Translation from Arabic

GB Auto (S.A.E.)
(An Egyptian Joint Stock Company)

Consolidated Interim Financial Statements
For The Financial Period Ended June 30, 2016

And Limited Review Report

KPMG Hazem Hassan
Public Accountants & Consultants

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Translation of interim financial statements
originally issued in Arabic

GB Auto (S.A.E)
(An Egyption Joint Stock Company)
Consolidated interim statement of financial position
at at June 30, 2016

(All amounts in thousand Egyptian Pound)	Note	30 June 2016	31 December 2015
Assets			
Non-current assets			
Property, plant, equipment and projects under construction (Net)	(16)	3 775 092	3 175 486
Intangible assets and goodwill	(17)	306 561	293 078
Notes receivables (Net)	(11)	583 662	414 330
Deferred tax assets	(9 - B)	35 297	40 640
Investment property	(18)	91 512	91 512
Debit balances		24 111	24 110
Total non-current assets		**4 816 235**	**4 039 156**
Current assets			
Inventories (Net)	(10)	3 387 488	2 950 981
Assets held for sale	(15)	326 884	329 175
Accounts and notes receivables (Net)	(12)	2 095 777	1 649 624
Debtors and other debit balances (Net)	(13)	1 151 167	1 069 509
Due from related parties	(34)	128 404	86 203
Cash on hand and at banks	(14)	914 480	1 188 704
Total current assets		**8 004 200**	**7 274 196**
Total assets		**12 820 435**	**11 313 352**
Equity			
Issued and paid in capital	(19)	1 094 010	1 094 010
Shares held by the group	(20)	(26 506)	(26 506)
Legal reserve	(21)	309 177	296 570
Other reserves	(22)	1 285 510	1 152 989
Retained earnings		761 710	584 288
Net Income for the period / year		152 937	233 095
Equity attributable to owners of the company		**3 576 838**	**3 334 446**
Non-controlling interests	(23)	663 136	608 660
Total equity		**4 239 974**	**3 943 106**
Liabilities			
Non-current liabilities			
Loans	(25)	1 371 392	898 473
Warranty provisions	(27)	54 741	54 741
Deferred tax liabilities	(9 - B)	86 025	82 926
Total non-current liabilities		**1 512 158**	**1 036 140**
Current liabilities			
Provisions	(27)	89 994	88 470
Current tax liabilities	(9 - A)	59 293	61 555
Loans, borrowings and overdrafts	(25)	5 375 440	4 334 801
Due to related parties	(34)	30 286	62 404
Trade payables and other credit balances	(26)	1 513 290	1 786 876
Total current liabilities		**7 068 303**	**6 334 106**
Total liabilities		**8 580 461**	**7 370 246**
Total equity and liabilities		**12 820 435**	**11 313 352**

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

Group Finance Director	Chief Financial Officer and Board of Director Member	Chairman and Managing Director
Abbas Elsayed	**Mostafa Ahmed Elmahdi**	**Dr. Raouf Ghabbour**

"Limited review report attached"

GB Auto (S.A.E)
(An Egyption Joint Stock Company)
Consolidated interim statement of Income
for the financial period ended June 30, 2016

		The Six months ended June 30,		The Three months ended June 30,	
(All amounts in thousand Egyptian Pounds)	**Note**	**2016**	**2015**	**2016**	**2015**
Continuing operations					
Revenue		6 853 426	6 405 563	3 928 813	3 205 247
Cost of sales		(5 843 769)	(5 614 026)	(3 361 554)	(2 816 164)
Gross profit		**1 009 657**	**791 537**	**567 259**	**389 083**
Other income		18 154	17 750	6 806	10 144
Selling and marketing expenses		(204 503)	(158 691)	(106 699)	(77 503)
General and administrative expenses		(255 756)	(261 867)	(136 347)	(153 239)
Provisions and Impairment of Current and Non-Current assets (Net)	(7)	(26 912)	(12 892)	(15 505)	(8 263)
Impairment of Non-Current assets held for sale		(4 440)	-	(4 440)	-
Investment Losses		-	(2 634)	-	(2 634)
Operating profit		**536 200**	**373 203**	**311 074**	**157 588**
Finance costs (Net)	(6)	(329 266)	(249 818)	(146 609)	(102 560)
Net profit for the period before income tax		**206 934**	**123 385**	**164 465**	**55 028**
Income tax expense	(9-C)	(69 058)	(53 837)	(40 711)	(32 628)
Profit from continuing operations		**137 876**	**69 548**	**123 754**	**22 400**
Discontinued operations		-	-	-	-
Profit from discontinued operations after income tax		-	-	-	-
Net Profit for the period		**137 876**	**69 548**	**123 754**	**22 400**
Profit is attributable to:					
Owners of the company		152 937	102 375	124 352	50 295
Non-controlling interests		(15 061)	(32 827)	(598)	(27 895)
		137 876	**69 548**	**123 754**	**22 400**
Basic earnings per share/ EGP	(8)	0.143	0.356	0.116	0.113

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GB Auto (S.A.E)
(An Egyption Joint Stock Company)
Consolidated interim statement of comprehensive income
for the financial period ended June 30, 2016

(All amounts in thousand Egyptian Pounds)	Note	The Six months ended June 30, 2016	The Six months ended June 30, 2015	The Three months ended June 30, 2016	The Three months ended June 30, 2015
Net Profit for the period after income tax		137 876	69 548	123 754	22 400
Other comprehensive income items					
Items that are or may reclassified subsequently to profit or loss					
Foreign currency translation difference		197 600	68 127	(4 567)	(14 229)
Total other comprehensive income for the period before income tax		**197 600**	**68 127**	**(4 567)**	**(14 229)**
Related income tax		-	-	-	-
Other comprehensive income for the period after income tax		**197 600**	**68 127**	**(4 567)**	**(14 229)**
Total other comprehensive income for the period after income tax		**335 476**	**137 675**	**119 187**	**8 171**
Other comprehensive income is attributable to:					
Owners of the company		276 127	151 569	122 060	46 798
Non-controlling interests		59 349	(13 894)	(2 873)	(38 627)
		335 476	**137 675**	**119 187**	**8 171**

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GB Auto (S.A.E)
(An Egyption Joint Stock Company)
Consolidated iterim statement of Shareholders Equity
for the financial period ended June 30, 2016

	Attributed to owners of the company											
(All amounts in thousand Egyptian Pounds)	**Share capital**	**Shares held by the group**	**Legal reserve**	**Foreign currency translation reserves**	**ESOP (Fair value) reserve**	**Surplus Revaluation of fixed assets reserves**	**Share premium (Special reserves)**	**Retained earnings**	**Net profit for the priod / year**	**Total**	**Non-Controlling interests**	**Total equity**
Balance at 31 December 2015	1 094 010	(26 506)	296 570	115 275	67 777	2 498	967 439	584 288	233 095	**3 334 446**	608 660	**3 943 106**
Transferred to retained earnings	-	-	-	-	-	-	-	233 095	(233 095)	-	-	-
Total comprehensive income												
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	152 937	**152 937**	(15 061)	**137 876**
Other comprehensive income items	-	-	-	123 190	-	-	-	-	-	**123 190**	74 410	**197 600**
Total comprehensive income	-	-	-	**123 190**	-	-	-	-	**152 937**	**276 127**	**59 349**	**335 476**
Transactions with owners of the company												
Dividends	-	-	-	-	-	-	-	(43 066)	-	**(43 066)**	(12 873)	**(55 939)**
ESOP fair value	-	-	-	-	9 331	-	-	-	-	**9 331**	-	**9 331**
Capital increase	-	-	-	-	-	-	-	-	-	**-**	8 000	**8 000**
Transferred to Legal reserve	-	-	12 607	-	-	-	-	(12 607)	-	-	-	**-**
Total Transactions with owners of the company	-	-	**12 607**	-	**9 331**	-	-	**(55 673)**	-	**(33 735)**	**(4 873)**	**(38 608)**
Balance at June 30, 2016	**1 094 010**	**(26 506)**	**309 177**	**238 465**	**77 108**	**2 498**	**967 439**	**761 710**	**152 937**	**3 576 838**	**663 136**	**4 239 974**

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

Translation of interim financial statements
Originally issued in Arabic

GB Auto (S.A.E)
(An Egyption Joint Stock Company)
Consolidated iterim statement of Shareholders Equity
for the financial period ended June 30, 2016

30 June 2015	**Attributed to owners of the company**											
(All amounts in thousand Egyptian Pounds)	**Share capital**	**Shares held by the group**	**Legal reserve**	**Foreign currency translation reserves**	**ESOP (Fair value) reserve**	**Surplus Revaluation of fixed assets reserves**	**Share premium (Special reserves)**	**Retained earnings**	**Net profit for the priod / year**	**Total**	**Non-Controlling interests**	**Total equity**
Balance at 31 December 2014	135 338	(3 275)	267 265	46 519	49 114	2 498	968 653	496 040	173 989	**2 136 141**	637 782	**2 773 923**
Transferred to retained earnings	-	-	-	-	-	-	-	173 989	(173 989)	-	-	-
Total comprehensive income												
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	102 375	**102 375**	(32 827)	**69 548**
Other comprehensive income items	-	-	-	49 194	-	-	-	-	-	**49 194**	18 933	**68 127**
Total other comprehensive income	-	-	-	**49 194**	-	-	-	-	**102 375**	**151 569**	**(13 894)**	**137 675**
Transactions with owners of the company												
Change of non-controlling interests without changing in control	-	-	-	-	-	-	-	(2 160)	-	**(2 160)**	(9 763)	**(11 923)**
Dividends	-	-	-	-	-	-	-	(46 651)	-	**(46 651)**	(29 061)	**(75 712)**
ESOP fair value	-	-	-	-	9 331	-	-	-	-	**9 331**	-	**9 331**
Capital increase issuance costs	-	-	-	-	-	-	(1 123)	-	-	**(1 123)**	-	**(1 123)**
Capital increase	958 672	(23 231)	-	-	-	-	-	-	-	**935 441**	9 678	**945 119**
Transfer to legal reserve	-	-	26 218	-	-	-	-	(26 218)	-	-	-	-
Total Transactions with owners of the company	**958 672**	**(23 231)**	**26 218**	-	**9 331**	-	**(1 123)**	**(75 029)**	-	**894 838**	**(29 146)**	**865 692**
Balance at June 30, 2015	**1 094 010**	**(26 506)**	**293 483**	**95 713**	**58 445**	**2 498**	**967 530**	**595 000**	**102 375**	**3 182 548**	**594 742**	**3 777 290**

