PIONEERS PROPERTIES FOR URBAN DEVELOPMENT COMPANY (S.A.E.)
CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 TOGETHER WITH REVIEW REPORT

PIONEERS PROPERTIES FOR URBAN DEVELOPMENT COMPANY (S.A.E.)

Consolidated Interim Financial Statements
For The Six Months Ended 30 June 2025

Contents

Translation Of Review Report
Originally Issued in Arabic

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Limited Review Report on Consolidated Financial Statements

To The Board of Directors of Pioneers Properties for Urban Development Company (S.A.E.)

Introduction

We have reviewed the accompanying consolidated interim financial position of **Pioneers Properties for Urban Development Company (S.A.E.)** as of 30 June 2025, as well as the related consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Limited Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated interim financial position of the entity as of 30 June 2025, and of its consolidated interim financial performance and its consolidated interim cash flows for the period then ended in accordance with Egyptian Accounting Standards.

Cairo: 27 August 2025

Auditor
Mohamed Ahmed Abu El Kasim
M. Kasim
FESAA
FEST
R.A.A. 17553
EFSAR 359

UHY United
Auditing Tax Advisory & Financial Services
37, Street 200, Maadi

United For Auditing &Taxes
(UHY – United)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025

	Note	30 June 2025 EGP	31 December 2024 EGP
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	(4)	**307,269,045**	293,333,428
Projects under construction	(5)	**27,121,192**	24,281,748
Right-of-use assets	(35-1)	**61,201,021**	67,396,110
ıvestments in associates	(6)	**569,028,553**	584,209,326
Investments at fair value through comprehensive income	(7)	**239,060**	239,060
Governmental bonds		**832,151**	832,151
Investment Properties	(8)	**5,753,467,920**	5,604,047,920
Intangible assets	(9)	**2,317,770**	-
Goodwill	(10)	**575,681,736**	575,681,736
TOTAL NON-CURRENT ASSETS		**7,297,158,448**	7,150,021,479
CURRENT ASSETS			
Cash on hand and at banks	(11)	**2,106,499,518**	2,774,075,929
Investments at fair value through profit or loss	(12)	**811,935,828**	1,080,576,756
Financial Assets at amortized cost - current	(13)	**35,100,704**	302,278,715
Trade and notes receivable	(14)	**4,775,709,844**	4,203,549,036
Due from related parties	(15)	**350,987,915**	641,697,787
Housing and development projects	(16)	**43,526,160,469**	38,808,607,743
Inventories	(17)	**988,289,170**	687,411,054
Prepayments and other debit balances	(18)	**6,188,109,825**	5,113,735,026
TOTAL CURRENT ASSETS		**58,782,793,273**	53,611,932,046
TOTAL ASSETS		**66,079,951,721**	60,761,953,525
EQUITY AND LIABILITIES			
EQUITY			
Capital	(19)	**4,746,623,220**	4,746,623,220
Legal reserve		**29,109,729**	104,716
Treasury stocks	(19)	**(40,124,871)**	(111,280,771)
Foreign currency translation reserve	(11)	**(13,855,934)**	(8,378,595)
Shares based payments reserve		**(94,021,014)**	-
Retained Earnings		**2,263,006,683**	1,393,610,804
Profit for the period / year		**217,964,866**	1,101,137,464
TOTAL EQUITY ARRRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENTS		**7,108,702,679**	7,121,816,838
Non-controlling interests	(20)	**6,328,376,809**	6,024,738,912
TOTAL EQUITY		**13,437,079,488**	13,146,555,750
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of long-term loans	(21)	**5,555,611,764**	6,242,370,506
Non-current portion of land creditors	(22)	**12,022,059,680**	13,341,367,394
Shareholders' credit balances	(23)	**127,548,196**	139,783,558
Deferred tax liabilities	(30)	**306,571,057**	306,594,871
Non-current portion of lease liabilities	(35-2)	**1,250,566,630**	1,346,689,939
TOTAL NON-CURRENT LIABILITIES		**19,262,357,327**	21,376,806,268
CURRENT LIABILITIES			
Current portion of long-term loans	(21)	**889,408,104**	202,965,772
Current portion of land creditors	(22)	**2,970,247,463**	1,512,585,742
Advances from customers	(24)	**18,956,560,625**	14,224,242,315
Credit facilities	(25)	**2,786,929,241**	3,597,634,448
Trade payable, contractors and notes payable	(26)	**3,655,754,680**	3,076,140,458
Tax authority - credit balances	(27)	**501,564,504**	425,956,939
Accrued expenses and other credit balances	(28)	**3,294,740,765**	2,937,049,896
Provisions	(29)	**47,672,616**	48,293,142
Current portion of lease liabilities	(35-2)	**250,594,469**	190,062,379
Dividends payable		**27,042,439**	23,660,416
TOTAL CURRENT LIABILITIES		**33,380,514,906**	26,238,591,507
TOTAL LIABILITIES		**52,642,872,233**	47,615,397,775
TOTAL LIABILITIES AND EQUITY		**66,079,951,721**	60,761,953,525

Group Chief Financial Officer

Mohamed Mustafa Abdel Aziz

شركة بايونيرز بروبرتيز للتنمية العمرانية
P R E Group بي ار اي جروب
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Chief Executive Officer

Walid Mohamed Zaki

- The accompanying notes from (1) to (39) are an integral part of these consolidated interim financial statements.
- Review Report "attached".

