

**EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)
UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

Emaar Misr for Development Company (S.A.E.)

**Unaudited interim condensed Financial Statements
For the period ended 30 September 2016**

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Emaar Misr for Development S.A.E. as of 30 September 2016 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.


Amr M. El Shaabani
Partner
Cairo, Egypt



13 December 2016

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the period ended 30 September 2016 (Unaudited)

	Notes	<i>Nine Months</i>		<i>Three Months</i>	
		<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>	<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>
Revenue	4	2,499,734,474	2,148,971,049	719,045,980	588,580,585
Cost of revenue	5	(1,481,225,687)	(1,306,068,137)	(373,389,165)	(364,997,367)
GROSS PROFIT		1,018,508,787	842,902,912	345,656,815	223,583,218
Selling, general and administrative expenses	6	(301,327,199)	(326,612,141)	(119,473,513)	(124,398,289)
Finance income	7	380,242,443	136,888,340	147,374,936	86,371,549
Finance cost	8	(18,521,914)	(5,760,678)	(4,585,663)	(596,522)
Other income	9	74,148,582	59,088,245	53,501,886	33,219,046
Provisions no longer required	22	626,500	2,317,888	-	451,392
Provisions	22	(932,818)	(3,002,685)	-	(785,297)
PROFIT BEFORE TAX		1,152,744,381	705,821,881	422,474,461	217,845,097
Income tax		(95,554,201)	(22,126,041)	(56,211,313)	(18,751,517)
PROFIT FOR THE PERIOD		1,057,190,180	683,695,840	366,263,148	199,093,580
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-	-
TOTAL COMPREHENSIVE INCOME		1,057,190,180	683,695,840	366,263,148	199,093,580
Earnings per share - basic and diluted	25	0.23	0.20	0.08	0.06

The accompanying notes 1 to 30 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	30 September 2016 EGP Unaudited	31 December 2015 EGP Audited
ASSETS			
Non-current assets			
Property, plant and equipment	15	591,104,853	585,071,329
Investment properties	16	77,851,918	79,281,356
Held to maturity investments	11	-	867,835,636
Deferred tax assets		105,431,521	91,860,399
		<u>774,388,292</u>	<u>1,624,048,720</u>
Current assets			
Development properties	14	10,406,708,009	9,882,470,716
Held to maturity investments	11	2,960,089,545	1,068,385,745
Accounts and notes receivables	12	1,800,758,135	1,380,891,635
Due from related parties	27a	2,818	2,818
Other receivables, deposits and prepayments	13	1,896,853,285	1,481,732,021
Bank balances and cash	10	2,674,249,168	2,092,569,704
		<u>19,738,660,960</u>	<u>15,906,052,639</u>
		<u>20,513,049,252</u>	<u>17,530,101,359</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Share capital	23	4,619,338,000	4,619,338,000
Additional paid in capital	23	1,602,790,008	1,602,790,008
Treasury shares	23	(342,503,840)	(342,503,840)
Legal reserve	24	63,878,774	21,145,120
Retained earnings		1,870,118,431	855,661,905
		<u>7,813,621,373</u>	<u>6,756,431,193</u>
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	20	35,076,645	158,665,846
Land purchase liabilities		-	471,115,573
Provision for employees' end-of-service benefits	21	16,617,421	12,291,596
		<u>51,694,066</u>	<u>642,073,015</u>
Current liabilities			
Interest-bearing borrowings	20	51,352,695	132,550,519
Borrowings from related parties	27b	5,493,067	4,842,083
Trade and other payables	17	2,798,478,380	2,152,605,942
Due to related parties	27a	21,537,109	9,250,255
Income tax payable		86,847,967	14,728,532
Land purchase liabilities		551,924,229	247,664,609
Advances from customers	18	8,878,061,373	7,330,175,161
Provisions	22	50,807,204	50,521,690
Retentions payable	19	203,231,789	189,258,360
		<u>12,647,733,813</u>	<u>10,131,597,151</u>
		<u>12,699,427,879</u>	<u>10,773,670,166</u>
TOTAL LIABILITIES		<u>20,513,049,252</u>	<u>17,530,101,359</u>
TOTAL LIABILITIES AND EQUITY		<u>20,513,049,252</u>	<u>17,530,101,359</u>


Board Director


Chairman

The accompanying notes 1 to 30 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2016 (Unaudited)

	Share capital EGP	Additional paid in capital EGP	Treasury stock EGP	Legal reserve EGP	Retained earnings EGP	Total EGP
Balance at 1 January 2016	4,619,338,000	1,602,790,008	(342,503,840)	21,145,120	855,661,905	6,756,431,193
Profit for the period	-	-	-	-	1,057,190,180	1,057,190,180
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,057,190,180	1,057,190,180
Transfer to legal reserve	-	-	-	42,733,654	(42,733,654)	-
Balance at 30 September 2016	4,619,338,000	1,602,790,008	(342,503,840)	63,878,774	1,870,118,431	7,813,621,373

The accompanying notes 1 to 30 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2016 (Unaudited)