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

GB Auto (S.A.E)
(An Egyption Joint Stock Company)
Consolidated interim statement of cash flows
for the financial period ended June 30, 2016

(All amounts in thousand Egyptian Pounds)	Note	The Six months ended June 30, 2016	2015
Cash flows from operating activities			
Net profit for the period before tax		206 934	123 385
Adjustments for:			
Interest expense		239 488	188 510
Depreciation and amortization for the period	(16،17)	149 697	119 964
Provisions (net)	(27)	17 034	7 666
Impairment losses on current assets (net)		10 331	10 363
Impairment losses on non current asset held for sale	(11)	4 440	-
ESOP fair value		9 331	9 331
Capital increase issuance costs		-	(1 123)
Interest income	(6)	(5 523)	(15 768)
Loans capitalized interest		(6 208)	(4 365)
Capital gain - Sale and lease back		-	(2 658)
Gain from sale of property, plant,equipment and project under construction		(649)	(134)
		624 875	**435 171**
Changes in:			
Inventories		(439 804)	(211 695)
Accounts and notes receivables		(576 123)	(31 834)
Debtors and other debit balances		(81 230)	(14 599)
Due from related parties		(42 201)	(24 521)
Due to related parties		(32 118)	(2 727)
Trade payables and other credit balances		(295 530)	438 735
Cash (used in) / generated from operating activities		**(842 131)**	**588 530**
Provisions used		(45 505)	(5 242)
Income tax paid during the period		(62 878)	(27 802)
Dividends paid		(55 940)	(46 746)
Net cash (used in) / generated from operating activities		**(1 006 454)**	**508 740**
Cash flows from investing activities			
Acquisition of property, plant, equipment and projects under constructions		(843 726)	(649 936)
Change of non-controlling interests without changing in control		-	(11 923)
Acquisition of intangible assets		(178)	(777)
Interest received		5 096	14 610
Proceeds from sale of property, plant, equipment and assets held for sale		85 094	12 995
Net cash (used in) investing activities		**(753 714)**	**(635 031)**
Cash flows from financing activities			
Proceeds from non controlling interest to increase capital of subsidiaries		8 000	9 678
Proceeds from loans and borrowings		1 513 559	712 476
Proceed from capital increase	(21)	-	449 994
Long-term notes payables		-	1 546
Interest paid		(217 544)	(198 834)
Net cash generated from financing activities		**1 304 015**	**974 860**
Net (decrease) / increase in cash and cash equivalents		**(456 153)**	**848 569**
Cash and cash equivalents at the beginning of the period		1 188 704	1 177 577
Effect of movements in exchange rates on cash and cash equivilants		181 929	73 586
Cash and cash equivalents at end of the period	(14-B)	**914 480**	**2 099 732**

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

1- Reporting entity

GB Auto Co. (the parent Company) is an Egyptian joint stock company incorporated on 15 July 1999 under the name of GB Capital for Trading and Capital Lease and under Law No. 159 of 1981, and was registered in the commercial register under No. 3422, Cairo.

Based on the decision of the Extraordinary General Assembly Meeting held on 26 April 2007, it has been agreed to change the Company's name to be GB Auto. This amendment was registered in the commercial register on 23 May 2007.

The company is domiciled in the Industrial Zone – Abou Rawash Kilo meter 28 Cairo – Alexandria Desert Road, Arab Republic of Egypt.

The company and its subsidiaries (will be referred to as "the Group") main activities include trading, distributing and marketing of all transportation means including heavy trucks, semi-trucks, passenger cars, buses, mini buses, micro buses, agriculture tractors, pick-ups, mechanical tools equipment for sail movement and motors with their different structures and types whether locally manufactured and imported new and used ones and trading in spare parts, accessories whether locally manufactured or imported and tires for vehicles and equipment whether locally manufactured or imported. The Group also undertakes import and export activities, selling locally manufactured and imported products for cash, on credit or through finance leasing and microfinance. Also trade in all goods including light truck and sale by instalments and provide services of factoring and nonbanking financial services. The factoring services intended to buy existing and future rights of sellers of goods and services and provide related services.

The major shareholders of the company are Dr. Raouf Ghabbour and his family who collectively owns approximately 54.41% of the Company's shares as at June 30, 2016.

The consolidated interim financial statements were authorized for issue by the Company's Board of Directors on August 10, 2016.

2- Basis of preparation of interim consolidated financial statements

The consolidated interim financial statements have been prepared in accordance with an updated Egyptian Accounting Standards (EAS) issued as per the decree of the minister of investment No. 110 for the year 2015, issued on 9 July 2015 and effective for financial years commence on 1st January 2016 and the related Egyptian laws and regulations.

3- Functional and presentation currency

The consolidated financial statements are presented in Egyptian Pounds which is the Group's functional currency.

4- Use of judgement and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis.

4- Use of judgement and estimates (Continued)

The recognition of the change in accounting estimates in the period in which the change in estimate, if the change affects only that period, or in the period of change and future periods if the change affects both.

A- Measurement of fair value

The fair value of financial instruments determines based on the market value of a financial instrument or similar financial instruments at the date of the financial statements without deducting any estimate future costs of sale. The financial asset values determine at current prices for the purchase of those assets, while determining the value of financial liabilities at current prices, which could be settled by those commitments.

In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the transactions price that has recently or be guided by the current fair value of other instruments which is substantially similar. Or the use of discounted cash flow or any other evaluating method that leads to results can rely on it.

When using the discounted cash flow method as a way for the evaluation, the future cash flows are estimated based on the best estimates of management. And determined the discount rate used in the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

5- Operating Segments

The Group has the following four operational segments, which are its reportable segments to top management. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies.

- The following summery describes the operations for each reportable segments:

Reportable segment	**Operations**
Passenger car	Trading, distributing and marketing for all kinds of passenger cars, whether locally manufactured or imported.
Buses and trucks	Trading, distributing and marketing for all kinds of heavy trucks, semi-trucks, buses, mini buses, micro buses, agriculture tractors, whether locally manufactured or imported.
2 & 3 Wheels	Trading, distributing and marketing for all kinds of 2 & 3 Wheels, whether locally manufactured or imported.

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5- Operating Segments (Continued)

Other Operations	Trading spare parts, and its accessories whether locally manufactured or imported, tires for vehicles and equipment whether locally manufactured or imported. export activities, selling locally manufactured and imported products for cash, on credit or through finance leasing and microfinance. and trade in all goods including light truck and sale by instalments and provide services of factoring and nonbanking financial services. The factoring services intended to buy existing and future rights of sellers of goods and services and provide related services.

A- Total Revenue

	June 30, 2016	June 30, 2015
Passenger car	61.3%	62.8%
Buses and trucks	8.7%	11.8%
2 & 3 Wheels	13.7%	15.2%
Other Operations	16.3%	10.2%

B- Revenue from foreign operations

	June 30, 2016	June 30, 2015
Passenger car	12.3%	22.7%
2 & 3 Wheels	1%	0.28%
Other Operations	4.1%	10%

C- Segment results

	June 30, 2016	June 30, 2015
Passenger car	53.58%	52.2%
Buses and trucks	8.67%	11.7%
2 & 3 Wheels	15.12%	20.6%
Other Operations	22.63%	15.5%

D- Assets

	June 30, 2016	June 30, 2015
Passenger car	46.2%	56.2%
Buses and trucks	21.8%	16.1%
2 & 3 Wheels	4.5%	7.7%
Other Operations	27.5%	20%

E- Liabilities

	June 30, 2016	June 30, 2015
Passenger car	55.7%	62.4%
Buses and trucks	15.4%	12.5%
2 & 3 Wheels	2.4%	4.2%
Other Operations	26.5%	20.9%

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

5- Operating Segments (Continued)

F- Reconciliations of information on reportable segments to financial statements according to EASs

	June 30, 2016	June 30, 2015
Revenues		
Total revenues for reportable segments	7 963 368	7 243 793
Elimination of inter-segment revenue	(1 109 942)	(838 230)
Consolidated Revenue	**6 853 426**	**6 405 563**
Segments result		
Gross profit for reportable segment	997 268	793 456
Elimination of inter-segment gross profit	12 389	(1 919)
Consolidated Gross Profit	**1 009 657**	**791 537**
Assets		
Total assets for reportable segments	25 678 991	23 842 807
Elimination inter-segment assets	(12 858 556)	(12 560 317)
Total Consolidated Assets	**12 820 435**	**11 282 490**
Liabilities		
Total Liabilities for reportable segments	17 218 684	15 533 807
Elimination inter-segment Liabilities	(8 638 223)	(8 028 608)
Total Consolidated Liabilities	**8 580 461**	**7 505 199**