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024	**For the three months ended 30 June 2025**	For the three months ended 30 June 2024
		EGP	EGP	**EGP**	EGP
Operations revenue	(31)	**3,278,305,341**	2,648,942,904	**1,753,042,463**	980,793,783
Operations cost	(32)	**(1,915,048,846)**	(1,848,327,564)	**(1,070,411,280)**	(566,145,525)
GROSS PROFIT		**1,363,256,495**	800,615,340	**682,631,183**	414,648,258
General, administrative and marketing expenses		**(473,631,044)**	(417,203,749)	**(258,671,632)**	(221,060,400)
Expected credit (loss) in trade and notes receivable	(14)	**(4,618,593)**	(2,199,260)	**(2,780,974)**	1,076,974
Reversal of Expected credit (loss) in due from related parties	(15)	**627,188**	140,051	**30,956**	339,822
Expected credit (loss) in other debit balances	(18)	**(1,871,439)**	-	**(1,940,879)**	-
Investments at fair value through profit or loss valuation difference	(12)	**10,239,690**	538,174,445	**(457,408)**	180,938,246
Gain on sale of investments at fair value through profit or loss	(12)	**37,768,552**	1,627,857	**(1,249,205)**	1,627,857
Coupons		**136,862**	5,551	**134,087**	2,776
Return on Financial Assets at amortized cost		**16,420,048**	44,268,153	-	22,591,741
Revaluation of investment properties	(8)	**117,567,627**	1,509,413,615	-	-
Profit share from investments in associates	(6)	**202,252**	(107,520)	**(1,567,858)**	30,322
Loss on sale of investments in associates	(33)	**(2,310,715)**	-	**(2,310,715)**	-
Other operating income		**57,625,057**	35,608,117	**35,114,012**	17,475,299
OPERATING PROFIT		**1,121,411,980**	2,510,342,600	**448,931,567**	417,670,895
Finance cost		**(604,122,831)**	(1,188,774,436)	**(292,861,493)**	(438,016,331)
Finance income		**144,277,184**	190,544,986	**62,238,385**	149,180,534
Foreign exchange differences		**(6,363,609)**	79,720,041	**(8,516,501)**	2,493,853
Gain on sale of fixed assets	(4)	**5,497,063**	2,925,464	**3,957,890**	2,216,631
PROFIT FOR THE PERIOD BEFORE INCOME TAXES		**660,699,787**	1,594,758,655	**213,749,848**	133,545,582
Income taxes	(30)	**(156,478,398)**	(260,921,381)	**13,904,968**	23,520,331
PROFIT FOR THE PERIOD		**504,221,389**	1,333,837,274	**227,654,816**	157,065,913
Attributable to:					
Equity holders of the holding company		**217,964,866**	1,198,219,866	**144,022,105**	130,353,712
Non-controlling interest	(20)	**286,256,523**	135,617,408	**83,632,711**	26,712,201
PROFIT FOR THE PERIOD		**504,221,389**	1,333,837,274	**227,654,816**	157,065,913
EARRNINGS PER SHARE FOR THE HOLDING COMPANY	(34)	**0.209**	1.141	**0.136**	0.129

Group Chief Financial Officer

Mohamed Mustafa Abdel Aziz

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P R E Group بي ار اي جروب
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Chief Executive Officer

Walid Mohamed Zaki

- The accompanying notes from (1) to (39) are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024	**For the three months ended 30 June 2025**	For the three months ended 30 June 2024
		EGP	EGP	**EGP**	EGP
Profit for the period		**504,221,389**	1,333,837,274	**227,654,816**	157,065,913
Items related to other comprehensive income:					
Exchange differences on translation of foreign operations		**(11,905,665)**	2,839,047	**(11,898,684)**	2,019,210
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**492,315,724**	1,336,676,321	**215,756,132**	159,085,123
Attributable to:					
Equity holders of the holding company		**212,479,297**	1,199,601,197	**138,539,757**	131,338,795
Non-controlling interests	(20)	**279,836,427**	137,075,124	**77,216,375**	27,746,328
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**492,315,724**	1,336,676,321	**215,756,132**	159,085,123

- The accompanying notes from (1) to (39) are an integral part of these consolidated interim financial statements.