	Notes	Share capital		Amounts paid under capital increase		Additional paid in capital		Treasury Shares		Legal reserve		Retained earnings		Total	
		EGP		EGP		EGP		EGP		EGP		EGP		EGP	
Balance at 1 January 2015		878,338,000		3,141,000,000		-		-		247,803		19,955,708		4,039,541,511	
Profit for the period		-		-		-		-		-		683,695,840		683,695,840	
Other comprehensive income for the period		-		-		-		-		-		-		-	
Total comprehensive income for the period		-		-		-		-		-		683,695,840		683,695,840	
Transfer to legal reserve		-		-		-		-		20,897,317		(20,897,317)		-	
Share capital increase	23	3,141,000,000		(3,141,000,000)		-		-		-		-		-	
Issuance of new shares	23	600,000,000		-		1,594,567,988		-		-		-		2,194,567,988	
Treasury Shares		-		-		-		(342,174,540)		-		-		(342,174,540)	
Balance at 30 September 2015		4,619,338,000		-		1,594,567,988		(342,174,540)		21,145,120		682,754,231		6,575,630,799	

The accompanying notes 1 to 30 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 September 2016 (Unaudited)

	Notes	<i>Nine Months</i>	
		<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>
Cash flows from operating activities			
Profit before tax		1,152,744,381	705,821,881
Adjustments for:			
Depreciation expenses of property, plant and equipment	15	42,056,433	44,154,637
Depreciation expenses of investment properties	16	2,781,210	2,821,133
Provision for employees' end-of-service benefits	21	5,478,464	5,967,120
Provision no longer required	22	(626,500)	(2,317,888)
Provisions charged during the period	22	1,242,992	3,002,685
Gain on disposal of property, plant and equipment	9	(96,925)	-
Reversal of impairment of development properties	14	(3,707,780)	(11,010,967)
Finance costs	8	18,521,914	5,760,678
Finance income	7	(380,242,443)	(136,888,340)
		838,151,746	617,310,939
Accounts and notes receivables		(419,866,500)	(313,501,009)
Other receivables, deposits and prepayments		(401,384,767)	(378,558,550)
Development properties		(471,122,449)	8,092,902
Advances from customers		1,547,886,212	1,230,160,400
Trade and other payables		631,151,276	379,346,768
Due to related parties		10,807,112	2,552,149
Retentions payable		13,973,429	(3,746,961)
Provisions used	22	(330,978)	(2,147,707)
Employees' end-of-service benefits paid	21	(1,152,639)	(2,434,052)
Income tax paid		(37,895,232)	-
Net cash flows from operating activities		1,710,217,210	1,537,074,879
Cash flows from investing activities			
Finance income received		337,476,798	104,411,409
Purchase of property, plant and equipment	15	(15,512,392)	(43,304,310)
Purchase of investment properties		(1,351,772)	-
Property and plant under construction		(32,705,440)	-
Purchase of investments in securities		(2,041,453,032)	(1,915,148,233)
Proceeds from investments in securities		1,050,329,097	-
Proceeds from sale of property, plant and equipment		224,800	-
Net cash flows from investing activities		(702,991,941)	(1,854,041,134)
Cash flows from financing activities			
Proceeds from interest-bearing borrowings	20	18,578,691	267,349,761
Repayment of interest-bearing borrowings	20	(223,365,715)	(562,369,829)
Proceeds from additional paid in capital		-	2,280,000,000
Payments of expenses related to additional paid in capital		-	(12,238,493)
Payments of treasury shares		-	(342,174,540)
Finance costs paid		(15,341,678)	(58,570,858)
Proceeds to related parties		-	200,602
Payments of land purchase liabilities		(211,187,836)	(157,536,712)
Net cash flows from financing activities		(431,316,538)	1,414,659,931
Increase in cash and cash equivalents		575,908,731	1,097,693,676
Net foreign exchange difference		5,770,733	5,441,847
Cash and cash equivalents at the beginning of the period		2,092,569,704	844,974,315
Cash and cash equivalents at the end of the period	10	2,674,249,168	1,948,109,838

The accompanying notes 1 to 30 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

1 BACKGROUND

Emaar Misr for Development Company (S.A.E.) (the "Company") is a joint stock company established in Egypt under the Investment Guarantees and Incentives Law No. 8 of 1997. The Company was registered in the commercial register on 16 March 2005 under No. 12841.

The listing of Emaar Misr for Development Company (S.A.E.) on the Egyptian stock exchange was approved on 4 March 2015.

The purpose of the Company is:

- Planning and construction of urban districts and providing them with utilities and services,
- Constructing, operating, managing and maintenance of water desalination and refining plants together with their distribution networks,
- Constructing, operating, managing and maintenance of sewage systems,
- Projects development, investment and real estate development,
- Owning, constructing, managing and touristic marketing for hotels, motels, lodges and tourism villages and its related supplementary activities in servicing, entertainment, sporting, commercial, and cultural,
- Establishing and operating yachts marina, golf courses and diving centres and its related supplementary activities,
- Finance leasing,
- Designing, constructing, managing, operating and maintenance of power plants with their different sources and distribution networks.

The Company is currently engaged in planning and construction of urban districts and providing them with utilities, services and projects development, investment and real estate development.