G- Other martial amounts

	Total reportable segment	Adjustment	Total consolidated June 30, 2016
Interest income	20 988	(15 465)	**5 523**
Interest expense and Bank Charges	(269 822)	2 120	**(267 702)**
Capital expenditure	990 712	-	**990 712**
Depreciation and amortization	149 697	-	**149 697**

	Total reportable segment	Adjustment	Total consolidated June 30, 2015
Interest income	16 011	(243)	**15 768**
Interest expense and Bank Charges	(190 639)	243	**(190 396)**
Capital expenditure	636 714	-	**636 714**
Depreciation and amortization	119 964	-	**119 964**

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

6- Finance Costs

	June 30, 2016	June 30, 2015
Interest income	3 888	14 851
Interest income on installment sales	1 635	917
Total Finance Income	**5 523**	**15 768**
Interest expense and bank charges	(267 702)	(190 397)
Net foreign exchange loss	(67 087)	(75 189)
Total Finance Cost	**(334 789)**	**(265 586)**
Net Finance Cost	**(329 266)**	**(249 818)**

7- Provisions and Impairment of Current and Non-Current assets

Provisions no longer required

	June 30, 2016	June 30, 2015
Warranty provision	-	12 636
Impairment of accounts and notes receivables, debtors and other debit balances.	1 292	768
Litigation provision	23	-
Total provisions no longer required	**1 315**	**13 404**

Provisions formed

	June 30, 2016	June 30, 2015
Warranty provision	(7 652)	(15 849)
Impairment of accounts and notes receivable, debtors and other debit balances	(11 170)	(5 994)
Litigation provision	(520)	–
Other provisions	(8 885)	(4 453)
Total provisions formed	**(28 227)**	**(26 296)**
Net provisions in the income statement	**(26 912)**	**(12 892)**

- The movement of current assets impairment represented as follow:

	Balance at 1/1/2016	Impairment during the period	Used during the period	Reversal of Impairment during the period	Effect of movements of exchange rates	Balance at 30/6/2016
- Impairment of Accounts & Notes receivable	290 783	11 170	(29 993)	(1 292)	22 862	**293 530**
- Impairment of Debtors & Other debit balances	5 407	-	-	-	-	**5 407**
	296 190	**11 170**	**(29 993)**	**(1 292)**	**22 862**	**298 937**
- Impairment of Inventory*	69 222	453	-	-	2 843	**72 518**
	365 412	**11 623**	**(29 993)**	**(1 292)**	**25 705**	**371 455**

* The formation and reversal of inventory impairment are charged in cost of sales at income statement.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

8- Earnings per share

i. Basic

Since there is no suggested dividends account, accordingly the base used to calculate the net profit available for the shareholders was determined based on the net profit for the period without deducting the employees share and the board of director's bonus.

Basic earnings per share is calculated by dividing net profit for the period (as it is shown in the previous paragraph), by the weighted average number of ordinary shares issued during the period.

	June 30, 2016	June 30, 2015
Net profit for the period attributable to the owners of the company	152 937	102 375
Weighted average number of ordinary shares issued	1 067 504	287 931
Basic earnings per share/ EGP	**0.143**	**0.356**

9- Income tax

A- Income tax liabilities

	June 30, 2016	December 31, 2015
Balance at 1 January	61 555	76 942
Taxes paid during the period / year	(62 878)	(68 433)
Income tax during the period / year (Note 9-C)	60 616	53 046
Balance at the end of the period / year	**59 293**	**61 555**

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

9- Income tax (Continued)

B- Deferred tax assets and liabilities

		Note	Fixed and Intangible Assets	Carried forward losses	Inventory Provision	Warranty Provision	Total June 30, 2016	Total December 31, 2015
A	**Deferred tax assets**							
	Balance at 1 January		**825**	**15 063**	**9 910**	**14 842**	**40 640**	**35 517**
	Charged to the income statement		-	(6 411)	-	1 068	**(5 343)**	**5 123**
	Balance at the end of the period / year		**825**	**8 652**	**9 910**	**15 910**	**35 297**	**40 640**
B	**Deferred tax liabilities**							
	Balance at 1 January		**(82 926)**	**-**	**-**	**-**	**(82 926)**	**(85 464)**
	Charged to the income statement		(3 099)	**-**	**-**	**-**	**(3 099)**	**2 538**
	Balance at the end of the period / year		**(86 025)**	**-**	**-**	**-**	**(86 025)**	**(82 926)**
	Net deferred tax liabilities		**(85 200)**	**8 652**	**9 910**	**15 910**	**(50 728)**	**(42 286)**
C	**Net Deferred tax**							
	Balance at 1 January		**(82 101)**	**15 063**	**9 910**	**14 842**	**(42 286)**	**(49 947)**
	Charged to the income statement	(9-C)	(3 099)	(6 411)	-	1 068	**(8 442)**	**7 661**
	Balance at the end of the period / year		**(85 200)**	**8 652**	**9 910**	**15 910**	**(50 728)**	**(42 286)**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

9- Income tax (Continued)

B- Deferred tax assets and liabilities (Continued)

Unrecognised deferred tax assets

- Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the group can use the benefits therefrom.

	June 30, 2016	December 31, 2015
Impairment of accounts and notes receivables	66 044	65 426
Impairment of other debit balances	1 217	1 217

- Liability for temporary differences related to investments in subsidiaries, associates and the joint venture was not recognized because the group controls the timing of reversal of the related temporary differences and satisfied that they will not reverse in the foreseeable future.

C- Income tax expenses

	June 30, 2016	June 30, 2015
Current income tax for the period (Note 9-A)	60 616	50 646
Deferred tax (Note 9-B)	8 442	3 191
Income tax for the period	**69 058**	**53 837**

D- Amounts recognized in OCI

	June 30, 2016			June 30, 2015		
	Before Tax	**Taxes**	**After Tax**	**Before Tax**	**Taxes**	**After Tax**
Foreign Currency translation difference	197 600	-	197 600	68 127	-	68 127

On June 4, 2014, Law No. (44) for the year 2014 has been issued to impose a temporary three years' additional tax amounting to (5%) starting from the taxable period of the above mentioned resolution. This additional tax is taxable profit over an amount of One Million Egyptian pounds by individuals or corporates as stipulated in the articles of the Income Tax Law. This additional tax should be assessed and collected according to those articles. This law became into force starting from June 5, 2014.

On June 30, 2014, Law No. (53) for the year 2014 has been issued by a presidential decree. This law included amendments for some articles of Income Tax Law No. (91) for the year 2005. The most important amendments are as follows:

1. Imposing a tax on Dividends.
2. Imposing a tax on the capital gains resulted from the sale of capital contribution shares and securities.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

9- Income tax (Continued)

On April 6, 2015 ministerial decree No. (2/11) was issued for the year 2015 modifying the Executive regulations of the income tax law issued by ministerial decree No.91 for the year 2005.

On August 20, 2015, the presidential decree for law No. 96 for the year 2015 has been issued to amend the provisions of income tax law No. 91 for the year 2005 and the decree No. 44 for the year 2014 that imposing a temporary additional income tax, this decree shall be in effect from the next day of issuance. The most important changes included in the decree are as follows:

1. The income tax rate will decrease to be 22.5 % from the annual net profit.
2. Amend the period of imposing the 5 % temporary tax.
3. Amend the tax on dividends.
4. Ceasing the tax impose of the capital gains resulted from sale of securities that are listed in capital market for two years starting from 17/5/2015.

10- Inventories

	June 30, 2016	December 31, 2015
Goods in transit	689 520	940 125
Cars, buses and trucks	1 461 151	1 171 703
Raw material and car components	714 011	491 091
Spare parts for sale	345 883	264 052
Work in progress	131 864	56 452
Tires	89 952	81 622
Oils	27 625	15 158
Total	**3 460 006**	**3 020 203**
Impairment of inventory *	(72 518)	(69 222)
Net	**3 387 488**	**2 950 981**

* The formation and reversal of inventory impairment are charged in cost of sales at income statement.