Pioneers Properties for Urban Development Company (S.A.E.)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 JUNE 2025

	Paid up capital	General reserve	Legal reserve	Shares based payments reserve	Treasury stocks	Exchange differences on translation of foreign operations	Splitting process adjustments	Retained earnings	Profit for the period	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2025	4,746,623,220	-	104,716	-	(111,280,771)	(8,378,595)	-	1,393,610,804	1,101,137,464	7,121,816,838	6,024,738,912	13,146,555,750
Transferred to legal reserved and retained earnings	-	-	29,005,013	-	-	-	-	1,072,132,451	(1,101,137,464)	-	-	-
Adjustments on retained earnings - subsidiaries	-	-	-	-	-	-	-	(2,069,623)	-	(2,069,623)	21,649	(2,047,974)
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	-	8,230	-	148,877,483	-	148,885,713	(121,325,241)	27,560,472
Adjustments arising from increase the capital of subsidiaries	-	-	-	-	-	-	-	(169,905,148)	-	(169,905,148)	182,518,369	12,613,221
Purchase of treasury shares - the holding company	-	-	-	-	(17,052,563)	-	-	-	-	(17,052,563)	-	(17,052,563)
Purchase of treasury shares - subsidiaries	-	-	-	-	-	-	-	(11,917,644)	-	(11,917,644)	(15,891,951)	(27,809,595)
Shares based payments reserve	-	-	-	(94,021,014)	88,208,463	-	-	5,812,551	-	-	-	-
Dividends distributed - subsidiaries	-	-	-	-	-	-	-	(173,534,191)	-	(173,534,191)	(21,521,356)	(195,055,547)
Exchange differences on translation of foreign operations	-	-	-	-	-	(5,485,569)	-	-	-	(5,485,569)	(6,420,096)	(11,905,665)
Profit for the period	-	-	-	-	-	-	-	-	217,964,866	217,964,866	286,256,523	504,221,389
Balance as of 30 June 2025	**4,746,623,220**	**-**	**29,109,729**	**(94,021,014)**	**(40,124,871)**	**(13,855,934)**	**-**	**2,263,006,683**	**217,964,866**	**7,108,702,679**	**6,328,376,809**	**13,437,079,488**
Balance as of 1 January 2024	4,746,623,220	5,653,980	104,716	-	-	(10,187,765)	124,031,553	(98,385,386)	414,023,411	5,181,863,729	4,878,080,708	10,059,944,437
Transferred to (accumulated losses)	-	-	-	-	-	-	-	414,023,411	(414,023,411)	-	-	-
Transfer general reserve and splitting process Adjustments to retained earnings	-	(5,653,980)	-	-	-	-	(124,031,553)	129,685,533	-	-	-	-
Adjustments on (accumulated losses)	-	-	-	-	-	-	-	1,920,815,674	-	1,920,815,674	341,160,643	2,261,976,317
Adjustments arising from increase the capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	7,500,015	7,500,015
Adjustments arising from acquisition of subsidiaries	-	-	-	-	-	-	-	2,299,874	-	2,299,874	716,045	3,015,919
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	-	(103,102)	-	(55,350,994)	-	(55,454,096)	41,522,855	(13,931,241)
Purchase of treasury shares - subsidiaries	-	-	-	-	-	-	-	(23,220,686)	-	(23,220,686)	(28,766,902)	(51,987,588)
Purchase of treasury shares	-	-	-	-	(41,580,861)	-	-	-	-	(41,580,861)	-	(41,580,861)
Dividends distributed	-	-	-	-	-	-	-	(24,778,348)	-	(24,778,348)	(20,819,992)	(45,598,340)
Exchange differences on translation of foreign operations	-	-	-	-	-	1,381,331	-	-	-	1,381,331	1,457,716	2,839,047
Profit for the period	-	-	-	-	-	-	-	-	1,198,219,866	1,198,219,866	135,617,408	1,333,837,274
Balance as of 30 June 2024	4,746,623,220	-	104,716	-	(41,580,861)	(8,909,536)	-	2,265,089,078	1,198,219,866	8,159,546,483	5,356,468,496	13,516,014,979