The Company's parent is Emaar Properties PJSC.

2.1 BASIS OF PREPARATION

The interim condensed financial statements for the nine months ended 30 September 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at 31 December 2015.

The financial statements have been prepared in Egyptian pounds (EGP), which is the Company's functional and presentation currency.

The financial statements have been prepared under the going concern assumption on a historical cost basis.

2.2 NEW STANDARDS, INTERPRETATION AND AMENDMENTS

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended 31 December 2015.

The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The presentation of the interim financial statements for the period ended 30 September 2016 includes the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty which were the same as those that applied to the 2015 financial statements.

3 SEGMENT INFORMATION

Currently the Company's main business segment is developing projects and selling the developed units. Revenues, profits and investments in other business segments are currently immaterial. Accordingly retail, commercial and hospitality business segments do not meet the criteria of reportable segments under IFRS 8, and as such, are not separately disclosed in the interim financial statements. All revenues of the Company were reported under one segment in the financial statements.

4 REVENUE

Revenue for the nine months ended 30 September 2016 and 2015 is as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Revenue from sale of property				
Marassi Project	1,141,253,427	1,019,651,714	383,253,077	278,245,785
Uptown Cairo Project	551,255,108	273,328,056	94,385,337	125,821,482
Mivida Project	807,225,939	855,991,279	241,407,566	184,513,318
	<u>2,499,734,474</u>	<u>2,148,971,049</u>	<u>719,045,980</u>	<u>588,580,585</u>

5 COST OF REVENUE

Cost of revenue for the nine months ended 30 September 2016 and 2015 is as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Cost of revenue from sale of property				
Marassi Project	606,953,916	486,481,855	158,606,007	157,143,637
Uptown Cairo Project*	362,857,540	216,289,723	63,996,128	82,051,606
Mivida Project	511,414,231	603,296,559	150,787,030	125,802,124
	<u>1,481,225,687</u>	<u>1,306,068,137</u>	<u>373,389,165</u>	<u>364,997,367</u>

*The cost of revenues of Uptown Cairo Project includes the reversal of an impairment loss amounting to EGP 3,707,780 (30 September 2015: EGP 11,010,967).

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

6 SELLING, GENERAL AND ADMINSTRATIVE EXPENSES

Selling, general and administrative expenses for the nine months ended 30 September 2016 and 2015 are as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Advertising	51,737,679	38,383,656	27,006,298	18,683,968
Depreciation of PP&E (Note 15)	39,151,411	41,038,981	12,581,554	14,011,785
Depreciation of investment property (Note 16)	2,781,210	2,821,133	936,360	942,392
Marketing production and material	7,430,746	5,096,425	3,363,582	1,531,397
Events and exhibition	9,764,454	9,238,174	748,427	905,095
Sales commission	69,168,347	48,236,720	34,191,762	17,064,422
Other marketing expenses	8,693,113	5,763,548	2,613,860	1,502,201
Salaries and benefits	45,516,178	120,212,376	15,581,866	47,935,206
Professional fees	4,473,189	3,193,204	1,387,925	1,426,972
IT expenses	7,298,268	6,423,771	2,361,209	2,247,935
Travel and entertainment	5,212,565	5,884,168	2,461,548	3,213,849
Cleaning and maintenance	6,436,189	5,886,772	2,968,650	2,604,579
Communication	1,566,246	2,159,052	554,018	1,008,988
Facility management expenses	18,872,722	21,367,561	8,249,665	8,168,510
Other bank charges	1,665,562	1,342,892	726,824	651,549
Other expenses	21,559,320	9,563,708	3,739,965	2,499,441
	301,327,199	326,612,141	119,473,513	124,398,289

7 FINANCE INCOME

Finance income for the nine months ended 30 September 2016 and 2015 is as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Interest from time deposits and bank current accounts	176,249,184	81,285,442	72,295,696	32,648,673
Interest from held to maturity investments	203,993,259	55,144,350	75,079,240	55,144,350
Net foreign exchange gain	-	458,548	-	(1,421,474)
	380,242,443	136,888,340	147,374,936	86,371,549

8 FINANCE COST

Finance cost for the nine months ended 30 September 2016 and 2015 is as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Interest on bank credit facilities and loans	5,797,242	5,719,557	2,304,280	1,185,299
Bank charges – Letters of Guarantees related to borrowings	-	9,467	-	(588,777)
Other bank charges	37,897	31,654	4,134	-
Net foreign exchange loss	12,686,775	-	2,277,249	-
	18,521,914	5,760,678	4,585,663	596,522

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

9 OTHER INCOME

Other income for the nine months ended 30 September 2016 and 2015 is as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	2016 EGP	2015 EGP	2016 EGP	2015 EGP
Customers service charges	61,057,531	44,755,888	31,431,870	11,125,078
Operating (Gain) from El Alamain hotel, Golf club, Beach club in Marassi and Golf club in UTC	5,933,157	9,307,667	19,454,973	19,475,106
Operating lease income	3,722,881	3,981,623	1,286,589	1,575,795
Gain from sale of fixed assets	96,925	-	-	-
Other operating income	3,338,088	1,043,067	1,328,454	1,043,067
	<u>74,148,582</u>	<u>59,088,245</u>	<u>53,501,886</u>	<u>33,219,046</u>