11- Long term notes receivables

	June 30, 2016	December 31, 2015
Long-term notes receivable (Note 12)	771 532	542 265
Interest income on installment sales	(185 683)	(125 768)
Net present value for long-term notes receivable	**585 849**	**416 497**
Impairment of long-term notes receivable	(2 187)	(2 167)
Net	**583 662**	**414 330**

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

12- Accounts and notes receivables

	June 30, 2016	December 31, 2015
Total notes receivable	2 291 774	1 650 927
Long-term notes receivable (Note 11)	(771 532)	(542 265)
Unamortized interest	(189 688)	(128 239)
Net present value for short-term notes receivable	**1 330 554**	**980 423**
Trade receivable	1 056 566	957 817
Total	**2 387 120**	**1 938 240**
Impairment of accounts and notes receivable balances	(291 343)	(288 616)
Net	**2 095 777**	**1 649 624**

13- Debtors and other debit balances

	June 30, 2016	December 31, 2015
Advance payments to suppliers	598 649	202 565
Withholding tax	142 930	143 631
Accrued interest	445	754
Letters of credit	155 593	521 906
Prepaid expenses	85 362	88 324
Deposits with others	13 506	10 956
Letters of guarantee margin	46 969	19 966
Staff loans and custodies	24 129	18 340
Other debit balances	83 418	63 268
Customs duties	5 573	5 206
Total	**1 156 574**	**1 074 916**
Impairment of debtor and other debit balances	(5 407)	(5 407)
Net	**1 151 167**	**1 069 509**

14- Cash on hand and at banks

A- Cash on hand and at banks

	June 30, 2016	December 31, 2015
Cash on hand and cash at banks	914 480	1 188 704
	914 480	**1 188 704**

B- Cash and cash equivalents

	June 30, 2016	June 30, 2015
Cash on hand and cash at banks	914 480	2 099 354
Treasury bills less than 91 Day	-	378
	914 480	**2 099 732**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

15- Non-Current assets held for sale

	June 30, 2016				December 31, 2015
	Land	**Building**	**Investment**	**Total**	**Total**
Cost					
Balance at 1 January	**300 471**	**14 288**	**34 750**	**349 509**	**314 759**
Additions during the period / year	–	–	–	–	**34 750**
Effect of movement of exchange rates	–	–	4 659	**4 659**	**-**
Balance at June 30, 2016	**300 471**	**14 288**	**39 409**	**354 168**	**349 509**
Accumulated depreciation and impairment					
Balance at 1 January	–	**1 615**	**18 719**	**20 334**	**1 615**
Impairment of non – current asset held for sale	–	–	4 440	**4 440**	**18 719**
Effect of movement of exchange rates	–	–	2 510	**2 510**	**-**
Balance at June 30, 2016	–	**1 615**	**25 669**	**27 284**	**20 334**
Carrying amount at the end of the period / year	**300 471**	**12 673**	**13 740**	**326 884**	**329 175**

- Assets held for sale represented in lands and buildings which the board of directors of the subsidiaries decided to sell it as no longer benefits holding it within the companies' assets.

- The Companies' management has decided to keep the non-current assets within the same classification according to the continuance of the company's management intention to use these assets as well as having the capability of doing so.

GB Auto (S.A.E.)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2016

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

16 - Property, plant, equipments and projects under construction

	Land and Buildings	Machinery & equipment	Vehicles	IT infrastructures & computers	Fixtures & furniture	Leashold improvements	* Projects under constrction	Total
Cost								
Balance at 1 January 2015	1 888 118	657 401	628 880	87 519	174 339	16 155	230 905	**3 683 317**
Reclassification between categories	-	(38)	-	359	(1 148)	827	-	-
Additions during the year	630 076	55 519	278 395	36 853	19 758	373	243 846	**1 264 820**
Transferred to investment property under development	(3 565)	-	-	-	-	-	-	**(3 565)**
Transferred from projects under construction	141 674	21 022	-	298	15 788	2 109	(183 544)	**(2 653)**
Disposals during the year	(286 256)	(5 578)	(119 834)	(320)	(8 365)	-	(2 906)	**(423 259)**
Effect of movements of exchange rates	(9 793)	811	382	238	3 697	(99)	930	**(3 834)**
Balance at 31 December 2015	**2 360 254**	**729 137**	**787 823**	**124 947**	**204 069**	**19 365**	**289 231**	**4 514 826**
Balance at 1 Januaray 2016	2 360 254	729 137	787 823	124 947	204 069	19 365	289 231	4 514 826
Additions during the period	696 438	87 201	87 916	3 224	7 154	7 490	101 112	**990 535**
Transferred from projects under construction	84 325	44 097	-	295	9 101	-	(137 818)	-
Disposals during the period	(99 246)	(20 048)	(56 762)	(111)	(3 646)	-	-	**(179 813)**
Effect of movements of exchange rates	17 474	2 160	1 545	488	5 694	244	1 247	**28 852**
Balance at 30 June 2016	**3 059 245**	**842 547**	**820 522**	**128 843**	**222 372**	**27 099**	**253 772**	**5 354 400**
Accumulated depreciation and impairment losses								
Accumulated depreciation at 1 Januaray 2015	108 007	210 460	234 049	51 836	81 698	8 423	-	**694 473**
Reclassification between categories	-	(9)	-	123	(542)	428	-	-
Depreciation during the year	34 266	53 247	122 961	16 072	22 957	3 237	-	**252 740**
Disposals during the year	(4 497)	(2 794)	(85 176)	(237)	(3 256)	-	-	**(95 960)**
Impairment during the year	-	1 343	-	-	115	-	133	**1 591**
Effect of movements of exchange rates	114	161	78	147	1 143	(17)	-	**1 626**
Accumulated depreciation at 31 December 2015	**137 890**	**262 408**	**271 912**	**67 941**	**102 115**	**12 071**	**133**	**854 470**
Accumulated depreciation at 1 Januaray 2016	137 890	262 408	271 912	67 941	102 115	12 071	133	**854 470**
Depreciation during the period	21 272	31 718	71 102	10 115	12 350	1 738	-	**148 295**
Disposals during the period	(2 617)	(9 706)	(37 722)	(79)	(3 134)	-	-	**(53 258)**
Effect of movements of exchange rates	1 087	417	529	333	1 931	34	-	**4 331**
Accumulated depreciation at 30 June 2016	**157 632**	**284 837**	**305 821**	**78 310**	**113 262**	**13 843**	**133**	**953 838**
Carring Amount								
At 1 January 2015	**1 780 111**	**446 941**	**394 831**	**35 683**	**92 641**	**7 732**	**230 905**	**2 988 844**
At 31 December 2015	**2 222 364**	**466 729**	**515 911**	**57 006**	**101 954**	**7 294**	**289 098**	**3 660 356**
At 30 June 2016	**2 901 613**	**557 710**	**514 701**	**50 533**	**109 110**	**13 256**	**253 639**	**4 400 562**

* Projects under construction represented in the cost of buildings, factories expansions and showrooms, which are being prepared and fixed for the group use

Property, plant, equipments and projects under construction (Net)

	Note	30 June 2016	31 December 2015
Property, plant, equipments and projects under construction (Net)		4 400 562	3 660 356
Deduct:-			
Amounts under settlement on financial lease contract	(29)	625 470	484 870
		3 775 092	**3 175 486**

GB Auto (S.A.E.)

Notes to the consolidated interim financial statements for the financial period ended June 30, 2016

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

16 - Property, plant, equipment and Projects under constructions (Continued)

A-Financial leased assets:

Property, plant and equipment include assets financially leased to others, under contracts which are subject to the provisions of the Law No. 95 for 1995, and it recognized as fixed assets as follows:

	Land and Buildings	Machinery & equipment	Vehicles	IT infrastructures & computers	Fixtures & furniture	Total
Cost						
Balance at 1 January 2015	692 850	195 461	444 487	16 514	1 757	**1 351 069**
Additions during the year	616 293	22 275	252 030	21 173	-	**911 771**
Disposals during the year	(286 256)	(3 830)	(107 275)	-	-	**(397 361)**
Balance at 31 December 2015	**1 022 887**	**213 906**	**589 242**	**37 687**	**1 757**	**1 865 479**
Balance at 1 Januaray 2016	1 022 887	213 906	589 242	37 687	1 757	1 865 479
Additions during the period	694 893	80 837	73 149	139	-	**849 018**
Disposals during the period	(99 246)	(19 117)	(49 031)	-	-	**(167 394)**
Balance at 30 June 2016	**1 618 534**	**275 626**	**613 360**	**37 826**	**1 757**	**2 547 103**
Accumulated depreciation and impairment losses						
Accumulated depreciation at 1 Januaray 2015	8 739	21 530	158 498	2 469	146	**191 382**
Depreciation during the year	15 082	20 977	101 987	6 612	351	**145 009**
Disposals during the year	(4 497)	(1 149)	(81 038)	-	-	**(86 684)**
Accumulated depreciation at 31 December 2015	**19 324**	**41 358**	**179 447**	**9 081**	**497**	**249 707**
Accumulated depreciation at 1 Januaray 2016	19 324	41 358	179 447	9 081	497	**249 707**
Depreciation during the period	10 430	12 819	60 948	4 170	176	**88 543**
Disposals during the period	(2 617)	(8 775)	(33 158)	-	-	**(44 550)**
Accumulated depreciation at 30 June 2016	**27 137**	**45 402**	**207 237**	**13 251**	**673**	**293 700**
Carring Amount						
At 1 January 2015	**684 111**	**173 931**	**285 989**	**14 045**	**1 611**	**1 159 687**
At 31 December 2015	**1 003 563**	**172 548**	**409 795**	**28 606**	**1 260**	**1 615 772**
At 30 June 2016	**1 591 397**	**230 224**	**406 123**	**24 575**	**1 084**	**2 253 403**

Financial leased assets (Net)

	Note	30 June 2016	31 December 2015
Financial leased assets (Net)		2 253 403	1 615 772
Deduct:-			
Amounts under settlement on financial lease contract	(29)	625 470	484 870
		1 627 933	**1 130 902**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

16- Property, plant, equipment and Projects under constructions (Continued)

B- Leased Assets:

The Group has financial leased assets (trailers and buses) according to contracts under Law No. 95 for 1995, that is not considered as property, plant and equipment according to the accounting policy (35/Q) and according to the requirement of the Egyptian Accounting Standard (No.20), according to, the annual lease payments are recognized as an expense in the income statement for the period / year. And the leased contracts are as follows:

	June 30, 2016	December 31, 2015
Total contractual lease payments	35 393	23 679
Total purchase price on termination of leases	100	2
Average contracts life	4 Years	5 Years
lease payments for the period / year	4 645	6 514