- The accompanying notes from (1) to (39) are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	**For the six months ended 30 June 2025 EGP**	For the six months ended 30 June 2024 EGP
Cash flows from operating activities			
Profit for the period before income taxes and non-controlling interests		**660,699,787**	1,594,758,655
Depreciation of fixed assets	(4)	**23,833,451**	21,085,910
Amortization of intangible assets	(9)	**121,988**	-
Amortization of right-of-use assets	(35-1)	**6,847,959**	6,542,386
Gain on sale of fixed assets	(4)	**(5,497,063)**	(2,925,464)
Expected credit loss in trade and notes receivable	(14)	**4,618,593**	2,199,260
(Reversal) of Expected credit loss in due from related parties	(15)	**(627,188)**	(140,051)
Expected credit loss in other debit balances	(18)	**1,871,439**	-
Loss on sale of investments in subsidiaries and associates	(33)	**2,310,715**	-
Revaluation of investment properties	(8)	**(117,567,627)**	(1,509,413,615)
Profit share from investments in associates	(6)	**(202,252)**	107,520
Investments at fair value through profit or loss valuation differences	(12)	**(10,239,690)**	(538,174,445)
Gain on sale of investments at fair value through profit or loss	(12)	**(37,768,552)**	(1,627,857)
Coupons		**(136,862)**	(5,551)
Return on Financial Assets at amortized cost		**(16,420,048)**	(44,268,153)
Finance cost		**604,122,831**	1,188,774,436
Finance income		**(144,277,184)**	(190,544,986)
Operating profit before changes in working capital		**971,690,297**	526,368,045
Changes in investments at fair value through profit or loss	(12)	**316,649,170**	(348,114)
Changes in trade and notes receivable		**(576,779,401)**	(13,875,914)
Changes in due from related parties		**291,337,060**	92,062,708
Changes in housing and development projects		**(3,657,025,626)**	(451,202,692)
Changes in inventories		**(300,878,116)**	(96,902,452)
Changes in prepayments and other debit balances		**(1,076,246,238)**	(622,444,722)
Changes in advances from customers		**4,732,318,310**	1,755,841,126
Changes in trade payable, contractors and notes payable		**579,614,222**	166,030,698
Changes in tax liabilities – credit balances		**(77,750,576)**	(72,916,531)
Changes in accrued expenses and other credit balances		**357,690,869**	293,822,106
Provisions used	(29)	**(620,526)**	(1,000,000)
Net cash flows provided from operating activities		**1,559,999,445**	1,575,434,258
Cash flows from investing activities			
(Payments to) acquire fixed assets	(4)	**(38,422,540)**	(35,925,555)
Proceeds from sale fixed assets	(4)	**5,829,332**	3,583,567
(Payments to) investments properties	(5)	**(5,279,202)**	(81,444)
Proceeds from sale investments in associates		**9,997,804**	-
Proceeds from sale investments in subsidiaries		**27,136,026**	-
Coupons collected		**136,862**	5,551
Proceeds from (Payments in) sale of treasury bills		**280,314,049**	(22,846,287)
Changes in deposits (more than 3 months)		**423,823,175**	(55,085,831)
Finance income received		**144,277,184**	190,544,986
Net cash paid to increase investments in subsidiaries		**(1,827,752)**	(14,704,791)
Net cash flows provided from investing activities		**845,984,938**	65,490,196

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	**For the six months ended 30 June 2025 EGP**	For the six months ended 30 June 2024 EGP
Cash flows from financing activities			
(Payments to) Proceeds from credit facilities		**(810,705,207)**	18,919,637
Proceeds from lease companies		**29,000,000**	-
(Payments to) lease liabilities		**(97,875,807)**	(69,646,173)
(Payments to) long term loans		**(954,341,876)**	386,535,643
(Payments to) land creditors		**-**	(53,961,964)
Changes in shareholders' credit balances		**(12,235,362)**	(1,908,503)
Non-controlling interests in establishment / capital increase of subsidiaries		**-**	7,500,015
(Payments to) purchase treasury stocks		**(17,052,563)**	(93,568,449)
(Payments to) purchase treasury stocks - subsidiaries		**(11,917,644)**	-
Dividends paid		**(191,673,524)**	(38,669,680)
Finance cost paid		**(571,491,113)**	(1,144,230,471)
Net cash flows (used in) financing activities		**(2,638,293,096)**	(989,029,945)
Net change in cash and cash equivalent during the period		**(232,308,713)**	651,894,509
Foreign operations translation difference beginning of the period		**(11,444,523)**	(4,469,048)
Foreign exchange differences of cash and cash equivalent		**-**	1,735,092
Cash and cash equivalent – excluded subsidiaries		**-**	328,520,813
Cash and cash equivalent – beginning of the period	(11)	**1,885,097,156**	788,541,217
Cash and cash equivalent – end of the period	(11)	**1,641,343,920**	1,766,222,583
Cash and cash equivalent is as follows:			
Cash on hand and at banks - end of period	(11)	**2,106,499,518**	2,475,057,630
Deduct:			
Deposits (more than 3 months)	(11)	**(465,155,598)**	(708,835,047)
Cash and cash equivalent – end of the period	(11)	**1,641,343,920**	1,766,222,583

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- The accompanying notes from (1) to (39) are an integral part of these consolidated interim financial statements.

