start practicing its main activity until the date of issuing the financial statements.

- **EFS Palm Facilities Management S.A.E**

  An Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations. The company's purpose is to manage tourist facilities, commercial centers, project management, supplies and contracting, building maintenance and general trade. The company was registered in Commercial Registry No. 12862 on December 10, 2018 and the issued and paid-up capital amounted to 2 000 000 Egyptian pounds, and the company's shareholding is 49% of the issued capital.

- **Inspired Education Company - Egypt**

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and Investment Law No. 72 of 2017 and their executive regulations. The company's primary purpose is to establish, manage or operate schools, without prejudice to the applicable laws and regulations and on the condition of obtaining the necessary licenses. The company was registered in Commercial Registry No. 162856 on 4 February. March 2021 The issued capital is 3 million Egyptian pounds, while the paid-up capital amounts to 750 thousand Egyptian pounds, at 25%, and the direct contribution percentage in Inspired Education - Egypt is 1%, in addition to an indirect percentage of 48%, by contributing 99.4% to the capital of Palm Tourist Resorts Company. Which contributes 48% to the capital of Inspired Education - Egypt.

- **International financial leasing company (Incules)**

An Egyptian joint stock company subject to the investment law no. (72) of 2017 and the company purpose is to work on the field of financial leasing and related services in accordance with law no. (176) of 2018

The issued and fully paid-up capital is only 200 million Egyptian pounds (L.E) and the contribution of Palm Hills Development company in the capital is 18. 237%. The ownership of these shares was transferred to Palm Hills Holding Company for Investments during the year 2023 .

- **Palm Holding Company for Financial Investments**

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to participate in the establishment of companies that issue securities or to increase their capital, taking into account the provisions of the Capital Law.

The issued and fully paid-up capital amounts to 5 million Egyptian pounds, and Palm Hills Development Company's contribution to the capital is 99%.

1- Indirect investments in Associates and subsidiaries

	Percentage share %
Middle East Company for Real Estate and Touristic Investment S.A.E	87.50%
Palm North Coast Hotels S.A.E	99.4%
Palm Gamsha Hotels S.A.E	98%
East New Cairo for Real Estate Development S.A.E	11%
Asten College for Education S.A.E	71%
The Egyptian International Company for Higher Education S.A.E	40%
Inspired For Education – Egypt S.A.E	48%
Disney investment S.A.E	35.52%
The Cocory-Co for Food and Restaurant Supply S.A.E	29.99%
Palm hills for real estate finance company	90%
Palm hills for Hotels	99.75%
Kenzy for Restaurants	60%
Palmet Hotels and Tourist Villages	99.99%

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

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, establishments, tourist villages, motels and hotel apartments, in addition to the timeshare system, import and export, and commercial agencies.

The company was registered in the Commercial Register No. 48189 on September 26, 2011, and the paid-up capital is 62,500 Egyptian pounds. The contribution of Palm Hills Hotels Company to the capital of Palm North Coast Hotels Company amounts to 99.4% of the issued capital of Palm North Coast Hotels Company, through the contribution of Palm Hills Hotels Company. Palm Hills Development in Palm Hills Hotels Company holds 98% of the issued capital.

* The company did not start practicing its main activity until the date of preparing the lists.

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

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, establishments, tourist villages, motels and hotel apartments at a level of not less than three stars in addition to the timeshare system.

The company was registered in the Commercial Register No. 46193 on September 3, 2011, and the paid-up capital is 62,500 Egyptian pounds. The contribution of Palm Hills Hotels Company to the capital of Palm Gamsha Hotels Company amounts to 98% of the issued capital of Palm Gamsha Hotels Company, through the contribution of Palm Hills Development Company. In the capital of Palm Hills Hotels Company by 98%.

* The company did not start practicing its main activity until the date of preparing the lists.

- **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's purpose is to invest in real state in cities new urban community's hotel apartment and tourist villages.

The paid-up capital 20,000,000 and the Palm Hills middle east real estate investment company's contribution to the company is 87.50% of the issued capital. The Palm Hills Development company's contribution to the capital of Palm Hills Middle estate real estate investment 99.9%.

The company started its activity by acquiring an area of 58,24 acres in the district of Sidi Abdel Rahman – El Alamein Center – Matrouh Governorate.

- **Egyptian International Company for Higher Education S.A.E**

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 regarding the Shareholding Companies Law and the Recommendation of Shares. The company's purpose is to establish universities, establish and manage a center for the preparation, development, and training of human resources, and provide consultancy in the field of education. The company was registered in the commercial registry under No. 161102 on February 1, 2021.The issued capital is 100 million Egyptian pounds, and the shareholders paid 25% of the capital, so the paid-up capital becomes 25 million Egyptian pounds, and the shareholder of Palm Hills Education Company is 40% in the company's capital. Asten College for Education.

- **Inspired Education Company – Egypt**

  An Egyptian joint stock company subject to the provisions of Law No. 72 of 2017. The purpose of the company is to establish, manage or operate schools without prejudice to the provisions of the laws and regulations in force. The company was registered in the Commercial Register under No. 162856 on March 4, 2021.

  The issued capital amounted to 3 million Egyptian pounds, and the shareholders paid 25% of the capital, so that the paid-up capital became 750 thousand Egyptian pounds. The percentage of the company in the capital reached 48% through an investment of 48%, which is the percentage of the contribution of Palm Hills Development Company in its capital. 99.40%.

- **Disney investment company**

  An Egyptian joint stock company subject to the of Law No. 43 of 1974, and the company's purpose is to invest funds in all areas mentioned in Article No. (3) of Law No. 43 of 1974 amended by Law No. 32 of 1977, provided that its purposes do not include accepting deposits or performing banking activities, and That the company submit an independent application for the work of a consulting project that it is undertaking or participating in it in any way, provided that it enjoys the aforementioned law and it may have an interest or stipulate in any way with the companies, and the project has been added to the activity to establish a 3-star tourist village on Egypt Road Alexandria and Matrouh Desert under the name of Bagus Tourist Village. The company was registered in the commercial registry under No. 243944 on December 7, 1986.

  The issued and paid-up capital amounted to 15 million Egyptian pounds, and the shareholders paid 100% of the capital. The contribution of Palm Hills Development Company in the capital of the company is 35.52% through indirect investment through one of its subsidiaries, which is Palm Hills Tourism Investment Company, which acquired the number of 53,290 shares of Disney Investment Company shares is 35.52%, and the contribution of Palm Hills Development Company in the capital of Palm Hills Tourism Investment Company is 99.40%.

- **The Cocry-Co Company for Food and Restaurant Supply S.A.E**

  An Egyptian joint stock company subject to the of Law No. 159 of 1981. The purpose of the company is to provide catering and hospitality services, to establish, operate and manage restaurants and fixed cafes, and to supply food and beverages for parties and seminars.

  The issued and fully paid-up capital is 357,100 Egyptian pounds, and Palm Hills Development Company's contribution to the capital is 29.99%, through indirect investment through one of its subsidiaries - Palm Touristic Resorts Company, which owns 99.40% in its capital shares.

- **Management of service activities**

  The company purchased the Palm Hills Club in the Sixth of October City, which is dedicated to the entire resort

  Palm Hills, which was acquired through a sale contract dated October 1, 2007 from one of its subsidiary's companies, and the club's activities began as of the 2010 fiscal year.

9. STATEMENT OF COMPLIANCE

The group companies During the three months ending on June 30, 2024, committed themselves to applying the new Egyptian accounting standards issued by Ministerial Resolution No. 110 of 2015 and its amendments, and to follow the same accounting policies previously applied when preparing the latest financial statements on dec 31, 2023 which have not changed Any amendments or any update.

10. SIGNIFICANT ACCOUNTING POLICIES APPLIED

a) Basic of consolidated financial statements preparation

The Company's management is responsible for the preparation of the financial statements. The consolidated financial statements are prepared in accordance with Egyptian Accounting Standards issued by ministerial resolution NO. 110 of 2015 and its amendments the relevant Egyptian accounting stand were applied when preparing the financial statement on June 30 2024, with the exception of the un related Egyptian accounting stand.

b) Basic of consolidation

The consolidated F.S include a total grouping of subsidiaries which are all companies in which Palm Hills Development Company has the ability to control the F.S and operating polices in general or owns more than half of the voting rights, and the potential voting rights that can be exercised or transferred are taken in to account when determining Palm Hills Development Company didn't control another company or not, and the consolidated F.S of Palm Hills Development Company "Egyptian joint stock company" include the F.S of the subsidiaries mentioned in note no. (8d) except for the following companies.

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

	Percentage share %	Nature
Coldwell Banker Palm Hills for Real Estate	49%	Associates
EFS Palm Facilities Services	49%	Associates
Inspired for Education	49%	Associates
The Egyptian International Company For Higher Education	40%	Associates
Disney Investment	35.52%	Associates
The cocory-cor Fund and Restaurant Supply	29.99%	Associates

- 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:

1- Consolidated financial statements shall be prepared using uniform accounting policies with necessary adjustments to unify those polices when preparing the consolidated F.S.

2- Excluding the investments of the parent company in its share of the total equity of the investee company and treating the difference between its intimal cost of acquisition pr investment and parent company's share in the total equity of the investee company as positive good will that is treated as stated in note no. (10C) as negative good will they are included directly in the groups consolidated I.S state.

3- Excluding amounts paid to increase or supplement the capital of subsidiaries.

4- Compiling items, balance, and totals for all elements of the financial position, income statement, cash flows and changes in equity, taking in to account the dated pf controlling or acquiring subsidiaries and making the necessary adjustments to the elements of cost of activity, working progress and projects under implementation, which resulted from the application of the purchase method for accounting on good will arising from the acquisition.

5- Excluding all balances and the effect or other transaction between all companies within the group have been excluded.

6- Excluding profits or losses resulting from transactions or exchanges between group companies unless the effects of those transactions and exchanges are excluded or transferred to a third party.

7- the non-controlling rights in the subsidiaries (according to the percentage of the contribution of the other shareholders in the capital and equity, as well as the profits and losses in the subsidiaries).

8- The financial statements of the investee company are not grouped into the group's consolidated financial statements if the investing company loses control and influence over the investee company, as of the date of losing control.

c) Business combination

The business combination is accounted for by applying the acquisition method, identifiable acquired assets are initially recognized separately from goodwill, as well as incurred liabilities and any non-controlling rights in the acquiring entity. The indirect costs related to the acquisition are treated as an expense in the Years in which those costs are incurred and the services are received, excluding the costs of issuing equity or debt instruments directly related to the acquisition process. (Egyptian Accounting Standard 29 on Business Combinations).

d) Intangible assets

1- Goodwill

Goodwill arises in the group's consolidated financial statements when the cost of investing in the investee company exceeds the investing company's share in the net fair value of the assets and liabilities of the investee company.

2- Other intangible assets

Intangible assets are non-monetary assets which are without physical substantive. Intangible assets arsis 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 financial statements in accordance with Egyptian accounting standards requires that it be relied on the best assumptions and estimates made by the management and what it deems appropriate to develop and apply accounting policies to reflect the substance and economic content of the transactions that are made and related to the company's basic activity (revenues from current activity, estimated cost until completion of the project, impairment of assets, usufruct, real estate investments, deferred taxes, fair value of financial instruments), and accordingly, those estimates and assumptions made in the light of the best data and information available to management may directly affect the values of revenues and costs associated with those estimates and the values of related assets and liabilities in the event The difference in the estimates made on the date of preparing the statements from the actual reality in the following period, without prejudice to the extent to which the financial statements express the reality of the company's financial position and its cash flows for the current period.

f) Changes in accounting policies

It is represented by the change in the principles, foundations, rules and practices that the establishment applies when preparing financial statements, by shifting from one acceptable accounting policy to another acceptable accounting policy, and within the framework of Egyptian accounting standards, where the voluntary application of the new policy has a positive impact on the extent to which the results of the application of that policy are expressed. The policy affects the essence of the company's transactions and operations and the resulting effects on the reality of the financial position and the results of the company's business. The effects of that change in policies are proven retroactively and those effects are proven by retained earnings within equity (if any).