17- Intangible assets and goodwill

	Goodwill	Computer software	Knowhow	Total
Cost				
Balance at 1 January	288 065	23 260	5 703	**317 028**
Additions during the period	–	178	–	**178**
Effect of movement of exchange rates	14 707	–	–	**14 707**
Balance at June 30, 2016	**302 772**	**23 438**	**5 703**	**331 913**
Accumulated amortization				
Balance at 1 January	–	18 247	5 703	**23 950**
Amortization charge for the period	–	1 402	–	**1 402**
Balance at June 30, 2016	**–**	**19 649**	**5 703**	**25 352**
Carrying amount at June 30, 2016	**302 772**	**3 789**	–	**306 561**
Carrying amount at December 31, 2015	**288 065**	**5 013**	–	**293 078**

Goodwill

- On March 28, 2007, GB Auto company fully acquired the shares of Cairo Individual Transport Industries "CITI" by acquiring 49.03% which were owned by the minority at a value of EGP 209 997, in return of acquiring shares of GB Auto share capital increase. The acquisition resulted in a goodwill amounting to EGP 177 million which represents the increase in the acquisition value over the net fair value of the acquired Company's assets at the acquisition date. This goodwill has been allocated for the asset of the operating segment of two and three wheels' segment.
- On September 8, 2008, GB Auto Company fully acquired the shares of GB for financial lease (S.A.E) which its business is financial leasing with all its fields, and the acquisition resulted in goodwill amounted to EGP 1 million.
- During November 2010, the Group entered into 50% investment as a joint venture agreement in Almajmoa Alalamia Litijaret Alsaiarat (GK), in Jordan, to acquire the existing business of Hyundai Vehicles Agency in Iraq, the joint venture agreement gives the group the power to govern the financial and operating policies of (GK) and as a result of this investment the group recognized a goodwill.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

17- Intangible assets and goodwill (Continued)

Impairment test of cash generating units including goodwill

Goodwill is allocated to the Group's cash generating units according to operating segments as presented below:

	June 30, 2016	December 31, 2015
Two and three wheels	177 375	177 375
Hyundai Iraq sales	124 397	109 690
Financial leasing activity	1 000	1 000
	302 772	**288 065**

The company assesses annually the impairment of goodwill at December 31, to ensure whether the carrying amount of the goodwill is fully recoverable, unless there are indicators required to test the impairment through the period.

Impairment of goodwill is assessed based on value in use, which is determined using the expected discounted cash flows based on estimated budgets approved by the Board of Directors covering five years' period. The management is preparing these estimated budgets based on the financial, operating and market performance in the previous years and its expectations for the market development.

18- Investments property

	June 30, 2016	December 31, 2015
Balance at 1 January	91 512	606
Additions during the period / year	-	3 565
Developed investment property revaluation – Gain	-	87 341
Balance at the end of the period / year	**91 512**	**91 512**

19- Issued and paid in capital

	June 30, 2016	December 31, 2015
Authorized capital (5 000 000 000 shares with par value EGP 1 each)	5 000 000	5 000 000
Issued and paid capital (1 094 009 733 shares of EGP 1 each)	1 094 010	1 094 010

- At the date of August 31, 2014, the Board of Directors according to the delegation of the extra ordinary assembly meeting held on March 27, 2013, has decided unanimously to increase the Company's issued capital with the par value in the limit of the authorized capital with an amount of EGP 6 444 645 divided on 6 444 645 shares with a par value of 1 EGP /share, wholly allocated to ESOP system which is applied by the company, resulted in an issued capital of EGP 135 337 545 after the increase divided on 135 337 545 shares with a par value of 1 EGP/share, and this increase financially fully paid from the special reserve balance and annotated in the commercial register at December 31, 2014.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

19- Paid in capital (Continued)

Private placement (Capital Increase)

- At the date of February 4, 2015, the extra ordinary general assembly meeting, has agreed to increase the company's authorized capital from 400 million EGP to 5 billion EGP and to increase the company's issued capital from EGP 135 337 545 to be EGP 1 095 337 545 with an increase of EGP 960 000 000 to be divided on 1 095 337 545 shares with a par value of 1 EGP each.(In additional to issuance cost of 1 pts./share), and that increase to be fully allocated for the favor of old shareholders each according to their share in the company's issued capital , and it is agreed to use the subscription right separately from the original share, with the company's issued capital increase to be paid either cash and/or using due cash debts for the subscriber by the company according to their contribution share.

- The subscription was covered by an amount of EGP 958 672 188 (EGP 473 225 502 in Cash and EGP 485 446 686 covered through the outstanding balances due to shareholders) divided on 958 672 188 shares with a par value of 1 EGP each to be the total capital issued and fully paid after the increase equals to EGP 1 094 009 733, it has been annotated in the commercial register at May 31, 2015.

20- Shares of the Company held by the Group

Shares of the Company held by the Group represented in the shares owned by one of the Companies of the Group amounted to 26 506 119 shares at the par value of EGP 26 506 thousand in GB Auto Company capital which is acquired by Almora resources Company one of the Group subsidiaries which is 100% owned.

The acquisition cost amounted to EGP 126 231 thousands. The share premium which is transferred to special reserve has been reduced by the difference between the acquisition cost and the par value amounted to EGP 99 725 thousands.

21- Legal reserve

	June 30, 2016	December 31, 2015
Balance at 1 January	**296 570**	**267 265**
Transferred to legal reserve	12 607	29 305
Balance at the end of the period / year	**309 177**	**296 570**

In accordance with the Companies Law No 159 of 1981 and the Company's articles of association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the board, the Company may stop such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

The legal reserve includs an amount of EGP 66 762 related to the Company, the rest of the balance represents the legal reserve of the Group's Companies.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

21- Legal reserve (continued)

Share premium

The share premium represented in the difference between the amount paid and par value for issued shares and issuance cost is deducted from it. The share premium was transferred to both legal reserve and special reserve according to Law No. 159 of 1981, based on the authorization of the General Assembly Meeting dated 29 March 2008:

	June 30, 2016	December 31, 2015
Share premium	975 688	975 688

22- Other reserves

	Foreign currency translation reserve	ESOP (Fair value) reserves	Surplus Revaluation of fixed assets reserves	Share premium (special reserves)	Total
Balance as at 1 January 2016	**115 275**	**67 777**	**2 498**	**967 439**	**1 152 989**
Foreign currency translation differences	123 190	-	-	-	**123 190**
ESOP fair value	-	9 331	-	-	**9 331**
Balance at June 30, 2016	**238 465**	**77 108**	**2 498**	**967 439**	**1 285 510**

The special reserve represented in the transferred amount from the net share premium on 2007 less the amount transferred to the legal reserve (Note 21).
- During 2011, the special reserve was reduced by an amount of EGP 2 990 thousands which represents the difference between treasury shares purchasing cost amounted to EGP 3 097 thousands and the par value of these shares amounted to EGP 107 thousand which was written off during 2012.
- During 2012, the special reserve was reduced by an amount of EGP 2 114 thousands which represents the differences between treasury shares purchasing cost amounted to EGP 6 365 thousands and its reselling price amounted to EGP 4 251 thousands.

23- Non-controlling Interest

					Total	
	Capital	Reserves	Legal Reserve	Retained earnings	June 30, 2016	December 31, 2015
Balance at 1 January	451 578	79 751	30 601	46 730	**608 660**	**637 782**
Net loss for the period / year	-	-	-	(15 061)	**(15 061)**	**(41 581)**
Transferred to Legal reserve			180	(180)	**-**	**-**
Foreign currency translation differences	-	74 410	-	-	**74 410**	**26 700**
Capital increase	8 000	-	-	-	**8 000**	**10 678**
Change in Non-controlling interests	-	-	-	-	**-**	**4 141**
Dividends	-	-	-	(12 873)	**(12 873)**	**(29 060)**
Balance at the end of the period / year	**459 578**	**154 161**	**30 781**	**18 616**	**663 136**	**608 660**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

24- Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue on a going concern basis in order to provide returns to shareholders and benefits for other stakeholders who use these financial statements and to maintain an optimal capital structure to reducing the cost of capital.

In order to maintain an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans and borrowings and notes payables, less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The gearing ratio at June 30, 2016 and December 31, 2015 were as follows:

	June 30, 2016	December 31, 2015
Total loans and borrowings and notes payable		
Loans, borrowings and overdrafts	6 746 832	5 233 274
Short-term notes payable and creditors	134 113	78 125
Total loans and borrowings and notes payables	**6 880 945**	**5 311 399**
Less: Cash and cash equivalent	(914 480)	(1 188 704)
Letter of credit margin	(155 593)	(521 906)
Letter of guarantee margin	(46 969)	(19 966)
Net debt	**5 763 903**	**3 580 823**
Shareholders' equity	3 576 837	3 334 446
Total Shareholders' equity	**9 340 740**	**6 915 269**
Net debt to equity ratio	**62 %**	**52%**

25- Loans, borrowings and overdrafts

	June 30, 2016			December 31, 2015		
	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Banks overdraft	4 828 621	–	**4 828 621**	3 862 541	–	**3 862 541**
Loans	546 819	1 287 327	**1 834 146**	472 260	817 779	**1 290 039**
Related parties' loans	–	84 065	**84 065**	–	80 694	**80 694**
Total	**5 375 440**	**1 371 392**	**6 746 832**	**4 334 801**	**898 473**	**5 233 274**

A. Banks overdraft

The average interest rate on the outstanding Egyptian Pounds and the US Dollars bank overdraft are 14.22% and 4% respectively.

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

25- Loans, borrowings and overdrafts (Continued)

B. Loans from related parties

- The Group obtained loans from Marco Polo [a related party - Brazil] in US dollars with an interest rate of LIBOR + 3%. These loans balance amounted to EGP 84 065 thousands as at June 30, 2016 and to be settled on an annual installment.