1- BACKGROUND

Pioneers Properties For Urban Development Company (S.A.E.) (resulted company) was established in accordance with law No. (159) for the year 1981 as a result of the splitting of Aspire Capital Holding Company for Financial Investments (S.A.E) (previously - Pioneers Holding Company for Financial Investments) according to Law No. (159) of 1981 and without violating Article (27) of the Capital Market Law No. (95) of 1992 and Article (121) and Article (122) of the Executive regulations.

The main purpose of the Company is to invest in real estate activities share and contribute, directly and indirectly in all areas of real estate investments, contracting and real estate development activities and the Company may have an interest or participate in any way with companies and others that carry out similar businesses or that may assist it in achieving its purpose in Egypt or abroad. It may also merge with, buy or join the mentioned parties in accordance with the provisions of the law and its executive regulations.

The Company was registered in the Commercial Register under No. 172104 - Cairo on 8 September 2021.

The Company was listed on the stock exchange on 10 October 2021.

The Company's duration is 25 years starting on 8 September 2021.

The consolidated interim financial statements for the six months ended 30 June 2025 were authorized for issuance in accordance with the board of directors' resolution on 27 Aug 2025

Ownership percentage of the company in the following subsidiaries:

	Activity	Country	Percentage
Cairo For Housing And Real Estate Development Company	Real-estate development (S.A.E)	Egypt	71.75%
El Safwa For Consulting And Development Company	Financial advisors (S.A.E.)	Egypt	86.46%
Nemow For Consulting Company	Financial advisors (S.A.E.)	Egypt	72.11%
New Cairo for Projects Management Company	Contracting and real estate investment (S.A.E.)	Egypt	71.74%
Cairo Property Management Company	Real estate investments (L.L.C)	Egypt	71.75%
Cairo for Building Management And Maintenance Company (under liquidation)	Management and maintenance for building (L.L.C)	Egypt	68.88%
Cairo For Real Estate Marketing Company (under liquidation)	Real-estate marketing (S.A.E.)	Egypt	71.82%
El Saeed For Contracting And Real Estate Investment Company*	Constructions and developer work (S.A.E)	Egypt	46.08%
Gama For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	86.79%
Al Giza General For Contracting And Real Estate Investment Company	Constructions and developer (S.A.E)	Egypt	66.23%
Alfa For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	66.23%
United Company For Housing And Development*	Buy, Sale and titling building and lands (S.A.E)	Egypt	42.85%
UDC Investments Company*	Real estate investments (S.A.E)	Egypt	42.85%
Flourish Investments Company*	Real estate investments (S.A.E)	Egypt	42.85%
Wadi For Consulting Company	Contracting and real estate investment (S.A.E)	Egypt	99.998%
Mashareq For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	55.35%
Stone Plaza Company	Real estate investments (S.A.E)	Egypt	55.37%
Grant For Real Estate Investment Company*	Real estate investments (S.A.E)	Egypt	27.68%
The Calm For Project Management Company	Project management (S.A.E)	Egypt	55.32%
PRE For Real Estate Investment Company	Real estate investments (S.A.E)	Egypt	52.23%
Telal East For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	55.20%
Blue for Real Estate Development Company	Real estate investments (S.A.E)	Egypt	57.20%
USG For Contracting Company*	Contracting and real estate investment (S.A.E)	Egypt	43.40%
Rooya Holding Company For Investments	Contracting and real estate investment (S.A.E)	Egypt	68.99%
Rooya Real Estate Investment Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.99%
Taiba Contracting and Tourism Investment Company	Contracting and real estate investment (S.A.E)	Egypt	68.99%
Al-Rowad Investment and Tourism Development Company	Integrated tourism development (S.A.E)	Egypt	65.93%
Ocoplan Engineering Consulting Company *	Integrated Engineering Consulting (S.A.E)	Egypt	41.40%
Rooya Real Estate Marketing Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.99%
Rooya Real Estate and Tourism Development Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.99%
Rooya Contracting Company	Contracting and real estate investment (S.A.E)	Egypt	62.10%
Wadi Shoni Tourism Development Company	Integrated tourism development	Egypt	55.20%
Sahary Tourism Development Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	62.10%
Rooya Tourism Development Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.99%
Rooya Tourism Projects Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.99%
Cluster Construction Company	Real estate investments (S.A.E)	Egypt	68.99%
Telal North Coast For Touristic Resorts & Real Estate Investment Co.	Real estate investments (S.A.E)	Egypt	69.00%
Telal Red Sea For Real Estate Investment & Touristic Resorts Co.	Real estate investments (S.A.E)	Egypt	68.99%
Lake side For Real Estate Investment Co.	Real estate investments (S.A.E)	Egypt	58.75%
Sigma for Urban Planning Company (S.A.E.)	Real-estate development (S.A.E)	Egypt	56.86%
Priestley Homes Company	Real-estate development (S.A.E)	Egypt	100.00%

* The financial statements of these companies have been consolidated, although the holding company's contribution to its capital is less than 50%, however the holding company has control over the company with its ability to control the company's financial and operational policies in order to obtain benefits from its activities.