10 BANK BALANCES AND CASH

	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
Cash on hand	87,501	2,354,927
Cash at banks	282,261,667	402,314,777
Time deposits (matures within 3 months)	2,391,900,000	1,687,900,000
	<u>2,674,249,168</u>	<u>2,092,569,704</u>

Bank balances and cash are denominated in the following currencies:

	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
United Arab Emirates Dirhams (AED)	912,903	707,454
United States Dollars (USD)	16,663,927	42,389,730
Euros (EUR)	4,312,798	2,425,953
Egyptian Pounds (EGP)	2,652,320,042	2,047,011,772
Saudi Riyals	39,498	34,795
	<u>2,674,249,168</u>	<u>2,092,569,704</u>

Cash at banks earn interest based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

Current account with an average effective interest rate of 7.66% (2015: 7%).

Time deposits with an average effective interest rate of 10.92% (2015: 9.2%).

The cash and cash equivalent is equal to bank balances and cash.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

11 HELD TO MATURITY INVESTMENTS

	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
Treasury Bills	1,568,775,000	400,000,000
Unearned interest	(98,350,256)	(19,338,363)
	<u>1,470,424,744</u>	<u>380,661,637</u>
Bonds	1,489,664,801	1,555,559,744
	<u>1,489,664,801</u>	<u>1,555,559,744</u>
Total held to maturity investments	<u>2,960,089,545</u>	<u>1,936,221,381</u>

	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
Amounts matures within 12 months	2,960,089,545	1,068,385,745
Amounts matures after 12 months	-	867,835,636
	<u>2,960,089,545</u>	<u>1,936,221,381</u>

12 ACCOUNTS AND NOTES RECEIVABLES

	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
Amounts receivable within 12 months	757,058,755	552,838,923
Amounts receivable after 12 months	1,447,130,175	1,203,127,810
	<u>2,204,188,930</u>	<u>1,755,966,733</u>
Unamortised discount	(409,049,263)	(380,482,992)
Amounts receivable, net	1,795,139,667	1,375,483,741
Accounts receivables, hotels	5,618,468	5,407,894
	<u>1,800,758,135</u>	<u>1,380,891,635</u>

The ageing analysis of net accounts and notes receivables is as follows:

	<i>Total</i> EGP	<i>Neither Past Due nor Impaired</i> EGP	<i>Past due but not impaired</i>			
			<i>Less than 30 days</i> EGP	<i>Between 30 to 60 days</i> EGP	<i>Between 60 to 90 days</i> EGP	<i>More than 90 days</i> EGP
30 September 2016	1,800,758,135	1,728,543,409	9,050,126	9,591,262	374,689	53,198,649
31 December 2015	1,380,891,635	1,315,748,125	8,132,027	8,472,259	679,331	47,859,893

As at 30 September 2016, accounts and notes receivables were not impaired (impairment of 2015: nil)

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2016 EGP	31 December 2015 EGP
Prepayments	8,418,248	9,293,030
Advances to contractors and suppliers	878,791,060	772,725,895
Advances to employees	4,789,472	1,516,099
Accrued interest	66,661,638	52,925,141
Customers maintenance – Current accounts*	49,739,897	34,288,629
Customers maintenance – Time deposits*	773,160,850	517,160,435
Other receivables and deposits	115,292,120	93,822,792
	<u>1,896,853,285</u>	<u>1,481,732,021</u>

*These amounts represents amounts collected from customers, which are invested in interest bearing current accounts and time deposits , the interest income generated is used for the purpose of financing the facility management expenses for delivered units, the company cannot use these amounts except for this purpose.

*These amounts represent amounts collected from customers, which are invested in interest bearing current accounts and time deposits , the interest income generated is used for the purpose of financing the facility management expenses for delivered units, the company cannot use these amounts except for this purpose.

Customers' maintenance - Current account with an average effective interest rate of 7.66% (2015:6.75%) for balance of EGP 49,739,897 (2015: EGP 34,288,629)

Customers' maintenance- Time deposits with effective interest rate of 11.7% (2015:9.2%) for balance of EGP 773,160,850 (2015: EGP 517,160,435).

	30 September 2016 EGP	31 December 2015 EGP
Amounts recoverable within 12 months	1,333,222,868	846,042,809
Amounts recoverable after 12 months	563,630,417	635,689,212
	<u>1,896,853,285</u>	<u>1,481,732,021</u>

14 DEVELOPMENT PROPERTIES

The movement of development properties during the nine months ended 30 September 2016 and 2015 is as follows:

	<u>Nine Months</u>	
	2016 EGP	2015 EGP
Balance at the beginning of the period	9,882,470,716	9,815,195,982
Add: cost incurred during the period including borrowing costs capitalised	1,837,455,323	1,305,448,311
Less: transfers to cost of revenue during the period	(1,310,100,072)	(1,196,070,696)
Less: charged to profit or loss during the period	(6,825,738)	-
Add: Reversal of impairment of development properties	3,707,780	11,010,967
	<u>10,406,708,009</u>	<u>9,935,584,564</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