- The analysis of the loans and banks overdraft balances according to their maturity dates is as follows:

	June 30, 2016	December 31, 2015
Less than one year	5 375 440	4 334 124
More than one year and less than five years	1 371 392	899 150
	6 746 832	**5 233 274**

26- Trade payables and other credit balances

	June 30, 2016	December 31, 2015
Trade payables	824 632	1 277 279
Other credit balances	44 858	25 687
Advances from customers	193 984	129 803
Tax Authority	57 189	53 495
Accrued expenses	241 994	210 711
Notes payables	134 113	78 125
Dividends payable	2 813	1 196
Deferred revenues	13 707	10 580
	1 513 290	**1 786 876**

27- Provisions

	Legal Claims	Warranty Provision	Other Provisions	Total
Balance at January 1, 2016	**5 147**	**77 752**	**60 312**	**143 211**
Provisions formed during the period	520	7 652	8 885	**17 057**
Provisions utilized during the period	(3 252)	(12 261)	-	**(15 513)**
Provisions no longer required	(23)	-	-	**(23)**
Effect of movement of exchange rates	3	-	-	**3**
Balance at June 30, 2016	**2 395**	**73 143**	**69 197**	**144 735**
Balance at 1 January 2015	**5 773**	**77 306**	**30 313**	**113 392**
Provisions formed during the year	21	30 593	30 093	**60 707**
Provisions utilized during the year	(647)	(12 485)	**(94)**	**(13 226)**
Provisions no longer required	-	(17 662)	-	**(17 662)**
Balance at December 31, 2015	**5 147**	**77 752**	**60 312**	**143 211**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

27- Provisions (Continued)

Legal claims

The amounts shown comprises of gross provisions in respect of legal claims brought against the Group, and management opinion, after taking appropriate legal advice, that the outcome of these legal claims will not exceed significantly the provision formed as at June 30, 2016.

Warranty Provision

The Group provides warranty on its products and guarantees to either fix or replace the products that are not working properly, and the Group has estimated its warranty liability to be EGP 73 143 at the end of the period for expected warranty claims in the light of management experience for repair and returns level in previous years.

The warranty provision includes a long term provision amounted to EGP 54 741 (December 31, 2015 EGP 54 741).

Other provisions

Other provisions are related to claims expected to be made by a third party in connection with the Group operations. The information usually required by accounting standards is not disclosed because the management believes that to do so would seriously affects the outcome of the negotiation with that third party. These provisions are reviewed by management yearly and adjusted based on latest developments, discussions and agreements with the third party.

28- Trade and notes payables long term

	June 30, 2016		December 31, 2015	
	Present Value	**Notes Payable**	**Present Value**	**Notes Payable**
Total notes payables and creditors	134 113	134 113	78 125	78 125
Notes payable Less than 1 year (Note 26)	(134 113)	(134 113)	(78 125)	(78 125)
Total	**-**	**-**	**-**	**-**

29- Amounts under settlement of financial lease contacts

This account represents the differences (either positive or negative) between the earned revenue which is recorded according to revenue recognition policy in Note (35-D/4), and the due lease receivable. The balance of such account is settled against the net book value of the leased asset at the termination date of the leasing contract.

	June 30, 2016	**December 31, 2015**
Advances from customers	443 814	354 715
Amounts under settlement of financial lease contacts	181 656	130 155
	625 470	**484 870**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

30- Financial risk management

(1) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, price risk, cash flows and fair value interest rate risk), credit risk and liquidity risk.

The Group's efforts are addressed to minimize potential adverse effects of such risks on the Group's financial performance.

(a) Market risk

1. Foreign currency exchange rate risk

The Group is exposed to foreign exchange rate risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Foreign exchange rate risk arises from future commercial transaction, assets and liabilities in foreign currency outstanding at the consolidated balance sheet date, and also, net investments in foreign entity.

The below table shows the exposures of foreign currencies at the consolidated financial position date, presented in EGP, as follows:

	June 30, 2016			December 31, 2015
	Assets	**Liabilities**	**Net**	**Net**
US Dollars	858 941	(1 600 559)	**(741 618)**	**(799 618)**
Euros	36 761	(7 591)	**29 170**	**2 324**
Other currencies	501 181	(82 449)	**418 732**	**333 750**

2. Price risk

The Group has no investments in a quoted equity security so it's not exposed to the fair value risk due to changes in prices.

3. Cash flows and fair value interest rate risk

The Group's interest rate risk arises from long-term loans. Long-term loans issued at variable rates expose the Group to cash flow interest rate risk. Long-term borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Loans, borrowings and overdrafts at the balance sheet date with variable interest rates are amounted to EGP 6 746 832 as at June 30, 2016 (EGP 5 233 274 as at December 31, 2015).

Financial assets that carry fixed interest rates are amounted to EGP 65 216 as at March 31, 2016 (EGP 175 867 as at December 31, 2015).

		June 30, 2016	December 31, 2015
Time deposits	USD	12 161	2 392
Time deposits	EGP	53 056	173 475
		65 217	**175 867**

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

30- Financial risk management (Continued)

(1) Financial risk factors (Continued)

***(b)* Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as credit exposures to wholesalers and retail customers, including outstanding accounts and notes receivables.

For banks, the Group is dealing with the banks which have a high independent rating and banks with a good solvency in the absence of an independent credit rating.
For suppliers and wholesalers, the Credit Controllers assess the credit quality of the wholesale customer, taking into account their financial position, past experience and other factors.
For individuals the legal arrangements and documents accepted by the customer are minimizing the credit risk to its lowest level. Provisions are accounted for doubtful debts on an individual basis.
The ratio of allowance for impairment of accounts and notes receivables to the total debts is as following:

	June 30, 2016	December 31, 2015
Notes and accounts receivables	3 348 340	2 608 744
Impairment of accounts and notes receivable balances	(293 530)	(290 783)
The ratio of the allowance to total accounts and notes receivable	**8.77%**	**11%**

***(c)* Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's management aims at maintaining flexibility in funding by keeping committed credit lines available.

(2) Fair value estimation

The fair value of financial assets or liabilities with maturity dates less than one year is assumed to approximate their carrying value less any estimated credit adjustments. The fair value of financial liabilities – for disclosure purposes – is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

For the fair value of financial instruments that are not traded in an active market, The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the financial instruments or similar instruments are used for long-term debt.
Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. At the balance sheet date, the fair value of non-current liabilities does not significantly differ from their carrying amount, as the interest rates do not significantly differ.

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

31- Subsidiary companies

The consolidated financial statements for GB Auto “S.A.E.”, include the financial statements of the following subsidiaries:

	Percentage of ownership	
	30 June 2016	**31 December 2015**
RG Investment “S.A.E.”	100%	100%
International Trade Agencies and Marketing Co. (ITAMCO) “S.A.E.”	99.449%	99.449%
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt) “S.A.E.”	99.528%	99.528%
Ghabbour Continental Trading Co. (GCT) –Alex “S.A.E.”	100%	100%
GB Polo Buses Manufacturing “S.A.E.”	51%	51%
Almora Recourses Co. “B.V.I.”	100%	100%
Haram Transportation Co. “S.A.E.”	99%	99%
GB Company for financial lease “S.A.E.”	100%	100%
Haram for transpiration Tourism “S.A.E.”	100%	100%
GB Allab Company	66.20%	66.20%
Masters Automotive Company “S.A.E.”	75%	75%
Microfinance consultancy Services (Mashro'ey) “S.A.E.”	80%	80%
Almajmoa Alalamia; Litijaret Alsaiarat (GK)	50%	50%
GB Logistics “S.A.E.”	99.98%	99.98%
GB Capital “S.A.E.”	99%	99%
Gulf Company	100%	100%
Drive Automotive “S.A.E.”	90%	90%
Drive Finance “S.A.E.”	76%	76%
Ghabbour Al Qalam	68%	68%
GB Global Company	100%	100%
GBR Company	54%	54%
GBR Services Company	48.80%	48.80%
Egypt Auto Mall Company “S.A.E.”	99%	99%
GB El Bostan	60%	60%
Ghabbour general trade	25%	25%
Egypt Tires Market “S.A.E.”	90%	90%
Pan African Company “S.A.E.”	100%	100%
Tires & more Company “S.A.E.”	100%	100%
Suez canal logistic services Co. “S.A.E.”	100%	100%
GB Automotive manufacturing Co. “S.A.E.”	100%	100%
Ready Parts for automotive spare parts “S.A.E.”	100%	100%
GB Light transport manufacturing company (GB LTMC) “S.A.E.”	100%	100%
Tasaheel Microfinance company ((Tasaheel)) “S.A.E.”	90%	90%
GB for heavy truck and construction equipment trading “S.A.E”	100%	100%

(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

32- Capital commitments

The capital contractual expenditure of the Group at the consolidated interim financial statements date reached EGP 210 952 (EGP 229 257 as at December 31, 2015) represented in the amount to be paid upon the completion of the new production lines under construction and other branches across the country.

33- Contingent liabilities

There are contingent liabilities on the Group represented in letters of guarantee. The balance of the letters of guarantee granted by the Group in Egyptian Pounds and foreign currencies through its regular business, presented in EGP are as follows:

	June 30, 2016	December 31, 2015
USD	670 036	727 445
EGP	173 391	153 301
Japanese Yen	277	207
Euro	134	2 569
SEK	34 314	–

34- Related party transactions

The subsidiaries have current accounts with related parties which include all payments made on behalf of or through the subsidiaries. The subsidiaries collect and pay these amounts regularly.