11. INVESTMENTS

a) Investments in subsidiaries

Subsidiaries are all companies that the company controls through its participation in the investee and has the ability to influence those investments through its power over them are included within the investments in subsidiaries.

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, as a charge to the income statement (profit or losses) for each investment's subsidiaries are all company controls through its.

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) 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 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 6th 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 it 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 loses (if any). The estimated useful lives are as follows:

Asset	Rate
Buildings	5%
Machinery and equipment	
Tools &Equipment	25%
Furniture & Fixtures	25%
Measuring equipment	25%
Office furniture and fixtures:	
Computer hardware and software	33.33 %
office equipment	25%
Furniture and fixtures	25%
Scaffolding and turnbuckles	25%
Transportation and transportation	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.

Impairment Fixed assets are excluding upon disposal or when no future economic benefits are expected to be obtained from their use or sale in the future any gains or losses arising on disposal of the asset are recognized in the income statement (profit & losses) in the Year in which of the asset it disposal.

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 it carrying amount exceeds its recoverable amount, At the end of each reporting Year, 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 is reversed 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, and it is limited so that the asset's carrying amount (as a result of the impairment loss reversal), its recoverable amount or The book value that would have been determined (net of depreciation) unless the loss resulting from the impairment of the value of the asset is recognized in previous years, and the response is recorded in any loss resulting from the impairment of the value of an asset in the income statement (profits and losses)

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 activates 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 is not met yet to be recognized in income statement recognizing revenues in light of the application of Egyptian accounting standard no. (48) by measuring the progress in meeting performance obligations to be included in the income statement (profit & losses).

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.
where the finished units prepared for sale (apartments, cabins, and chalets) are recorded at cost
Where all costs associated with those units of land costs, construction costs and indirect costs are charged to a work in progress item until the completion of all work at that stage, where the square meter share of the total costs is determined and therefore the cost of the units is determined according to their area.
Including the unit cost in an item of complete units, provided that the unit cost is included in the income statement (profits and losses) against the contractual value at a point in time, with the actual delivery of those units, which represents the point of transfer of control to the customer, provided that those units are re-measured at cost or net recoverable value, whichever is lower. This policy applies to units, whether they are residential units - apartments - or commercial or administrative units.

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 STOCKS

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.

the acquisition of the company's shares contained in Law 159 of 1981 and its amendments, as well as in accordance with the rules of listing and writing off securities in the Stock Exchange and the instructions of the Financial Supervisory Authority where treasury shares are recorded in the financial statements at the cost of acquisition (acquisition), it is presented as a deduction from equity, provided that the change in value (positive or negative) that results from its disposal within equity is recognized in the financial statements.

18. IMPAIRMENT IN ASSETS

18/1 Financial Assets

The company applies a three-stage approach to measure the expected credit losses from financial assets recorded at amortized cost and debt instruments at fair value through other comprehensive income. The assets move between the following three stages based on the change in the credit quality of the financial asset since its initial recognition.

Stage one: 12-month expected credit loss

The first stage includes financial assets on initial recognition that do not have a significant increase in credit risk since initial recognition or that have relatively low credit risk. For these assets, 12-month expected credit losses are recognized

12-month expected credit losses are the expected credit losses that may result from a default event within 12 months after the date of the financial statements.

Stage 2: Lifetime ECL - with no credit impairment

The second stage includes financial assets that have had a significant increase in credit risk since initial recognition, but there is no objective evidence of impairment. Expected credit losses are recognized over the life of those assets, life expected credit losses are the expected credit losses resulting from all possible failures over the expected life of the financial instrument.

At the end of each reporting Year, the Company assesses whether there has been a significant increase in the credit risk of financial assets since the first recognition. The Company uses both quantitative and qualitative information to determine whether there has been a significant increase in credit risk based on the characteristics of the financial asset. Quantitative information can be a downgrade of a credit rating without an investment grade. Qualitative information is obtained by monitoring current or expected adverse changes in business, financial or economic conditions that are expected to cause a material (negative) change in the debtor's ability to meet its obligations to the company.

In addition, the Company uses its own internal credit rating indicators to apply quantitative factors in assessing whether there has been a significant increase in credit risk. The company considers that the credit risk has increased significantly if the internal credit rating deteriorates significantly at the end of each financial Year compared to the original internal rating, if a significant increase in material risk is identified, this leads to the transfer of all instruments in the range held with that party from the first to the second stage.

Stage Three: Lifetime Expected Credit Loss - Credit Impairment

The third stage includes financial assets for which there is objective evidence of impairment at the date of the financial statements. For these assets, life-long expected credit losses are recognized.

The company identifies financial assets for which there is objective evidence of impairment under Egyptian Accounting Standard No. (47) by applying the definition of default used for credit risk management purposes. The company defines default as: any counterparty who is unable to meet its obligations (regardless of the amount involved or the number of days due).

When applying this definition, the following information may serve as evidence that a financial asset is credit-impaired:

• a breach of contract such as default or late payment.

• it is probable that the customer will enter bankruptcy or other financial restructuring; or

• The client faces great financial difficulty due to the disappearance of an active market.

The company reviews all of its financial assets, except for the financial assets that are measured at fair value through profit or loss, to assess the extent of impairment in their value, as shown below. Financial assets are classified at the date of the financial statements into three stages

- The first stage: financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for them for a Year of 12 months.
- The second stage: the financial assets that have witnessed a significant increase in credit risk since the initial recognition or the date under implementation, and the expected credit loss is calculated for them over the life of the asset.
- The third stage: the financial assets that have experienced impairment in their value, which requires calculating the expected credit loss over the life of the asset on the basis of the difference between the book value of the instrument and the present value of the expected future cash flows.

Credit losses and impairment losses relating to financial instruments are measured as follows:

- The financial instrument is classified as low risk upon initial recognition in the first stage and the credit risk is continuously monitored by the company's credit risk department.
- If it is determined that there has been a significant increase in the credit risk since the initial recognition, the financial instrument is transferred to the second stage, where it is not yet considered impaired at this stage.
- If there are indications of impairment in the value of the financial instrument, it is transferred to the third stage
- The financial assets created or acquired by the company are classified and include a higher rate of credit risk than the company's rates for low-risk financial assets at the initial recognition of the second stage directly, and therefore the expected credit losses are measured on the basis of the expected credit losses over the life of the asset.

18/2 Impairment of non-financial assets

Impairment of assets is the amount by which the carrying amount of the asset or cash-generating unit exceeds its recoverable amount, which represents the fair value of the asset less costs to sell or its value in use (the present value of future cash flows expected to occur from the asset), whichever is greater, where the impairment in the value of the asset is charged On the income statement (profits and losses), and in the event that there are indications of an increase in the value of the asset, the loss resulting from the impairment of the value of the asset is reversed in the income statement (profits and losses) provided that it does not exceed the book value of the asset before reducing the value of impairment.

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 CONTRACTED LIABILITY

Land contracted liability represents the obligations which incurred for purchase lands at certain amount and on certain maturity dates. Land purchase liability is recognized initially at 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 of the contracted units and to be deducted from earned revenue from plot of land of the contacted units.

22. CAPITALIZATION OF BORROWING COST

The capitalization of borrowing costs is the value of the expenses, costs and financing burdens resulting from obtaining loans or bank facilities, whether to finance the acquisition, creation or production of an asset eligible for capitalization, which could have been avoided if those assets were not acquired, and such capitalization begins at the start of spending on the asset The qualifying asset and the actual incurring of borrowing costs, in addition to continuing to carry out the work related to that asset, and the continuation of capitalization is discontinued when the qualifying asset is completed, whether for use or sale. Income (profits and losses) when realized in addition to the interest for the Years in which the effective construction of the asset is disrupted.

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 Year 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 financial Year weighted by the time factor.

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. LEASING CONTRACTS

(A) 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.

Subsequent measurement

- Subsequently the right of use asset is depreciated from the commencement date to the end of the underlying asset useful life in accordance with Egyptian accounting standard No. (10) if ownership of the underlying asset is expected to be transfer to the lessee at the end of the lease. Otherwise earlier of the asset useful life and lease term. any impairment loss in the value of right of use asset will be calculated.
- After the lease date, the lease obligations are measured to reflect changes in lease payments as follows: -
  - **A.** The carrying amount is increased to reflect the interest on the lease commitment.
  - **B.** The carrying amount is reducing 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.

(B) 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.

(C) 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 Year 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 Year 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.

There is an important financing component:

- The contractual value of the promised amount is adjusted to reflect the effects of the time value of money if the contract includes a significant financing component.

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 accounting treatment is done to record the concluded and approved contracts (for villas and townhouses) based on realizing the revenues from each contract as a single unit that includes all the components of the contract. (Development of land, construction works, other additional works), on the basis of time for the contracted units in the light of the progress in fulfilling the obligations, as the final output (revenues and costs) has been done in a reliable manner according to the measurement method - outputs - adopted to measure the extent of the obligation in fulfilling performance obligations and using reasonable rates of progress, as follows:

-Real estate development revenue:

Real estate development revenues are achieved for the contracted units under the conclusion of contracts with customers and the receipt of the consideration and in accordance with the credit policy established and applied by the company and the inclusion of such revenues in the income statement (profits and losses) for each unit separately (phase) versus the costs of implementing those units in light of the progress in fulfilling obligations At the level of the contract unit for each contracted unit on the date of preparing the financial statements, and the progress in the performance of obligations is determined and measured - using the output method at the contract unit level for the contracted units to the total estimated costs of work until the completion of the implementation of those units for each (unit) staged unit in order to measure and determine the extent of progress in the commitment in fulfilling performance obligations in contracts.

-Real estate development activity costs:

Activity costs are the direct and indirect value and cost of each of the lands contracted to implement units, in addition to construction costs, utilities and other indirect costs associated with construction work until the completion of the contracted unit's implementation, provided that the total contract cost represented in the lands contracted to implement is included. Units on the income statement (profits and losses) in addition to the construction costs and other costs until the completion of the implementation of those units in the light of the inventory of the completed performance contracted at the level of the contract unit, for each (unit) stage separately, in order to measure and determine the extent of progress in the commitment to fulfill the performance obligations in contracts.

b) Completed units ready for sale

The accounting treatment is done to record the concluded and approved contracts (apartments, cabins, and chalets) based on realizing the revenues from each contract as a single unit that includes all the components of the contract. (Development of land, construction works, other additional works) for a point in time that represents the point of transfer of control to the customer.

-Real estate development revenue:

Real estate development revenues are achieved for the contracted units under the conclusion of contracts with customers and the receipt of the consideration and in accordance with the credit policy established and applied by the company and the inclusion of those revenues in the income statement (profits and losses) for each unit separately (phase) against the costs of implementing those units in light of the actual delivery of those units For each contracted unit until the date of preparing the financial statements.

-Real estate development activity costs:

Activity costs are the direct and indirect value and cost of each of the lands contracted to implement units, in addition to construction costs, utilities and other indirect costs associated with construction work until the completion of the contracted unit's implementation, provided that the total contract cost represented in the lands contracted to implement is included. Units on the income statement (profits and losses) in addition to construction costs and other costs until the completion of the implementation of those units in, where all costs associated with those units of land costs, construction costs and indirect costs are charged to a work-in-progress item until the completion of all work at that phase. The square meter's share of the total costs is determined, and therefore the cost of the units is determined according to their area, provided that the unit cost is included in the income statement (profits and losses) for the contractual value at the point of time when the actual delivery of those units and the transfer of control to the customer.