14 DEVELOPMENT PROPERTIES (Continued)

Development properties as at 30 September 2016 and 31 December 2015 are analysed as follows:

	<i>30 September 2016</i>	<i>31 December 2015</i>
	<i>EGP</i>	<i>EGP</i>
Mivida project	3,460,856,163	3,103,645,277
Marassi project	3,477,163,664	3,512,280,674
Uptown Cairo project	3,249,879,323	3,044,617,948
Cairo Gate project	221,162,089	225,162,089
Smart Village project	-	2,825,738
	<u>10,409,061,239</u>	<u>9,888,531,726</u>
Less: Impairment of development properties	(2,353,230)	(6,061,010)
	<u>10,406,708,009</u>	<u>9,882,470,716</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

15 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings		Computers and office equipment		Plant, machinery and heavy equipment		Motor Vehicles		Furniture and fixtures		Model homes, Sales centre, Mockup and other assets		Capital work-in-progress		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost																
As of 1 January 2016	507,908,136	115,537,970	61,865,736	115,537,970	34,969,721	47,750,545	81,853,332	65,983,022	915,868,462							
Additions	2,798,837	2,631,541	5,877,730	2,631,541	1,423,030	2,493,054	288,200	32,705,440	48,217,832							
Transferred from work in progress	-	-	494,241	-	-	-	-	-	-	-	-	-	(494,241)	-	-	-
Disposals	-	-	-	-	(255,750)	-	-	-	-	-	-	-	-	-	(255,750)	-
As of 30 September 2016	510,706,973	118,169,511	68,237,707	118,169,511	36,137,001	50,243,599	82,141,532	98,194,221	963,830,544							
Accumulated depreciation																
As of 1 January 2016	127,522,461	26,856,969	46,899,318	26,856,969	25,458,752	35,906,027	68,153,606	-	330,797,133							
Depreciation for the period	18,156,716	6,063,185	7,315,558	6,063,185	3,041,678	3,572,583	3,906,713	-	42,056,433							
Disposals	-	-	-	-	(127,875)	-	-	-	(127,875)							
As of 30 September 2016	145,679,177	32,920,154	54,214,876	32,920,154	28,372,555	39,478,610	72,060,319	-	372,725,691							
Net carrying amount :																
At 30 September 2016	365,027,796	85,249,357	14,022,831	85,249,357	7,764,446	10,764,989	10,081,213	98,194,221	591,104,853							

Depreciation expense is allocated as follows:

	2016	EGP
Selling , general and administrative expenses (Note 6)	39,151,411	EGP
Facility management expenses	2,323,397	224,800
Depreciation expense charged to the income statement	41,474,808	255,750
Development properties	581,625	(127,875)
Total depreciation expenses	42,056,433	127,875
		96,925

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

15 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and Buildings		Computers and office equipment		Plant, machinery and heavy equipment		Motor Vehicles		Furniture and fixtures		Model homes, Sales centre, Mockup and other assets		Capital work-in-progress		Total		
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
Cost																	
As of 1 January 2015	493,755,017	52,049,707	112,731,313	30,726,901	39,419,320	81,706,418	45,732,626	856,121,302									
Additions	366,611	6,935,831	3,557,295	4,090,000	7,423,964	1,066,507	19,864,102	43,304,310									
Transferred from work in progress	3,153,691	-	-	-	-	-	(3,153,691)	-									
As of 30 September 2015	<u>497,275,319</u>	<u>58,985,538</u>	<u>116,288,608</u>	<u>34,816,901</u>	<u>46,843,284</u>	<u>82,772,925</u>	<u>62,443,037</u>	<u>899,425,612</u>									
Accumulated depreciation																	
As of 1 January 2015	103,769,975	37,379,825	17,386,162	18,467,547	31,624,902	61,387,573	-	270,015,984									
Depreciation for the period	17,796,746	7,217,725	6,989,891	3,710,308	3,067,723	5,372,244	-	44,154,637									
As of 30 September 2015	<u>121,566,721</u>	<u>44,597,550</u>	<u>24,376,053</u>	<u>22,177,855</u>	<u>34,692,625</u>	<u>66,759,817</u>	<u>-</u>	<u>314,170,621</u>									
Net carrying amount :																	
At 30 September 2015	<u>375,708,598</u>	<u>14,387,988</u>	<u>91,912,555</u>	<u>12,639,046</u>	<u>12,150,659</u>	<u>16,013,108</u>	<u>62,443,037</u>	<u>585,254,991</u>									

Depreciation expense is allocated as follows:

	30 September 2015
	EGP
Selling , general and administrative expenses (Note 6)	41,038,981
Facility management expenses	2,534,031
Depreciation expense charged to the income statement	43,573,012
Development properties	581,625
Total depreciation expenses	<u>44,154,637</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