Balances due from and to related parties are as follows:

Due from related parties	June 30, 2016	December 31, 2015
GB Trade-In Co.	–	1 477
GB for Import and Export	30 712	13 196
Itamco for import and export	–	2 582
Al Watania for Vehicles Accessories and spare parts	3 615	4 725
Al Watania for tires import	–	2 296
Itamco agriculture development	2 000	134
El Bostan Holding	59 362	52 342
SARL SIPAC – Algeria	8 947	8 302
Blue Bay Management Company	6 000	–
Kassed Shareholders' Current Account	3 815	–
El-Qalam Shareholders' Current Account	12 650	–
EL-Nabateen Shareholders' Current Account	1 303	1 149
	128 404	**86 203**

GB Auto (S.A.E.)
Notes to the consolidated interim financial statements for the financial period ended June 30, 2016
(In the notes all amounts are shown in Thousand Egyptian Pounds unless otherwise stated)

34- Related party transactions (Continued)

Due to related parties	**June 30, 2016**	**December 31, 2015**
Marco PoloCompany	24 412	21 203
Executive directors	17	474
Kassed Shareholders' Current Account	–	31 694
EQI	4 291	–
Al Watania for tires import	669	–
Itamco for import and export	897	–
El-Qalam Shareholders' Current Account	–	9 033
	30 286	**62 404**

The following is the nature and the values for the most significant transactions with the related-parties during the period:

Related party name	**Relation type**	**Transaction nature**	**Transaction amount June 30, 2016**	**Transaction amount June 30, 2015**
Executive Directors	Board of director members	Cash transfers	457	992
		Top management salaries	14 601	10 555
El Bostan Holding	Shareholder in one of the subsidiaries	Cash transfers	7 020	13 755
EQI	Shareholder in one of the subsidiaries	Dividends	(4 291)	–
GB Trade-In Co.	Shareholder in one of the subsidiaries	Cash transfers	1 451	(1 451)
GB for import and export.	Related Party	Cash transfer	17 516	-
Al Watania for Vehicles Accessories and spare parts	Related Party	Cash transfer	(1 110)	-
SARL SIPAC – Algeria	Related Party	Cash transfer	645	-
Kassed Shareholders' current account	Shareholder in one of the subsidiaries	Cash transfers	35 509	3 862
		Dividends	–	(34 423)
Itamco agriculture development	Related Party	Cash transfers	1 866	-
El- Qalam Shareholder current account	Shareholder in one of the subsidiaries	Cash transfers	21 683	8 076
El-Nabateen Shareholders' current account	Shareholder in one of the subsidiaries	Cash transfers	154	282
GK Berlin Shareholder current account	Shareholder in one of the subsidiaries	Cash transfers	-	(3)
Marco Polo Company	Shareholder in one of the subsidiaries	Cash transfers	(3 209)	(2 039)
Itamco for Import and Export	Related Party	Cash transfers	(3 479)	-
Al Watania For Tires Import	Related Party	Cash transfers	(2 965)	-
GK Auto Shareholder current account	Shareholder in one of the subsidiaries	Cash transfers	-	3 774
Blue Bay Management Company	Shareholder in one of the subsidiaries	Cash transfers	6 000	-

35- Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated interim financial statements are summarized below:

A- Business combination

- The Group accounts for business combination using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase recognized in profit or loss immediately.
- Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of pre-exiting relationship. Such amounts are generally recognised in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that met the definition of financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

1) Subsidiaries

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

2) Non-controlling interests

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3) Loss of control

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

4) Transaction elimination on consolidation

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

35- Significant accounting policies (Continued)

B- Foreign currency

1) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

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

2) Foreign Operations

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

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

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C- Discontinued operation

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

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

35- Significant accounting policies (Continued)

C- Discontinued operations (Continued)

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

D- Revenue

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of sales tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contractual obligations have been met. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1) **Sales – wholesale and showrooms**

Sales of goods are recognised when a Group entity has delivered products to the wholesaler, the wholesaler has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been delivered either in the Group entity warehouse or in the wholesalers' locations depending on the agreements. Accordingly, the risks and benefits have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.
No element of financing is deemed present as the sales are made on a short credit term basis.

2) **Sales – retail and Companies**

The Group operates a chain of showrooms for selling, and sales of goods are recognised when a Group entity has delivered
Instalment sales revenues are those that require the payment of the value in instalments that are charged at sale price excluding interest as revenues on the sales date. The selling price is the present value of the instalments and is determined by discounting the value of the instalments due using the interest rate applicable. The deferred interest income is charged as a revenue when due and on the basis of the matching principle, taking into account the applied interest rate on the transaction.

3) **Sales of services – maintenance**

The Group's entities provide maintenance service that measure on basis of labour hours and spare parts. The revenue from maintenance service is recognised when the service is done.

35- Significant accounting policies (Continued)

D- Revenue (Continued)

4) Financial Lease Contracts
Lease income is recognized on the basis of the rate of return on the lease contract plus an amount equal to the depreciation charge for the period and the difference between the recognized lease revenue and the gross receivable is deferred in the balance sheet in the same financial period in a separate account either debit or credit and is offset against the net book value of the leased asset on termination of the lease contract.

5) Interest income
Interest income is recognized on a time proportion basis, as it accrues using the effective interest rate method. When an impairment exists in the debit balances resulting from recognizing the interest, hence the book value is reduced to the value expected to be collected.

6) Dividend income
Dividend income is recognised when the right to receive payment is established.

E- Employee benefit

1) Short – term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2) Share – based payment arrangements
The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.
For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3) Define contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group pays contributions to the Public Authority for Social Insurance for their employees based on the rules of the social insurance law no 79 for the year 1975. The employees and employers contribute under this law with a fixed percentage of wages. The Group's commitment is limited to the value of their contribution. And the Group’s contribution amount expensed in profits and losses according to accrual basis.

35- Significant accounting policies (Continued)

E- Employee benefit (Continued)

4) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted - before tax – to reflect the time value of money.

F- Finance income and finance costs

The Group's finance income and finance costs include:

- interest income.
- interest expense.
- Foreign currency gains or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

G- Income Tax

The recognition of the current tax and deferred tax as income or expense in the profit or loss for the period, except in cases in which the tax comes from process or event recognized - at the same time or in a different period - outside profit or loss, whether in other comprehensive income or in equity directly or business combination.

1) Current income tax

The recognition of the current tax for the current period and prior periods and that have not been paid as a liability, but if the taxes have already been paid in the current period and prior periods in excess of the value payable for these periods, this increase is recognized as an asset. The taxable current liabilities (assets) for the current period and prior periods measured at expected value paid to (recovered from) the tax authority, using the current tax rates (and tax laws) or in the process to issue in the end of the financial period. Dividends are subject to tax as part of the current tax. But do not be offset for tax assets and liabilities only when certain conditions are met.

2) Deferred tax

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

Deferred tax is not recognised for:

- Taxable temporary differences arising on the initial recognition of goodwill.,
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not:
  1. A business combination.
  2. And not affects neither accounting nor taxable profit or loss.

Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

35- Significant accounting policies (Continued)

G- Income Tax (Continued)

2) Deferred income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. deferred tax assets are reassessed at each reporting date, and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.
The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset only if certain criteria are met.

H- Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate share of production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

I- Property, plant and equipment

1) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

3) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the (straight-line method) over their estimated useful lives for each item, and is generally recognised in profit or loss.

Land is not depreciated. Estimated depreciation rates for each type of assets for current and comparative periods are as follow:

35- Significant accounting policies (Continued)

I- Property, plant and equipment (Continued)

3) Depreciation (Continued)

Asset	Depreciation rate
Buildings	2% - 4%
Machinery & equipment	10% - 20%
Vehicles	20% - 25%
Fixtures & Office furniture	6% - 33%
IT infrastructures & Computers	25%
Leasehold improvements	20% - or lease period whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4) Reclassification to investment property

The reclassification of assets to investment property when the use of a property changes from owner-occupied to investment property.

5) Project under construction

The projects under construction recognized at cost. All expenses related to cost includes direct and necessary to prepare the asset to the state that is ready to use and in the purpose for which it was acquired for. The asset transferred from projects under construction to fixed assets when it is completed and ready to use.

J- Intangible assets and goodwill

1) Recognition and measurement

I. Goodwill:
Arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

II. Other intangible assets:
Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

III. Computer software
Costs associated with developing or maintenance of computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate future economic benefits beyond one year, are recognised as intangible assets.

35- Significant accounting policies (Continued)

J- Intangible assets and goodwill (Continued)

1) Recognition and measurement (Continued)

III. Computer software (Continued)

Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Expenditure to acquire computer software is capitalized and included as an intangible asset. Computer software costs recognised as assets are amortised using the straight-line method over their useful lives and not exceeding a year of 3 years.

IV. Knowhow

The amounts paid against knowhow are recognized as intangible assets in case of knowhow have a finite useful life and amortized over their estimated useful lives.

2) Subsequent expenditure

Subsequent expenditure is capitalised only when the intangible asset will increase the future economic benefits embodied in project, research, and development under construction which is recognized as intangible assets. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3) Amortization

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the (straight-line method) over their estimated useful lives, and is generally recognised in profit or loss.

Goodwill is not amortised.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K- Investment property

Investment property is property held by the Group for rental or rise in value, or both and initially measured at cost and subsequently at cost less accumulated depreciation and impairment, and recognize in profit and loss the depreciation expenses and impairment losses.