31. REVENUE RECOGNITION

a) Sales revenues

1- Villas and townhouses

The revenues resulting from practicing the main and usual activity - real estate development of the company - are realized and recorded in the income statement (profits and losses) in light of the extent of progress in fulfilling obligations at the level of completion of the executed works (measuring the extent of progress) at the contract unit level for each contracted unit separately, **as the The company is contractually restricted from directing the asset to another use due to the fact that the contracted unit (sold) has pre-determined boundaries and features in the contract with regard to independent units (villas and townhouses), The company also has a contractual right to collect the sale value of the unit from the customer in installments. In the event of the customer's non-compliance, the installment deadlines due on the unit will be waived, with the customer committing to pay those installments in one payment.In the event of termination of the contract for reasons other than the facility's failure to perform as promised, the company will recover the costs it incurred from the customer in exchange for its completed performance to date, in addition to a percentage of the contractual value (profit margin),** The revenues generated from the total contractual values from the contracts signed and approved for the contracted units are also weighted by the percentage of progress in fulfilling obligations at the level of the contract unit, taking into account additional business revenues versus their actual cost for each stage (unit) separately, in a way that reflects and measures the extent of progress. In fulfilling the performance obligations under the contract.

2- Completed units ready for sale

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

b) Investments in Associates and subsidiaries

Revenues **resulting from investments in subsidiaries companies** resulting from following **the equity method** are recorded according to the company's share in the results of the investee companies' business and according to the percentage of its contribution, in addition to the change in the equity of the investee company for items that are not included in the business results. Revenues resulting from investments in subsidiaries and resulting from adopting the cost method are recognized when the company has the right to receive those revenues and returns, whether by the announcement event or by the actual collection event, whichever is more specific. **The effect of those realized revenues, whether by cash distribution or by applying the equity method, is excluded from the group's income statement when preparing it.**

c) Revenues from investment property

The income resulting from investing in real estate investments is realized upon the completion and completion of the sale of those investments and the transfer of ownership – initially - to the buyer, and these revenues are recognized as sale profits at the value of the difference between the cost of those investments and the selling price, and the revenues resulting from the exploitation and leasing of these investments to others are also recognized. According with the accrual principle.

d) 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 assets

33-1 Recognition and initial measurement

The company initially recognizes debtors and debt instruments on the date of its inception, all financial assets and other financial obligations are initially recognized on the date of the transaction when the company becomes a party to the contractual provisions of the financial instrument.

The financial asset (unless the trade receivable does not have a significant financing component) or financial liability is initially measured at fair value plus transaction costs that directly cause its acquisition of the item not at fair value through profit or loss. Customers who do not have a significant financing component are initially measured at the transaction price.

33-2 Financial Assets - Classification and Subsequent Measurement

Upon initial recognition, the financial asset is classified on (debt instruments) as measured at amortized cost or at fair value through other comprehensive income as investments in debt instruments and investments in equity instruments or at fair value through profits and losses.

Financial assets are not reclassified after initial recognition unless the company changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the first financial reporting Year after the change in business model.

The financial asset (debt instruments) is classified as valued at amortized cost if it meets the following two conditions and is not classified as valued at fair value through profit or loss:

- If the asset is to be held within a business model that aims to hold assets to collect contractual cash flows.
- In the event that the contractual terms of the financial assets give rise to cash flows on specified dates that are only principal and interest payments on the principal amount repayable.

The investment in debt instruments is classified at fair value through other comprehensive income if the following two conditions are met and is not determined as being valued at fair value through profit and loss:

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

Upon initial recognition of an investment in equity instruments that are not held for the purpose of trading, the company can make an irrevocable choice to present it within other comprehensive income. Subsequent changes in the fair value of the investment appear within other comprehensive income items and are not reclassified in the income statement.

Financial assets that are not classified as valued at amortized cost or valued at fair value through other comprehensive income are classified as fair value through profit and loss, and this includes all financial assets derivatives. Upon initial recognition, the company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, at fair value through comprehensive income, or at fair value through profit or loss if doing so eliminates or substantially reduces Inconsistency in a measurement or recognition (sometimes referred to as an "accounting inconsistency") that may arise during that time.

No expected credit losses are calculated for equity instruments.

33-3 Financial Assets - Business Model Evaluation

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

- The stated policies and objectives of the portfolio and the operation of those policies in practice. This includes whether management's strategy focuses on earning contractual interest income and maintaining a certain interest rate.
- How to evaluate the performance of the portfolio and report it to the company's management.
- the risks that affect the performance of the business model (and the financial assets held in the business model) and how those risks are managed
- The frequency, volume, and timing of sales of financial assets in previous Years, the reasons for such sales, and expectations regarding future sales activity.
- Financial assets held for trading whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

33-4 Financial Assets - Assessment of whether the contractual flows are solely payments of principal and interest

For the purposes of this assessment, the principal amount is the fair value of the financial asset at financial recognition and the interest is against the time value of money, against the credit risk associated with the principal amount outstanding over a certain Year of time and against other basic lending risks and costs (liquidity risk and administrative costs), in addition to the profit margin.

In assessing whether the contractual cash flows are solely payments of interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it would not meet this condition. When making this assessment, the Company considers:

- potential events that would change the amount or timing of cash flows.
- terms that may modify the rate of contractual payments, including variable rate features.
- Prepaid features and additions; (if any)
- Conditions that limit a company's claim to cash flows from identified assets
- The early payment benefit is consistent with payments of principal and interest only if the amount of the prepayment substantially represents the unpaid amounts of principal and interest on the principal amount owed, which may include reasonable compensation for early termination. In addition, for financial assets obtained at a discount or premium over the contractual face value, a feature that permits or requires early payment in an amount substantially the contractual amount plus the contractual interest accrued (but not paid) (which may also include reasonable compensation for early termination) is treated as compliant with this Standard if the fair value of the early settlement feature is ineffective on initial recognition.

33-5 Financial Assets - Subsequent Measurement, Profits and Loss

Financial assets at fair value through profit or loss	Financial assets are subsequently measured at fair value, and changes in fair value, including any returns or dividends, are recognized in profit or loss.
Financial assets at amortized cost	Financial assets valued at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment are recognized in profit and loss, and gains and losses on disposal are recognized in profit and loss.
Debt instruments at fair value through other comprehensive income	Financial assets at fair value through comprehensive income are subsequently measured at fair value. Interest income is calculated using the effective interest method, gains and losses on currency differences and impairment are recognized in profit and loss. Other net gains and losses are recognized in comprehensive income. On disposal, the combined profit and loss in comprehensive income is reclassified to profit and loss.
Equity investments at fair value through other comprehensive income	Financial assets valued at fair value through comprehensive income are subsequently measured at fair value. Dividends are recognized as income in profit and loss unless the dividends clearly represent a recovery of part of the investment cost. Other net gains and losses that have been recognized in other comprehensive income are not reclassified at all to profit or loss.

33-6 Financial liabilities - classification and subsequent measurement, profits and losses

Financial liabilities are classified as valued at amortized cost or at fair value through profit and loss.

Financial liabilities are classified as valued at fair value through profit and loss if they are classified as held for trading purposes, or they are within financial derivatives, or they are classified at fair value through profit or loss upon initial recognition.

Financial liabilities measured at fair value through profit and loss are measured at fair value and net gains and losses, including interest expense, are recognized in profit and loss.

Other financial obligations are subsequently measured at amortized cost using the effective interest method. Interest expense and gains and losses from changes in foreign exchange rates are recognized in profit and loss. Gains and losses resulting from disposal are recognized in profit and loss.

33-7 DISPOSAL

financial assets

The company disposes the financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred, or in which the company does not transfer or retain bears all the risks and rewards of ownership and does not retain control over the financial assets.

The Company enters into transactions whereby it transfers the assets recognized in its statement of financial position but retains all the risks and rewards of the transferred assets. In this case, the transferred assets are not excluded.

financial obligations

Financial obligations are excluded when the contractual obligations are paid, canceled or expired.

The company also dismisses a financial liability when its terms are adjusted and the cash flows of the modified obligations are substantially different, in which case the new financial obligations are recognized on the basis of the adjusted condition at fair value.

On derecognition of financial obligations are derecognition, the difference between the book value and consideration paid (including any non-monetary assets transferred or liabilities assumed) is recognized in profit or loss.

33-8 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net reported in the statement of financial position when, and only when:

The company has a legally mandatory right to settle the recognized amounts, and when the company intends to settle the assets with the liabilities on a net basis or sell the assets and settle the liabilities simultaneously.

33-9 Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its exposure to foreign exchange rate and interest rate risks. Implicit derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and if specific conditions are met.

Derivatives are initially measured at fair value and the related transaction costs are recognized in profit or loss. After initial recognition the derivative is measured at fair value and any change in fair value is recognized in profit or loss.

34. RISK MANAGEMENT

(A/1) 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.

	NOTE NO.	30 June 2024 EGP
Financial Assets		
Local operation current accounts	(48)	3 051 503 589
Banks accounts for local currency deposits	(48)	2 500 000
		3 054 003 589
Financial obligations		
LOANS	(51)	4 801 296 067
Banks credit	(49)	870 488 004
banks Overdraft	(50)	5 274 175 161
Lease obligations	(55)	8 201 673
		10 954 160 905

In the event that interest rates change from current rates with all other variables constant, this will affect the sensitivity of the statement of profits and losses as a result of assuming a change in the interest rate, based on the financial assets and liabilities linked to the interest rate, as follows:

- In the event of an increase/(decrease) in the interest rate by 2% with all other variables remaining constant, the statement of profits and losses, as well as the statement of cash flows for the year in which the change occurred, will be affected by an increase/(decrease) of approximately 109 million Egyptian pounds.

(A/2) Foreign exchange rate risk

Foreign currency risk is represented by changes in foreign currency rates, which affect payments and receipts in foreign currencies, as well as the evaluation of assets and liabilities in currencies. The balances of assets in foreign currencies described above were evaluated using the rate prevailing on the date of the financial position.

The net foreign currency balances at the financial position date are as follows:

	30 June 2024 EGP
Financial assets	
Net foreign currency balance - Asset	**340 108 076**

Sensitivity analysis:

Foreign currency rate risk is the risk of fluctuations in the fair value of the future cash flows of a financial instrument due to changes in foreign currency rates. The following table shows the company's sensitivity to a 10% increase or decrease in the Egyptian pound against foreign currency exchange rates while keeping all other variables constant, and the impact of that on The company's statement of profits or losses is as follows:

	30 June 2024 EGP
The equivalent in Egyptian pounds for collecting foreign currencies	**340 108 076**
The effect of an increase/decrease in the exchange rate on the company's net profit	
When foreign exchange rates increase by 10%	**34 010 808**
When foreign exchange rates decrease by 10%	**(34 010 808)**

(B) Credit risk

Credit risk is represented by the inability of customers to whom credit is granted to pay what is owed to them. This risk is considered limited given that the company deals with customers with good financial solvency, in addition to the company's failure to deliver the contracted units before the customer deposits negotiable bank debt instruments in exchange for the unpaid installments in Date of receipt (note 44).

In addition to the above, customer contracts stipulate that ownership of the units will not be transferred to customers before paying the full value of the units. Therefore, no losses or impairment of customer balances occurred before that.

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

The company periodically studies expected credit losses to offset the impact of expected credit risk on the poor quality of financial assets.

Market risk is represented in permanent or temporary negative fluctuations or both in the prices of securities in the stock market for securities available for sale, which may negatively reflect on the capital values of the company's portfolio of securities for the cost of acquisition, and the company follows a conservative policy for all its investments, and this is reflected in the fair values of the portfolio.