16 INVESTMENT PROPERTIES

	<i>30 September 2016</i> EGP	<i>30 September 2015</i> EGP
Cost		
Beginning balance	85,055,189	87,030,973
Additions	1,351,772	9,725,000
Ending balance	<u>86,406,961</u>	<u>96,755,973</u>
Accumulated depreciation		
Beginning balance	(5,773,833)	(2,164,531)
Depreciation charge for the period	(2,781,210)	(2,821,133)
Ending balance	<u>(8,555,043)</u>	<u>(4,985,664)</u>
Net carrying amount	<u>77,851,918</u>	<u>91,770,309</u>
	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
Land	11,881,336	11,881,336
Building	65,970,582	67,400,020
Net carrying amount	<u>77,851,918</u>	<u>79,281,356</u>

Investment property includes land amounting to EGP 11,881,336 (2015: EGP 11,881,336), and buildings amounting to EGP 65,970,582 (2015: EGP 67,400,020)

The valuation of the company's investment properties was performed by Osool consultancy (independent valuer). The fair value of investment properties is EGP 185,383,373 as of 31 December 2015.

No material changes in Investment properties fair value valuation in the nine months ended 30 September 2016 from last valuation dated 31 December 2015.

17 TRADE AND OTHER PAYABLES

	<i>30 September 2016</i> EGP	<i>31 December 2015</i> EGP
Projects contracts cost accruals	1,520,444,751	1,246,039,965
Trade payables (suppliers, contractors and consultants)	265,852,056	208,178,308
Taxes payables (other than income tax)	13,859,101	8,901,673
Deferred revenue*	32,075,839	4,095,464
Other payables, accruals and deposits	147,252,408	138,452,941
Customers maintenance payable**	818,994,225	546,937,591
	<u>2,798,478,380</u>	<u>2,152,605,942</u>

*Deferred revenue represents amounts deducted from customers who cancelled their contracts. Customers can use these amounts to buy new units from the company during one year. If these amounts are not used by customers, the company has the right to keep these amounts and thus transfer to revenue.

**Customers maintenance payable represents the collected instalments in respect of delivered units that are used to finance facility management expenses. These amounts are invested in deposits and interest-bearing current accounts for this purpose (Note 13).

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

18 ADVANCES FROM CUSTOMERS

The movement of advances from customers during the nine months ended 30 September 2016 and 2015 is as follows:

	<i>30 September 2016</i> <i>EGP</i>	<i>30 September 2015</i> <i>EGP</i>
Balance at the beginning of the period	7,330,175,161	5,733,822,529
Add: amounts collected during the period	4,076,186,956	3,444,170,094
Less: delivered units during the period	<u>(2,528,300,744)</u>	<u>(2,214,009,694)</u>
Balance at the end of the period	<u>8,878,061,373</u>	<u>6,963,982,929</u>

19 RETENTIONS PAYABLE

	<i>30 September 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Retentions payable within 12 months	87,705,789	106,987,647
Retentions payable after 12 months	<u>115,526,000</u>	<u>82,270,713</u>
	<u>203,231,789</u>	<u>189,258,360</u>

20 INTEREST-BEARING BORROWINGS

	<i>30 September 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Maturing within 12 months	51,352,695	132,550,519
Maturing after 12 months	<u>35,076,645</u>	<u>158,665,846</u>
Balance at the end of the period/year	<u>86,429,340</u>	<u>291,216,365</u>

<i>Type</i>	<i>Interest rate %</i>	<i>Latest maturity (renewal)</i>	<i>30 September 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Current portion credit facilities				
Credit facility 1*	1.5%+CBE Corridor rate	Deposit September 2017	10,420,833	34,427,947
Credit facility 3***	0.5%+CBE Corridor rate	Lending June 2017	<u>40,931,862</u>	<u>98,122,572</u>
Total current credit facilities			<u>51,352,695</u>	<u>132,550,519</u>
Non-current credit facilities				
Credit facility 1*	1.5%+CBE Corridor rate	Deposit October 2020	4,821,055	9,735,734
Credit facility 2**	1%+CBE Average Discount Corridor rate	November 2021	30,255,590	130,351,421
Credit facility 3***	0.5%+CBE Corridor rate	Lending	<u>-</u>	<u>18,578,691</u>
Total non-current credit facilities			<u>35,076,645</u>	<u>158,665,846</u>
			<u>86,429,340</u>	<u>291,216,365</u>

* Credit facility (1) is against discounted post-dated checks of customer's units who settled 50% of their units' value.

** Credit facility (2) is against discounted post-dated checks of customer's who delivered units

*** Credit facility (3) secured by post-dated checks of delivered units with maximum financing amounting to 90% of its value.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

21 PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

End-of-Service Benefits

The movement in the provision for employees' end-of-service benefits during the nine months ended 30 September 2016 and 2015 is as follows:

	30 September 2016 EGP	30 September 2015 EGP
Balance at the beginning of the period	12,291,596	8,852,688
Provided during the period	5,478,464	5,967,120
Paid during the period	(1,152,639)	(2,434,052)
Balance at the end of the period	<u>16,617,421</u>	<u>12,385,756</u>