2- BASIS OF CONSOLIDATION

- The following steps are followed when preparing the consolidated interim financial statements:

a- Eliminate the carrying amount of the parent's investment in each subsidiary and the Parent Company portion of equity of each subsidiary.

b- Identify Non-controlling interests in the profit (loss) of the consolidated subsidiaries for the reporting period.

c- Identify Non-controlling interests in net assets of consolidated subsidiaries and are presented separately from the Parent Company's ownership interests in them.
They consist of:
(1) The amount of those non-controlling interests at the date of the original consolidation.
(2) The Non-controlling interests' share of changes in equity since the date of the consolidation.

d- Full elimination for intergroup balances, transactions, income and expenses.

- The financial statements of the Parent Company and its subsidiaries which are used in the preparation of the consolidated financial statements are prepared at same date.
- The consolidated interim financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.
- Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the Parent Company. Also, the Non-controlling interests share in the group profit or loss presented separately.
- Profit or loss and each component of OCI are attributed to the equity holders of the parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- Deconsolidating subsidiaries is when the group loses control, where any remaining investment from lost subsidiary, is recognized at its fair value, at the date of losing control. Any variance is recognized as profit or loss in the parent company.

3- SIGNIFICANT ACCOUNTING POLICIES

3-1 Basis of preparation

The consolidated interim financial statements have been prepared under the going concern assumption on a historical cost basis, except for financial assets, investments at fair value through profit or loss, and investments at fair value through comprehensive income measured at fair value.

Statement of compliance

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

Change in accounting policies

Accounting policies applied this period is the same as in the previous periods.

3-2 Lease Contracts

Contract is defined to be (or include) a lease contract based on its contents. The contract is a lease contract when or include a lease contract if it transfers the control over the use of the asset described for a year for a price.

At the commencement of the contract, lease is classified as a financial lease or operating lease; where the contract is classified as a financial lease if it transfers in a material respect mostly all the risks and rewards from owning the contractual asset and classified as an operating lease if it doesn't transfer in a material respect mostly all the risks and rewards from owning the contractual asset.

At the commencement of the contract, asset is measured (right of use) at cost, where cost includes all initiation costs incurred to prepare the asset to the condition required as per the contract.

The lease liability is measure by the present value of the unpaid lease payments at the date, deducting the lease payments using the imbedded interest in the contract, if it can be easily measured, or using interest on extra lending for the lessor if it can't be measured, in addition to any other variable payments, expected payments, and price for the right of purchasing the asset, according to the contract.

Interest on lease payments, or any variable payments not included in the measurement of the lease liability is included in the cconsolidated interim statement of profits or losses.

3- SIGNIFICANT ACCOUNTING POLICIES (CON'D)

3-2 Lease Contracts (Cont'd)

If the lease contract transfers the ownership of the asset, or the asset cost reflects the right of purchasing the asset, the asset is amortized over its useful life (right of use), and except for that, the asset is amortized (right of use) starting from the contract commencing date till its useful life (right of use) or the end of the contract date, whichever is shorter.

The Company assesses at each reporting date whether there is an indication that asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the consolidated interim statement of profits or losses.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated interim statement of profits or losses.

3-3 Foreign currency translation

- The financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.
- Transactions in currencies other than Egyptian pound are initially recorded using the prevailing exchange rates on the transaction date.
- Monetary assets and liabilities denominated in currencies other than Egyptian pound are retranslated using the exchange rates prevailing at the statement of financial position date. All differences are recognized in the statement of profit or loss.
- Non-monetary items that are measured at historical cost in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date of the initial recognition.
- Non-monetary items measured at fair value in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date when the fair value is determined.

3-4 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated decline in value. Such cost includes the cost of replacing part of the fixed assets when the cost is incurred, if the recognition criteria are met. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the assets as follows:

Item	Years
Computers	3 – 8
Furniture	4 – 16.7
Electrical equipment	5 – 8
Tools and equipment	5 – 10
Decorations	5 – 10
Vehicles	4 – 5
Buildings	10 – 50
Machinery and equipment	4 – 20
Wood scaffold	2.5 – 10

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

3- SIGNIFICANT ACCOUNTING POLICIES (CON'D)

3-4 Fixed assets (Cont'd)

The Company assesses at each reporting date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profits or losses.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profits or losses.