(C) Investment Risk

The investment risk is represented in the possible decrease in the potential and expected returns and distributions in the companies invested in their capital and the possibility of reinvesting in other securities with relatively high returns, in addition to the potential risks of not appropriate diversification in the stock portfolio in all existing and potential investment sectors. The company follows a policy in managing the company's stock portfolio that will maximize returns, revenues and profits achieved through purchases and resales, as well as selling and repurchases, in addition to diversifying investment in investment sectors with relatively stable returns.

(D) Liquidity risk

Liquidity risk is represented by factors that may affect the company's ability to pay part or all of its obligations, and according to the company's policy, appropriate liquidity is maintained to meet the company's current obligations, which affects the reduction of that risk to a minimum.

The following is an analytical statement of financial obligations and other contribution payments at the date of the financial position, which are as follows:

	Note No.	30 June. 2024	
		EGP	EGP
Financial Liabilities		Less than year	More than year
Credit banks	(49)	870 488 004	--
Overdraft banks	(50)	5 274 175 161	--
Loans	(51)	359 977 319	4 441 318 748
Lease obligations	(55)	7 374 206	827 467
Due to related parties	(57)	21 383 836	--
Creditors and other credit balances	(59)	2 480 886 320	--
Other obligations - occupiers union	(62)	--	12 542 109 862
Suppliers and contractors		2 772 281 264	--
Total		**11 786 566 110**	**16 984 256 077**

35. INVESTMENT IN ASSOCIATES

The consolidated balance of investments in Associates as of June 30, 2024, amounted to an amount EGP 871 368 956 as follows

	30 June 2024 EGP	31 Dec 2023 EGP
Naema for Touristic & Real Estate Investments S.A.E	147 533 255	117 741 164
EFS palm for facilities services S.A. E	6 633 373	6 633 373
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 S.A.E	245 000	245 000
Egyptian International for Higher Education S.A. E	200 000 000	90 000 000
Disney Beach S.A. E	104 121 304	104 121 304
Inspired Egypt for Education S.A. E	367 500	367 500
International Financial Leasing Company – Incolease S.A.E	198 912 037	174 841 899
The Cookery - Co for catering and restaurants S.A. E	3 000 000	3 000 000
Sixth of October Hotels and Tourism Services Company S.A.E	208 020 870	--
Balance on June 30, 2024	**871 368 956**	**499 485 857**

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

	Assets	Liabilities	Shareholders' equity	Revenues	Expenses
Naema for Touristic & Real Estate Investments	524 023 507	228 922 074	295 101 433	144 246 637	44 671 808
Palm Hills for Real Estate -Coldwell Banker	500 000	--	500 000	--	--
Villamora for Real Estate Development Company	2 535 619	--	2 535 619	--	--

36. INVESTMENT PROPERTY

The consolidated balance of real estate investments on June 30, 2024, amounted to 1 061 433 513 EGP and its balance is the value of the cost of Crown School – King School, 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:

	30 June 2024 EGP	31 Dec 2023 EGP
Crown School (King School)		
Cost Of the School	1 022 000 561	--
Accumulated depreciation	10 330 126	--
Net Cost of the School	**1 011 670 435**	--
Real Estate Investments - Buildings		
Commercial shops - Palm Hills Resort		
Cost of shops (88 Street Mall)	75 011 680	69 111 647
Accumulated depreciation for Jan 1,2024	25 281 620	21 808 349
Depreciation for the period / Year	1 966 982	3 473 271
Accumulated depreciation at the end of the period/year	**27 248 602**	**25 281 620**
Net cost of shops (88 Street Mall)	47 763 078	43 830 027
Villas at villa mora resort	2 000 000	2 000 000
Balance on June 30, 2024	**1 061 433 513**	**45 830 027**

The company has concluded contracts for the sale and leaseback of the commercial mall 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 sale) and obligations resulting from financial transactions as a financing activity, according to the essence of those transactions and the lack of completion of any of the Conditions that must be met to prove these contracts as lease contracts and that these investments are provided as guarantees, and in accordance with the provisions of Egyptian Accounting Standard No. (49) related to lease contracts (Note No. 28B, 55).

37. Fixed Assets

The net cost of the consolidated fixed assets on 30 June 2024 amounted to EGP 2 569 883 870 presented by fixed administrative assets on the site and the headquarter as follows:

	Cost as of Jan. 1,2024 EGP	Additions during the year EGP	Disposals during the year EGP	Cost as of 30 June 2024 EGP	Accumulated depreciation as of Jan. 1, 2024 EGP	Depreciation for the year EGP	Depreciation of Disposals EGP	Accumulated depreciation as of 30 June, 2024 EGP	Net book value as 30 June 2024 EGP
land	33 145 821	--	--	33 145 821	--	--	--	--	33 145 821
Buildings	747 387 747	11 178 846	--	758 566 593	345 611 936	14 987 650	--	360 599 586	397 967 007
Machinery & equipment	275 218 451	47 939 616	--	323 158 067	177 879 525	16 354 917	--	194 234 442	128 923 625
Vehicles	41 870 814	5 086 421	--	46 957 235	30 868 154	2 272 388	--	33 140 542	13 816 694
Computer equipment	129 731 654	21 289 924	6 750	151 014 828	100 140 659	9 704 599	6 750	109 838 508	41 176 320
Leasehold improvements	21 077 212	848 781	--	21 925 993	21 043 077	58 491	--	21 101 568	824 425
Furniture	186 906 176	74 027 201	--	260 933 377	114 703 318	15 462 351	--	130 165 669	130 767 708
Golf Courses	2 412 646 478	--	--	2 412 646 478	528 187 998	61 196 209	--	589 384 207	1 823 262 271
Total cost	**3 847 984 353**	**160 370 789**	**6 750**	**4 008 348 392**	**1 318 434 667**	**120 036 605**	**6 750**	**1 438 464 522**	**2 569 883 870**

a. **All fixed assets in the group companies are available for use in operation.**

b. **Fixed assets depreciation for Six months Ended in 30, June 2024 amounted To EGP 120 036 605 and allocated as follows:**

	EGP
Operating assets-work in process	14 703 055
Administrative depreciation (income statement)	90 845 310
Depreciation expense of hotel operations	5 155 138
Depreciation expense of Palm Hills Club's assets - club's operating statement	9 333 102
Total depreciation of fixed assets for the Period	**120 036 605**

Capital Gains for Six months ended in 30, June 2024 amounted to EGP 1 895 688 as follows:

	EGP	EGP
Proceed from sale of fixed assets		1 895 688
Deduct:		
Cost of assets sold	6 750	
Accumulated depreciation of assets sold	6 750	
Carrying amount of assets sold		--
Gain on sale of fixed assets as of June 30, 2024		**1 895 688**

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 (Note No28b،52).

The net cost of the consolidated fixed assets on Dec 31, 2023, amounted to EGP 2 529 549 685 presented by fixed administrative assets on the site and the headquarter as follows:

	Cost as of Jan. 1,2023 EGP	Additions during the Year EGP	Disposals during the Year EGP	Cost as of 31 Dec 2023 EGP	Accumulated depreciation as of Jan. 1, 2023 EGP	Depreciation for the Year EGP	Depreciation of Disposals EGP	Accumulated depreciation as of 31 Dec 2023 EGP	Net book value as 31 Dec 2023 EGP
* land	33 145 821	--	--	33 145 821	--	--	--	--	33 145 821
* Buildings	732 674 743	14 713 004	--	747 387 747	316 384 812	29 155 694	--	345 540 506	401 847 241
Machinery & equipment	220 320 371	83 986 522	28 897 995	275 408 898	159 952 221	19 878 357	1 724 936	178 105 642	97 303 256
Vehicles	35 884 567	6 051 248	65 000	41 870 815	26 235 359	4 697 795	65 000	30 868 154	11 002 661
Computer equipment	105 125 705	26 154 532	1 541 566	129 738 671	90 066 578	11 622 664	1 541 566	100 147 676	29 590 995
Leasehold improvements	21 116 436	--	39 134	21 077 302	21 062 013	20 286	39 134	21 043 165	34 137
Furniture	142 643 804	46 198 651	1 590 070	187 252 385	91 449 446	25 079 813	1 443 969	115 085 290	72 167 095
Golf Courses	2 412 319 396	327 081	--	2 412 646 477	405 801 032	122 386 966	--	528 187 998	1 884 458 479
Total cost	**3 703 230 843**	**177 431 038**	**32 133 765**	**3 848 528 116**	**1 110 951 461**	**212 841 575**	**4 814 605**	**1 318 978 431**	**2 529 549 685**

c. All fixed assets in the group companies are available for use in operation.

d. The total depreciation of fixed assets for year ending on Dec 31, 2023, amounted to 212 841 575 EGP as follows:

	EGP
Operating assets-work in process	15 277 401
Administrative depreciation (income statement)	170 199 953
Depreciation expense of hotel operations	10 308 977
Depreciation expense of Palm Hills Club's assets - club's operating statement	17 055 244
Total depreciation of fixed assets during the year	**212 841 575**

Capital Gains for year ending on Dec 31, 2023, amounted to EGP 76 597 290 as follows:

	EGP	EGP
Proceed from sale of fixed assets		103 916 449
Deduct:		
Cost of assets sold	32 133 765	
Accumulated depreciation of assets sold	4 814 606	
Carrying amount of assets sold		**27 319 159**
Gain on sale of fixed assets as of Dec 31, 2023		**76 597 290**

*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 (Note No28b،53).

38. PROJECTS UNDER CONSTRUCTION

The consolidated balance of projects under construction on June 30, 2024, amounted to EGP 159 489 205 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:

	30 June 2024	31 Dec 2023
	EGP	EGP
Consultation and designs fees	159 319 814	120 401 389
Schools Construction cost	169 391	881 700 226
Balance on June 30, 2024	**159 489 205**	**1 002 101 615**

39. ADVANCE PAYMENTS FOR INVESTMENTS ACQUISITION

The consolidated balance of advance payments for investments acquisitions as of June 30, 2024, amounted to **11 364 852** EGP as follows:

	Nature of transaction	30 June 2024	31 Dec 2023
		EGP	EGP
Middle East for real estate and touristic investment	Acquisition	10 262 352	10 262 352
Macor company	Acquisition	--	81 000 000
Inspired Education Company - Egypt	Acquisition	1 102 500	1 102 500
Balance on June 30, 2024		**11 364 852**	**92 364 852**

- 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.
- No legal or executive measures have been taken towards settling these amounts until the date of preparing the financial statements.
- The investment in gamsha Tourism Development Company was excited and the amount was settled during the year 2023.

40. THE RIGHT OF USE ASSETS

The right of use assets is represented in the right of use assets (lessee) the rents of offices and administrative headquarters, and the balance has reached On June 30, 2024, an amount of 9 167 134 EGP is as follows: -

	30 June 2024	31 Dec 2023
	EGP	EGP
The right of use assets – Offices rent.	**31 646 488**	**31 646 488**
Accumulated depreciation at Jan ,1,2024	20 723 409	20 616 884
Depreciation for the period / year	1 755 945	106 525
Accumulated depreciation at 30 June 2024	**22 479 354**	**20 723 409**
Balance on June 30, 2024	**9 167 134**	**10 923 079**

41. 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 consolidate balance of the receivables reached on June 30, 2024, is EGP 45 008 172 780 after deducting the difference in the present value of EGP 1 918 413 078 and the share of the partners in an amount of EGP 1 835 962 068 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Short term notes receivable	**11 752 762 327**	**8 847 317 102**
Deduct: -		
Unamortized discount	73 573 814	28 364 946
Notes receivable of joint venture	311 346 373	427 327 794
The present value of short-term receivables	**11 367 842 140**	**8 391 624 362**
Long term notes receivable	**37 009 785 599**	**25 116 871 179**
Deduct: -		
Unamortized discount	1 844 839 264	1 112 309 514
Notes receivable of joint venture	1 524 615 695	908 416 703
The present value for long term notes receivable	**33 640 330 640**	**23 096 144 962**
Balance on June 30, 2024	**45 008 172 780**	**31 487 769 324**

** The receivable notes received for contracted units that were not delivered and not included in the financial statements were disclosed (Note No. 71).