22 PROVISIONS

	Balance as of 1 January 2016 EGP	Charged during the period EGP	No longer required during the period EGP	Used during the period EGP	Balance as of 30 September 2016 EGP
Provision for legal claims	2,947,365	932,818	(626,500)	-	3,253,683
Provision for other claims*	47,574,325	310,174	-	(330,978)	47,553,521
	<u>50,521,690</u>	<u>1,242,992</u>	<u>(626,500)</u>	<u>(330,978)</u>	<u>50,807,204</u>

	Balance as of 1 January 2015 EGP	Charged during the period EGP	No longer required during the period EGP	Used during the period EGP	Balance as of 30 September 2015 EGP
Provision for legal claims	3,289,108	3,002,685	(2,317,888)	-	3,973,905
Provision for other claims*	49,715,863	-	-	(2,147,707)	47,568,156
	<u>53,004,971</u>	<u>3,002,685</u>	<u>(2,317,888)</u>	<u>(2,147,707)</u>	<u>51,542,061</u>

*Provision for other claims is mainly related to withholding taxes advised by the tax consultant for tax withheld at source on services provided from foreign companies.

No other material contingent liabilities other than what was provided for in the provisions above or what was disclosed in note 28 in respect of tax position.

23 SHARE CAPITAL

	30 September 2016 EGP	31 December 2015 EGP
Authorised capital (shares of EGP 1 each)	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued and fully paid-up	<u>4,619,338,000</u>	<u>4,619,338,000</u>
Number of shares	<u>4,619,338,000</u>	<u>4,619,338,000</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

23 SHARE CAPITAL (Continued)

On 16 December 2014, an extraordinary general assembly meeting was held and approved the company capital increase by EGP 3,141,000,000 to be EGP 4,019,338,000; the total amount will be paid at subscription as follows:

- Deducting an amount of EGP 3,086,234,900 from the shareholders current account (Emaar Properties PJSC).
- Payment an amount of EGP 54,765,100 through cash deposit at bank.

On 15 March 2015, the company has registered the increase and updated the commercial register.

On 31 March 2015, an extraordinary general assembly meeting was held and approved adjusting the shares par value from EGP 10 per share to EGP 1 per share and updated the commercial register on 5 May 2015.

On 11 May 2015, an extraordinary general assembly meeting was held and approved the company capital increase by EGP 600,000,000 with issuance price EGP 3.80 per share to be EGP 4,619,338,000 the additional paid in capital amounted to EGP 1,602,790,008 after deducting expenses of EGP 77,209,992 and updated the commercial register on 29 June 2015.

On 4 August 2015, The company acquired 90 million ordinary shares (treasury shares) at price of EGP 3.80 per share amounted to EGP 342,000,000 to stabilise the share price in open market in addition to costs of EGP 503,840 in accordance with stability of share price in the market after issuance.

On 18 August 2016, the extraordinary general assembly meeting that was held on that date approved the reduction of the Company's capital by 90 million ordinary shares representing the treasury shares acquired during 2015 to be 4,529,338,000 share, the necessary legal procedures in this regard are currently being undertaken.

24 LEGAL RESERVE

As required by Egyptian Companies' law and the Company's articles of association, 5% of the net profit for the prior year is to be transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The legal reserve is calculated based on Egyptian Accounting Standards financial statements net profit amounting to EGP 854,673,084 for the year ended 31 December 2015.

25 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the period attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. The company has no dilutive shares.

The information necessary to calculate basic and diluted earnings per share for the nine months ended 30 September 2016 and 2015 is as follows:

	<i>Nine Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Net profit attributable to the ordinary equity holders	1,057,190,180	683,695,840	366,263,148	199,093,580
Weighted average number of ordinary shares	4,529,338,000	3,406,544,207	4,529,338,000	3,406,544,207
EPS – basic and diluted	0.23	0.20	0.08	0.06

26 COMMITMENTS

At 30 September 2016, the company had commitments in respect of its projects not provided for in the financial statements amounted to EGP 7,504,071,011 (31 December 2015: EGP 6,619,437,412).

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

26 COMMITMENTS (Continued)

Operating lease commitments - as lessor

The company has entered into leases on its investment properties. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	30 September 2016 EGP	31 December 2015 EGP
Within one year	10,044,924	9,773,845
After one year but not more than five years	28,001,478	30,776,312
More than five years	10,350,601	13,663,338
	<u>48,397,003</u>	<u>54,213,495</u>

27 RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2016 and 2015:

Company	Nature	Payments on behalf	IT and other expenses	30 September 2016		Revenue	Sold units**
				Consultancy fees	Financing*		
		EGP	EGP	EGP	EGP	EGP	EGP
Turner International Egypt	Construction Joint venture	-	-	62,960,641	-	-	-
Emaar Properties PJSC	- Parent	704,412	6,220,096	-	-	-	-
Board members and key management personnel		-	-	-	-	27,572,911	-

Company	Nature	Payments on behalf	IT and other expenses	30 September 2016		Revenue	Sold units**
				Consultancy fees	Financing*		
		EGP	EGP	EGP	EGP	EGP	EGP
Turner International Egypt	Construction Joint venture of the parent	-	-	56,972,125	-	-	-
Emaar Properties PJSC	- Parent	946,222	3,998,125	-	200,602	-	-
Board members and key management personnel		-	-	-	-	-	-

*Financing transactions represents funds transferred from Emaar Properties PJSC to Emaar Misr for Development Company and the related foreign exchange differences.