3-5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated decline in value.

Internally generated intangible assets are not capitalized, and expenditure is reflected in the consolidated interim statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for decline in value whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Intangible assets represent the computer software and the related licenses and are amortized using the straight-line method over their estimated useful lives (4 years).

3-6 Goodwill

At the acquisition date, the company recognizes goodwill acquired from business combination as an asset. Goodwill is initially measured at cost, which represents the excess of the aggregate of the consolidation transferred over the company's share in the net identifiable assets and liabilities acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impaired loss, goodwill acquired in a business combination cannot be amortized, and consequently the company makes an impairment test on the goodwill acquired annually or periodically, if there is an indication of impairment in its value.

3-7 Investments

Investments in associates

Investments in associates are investments in entities which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture, significant influence is presumed to exist when the company holds, directly or indirectly through subsidiaries 20 percent or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case.

Investments in associates are accounted for using the equity method and according to the equity method the investment in any associate company is recognized initially at cost. Then the investment balance is increased or decreased to prove the company's share in the investee company profit or loss among the company's profit or loss, the investment balance is decreased by dividends value acquired from the investee company.

Investments in Government bonds

Investments in government bonds are recorded at cost according to amortized cost model. In case of decline in value; the book value should be adjusted by the amount declined and charged to the consolidated interim statement of profit or loss in the same period for each investment separately.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-7 Investments (Cont'd)

Investments at fair value through comprehensive income
Investments at fair value through comprehensive income are non-derivative financial assets.

Investments at fair value through comprehensive income are initially recognized at fair value including directly related expenses.

After the initial measurement, investments at fair value through other comprehensive income are revalued at fair value with recognition of the realized and unrealized profit or loss directly in comprehensive income.

All investments in equity instruments, including unquoted investments should be measured at fair value, however, in specific circumstances the cost may be an acceptable indicator of the fair value in the case of absence of sufficient information to determine the fair value or in the presence of a wide range of fair values for the same instrument and in that case, the cost is the best estimate of fair value.

Investments at fair value through profit or loss
Investments at fair value through profit or loss are financial assets classified according to fair value model, as either held for trading acquired for the purpose of selling in the near term or financial assets designated upon initial recognition at fair value through profit or loss.

Investments at fair value through profit and loss are initially recognized at fair value.

Investments at fair value through profit and loss are carried in the financial position at fair value with gains or losses recognized in the consolidated interim statement of profit or loss.

A gain or loss arising from sale of an investment at fair value through profit or loss shall be recognized in the consolidated interim statement of profit or loss.

3-8 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing assets until it is ready to be used in the operation, upon which it is transferred to relevant asset category. Projects under construction are valued at cost less decline in value.

3-9 Investment properties

Investment properties held to generate rent or for value appreciation, or both, is initially recognized at cost, cost includes purchase price, or construction cost, and any related direct expenses.

After initial recognition, all investment properties are measured at fair value, and the profit or loss arising from the change in the fair value of the investment properties must be recognized in the profit or loss statement for the period in which this change arises.

3-10 Trade and notes receivables

Accounts and other receivables are stated at original invoice amount net of any impairment losses.

Impairment losses are measured as the difference between the accounts and other receivables carrying amount and the present value of estimated future cash flows, the impairment loss is recognized in the consolidated interim statement of profit or loss, reversal of impairment is recognized in the consolidated interim statement of profit or loss in the period in which it occurs.

3-11 Housing and development projects (Unfinished – Finished)

Projects under construction
Include the acquisition cost of lands to be used in housing and development projects plus all costs related to develop and improve that lands, in addition to the construction costs and other costs of units the entity bears to be available for use.

Completed Projects
Represents the acquisition cost of land plus its improvement, development and providing with facilities costs in addition to the construction costs and other costs the entity bears to be suitable for use.

At the balance sheet date housing and development projects are revaluated at the lower of cost or net realizable value. Any impairment will be charged on the consolidated interim statement of profit or loss.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-12 Inventories

The inventories elements are valued as follows:

Spare parts and supplies: at the lower of cost (using the moving average method) or net realizable value.

Fuel and oil: at the lower of cost (using the moving average method) or net realizable value.

Raw materials and packing: at the lower of cost (using the moving average method) or net realizable value.

Finished goods: at the lower of the cost of production (based on the costing sheets) or net realizable value. Cost includes direct material, direct labour and allocated share of manufacturing overhead and excluding borrowing cost.

Work in process: at the lower of the cost of production of the latest completed phase (based on the costing sheets) or net realizable value.

Cost includes direct material, direct labour and allocated share of manufacturing overhead and excluding borrowing cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any decline in value of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the consolidated interim statement of profit or loss in the period the decline in value occurs. The amount of any reversal of any decline in value of inventories, arising from an increase in net realizable value, shall be recognized as reduction of cost of sales in the consolidated interim statement of profit or loss in the period in which the reversal occurs.