And according to the decision of the Central Bank of Egypt Board of Directors No. 1906 of 2007 regarding the controls and rules of bank financing for real estate development companies working in the field of constructing housing units for the purpose of selling them, the bank may not deduct those checks, commercial papers and other means of payment provided to the company from the holders of housing units nor reduce the company's indebtedness with them Only after the units are delivered to their purchasers, and thus those checks remain in the books until the due date.

* Notes receivables balances included an amount of 5,752 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).

- The transitional treatment issued by the Egyptian Supreme Committee for Accounting and Auditing, the limited examination, formed by Prime Minister Decision No. 909 of 2011, which was approved by the Financial Supervisory Authority on January 12, 2022, regarding the recognition of checks received from customers for units that have not been delivered to customers, which stipulates By allocating a separate account on the date of receiving the checks within the financial assets on the balance sheet (a notes receivable account for units that have not been delivered) in return for recognizing within the financial obligations on the balance sheet a commitment of the same amount (Calculation of obligations for checks received from clients) This treatment is considered a transitional treatment on the concluded sales contracts that the company will enter into until the end of the fiscal Period ending on 31 December 2022 or 30 June 2023 until the delivery of these properties to the clients in accordance with Egyptian Accounting Standard No. (48) Revenue from contracts with customers (Note 54,71).

42. Notes receivable for undelivered units

The net present value of notes receivable is for units not delivered to customers On June 30, 2024 an amount of 5 780 778 060 Egyptian pounds is as follows: -

	30 June 2024 EGP	31 Dec 2023 EGP
Short term notes receivable	**2 456 199 314**	**2 565 411 293**
Deduct:		
Unamortized discount	246 694 111	258 468 495
Notes receivable of joint venture	240 746 656	254 715 383
The present value of short-term receivables	**1 968 758 547**	**2 052 227 415**
Long term notes receivable	**8 715 003 053**	**9 942 865 156**
Deduct:		
Unamortized discount	4 033 902 285	4 726 319 166
Notes receivable of joint venture	869 081 255	669 915 690
The present value of long-term notes	**3 812 019 513**	**4 546 630 300**
Balance on June 30, 2024	**5 780 778 060**	**6 598 857 715**

- The transitional treatment issued by the Egyptian Supreme Committee for Accounting and Auditing, the limited examination, formed by Prime Minister Decision No. 909 of 2011, which was approved by the Financial Supervisory Authority on January 12, 2022, with regard to recognizing checks received from customers for units that have not been delivered, subject of contracts, to Customers, which require the allocation of a separate account on the date of receipt of checks within the financial assets in the statement of financial position (a notes receivable account for units that have not been delivered) in return for recognizing within the financial obligations on the statement of financial position a commitment of the same amount Account of obligations for checks received from clients) and this treatment is considered a transitional treatment on the concluded sales contracts that the company will conclude until the end of the financial Period ending on 31 December 2022 or 30 June 2023 and until the delivery of these properties to the clients until the company's conditions are reconciled to comply with Egyptian Accounting Standard No. (48) Revenue from contracts with customers (Note No. 71).

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 June 30, 2024 The amount of EGP 8 671 293 021 is as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Total work carried out until Jan 1 2024	48 890 651 797	39 232 714 706
Add:		
Work Carried Out For Six Months Ended June, 30 2024	3 778 819 943	9 657 937 091
Networks executed until June 30, 2024	52 669 471 740	48 890 651 797
Deduct: excluded from income statement until June, 30 2024	43 998 178 719	40 102 272 170
The Balance of Work in progress as of June, 30 2024	**8 671 293 021**	**8 788 379 627**

Represented As follows:

Land acquisition cost *	4 062 098 814	4 313 100 435
Cost of construction and facilities **	4 609 194 207	4 475 279 192
Balance on June 30, 2024	**8 671 293 021**	**8 788 379 627**

*** 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 Six months ended June 30, 2024, amounted to EGP 534 589 974 (Note NO. 51).

44. ACCOUNTS RECEIVABLE

The present value of accounts receivable - debit balances on June 30, 2024 amounted to EGP 10 228 059 533This 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:

	30 June 2024	31 Dec 2023
	EGP	EGP
Palm Hills Developments Company	1 814 063 531	1 073 616 619
Palm Hills Middle East Company for Real Estate Investment	96 437 804	123 490 463
Royal Gardens for Real Estate Investment Company	3 831 076	3 831 076
New Cairo for Real Estate Developments	1 180 601	1 180 601
Gawda for Trade Services	612 295	685 869
Saudi Urban Development Company	30 236 883	37 266 931
Rakeen Egypt for Real Estate Investment	94 175 681	92 677 283
East New Cairo for Real Estate Development	57 491 201	55 879 156
Middle East Company for Real Estate and Touristic Investment	1 231 636	1 511 194
United Engineering for Construction	3 611 234	3 611 234
Palm Real Estate Investment	79 437 353	80 062 815
Palm for Investment and Real Estate Development	1 350 577 108	713 615 227
Palm Hills Development of Tourism and Real Estate	256 784 231	236 725 347
Palm for Urban Development	6 337 449 757	5 554 692 471
Palm for Clubs Management	9 781 054	10 042 147
Palm for Construction	79 144 939	77 352 591
Palm Sports for Clubs	17 598 624	13 126 050
Palm Alexandria	26 179 140	25 154 441
Kenzy for restaurants	3 163 738	3 163 735
Total	**10 262 987 886**	**8 107 685 250**
Less: Expected credit losses	34 928 353	20 643 425
Balance on June 30, 2024	**10 228 059 533**	**8 087 041 825**

45. DEBTORS AND OTHER DEBIT BALANCE

The consolidated balance of debtors and other debit balances as of June 30 2024 amounted to 5 806 016 150 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Paid under land account	84 611 984	1 606 482
Residents' Association *	1 045 112 926	999 382 218
Investment's debtors	4 462 221	4 995 221
Deposits with others	169 781 786	162 853 034
Prepaid expenses	179 164 537	75 915 191
Accrued Revenues	115 339 212	70 420 958
Commissions paid in Advance	2 336 969 967	1 593 537 483
Withholding tax	16 262 923	11 138 162
Letter of Guarantee	55 606 490	55 606 490
Loans to employee & custodies	20 632 692	13 466 318
Advance payments – partners' share	975 959 471	--
Other debit balances	802 919 850	133 711 280
Total	**5 806 824 059**	**3 122 632 837**
Less: Expected credit losses	807 909	2 260 184
Balance on June 30, 2024	**5 806 016 150**	**3 120 372 653**

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

46. DUE FROM RELATED PARTIES – Debit Balances

The consolidated balance of due from related parties as of June 30, 2024, amounted to 332 816 902 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Al Ethadia for Real Estate S.A.E	239 568 220	282 068 802
Al Naeem for investments	48 755 256	48 755 256
Debtors of dividends	33 246 612	33 246 612
Palm Hills for Real Estate S.A.E-Coldwell Banker	20 480	20 480
Novotel Cairo 6th Of October S.A.E	5 549 274	5 778 292
The cookery co for catering and restaurant	3 380 000	3 630 000
Mercure Ismailia Hotel S.A.E	2 309 730	686 254
Palm Hills. Saudi _ELBaltan	--	269 325
Total	**332 829 572**	**374 455 021**
Less: Expected credit losses	12 670	6 055 060
Balance on June 30, 2024	**332 816 902**	**368 399 961**

47. Financial investments at amortized cost

The consolidated balance for held-to-maturity investments on June 30, 2024 is an amount **5 880 921 146 EGP** It represents the value of investment in treasury bills and bonds as follows:

	Face value	Unrecognized investment return	Average return rate	Purchase price
	EGP	EGP	%	EGP
Palm Hills Development	2 839 275 000	87 699 551	%20.32	2 751 575 449
Palm Hills Middle East Company for Real Estate Investment	1 045 500 000	45 502 882	%20.17	999 997 118
East New Cairo for Real Estate Development	87 750 000	2 716 529	%19.05	85 033 471
Gawda for Trade Services	3 000 000	53 985	%19.94	2 946 015
Middle East Company for Real Estate and Touristic Investment	6 950 000	176 369	%20.12	6 773 631
Palm Hills for Constructions	133 725 000	3 619 761	%20.24	130 105 239
Palm Hills Development of Tourism and Real Estate	244 775 000	9 095 168	%20.30	235 679 832
Palm for investment and real estate development	868 675 000	21 018 395	%20.18	847 656 605
Palm real estate development	173 775 000	3 145 389	%20.56	170 629 611
Palm Hills for Urban Development Company	406 150 000	8 970 088	%20.24	379 179 912
Rakeen Egypt for Real Estate Investment	237 400 000	7 347 967	%20.18	230 052 033
Royal Gardens for Real Estate Investment Company	11 550 000	502 736	%20.56	11 047 264
Palm Alexandria for real Estates investment company	12 525 000	280 034	%20.05	12 244 966
Balance on June 30, 2024	**6 071 050 000**	**190 128 854**		**5 880 921 146**

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

48. CASH AND CASH EQUIVALENTES

The consolidated balance of cash and cash equivalent as of June 30, 2024 amounted to 3 554 821 900 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Banks-current accounts- EGP	3 051 503 589	2 995 324 293
Banks-current accounts- foreign currency	340 108 076	103 687 559
Banks – Deposits- EGP	2 500 000	2 500 000
Cash on hand- EGP	160 710 235	87 729 744
Balance on June 30, 2024	**3 554 821 900**	**3 189 241 596**

49. BANKS- CREDIT BALANCES

The consolidated balance of Banks credit accounts as of June 30, 2024 amounted 870 488 004 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Banks –EGP	731 945 639	213 842 018
Banks-foreign currencies	138 542 365	20 211 701
Balance on June 30, 2024	**870 488 004**	**234 053 719**

50. BANK OVERDRAFT

The consolidated balance of Banks overdraft as of June 30, 2024 amounted to 5 274 175 161 as follows:

	30 June 2024 EGP	31 Dec 2023 EGP
Arab Bank	1 123 534 381	340 850 844
CIB – Bank	1 446 290 180	1 391 374 263
Ahli United Bank	376 702 976	374 425 227
National Bank of Egypt	27 695 391	36 312 147
Bank Misr	434 766 826	190 554 194
Arab -African Bank	1 192 103 476	1 028 701 476
National Bank of Kuwait	282 412 152	--
Emirates Bank Dubai	390 669 780	--
Balance on June 30, 2024	**5 274 175 161**	**3 362 218 151**

51. LOANS

The consolidated balance of loans as of June 30, 2024 amounted to 4 801 296 067 as follow :

	30 June 2024		31 Dec 2023	
	Short term EGP	Long term EGP	Short term EGP	Long term EGP
Misr bank Long-term syndicated financing in the amount of 2.5 billion Egyptian pounds to finance the projects of Palm Investment and Real Estate Development (Palm New Cairo project)	50 000 000	2 450 000 000	--	1 922 042 675
Arab African international Bank First Sub-Limit Credit Facility: Short Term Multi-Purpose Pre-Assignment of Contract Proceeds in Favor of Arab African International Bank on Each Transaction Separately	77 470 809	--	280 093 716	--
National Bank of Egypt A loan for the purpose of replacement and renewal of the Ismailia Hotel, Novotel 6th of October City, and Al-Nama Hotel of Macor Company	5 535 715	103 790 433	5 535 715	22 582 042
National Bank of Egypt Long-term syndicated financing in the amount of 1,280 billion Egyptian pounds for the purpose of financing the Palm Hills Development Company project - (Crown Project)	76 639 000	858 471 646	74 761 311	935 349 335
Ahli United Bank Revolving financing in the amount of 757 million Egyptian pounds in order to finance part of the construction and development costs of the (Palm Alexandria) project.	150 331 795	600 310 468	150 331 795	600 310 468
Ahli United Bank Revolving financing in the amount of 428 million Egyptian pounds to finance the Palm Hills Development Company project on an area of 41 acres.	--	268 528 053	--	268 528 053
Ahli United Bank Revolving financing in the amount of 505 million Egyptian pounds for the purpose of financing the projects of the Palm Hills Development Company (Palm Parks project).	--	160 218 148	--	210 218 148
Balance on June 30, 2024	**359 977 319**	**4 441 318 748**	**510 722 537**	**3 959 030 721**

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.