**Sold units transactions represent sales contracts signed with related parties during the Period.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

27 RELATED PARTY DISCLOSURES (Continued)

The following table provides the balances with related parties as at 30 September 2016 and 31 December 2015:

a) Related party balances

Significant related party balances are as follows:

	<i>Due from</i>	<i>Due to</i>	<i>30 September 2016</i>		
	<i>EGP</i>	<i>EGP</i>	<i>Trade payables and accruals EGP</i>	<i>Advance from customers EGP</i>	<i>Trade and notes receivables EGP</i>
Parent**	-	16,245,681	-	-	-
Subsidiaries of the parent	2,818	5,291,428	-	-	-
Joint venture of the parent	-	-	74,423,916	-	-
Board members and key management personnel	-	-	-	8,720,284	5,460,229
	<u>2,818</u>	<u>21,537,109</u>	<u>74,423,916</u>	<u>8,720,284</u>	<u>5,460,229</u>

	<i>Due from</i>	<i>Due to</i>	<i>31 December 2015</i>		
	<i>EGP</i>	<i>EGP</i>	<i>Trade payables and accruals EGP</i>	<i>Advance from customers EGP</i>	<i>Trade and notes receivables EGP</i>
Parent**	-	9,250,255	-	-	-
Subsidiaries of the parent	2,818	-	-	-	-
Joint venture of the parent	-	-	52,727,710	-	-
Board members and key management personnel	-	-	-	37,893,181	1,806,352
	<u>2,818</u>	<u>9,250,255</u>	<u>52,727,710</u>	<u>37,893,181</u>	<u>1,806,352</u>

**Due to parent represent a current account, callable by the parent, non-interest bearing, which resulted mainly from the financing and support received from the parent and other operating activities.

b) Related party borrowings

During year 2010, Emaar Misr was granted a loan from Emaar Properties PJSC, with a limit of USD 1,150,000, at interest rate (1%) per year over LIBOR. The balances are as follows:

	<i>30 September 2016</i>	<i>31 December 2015</i>
	<i>EGP</i>	<i>EGP</i>
<i>Borrowings from related party</i>		
Emaar Properties PJSC – Parent	<u>5,493,067</u>	<u>4,842,083</u>
	<u>5,493,067</u>	<u>4,842,083</u>

Compensation of key management personnel

The remuneration of key management personnel during the nine months ended 30 September 2016 and 2015 was as follows:

	<i>30 September 2016</i>	<i>30 September 2015</i>
	<i>EGP</i>	<i>EGP</i>
Short-term benefits	13,400,922	16,852,542

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

End-of-service benefits	4,660,294	2,851,487
	<u>18,061,216</u>	<u>19,704,029</u>

28 INCOME TAX

The Company's tax position is as follows:

1. Corporate Tax

- The company regularly files its corporate income tax return on due dates.
- The company's records were inspected from inception to 31 December 2008 and the tax authority has sent the tax claim requiring to the company. The company has submitted an objection to such claim and the dispute points have been transferred to the Internal Committee that issue its decision by resolving some dispute points and there are some points transferred to the appeal committee.
- The company's records were inspected for period from 1 January 2009 to 31 December 2010, and the company has submitted an objection to the inspection result and the dispute points have been transferred to the internal committee.
- The company's records were not inspected for the period from 1 January 2011 to 30 September 2016. The company submitted tax returns for such period within the legal grace period.
- The company enjoys tax relief on the projects established in the urban area to 31 December 2018.

2. Salary Tax

- The company's records were inspected from inception to 31 December 2008 and all tax dues were settled.
- The company's records are in process of inspection for years from 1 January 2009 to 31 December 2011.
- The company's records were not inspected from 1 January 2012 to 30 September 2016.

3. Sales Tax

- The company's records were inspected from inception to 31 December 2013, all tax dues were settled.
- The company's records were not inspected for the period from 1 January 2014 to 30 September 2016.

4. Stamp Tax

- The company's records were inspected from inception to 31 December 2010 and tax due were settled.
- The company's records were not inspected for the period from 1 January 2011 to 30 September 2016.

29 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the company include bank balances and cash, accounts and notes receivables, other receivables, held to maturity investments and due from related parties. Financial liabilities of the company include interest-bearing borrowings, trade and other payables, land purchase liabilities, due to related parties and retentions payable.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

30 SUBSEQUENT EVENTS

On 3 November 2016, the Central Bank stated that foreign exchange rate is to be determined by supply and demand, adding that the move will be accompanied by a 3% rise in interest rates. The central bank indicated that there are no restrictions to foreign deposits and withdrawals, but non-essential goods importers will be subject to foreign limits. The interbank market will be reviewed and banks will be free to set bid/ask for the USD:EGP based on the forces of supply and demand. When the interbank market dynamics do not allow for a clearing price, the central bank will intervene to facilitate "price discovery".

These events do not have an impact on the financial statements as of 30 September 2016, but may impact the financial statements of future periods. While it is difficult to quantify this effect at this point in time, the impact will become visible in the future financial statements.