The depreciation of investment property calculated using (straight-line method) over their estimated useful lives for each type of investment property, land is not depreciated.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

L- Assets held for sale

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

35- Significant accounting policies (Continued)

L- Assets held for sale (Continued)

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

M- Financial instruments

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

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

1) Non-derivative financial assets and financial liabilities – Recognition and de-recognition

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

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

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

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

35- Significant accounting policies (Continued)

M- Financial instruments (Continued)

2) Non-derivative financial assets – Measurement

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

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

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

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

3) Non-derivative financial liabilities – Measurement

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

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

N- Share capital

1) Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS No. (24) “Income Tax”.

35- Significant accounting policies (Continued)

N- Share Capital (Continued)

2) Repurchase and reissue of ordinary shares (treasury shares)

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

O- Impairment

1) Non-derivative financial assets

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

Objective evidence that financial assets are impaired includes:

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

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

Financial assets measured at amortised cost

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

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

35- Significant accounting policies (Continued)

O- Impairment (Continued)

1) Non-derivative financial assets (Continued)

Financial assets measured at amortised cost (Continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account.
When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.
If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

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

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

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

Equity-accounted investees

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

2) Non-financial Assets

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

35- Significant accounting policies (Continued)

O- Impairment (Continued)

2) Non-financial assets (Continued)

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

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

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

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed in the subsequent period. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) if no impairment loss had been recognised in previous periods.

P- Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

1) Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

2) Legal Claims

The recognition of the provision for legal claims when there are legal claims against the Group and after receiving appropriate legal advice.

3) Other Provisions

Provisions are recognized when there are other expected claims from third parties with respect to the activities of the Group and, according to the latest developments and discussions and agreements with those parties.

35- Significant accounting policies (Continued)

Q- Leases

1) Financial lease

For leases within the scope of Law 95 of 1995, lease costs including maintenance expense of leased assets are recognized in income statement in the period incurred. If the Company elects to exercise the purchase option on the leased asset, the option cost is capitalised as property, plant, and equipment and depreciated over their expected remaining useful lives on a basis consistent with similar assets.

Other finance leases that do not fall under the scope of Law 95 for 1995, or fall within the scope of Law 95 of 1995 but do not fall under the scope of EAS No.20 (Accounting Principles and Standards Attributable to Finance Lease). also in case the company will sale property, plant and equipment and leasing it back the asset is capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest charge on the outstanding finance cost balance. The finance lease obligations, net of finance charges, are classified as liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant rate of interest over the remaining balance of the liability for each period. Assets acquired under this type of finance lease are depreciated over the shorter of the useful life of the assets or the lease term.

Gains arising from the excess of the collected payments over the book value of the non-current assets that are being sold and leased back through finance leases are deferred and amortized over the lease term.

2) Operational lease

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

R- Segmental Reports

A segment is a group of related assets and operations that are subject to risks and returns that are different from those of other sectors or within a single economic environment subjects to risks and returns that relate to it, other than those relate of segments operating in a different economic environment.

S- Dividends

Dividends are recorded in the Group’s financial statements in the period in which they are approved by the Group’s shareholders.

T- Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

35- Significant accounting policies (Continued)

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

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

In the following table, we shall represent the most significant amendments that have been applied on the financial statements on June 30, 2016 of the company at the beginning of the implementation thereof:

<table>
<tr><th>New or Amended Standards</th><th>Summary of the Most Significant Amendments</th><th>Possible Impact on the Financial Statements</th></tr>
<tr><td><u>EAS (1)</u>
Presentation of Financial Statements</td><td><u>Financial Position Statement</u>
• The Standard does not require to present the working capital presentation.
The reference financial statements that was included in 2006 Standards was excluded; which presented the working capital presentation.
• A statement shall be added to the statement of financial position including balances of the beginning of the first presented comparative period in case of retrospective implementation or change in an accounting policy or reclassification carried out by the entity.

<u>Income Statement (Profit or Loss)/ and Statement of Comprehensive Income</u>
The entity shall disclose all recognized income and expense captions during the financial period in two separate statements; one of them presents the profit or loss components (Income Statement) and the other one starts with the profit or loss and presents the other comprehensive income items (Statement of Comprehensive Income).</td><td>• Re-presenting all the presented financial statements, disclosures and their accompanying notes including the comparative figures to be in conformity with the required amendments to the Standard.

• Adding a new statement, Statement of Comprehensive Income, for the current and comparative period.</td></tr>
<tr><td><u>EAS (10)</u>
Property, Plant and Equipment (PPE) and its depreciations</td><td>• The option of using the revaluation model in the subsequent measurement of PPE has been canceled.</td><td>The amendment does not apply retroactively, and the carrying amounts in the transitional date is the cost and the accumulated depreciation at the beginning of the application of this revised standard.</td></tr>
</table>

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
	• The financial shall disclose a movement of the PPE and its depreciations in the notes accompanying the financial statements at the beginning and the end of the current period and the comparable period. • The strategic (major) spare parts and stand-by equipment can be classified as PPE when the entity expects to use them for more than one period (when the definition of PPE applies thereto).	It has been re-presenting the comparative figures related to the PPE in the notes accompanying the financial statements to be in conformity with the required amendments on the standard.
EAS (23) **Intangible Assets**	**The option of using the revaluation model in the subsequent measurement of intangible assets has been canceled.**	The amendment on the standard has no impact on the figures presented in the financial statements.
Egyptian Standard No. (45) **Fair Value Measurement**	**The new Egyptian Accounting Standard No. (45) "*Fair Value Measurement*" was issued and shall be applied when another Standard requires or allows measurement or disclosure to be made at fair value.** **This Standard aims the following:** (a) Defining the fair value (b) Laying down a framework to measure the fair value in one Standard and (c) Identifying the disclosure required for the fair value measurements.	The standard has been applied prospectively in the preparation of interim financial statements in June 30, 2016, including the disclosure contained in this standard requirements.
Egyptian Standard No. (29) **Business Combination**	**The purchase method was cancelled and replaced by the acquisition method; as results:** 1- Changing the acquisition cost to become the cash consideration transferred; and to be measured at fair value at the acquisition date. 2- Contingent consideration: the fair value of the contingent consideration shall be recognized at the acquisition date as a part of consideration transferred. 3- Changing the method of measuring goodwill in case of Step acquisition is made. • The transaction cost (the cost related to the acquisition): Shall be charged to the Income Statement as an expense in the period in which the costs incurred it and shall not be added to the cash consideration transferred; except for the costs of issuing equity instrument or debt instruments directly related to the acquisition process.	This amendment Standard applied for all business combination which its acquisition date on or after the beginning of January 2016, therefore no adjustment made for assets and liabilities which arising from business combination acquired before the beginning of January 2016.

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

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
Egyptian Standard No. (18): Investments in Associates	The accounting treatment of the joint ventures shall be added to this standard, accordingly the Investments in associates and joint ventures shall be accounted for that investments using the equity method in the Consolidated and Individual Financial Statements.	There is no impact to the presented financial statements figures upon these amendments.
	• The entity shall discontinue to use the Equity method from the date when its investment ceases to be an associate or a joint venture provided that the retained interest shall be re-measured using the fair value and the difference shall be recognized in the Income Statement. • If an investment in an associate becomes an investment in a joint venture or vice versa, the entity continues to apply the Equity Method and does not re-measure the retained Interest. • If an entity's ownership interest in an associate or a joint venture reduced, but the entity continues to apply the Equity Method, the entity shall reclassify to profit or loss the proportions of the gain or loss that previously been recognized in OCI relating to that reduction in Ownership interest.	There is no impact to the presented financial statements figures upon these amendments.
Egyptian Standard No. (44): Disclosure of Interests in Other Entities	• A new Egyptian Accounting Standard No. (44) "**Disclosure of Interests in Other Entities**" was issued in order to comprise all the required disclosures pertaining to the investments in subsidiaries, associates, joint arrangements, and the unconsolidated Structured Entities. • The objective of this standard is to comply the entity to disclose the information that enable users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance, and cash flows.	There is no impact to the presented financial statements figures upon these amendments.

New or Amended Standards	Summary of the Most Significant Amendments	Possible Impact on the Financial Statements
EAS (34) **Investment Property**	**The option of using the fair value model in the measurement after recognition of the Property Investment has been canceled.**	The fair value of the investment at the beginning of the application of this standard (the date of transition to cost model) is the cost of that investment, for the purposes of subsequent accounting treatment.
EAS (14) **Borrowing Costs**	Elimination of the previous benchmark treatment that recognized the borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset in the Income Statement without being capitalized on the asset.	There is no impact to the presented financial statements figures upon these amendments.
EAS (38) **Employee Benefits**	**Actuarial Gains and Losses** • All the accumulated actuarial gains and losses shall be immediately recognized as part of the defined benefit liabilities and charged to the other Comprehensive Income items. **The Cost of Past Service** An entity shall recognize past service cost as an expense at the earlier of the following dates: (a) When the plan amendment or curtailment occurs; and (b) When the entity executes a significant restructuring plan; it should recognize the related restructuring costs that include paying the termination benefits (Provisions Standard).	There is no impact to the presented financial statements figures upon these amendments.
EAS (41) **Operating Segments**	**EAS 33 “Segment Reports” has been replaced with EAS (41) “Operating Segments”.** Accordingly, the disclosure and the volume of the required disclosures that the Segment Reports must disclose on; mainly depends on the Segments information presented to Chief Operating Decision Maker (CODM) of the entity to make decisions on the resources that must be allocated to the segment and assess its performance.	Re-presenting the information corresponding to the earlier periods including the interim periods.

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