52. NOTES PAYABLE

A) Short Term Notes Payable

The consolidated balance of short-term notes payable (net) as of June 30,2024 amounted to 1 652 207 301 as follows:

	30 June 2024 EGP	31 Dec 2023 EGP
* Notes payable- (New Urban Communities Authority)	200 175 752	197 183 664
Deduct: -		
Deferred installments interest	116 722 507	117 240 868
Net Notes payable (short term)- Land	**83 453 245**	**79 942 796**
Add: -		
Other notes payable **	2 262 362 257	2 424 233 493
Deduct: -		
Deferred interest	693 608 201	645 708 648
Net Other Notes payable (short term)	**1 568 754 056**	**1 778 524 845**
Balance as of June 30, 2024	**1 652 207 301**	**1 858 467 641**

B) Long Term Notes Payable

The consolidated balance of long-term notes payable (net) as of June 30,2024 amounted to 2 328 076 615 as follows:

	30 June 2024 EGP	31 Dec 2023 EGP
Notes-payable (New Urban Communities Authority)	4 246 953 645	4 393 646 283
Deduct: -		
Deferred installments interest	2 476 399 214	2 612 360 944
Net Notes payable (long term)- Land	**1 770 554 431**	**1 781 285 339**
Add: -		
Other notes payable *	2 130 528 621	2 670 112 972
Deduct: Deferred interest	1 573 006 437	1 875 195 532
Net Other Notes payable (Long term)	**557 522 184**	**794 917 440**
Balance on June 30, 2024	**2 328 076 615**	**2 576 202 779**

* The other notes payable includes about 3,054 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 which satisfied with sale and lease back conditions according to Egyptian accounting standard No (49) for financial leasing contracts (note 28b, 36،37).

53. ADVANCES FROM CUSTOMERS

The present value of Advances from customers account as June 30 ,2024 amounted to 32 812 102 190 as follows:

	30 June 2024 EGP	31 Dec 2023 EGP
Net contracting Customers	31 074 877 510	20 326 661 370
Advance reservations Customers	1 737 224 680	656 926 476
Balance on June 30, 2024	**32 812 102 190**	**20 983 587 846**

54. OBLIGATIONS FOR CHECKS RECEIVED FROM CLIENTS

The balance of obligations for checks received from customers on June 30,2024 amounted to 5 780 778 060 Egyptian pounds, and they are as follows:

	30 June 2024 EGP	31 Dec 2023 EGP
Checks received from customers - for undelivered units	11 171 202 367	12 508 276 449
deduct:		
Unamortized discount	4 280 596 396	4 984 787 661
Share of partners in joint ventures	1 109 827 911	924 631 073
Balance on June 30, 2024	**5 780 778 060**	**6 598 857 715**

Committee for Accounting, Auditing and Limited Examination, formed by Prime Minister Decision No. 909 of 2011, which was approved by the Financial Supervisory Authority on January 12, 2022, with regard to recognizing checks received from customers for units that have not been delivered, subject of contracts, to customers Which requires the allocation of a separate account on the date of receipt of checks within the financial assets in the statement of financial position (a notes receivable account for units that have not been delivered) in return for recognizing within the financial obligations in the statement of financial position a commitment of the same amount (an account of obligations for checks received from clients) and this treatment is considered a treatment Transitional on the sales contracts concluded that the company will conclude until the end of the financial Period ending on 31 December 2022 or 30 June 2023 and until the delivery of these properties to customers until the company's conditions are reconciled to comply with Egyptian Accounting Standard No. (48) Revenue from contracts with customers (Note No. 42 , 43,71).

55. LEASE CONTRACT OBLIGATIONS

The net present value of the lease contract obligations as (lessee) of June 30 ,2024 is 8 201 673 EGP as follows: -

	30 June 2024 EGP	31 Dec 2023 EGP
(a)Lease Contract Obligations – Short Term	7 374 206	9 771 222
(b)Lease Contract Obligations – Long Term	827 467	1 296 288
Balance on June 30 , 2024	**8 201 673**	**11 067 510**

56. LAND PURCHASE LIABILITIE

The consolidated balance of Land purchase liabilities as of June 30, 2024 amounted to EGP 26 324 037 follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
(A) Land purchase liabilities - short term	17 179 529	18 416 252
(B) Land purchase liabilities - long term	9 144 508	--
Balance on June 30, 2024	**26 324 037**	**18 416 252**

57. DUE TO RELATED PARTIES

The consolidated balance of Due to related parties as of June 30, 2024 amounted to 21 383 836 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Asten College for Education S.A. E	343 747	343 747
Al-Mansour and Al-Maghrabi S.A.E	12 559 983	--
Villamora for Real Estate Development Company S.A. E	8 480 106	3 480 106
Balance on June 30, 2024	**21 383 836**	**3 823 853**

58. Joint Share Arrangement

The share of project partners in the participation system on June 30 , 2024 amounted to EGP 7 897 926 832 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:

	30 June 2024	30 June 2024	31 Dec 2023	31 Dec 2023
	Short term	Long term	Short term	Long term
	EGP	EGP	EGP	EGP
Partners in Palm New Cairo-Project	1 020 572 583	900 803 713	1 614 008 764	--
(Badya) Project	7 128 870	4 914 995 341	--	3 060 038 744
Partners in Hacienda West	--	1 054 426 325	--	944 207 293
Balance on June 30, 2024	**1 027 701 453**	**6 870 225 379**	**1 614 008 764**	**4 004 246 037**

59. CREDITORS AND OTHER CREDIT BALANCES

The consolidated balance of creditors and other credit balances as of June 30, 2024 amounted to 2 480 886 320 as follows:

	30 June 2024	31 Dec 2023
	EGP	EGP
Other credit balances	839 783 015	679 607 722
Insurance for Others	445 979 999	376 392 517
Obligations to government agencies	90 045 208	93 913 507
Accounts receivable under settlement	310 537 952	401 514 588
Accrued expenses	794 540 146	1 102 480 657
Balance on June 30, 2024	**2 480 886 320**	**2 653 908 991**

60. CAPITAL

The authorized capital was set at 10,000,000 Egyptian pounds (10 billion Egyptian pounds only), and the issued and paid-up capital amounted to 5,883,189,778 Egyptian pounds (five billion eight hundred and eighty-three million, one hundred and eighty-nine thousand seven hundred and seventy-eight Egyptian pounds only) distributed over a number 2 941 594 889 shares, with a nominal value of 2 Egyptian pounds per share. The following is the development of the company's capital since the date of incorporation to date:

Issued capital	EGP
- 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 It was registered in the commercial register on February 22, 2006.	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 It was registered in the commercial register on January 3, 2007.	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 It was registered in the commercial register on May 24, 2007.	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 It was registered in the commercial register on August 22, 2007.	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 It was registered in the commercial register on November 28, 2007.	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 It was registered in the commercial register on April 22, 2008.	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 It was registered in the commercial register on September 17, 2008.	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 It was registered in the commercial register on September 30, 2009.	1 397 760 000

Issued capital	EGP
- 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 It was registered in the commercial register on May 12, 2010.	2 096 640 000
- On 22 Dec. 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 It was registered in the commercial register on February 9, 2014.	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 It was registered in the commercial register on July 13, 2015.	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 198 999 739 2 shares with a par value of EGP 2 per share It was registered in the commercial register on January 28, 2016.	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 It was registered in the commercial register on May 30, 2016.	4 617 899 452
- On 6 December 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 It was registered in the commercial register on December 18, 2018.	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 September 2019.	6 235 199 270
- 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.	6 162 499 270
- The issued capital after reducing the value of treasury shares in accordance with the decision of the extraordinary general assembly held on the end of March 2022 in the amount of 81 309 492 Egyptian pounds for 40 654 746 shares with a nominal value of 2 Egyptian pounds per share. The shares were registered in the commercial registry on the date Sep 16, 2022, so the issued capital will be distributed over 3,040,594,889 shares.	6 081 189 778
- The issued capital after reducing the value of treasury shares in accordance with the decision of the extraordinary general assembly held on at the date Nov 2022 in the amount of 78 000 000 Egyptian pounds for 39 000 000 shares with a nominal value of 2 Egyptian pounds per share. The shares were registered in the commercial registry on the date Dec 5, 2022, so the issued capital will be distributed over 3,001,594,889 shares.	6 003 189 778
- The issued capital after deduction by the value of treasury shares in accordance with the decision of the Extraordinary General Assembly held on March 1, 2023 in the amount of 120,000,000 Egyptian pounds for the number of 60,000,000 shares, with a nominal value of 2 Egyptian pounds per share, and an entry has been made in the commercial register on May 14, 2023, so that the issued capital will be divided into 2,941,594,889 shares.	5 883 189 778

61. Legal reserve

The net balance of the legal reserve on June 30 ,2024 amounted to 936 693 413 as follows:

	30 June 2024	31 Dec. 2023
	EGP	EGP
Beginning balance	886 980 714	834 679 344
Transferred during period / Year	49 712 699	52 301 370
Balance as of June 30, 2024	**936 693 413**	**886 980 714**

62. OTHER LONG-TERM LIABILITIES- RESIDENTS' ASSOCIATION

The balance of the Residents' Association represents the value of the deferred checks and receipts received from the clients of the contracted units, from which the proceeds are invested for the benefit of the Residents Association of those units at the level of the existing stages and projects, until the completion of the Residents Association taking the independent legal personality, whereby the assets and liabilities of the residents association are excluded and separated in its favor and managed With the knowledge of its management and its general assembly, in accordance with Building Law No. (119) of 2008, the balance of the Residents Association on June 30, 2024 amounted to 12 542 109 862 EGP.

63. REVENUES

The net revenues of the activity for the Six months ended On June 30, 2024, the amount of 10 938 011 420 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
Net Revenue from Real estate development *	10 366 684 327	6 545 658 226
Other Activities revenues **	119 515 220	117 930 327
Revenues from commercial and service activities	144 920 261	88 829 916
The owner's share in the profits of operating the hotels	93 882 739	65 432 099
Revenues from Palm Hills Club	213 008 873	101 195 328
Total as of Six months ended June 30, 2024	**10 938 011 420**	**6 919 045 896**

-The percentage of the level of completion is determined at the level of the contract unit in accordance to 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 accordance of the percentage of completion achieved at the level of the contract unit for each unit (stage), as for the complete units – apartment- (Cabins and Chalets) The revenues generated from them are fully recorded in the actual delivery of these units.

** OTHER ACTIVITIES REVENUES

	30 June 2024 EGP	30 June 2023 EGP
Transfer fees and delay penalties	66 470 354	92 982 162
Gain from selling fixed asset	1 895 688	213 072
Gain from associates	24 070 138	19 409 778
Miscellaneous income	22 313 168	--
Retrieve the value of the utilities	4 765 872	5 325 315
Total as of Six months ended on June 30, 2024	**119 515 220**	**117 930 327**

64. COST OF SALE

The net cost of sale for Six months ended On June 30, 2024, the amount of 6 695 578 813 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
Cost of Real estate development	6 518 308 948	4 441 524 858
Cost of Commercial and service activity	110 436 170	66 277 162
Cost of Palm Hills Club operation	52 456 247	36 544 056
Depreciation of club assets	9 333 103	8 289 740
Depreciation of Fixed assets – Macor investments	5 044 345	5 200 511
Total as of Six months ended June 30, 2024	**6 695 578 813**	**4 557 836 327**

65. GENERAL ADMINISTRATIVE, SELLING AND MARKETING EXPENSES

Administrative, general, and marketing expenses for the Six months ended On June 30, 2024, the amount of 1 265 662 913 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
salaries and wages	478 917 778	282 445 013
Selling and marketing expenses	324 383 450	359 406 394
Telephone & fax & mail	4 504 064	2 503 899
Facilities and service expense	39 263 695	26 379 310
Professional and Government fees	49 155 913	27 732 535
Maintenance & insurance expenses	53 134 434	42 661 834
Transportation & travel expenses	21 433 104	1 416 125
Bank charges	10 204 723	7 890 974
Other administrative expenses	236 492 067	191 832 667
Contribution Symbiotic	27 598 692	17 344 778
Emergency Relief Fund	20 574 993	--
Total as of Six months ended June 30, 2024	**1 265 662 913**	**959 613 529**

66. Financing costs and Interests

The financing costs and interests for the Six months ended On June 30, 2024, the amount 862 722 260 of EGP, as follows:

	31 Mar 2024 EGP	31 Mar 2023 EGP
Land Installment interest	136 480 091	30 076 369
Financing costs and interests	726 242 169	597 635 838
Total as of Six months ended June 30, 2024	**862 722 260**	**627 712 207**

67. Expected credit losses (ECL):

The value of expected credit losses for Six months ended On June 30, 2024, the amount of 6 790 264 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
Losses of customer receivable balances (Note 44)	14 284 928	1 176 711
(Reverse) Losses of receivable and other debit balances (Note No. 45)	(1 452 274)	313 970
(Reverse) of balances owed by related parties (Note No. 46)	(6 042 390)	10 122
Losses of cash balances (Note No. 48)	--	443 528
Total as of Six months ended June 30, 2024	**6 790 264**	**1 944 331**

68. GAINS ON INVESTMENTS IN FAIR VALUE THROUGH PROFIT OR LOSS

The Gains on Investments in Fair value through profit or loss for Six months ended On June 30, 2024, the amount of 13 772 656 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
Profits from selling investment documents	13 772 656	6 406 982
Total as of Six months ended June 30, 2024	**13 772 656**	**6 406 982**

69. INCOME TAX

The consolidated balance Income Tax for Six months ended On June 30, 2024, the amount of 586 997 029 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
Net profit before income tax	2 369 515 916	859 804 088
Adjustments to the accounting net profit to arrive at the net tax profit, stage losses and depreciation differences	239 359 767	120 860 850
Net taxable profit	**2 608 875 683**	**980 664 938**
Tax At (22.5%)	**586 997 029**	**220 649 611**

70. EARNINGS PER SHARE

The basic share in the consolidated profits for Six months ended On June 30, 2024, the amount of 0,579 EGP, as follows:

	30 June 2024 EGP	30 June 2023 EGP
Net profit for the period	1 703 705 918	608 047 803
Divided by: Weighted average number of shares during the period	2 941 594 889	2 985 351 795
Earnings per share in the consolidated profits	**0,579**	**0,204**

For the purpose of calculating the earnings per share for the Six Months ended on June 30, 2024 the profit per share was calculated on the basis of the average number of shares outstanding during the Period weighted by time factor.

71. Notes receivable not included in the items of the financial statements

The balance of notes receivable not included in the items of the financial statements on June 30, 2024, amounted to an amount 25 868 898 432 Egyptian pounds, which is the value of checks for the non-delivered units contracted during the period from January 1, 2024, to June 30, 2024, to which the transitional treatment issued by the Egyptian Supreme Committee for Accounting and Auditing and approved by the Financial Supervisory Authority on January 12, 2022 was not applied:

	30 June 2024
	EGP
Notes receivable due in 2024	1 863 236 788
Notes receivable due in 2025	3 941 335 440
Notes receivable due in 2026	3 986 152 300
Notes receivable due in 2027	4 012 514 040
Notes receivable due in 2028 and more	12 065 659 864
Balance on June 30, 2024	**25 868 898 432**

72. 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:

Party	party type	The nature of the transaction	Balance at the beginning of the Period debit / (credit)	Net transactions for the Period debit/(Credit)	Balance at the end of the Perod debit / (credit)
			EGP	EGP	EGP
Palm Hills Middle East Company for Real Estate Investment S.A.E	Subsidiary	Current Account	469 961 660	317 359 774	787 321 433
Royal Gardens for Real Estate Investment Company S.A.E	Subsidiary	Current Account	537 137	(50 000)	487 137
New Cairo for Real Estate Development	Subsidiary	Current Account	(3 216 169)	633 590	(2 582 579)
Middle East Company for Real Estate and Touristic Investment S.A.E	Subsidiary	Current Account	(117 915 672)	7 417 637	(110 498 035)
Gawda For Trading Company S.A.E	Subsidiary	Current Account	(45 521 182)	4 551 378	(40 969 803)
Rakeen Egypt For Real Estate Development S.A.E	Subsidiary	Current Account	14 991 146	(109 925 056)	(94 933 909)
Saudi Urban Development S.A.E	Subsidiary	Current Account	10 078 777	14 390 486	24 469 263
Nile Palm El-Naeem S.A.E	Subsidiary	Current Account	(44 059 080)	--	(44 059 080)
El Naeem Hotels and Touristic Villages S.A.E	Subsidiary	Current Account	(121 996 741)	--	(121 996 741)
East New Cario for Real Estate Development	Subsidiary	Current Account	(1 425 316 844)	160 859 912	(1 264 456 932)
Palm Hills – Saudi Baltan S.A.E	Subsidiary	Current Account	269 320	(269 320)	--
Palm October For Hotels S.A.E	Subsidiary	Current Account	11 368 058	--	11 368 058
Palm Hills Hotels S.A.E	Subsidiary	Current Account	100 405 014	--	100 405 014
Palm Hills For Education S.A.E	Subsidiary	Current Account	17 710 339	40 156 305	57 866 644
Palm Gemsha for Hotels S.A.E	Subsidiary	Current Account	85 050	--	85 050
Palm North Coast Hotels S.A.E	Subsidiary	Current Account	54 358	--	54 358
United Engineering for Construction	Subsidiary	Current Account	(11 083 043)	--	(11 083 043)
Palm for Real Estate Development S.A.E	Subsidiary	Current Account	160 255 867	81 140 027	241 395 894
Palm for Investment and Real Estate Development	Subsidiary	Current Account	1 199 899 011	(976 912 179)	222 986 832
Palm Hills Properties S.A.E	Subsidiary	Current Account	(8 282 770)	(3 439 721)	(11 722 491)

Party	party type	The nature of the transaction	Balance at the beginning of the Period debit / (credit)	Net transactions for the Period debit/(Credit)	Balance at the end of the Perod debit / (credit)
Palm Hills for Real Estate and and Tourism Development	Subsidiary	Current Account	287 283 261	(54 141 810)	233 141 451
Palm Hills for Investment Tourism	Subsidiary	Current Account	58 047 605	23 158	58 070 763
Palm Hills Resorts	Subsidiary	Current Account	5 097 293	33 860	5 131 153
Palm for Urban Development S.A.E	Subsidiary	Current Account	1 019 843 458	(271 043 526)	748 799 932
Palm Club Management S.A.E	Subsidiary	Current Account	(2 187 133)	(535 413)	(2 722 546)
Palm Alexandria For Real Estate Investment	Subsidiary	Current Account	48 807 028	499 813	49 306 841
Asten College for Education	Subsidiary	Current Account	5 000	--	5 000
Palm for Constructions And Real Estate Development S.A.E	Subsidiary	Current Account	(222 200 412)	248 764 301	26 563 889
khedma for management of tourist and urban resorts	Subsidiary	Current Account	5 685 352	--	5 685 352
Palm sports for Clubs S.A.E	Subsidiary	Current Account	(33 449 264)	37 886 521	4 437 257
Palm Hills Holding For Financial Investment	Subsidiary	Current Account	156 559 543	---	156 559 543
The ko Korean Restaurants	Associate company	Current Account	3 630 000	(250 000)	3 380 000
ColdWell Banker	Associate company	Current Account	20 480	--	20 480
Aletehadia for Real Estate Development	Associate company	Current Account	1	(12 559 984)	(12 559 983)
Palm hills for restaurants	Subsidiary	Current Account	288 478 607	(39 931 583)	248 547 024
Palmet Hotels and Tourist Villages	Subsidiary	Current Account	--	(50)	(50)
Palm Hills Restaurants Company	Subsidiary	Current Account	1 529 320	(7 328 444)	(5 799 124)

73. 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 2012:** The company's examination has been completed and the examination differences have been Paid.
- **Years 2013 to 2019:** The inspection has been completed and the work report and inspection memorandum are awaited.
- **Years 2020 -30 June 2024:** The company submits the tax return on the legal dates and pays the tax.

B) Salaries and wages tax

- **Years from the beginning to 2009 :** The tax differences were inspected, assessed and paid
- **Years 2010-2014 :** These years have been inspected and settled with the Tax Authority.
- **Years 2015- 2019 :** The inspection has been completed and payment has been made.
- **Years 2020 until March 31, 2024:** The company deducts the tax and remits it on the legal dates.

C) Stamp tax

- The company is subject to Law No. 111 of 1980 and its amendments and executive regulations.
- **The Year from the beginning of the activity - July 31, 2006:** The company was notified by tax forms and the taxes due were paid according to as per these forms.
- **The Year from August 1, 2006 - December 31, 2012** This Year has been inspected and the differences has been settled.
- **Years 2013 until June 30, 2024:** The company pays the tax due on the legal dates.

D) Tax on Built Real Estate:

- The company submits its tax returns on real estate built on the units owned by it, whether commercial or administrative, in accordance with Law No. 196 of 2008 on the legal dates. The company also pays the tax due on these units on the legal dates.

F) Transfer pricing with related parties

- The company prepared a study of transactions with related parties and prepared the main file and the local file in accordance with the provisions of Article (30) of Law No. (91) of 2005 and Articles (39, 40) of the executive regulations of the same law, as well as the provisions of Law No. (206) of 2020 on standardized tax procedures.

74. Partnership Sukuk

The project of issuing Partnership sukuk amounting to 3,251 billion Egyptian pounds

- The Extraordinary General Assembly of Palm Urban Development Company, one of the subsidiaries of Palm Hills Development Group, as well as the Extraordinary General Assembly of Palm Hills Development Company, held on March 13, 2022, decided to approve for the Palm Urban Development Company to issue sukuk under the partnership system comply with Islamic shariah principles in the amount of 3,251 billion Egyptian pounds, tradable and non-convertible to shares and subject to partial or total amortized, through participation in the assets of the first phase of (Badya Project), which is under development by Palm Urban Development Company in partnership with the New Urban Communities Authority (NUCA)
- The purpose of sukuk is to finance the first phase of (Badya Project), which is constructed on an area of approximately 270 feddans and is booked in the work in progress item, in order to finance the construction costs, all costs of building, infrastructures, essential and non-essential services and the dues of the project land related to develop and construct an integrated urban project, through the issuance of sukuk having a total amount of 3,251 billion Egyptian pounds distributed over 32 510 000 instruments with a nominal value of 100 Egyptian pounds per instrument, timed with a maximum of 120 months from the date of issuance. The sukuk holders are entitled to a variable monthly return at the declared rate from the central bank of Egypt in addition to 1.5% for each amount due according to the issuance of the sukuk.
- The terms of the sukuk project were activated and implemented, as the company decided to prove this transaction as a financing arrangement in accordance with the substance of the transaction, with Palm Urban Development Company - one of the subsidiaries of Palm Hills Development Group, continuing to recorded all the assets and obligations of the project in its books in accordance with Egyptian accounting standards which complied with the terms and conditions of the offering memorandum of sukuk And the provisions of Law No. 95 of 1992 on the Capital Market Law, its executive regulations and amendments issued by Law No. 17 of 2018 regarding the terms and conditions for issuing sukuk.

Partnership sukuk balance in June 30, 2024 amount 1 619 782 696 EGP as follows:

	30 June 2024 EGP
Total value of sukuk issuance (32 510 000)	3 251 000 000
Deduct: issuance account balance at June 30, 2024	1 631 217 304
Net used balance from the sukuk Till June 30, 2024	**1 619 782 696**

75. NON-CASH TRANSACTIONS

- the impact of real estate investments in the Crown School project in the amount of 1 008 515 935 was excluded in exchange for works in progress in the amount of 115 740 217 in addition to projects in progress in the amount of 892 775 718 Egyptian pounds.
- The effect of the increase in the investment item in sister companies in the amount of 81,000,000 Egyptian pounds was excluded in exchange for the decrease in the paid item under the investments account with the same amount.

76. Important and influential events

- On March 6, 2023, Prime Minister's Decision No. (883) of 2023 amending the advanced version of some necessary Egyptian standards, and on March 3, 2024, another Prime Minister's Decision No. (636) of 2024 amending some other provisions of the Egyptian appropriate standards. A summary of the most important of these improvements follows:

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
New Egyptian Accounting Standard No. (10) Amended 2023 "Fixed Assets and Their Depreciation" and Egyptian Accounting Standard No. (23) Amended 2023 "Intangible Assets"	1 -These standards were reissued in 2023, allowing the use of the revaluation model when subsequently measuring fixed assets and intangible assets. 2 -This resulted in amending the paragraphs related to using the revaluation model option in some of the applicable Egyptian accounting standards, and the following is a statement of those standards : -Egyptian Accounting Standard No. (5) "Accounting Policies and Errors." -Egyptian Accounting Standard No. (24) "Income Taxes." -Egyptian Accounting Standard No. (30) "Periodic Financial Statements." -Egyptian Accounting Standard No. (31) "Impairment of Assets." -Egyptian Accounting Standard No. (49) "Lease Contracts".	Management is currently studying the possibility of changing the adopted accounting policy and using the fair value model option included in the standard, and evaluating the potential impact on the financial statements if that option is used.	The amendments to add the option to use the revaluation model apply to financial periods beginning on or after January 1, 2023, retroactively, with proof of the cumulative effect of initially applying the revaluation model by adding it to the revaluation surplus account next to equity at the beginning of the financial period in which the company applies this model for the first time.

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
	3- In line with the amendments made to Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6), (37) of Egyptian Accounting Standard No. (10) "Fixed Assets and their Depreciation" have been amended, as well. Paragraphs 22(a), 80(c), and 80(d) were added to the same standard, with regard to fruit-bearing plants. The company is not required to disclose the quantitative information required under Paragraph 28 (f) of Egyptian Accounting Standard No. (5) for the current period, which is the financial statement period in which Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) are applied for the first time. The rate is 2023 with regard to fruiting plants. However, the quantitative information required under Paragraph 28(f) of AASB 5 must be disclosed for each prior period presented. The company may choose to measure an item of fruitful plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company first applied the above amendments and to use that fair value as its hypothetical cost at that date. Any must be proven The difference between the previous book value and the fair value in the opening balance by adding it to the revaluation surplus account next to equity at the beginning of the earliest period presented.		
New Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mining Resources"	1 -These standards were reissued in 2023, allowing the use of the revaluation model when subsequently measuring exploration and evaluation assets. 2- The company applies either the cost model or the revaluation model for exploration and evaluation assets, provided that the evaluation is carried out by experts specialized in evaluation and valuation among those registered in a register designated for that at the Ministry of Petroleum, and in the case of applying the revaluation model (either the model contained in the Egyptian Accounting Standard (10).) "Fixed assets and their depreciation" or the form contained in Egyptian Accounting Standard No. (23) Intangible Assets, "which must be consistent with the classification of assets in accordance with Paragraph No. (15) of Egyptian Accounting Standards No. (36) amended 2023.	The standard has no impact on the financial statements	The amendments to add the option to use the revaluation model apply to financial periods beginning on or after January 1, 2023, retroactively, with proof of the cumulative effect of initially applying the revaluation model by adding it to the revaluation surplus account next to equity at the beginning of the financial period in which the company applies this model for the first time.

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
New Egyptian Accounting Standard No. (35) amended 2023 "Agriculture"	1 -These standards were reissued in 2023, and the paragraphs were amended (1-5), (8), (24) and (44) and the addition of paragraphs (5a) - (5c) and (63), with regard to the accounting treatment of fruitful plants (and the Egyptian Accounting Standard (10) "Principles" was amended accordingly. Fixed items and their depreciation	The standard has no impact on the financial statements	These amendments shall be applied for annual periods beginning on or after January 1, 2023, retroactively, with the cumulative effect of the accounting treatment for fruitful plants initially proven by adding it to the balance of retained profits or losses at the beginning of the financial period in which the company applies this treatment for the first time.
New Egyptian Accounting Standard No. (34) Amended 2023 "Real Estate Investment"	1- These standards were reissued in 2023, allowing the use of the fair value model in the subsequent measurement of real estate investments. 2 -This resulted in amending the paragraphs related to using the revaluation model option in some of the applicable Egyptian accounting standards, and the following is a statement of those standards : -Egyptian Accounting Standard No. (1) "Presentation of Financial Statements." -Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates, and Errors". -Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Currency Exchange Rates". -Egyptian Accounting Standard No. (24) "Income Taxes." -Egyptian Accounting Standard No. (30) "Periodic Financial Statements." -Egyptian Accounting Standard No. (31) "Impairment of Assets." - Egyptian Accounting Standard No. (32) "non-current assets held for the purpose of sale and discontinued operations." - Egyptian Accounting Standard No. (49) "Lease Contracts".	Management is currently studying the possibility of changing the adopted accounting policy and using the fair value model option included in the standard, and evaluating the potential impact on the financial statements if that option is used.	Apply the amendments to add the option to use the fair value model to financial periods beginning on or after January 1, 2023, retroactively, with the cumulative effect of initially applying the fair value model by adding it to the balance of retained profits or losses at the beginning of the financial period in which the company applies this treatment for the first time.
New Egyptian Accounting Standard No. (50) "Insurance Contracts"	1 -This standard specifies the principles for proving insurance contracts that fall within the scope of this standard, and specifies their measurement, presentation, and disclosure. The	Management is currently evaluating the potential impact on the	Egyptian Accounting Standards No. (50) must be applied for annual financial periods beginning on or

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
	goal of the standard is to ensure that the facility provides appropriate information that faithfully reflects those contracts. This information provides users of financial statements with the necessary basis to evaluate the impact of these insurance contracts on the company's financial position, financial performance, and cash flows. 2 -Accounting Standard No. (50) replaces and repeals Egyptian Accounting Standard No. 37 "Insurance Contracts." 3 -Any reference in other Egyptian accounting standards to Egyptian Accounting Standard No. (37) will be replaced with Egyptian Accounting Standard No.(50) . 4 -Amendments have been made to the following Egyptian Accounting Standards to comply with the requirements for applying Egyptian Accounting Standards No. (50) "Insurance Contracts", which are : as follows: -Egyptian Accounting Standard No. (10) "Fixed Assets and their Depreciation " -And Egyptian Accounting Standard No. (23) "Intangible Assets." -Egyptian Accounting Standard No (34) . " Real Estate Investment"	financial statements of applying the standard.	after July 1, 2024, and if Egyptian Accounting Standards No. (50) is applied for an earlier period, the company must disclose that fact.
Egyptian Accounting Standard No. (34) amended 2024 "Real Estate Investment"	Egyptian Accounting Standard No. (34) "Real Estate Investment" was re-issued in 2024, amending the mechanism for applying the fair value model, adding the necessity of proving the profit or loss arising from a change in the fair value of real estate investment in the statement of profit or loss for the period in which this arises. Change or through the statement of other comprehensive income once in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	Management is currently studying the possibility of changing the adopted accounting policy and using the fair value model option included in the standard, and evaluating the potential impact on the financial statements if that option is used.	The amendment regarding the amendments to add the option to use the fair value model shall be applied to the financial paragraphs that begin on or after January 1, 2024, and early application is permitted retroactively, with the cumulative effect of initially applying the fair value model being proven by adding it to the balance account of the retained profits or losses in The beginning of the financial period in which the company applies this model for the first time.

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
Egyptian Accounting Standard No. (17) amended 2024 "Independent Financial Statements"	Egyptian Accounting Standard No. (17) "Standalone Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Associated Companies" when accounting for investments in subsidiaries. Associate companies and companies with common control.	Management is currently studying the possibility of changing the adopted accounting policy and using the equity method when accounting for investments in subsidiaries, sister companies, and jointly controlled companies, and evaluating the potential impact on the financial statements if that method is used.	The amendments apply to financial periods beginning on or after January 1, 2024, and early application is permitted retroactively, with proof of the cumulative effect of applying the equity method by adding it to the balance of retained profits or losses at the beginning of the financial period in which the company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of Changes in Foreign Currency Exchange Rates"	This standard was reissued in 2024, adding how to determine the instantaneous rate when it is difficult to exchange between two currencies and the conditions that must be met in the instantaneous exchange rate on the measurement date. An appendix of application instructions has been added, which includes instructions for evaluating whether the currency is exchangeable for another currency, and instructions for applying the required treatments in the event of non-exchangeability.	Management is currently evaluating the potential impact on the financial statements of applying the amendments to the standard.	The amendments to determine the spot price when it is difficult to exchange between two currencies shall be applied to the financial periods beginning on or after January 1, 2024. Early application is permitted, and if the establishment implements early application, this must be disclosed. Upon application, the entity may not amend the comparative information, but instead: •When an entity reports foreign currency transactions in its functional currency, any effect of the initial application of the initial application is recognized as an adjustment to the opening balance of retained earnings on the date of the initial application. • When an entity uses a presentation currency other than its functional currency or translates the results and financial position of a foreign operation, any effect of the initial application is recognized as an adjustment to the

New or reissued standards	Summary of the most important amendments	Potential impact on the financial statements	Application history
			cumulative amount of translation differences - accumulated on the equity side - at the date of the initial application.
Accounting Interpretation No. (2) "Carbon Emission Reduction Certificates"	Carbon Emissions Reduction Certificates (Carbon Credit): They are tradable financial instruments that represent in exchange for units of reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/fair owner), after approval. Verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Supervision Authority for this purpose. Companies can use carbon reduction certificates to meet voluntary (corporate) emissions reduction targets to achieve carbon trading or other targets, which are traded on the voluntary carbon market. (Voluntary Carbon Market "VCM") The accounting treatments vary according to the nature of the arrangement and the commercial purpose for purchasing or issuing certificates by the project developers. Therefore, companies must determine the facts and identify the circumstances Various methods to determine the appropriate accounting treatment and the accounting standard to be applied. The interpretation addresses the accounting treatment for different cases in terms of initial measurement, subsequent measurement, exclusion from the books, and the necessary disclosures.	The management is currently studying the financial implications resulting from applying the accounting interpretation to the company's financial statements.	Application begins on or after January 1, 2025, and early application is permitted.