3-13 Borrowings

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a year exceeding one year after the balance sheet date, then the loan balance should be classified as long-term liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process in the consolidated interim statement of profit or loss.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in the consolidated interim statement of profit or loss.

3-14 Cost of borrowings

Costs of borrowings directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the year they occur. Cost of borrowings consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalization cost of borrowing expenses should be stopped during the years which the contract process for the assets is postponed.

3-15 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-16 Related Party transactions

Related parties represent associated companies, major quota holders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the board of directors. Pricing policies and terms of these transactions with related parties are similar to those with others.

3-17 Legal reserve

According to the Company's articles of association, 5% of the profits are transferred to the legal reserve until this reserve reaches 50% of the capital, the reserve is used upon a decision from the general assembly meeting according to board of directors' suggestion.

3-18 Taxes

Income taxes

Income tax is calculated in accordance with the Egyptian Tax Law.

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the Tax Authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of profit or loss for the year, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different year, directly in equity.

3-19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

- **Revenue from contracts with customers**

An Egyptian standard no.48 revenue from contract with customers set out five step model to be applied as follow:

Step one: Identify the contract (contracts) with the customer. A contract is an agreement between two parties or more creates enforceable rights or obligations A company applies the revenue guidance to contracts with customers.

Step two: Identify the separate performance obligations in the contract. A performance obligation is a promise in a contract to provide a product or service to a customer.

Step three: Determine the transaction price. The transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services, except the amount that collect on behalf of third parties.

Step Four: Allocate the transaction price to the separate performance obligations. If more than one performance obligation exists in a contract, allocate the transaction price based on relative standalone selling prices.

Step five: Recognize revenue: when the company satisfies its performance obligation.

Companies satisfy performance obligations and recognize revenue over a period of time if one of the following criteria is met.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-19 Revenue recognition (Cont'd)

- Revenue from contracts with customers (Cont'd)

a. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
b. The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If an entity does not satisfy its performance obligation over time according to previous conditions, the entity will recognize revenue at point in time when performance obligation is satisfied.

The following specific recognition criteria must also be met before revenue is recognized:

- Contracting revenue

Revenues from construction contracts include the initial value of each construction contract in addition to order changes, incentives or subsequent claims, provided that sufficient expectation exists for the realization of that value and the reliability of its estimate.

Where the results of the contract can be reliably estimated, revenues from construction contracts are recognized in accordance with the percentage of completion method according to the nature of the contract as follows:

- Long-term contracts: The percentage of completion is determined according to limitation of the executed works method. The contract costs incurred to meet this revenue are recognized.
- Short-term contracts: Short-term contract revenue is recognized in accordance with accounting for the work performed method and the actual costs incurred to meet the revenue.

Where a contract revenue cannot be reliably estimated, revenue is recognized within the limit of the actual cost incurred and is expected to be recovered.

Any expected loss of the contract is recognized as an expense in the event that the expected total cost of the contract is likely to exceed the total revenue of the contract irrespective to the percentage of completion of the contract.

Any increase (decrease) in the value of income calculated according to the percentage of completion than the actual bill of progress issued to the client is charged to the clients' account.

- Units sales

Housing and developments projects revenue is recognized on the sale of unit when all risks and rewards is transferred to the buyer and realized by the completion of the actual contract of the unit.

- Sale on instalments

The net present value of the sold unit is recognized as income on the date of sale. The selling price is the present value of the consideration and is determined by discounting the amount of premiums receivable using the targeted interest rate. Deferred interest is recognized as income when earned and on a time proportion basis taking into account the targeted interest rate.

- Real estate rental revenue

Real estate revenue is recognized in the consolidated interim statement of profit and loss using a fixed installments over the term of the contract.

- Dividends revenue

Revenue is recognized when the company's right to receive the payment is established.

- **Interest income**

Interest income is recognized as interest accrues according to timeline considering the targeted return on the financial asset.

3-20 Expenses

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the consolidated interim statement of profit or loss in the financial year in which these expenses were incurred.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-21 Impairment in value

Impairment in value of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of decline in value as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment in value of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Decline in value are recognized in the consolidated interim statement of profit or loss.

A previously recognized decline in value is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last decline in value was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no decline in value been recognized for the asset in prior years. Such reversal is recognized in the consolidated interim statement of profit or loss.

3-22 Financial Instruments

A. Initial Recognition

The institution is to recognize in the balance sheet the financial asset, or liability only when the institution is a contractual part in a financial instrument.

At initial recognition the financial asset, or liability is measured at fair value if they are classified as financial assets, or liabilities at fair value through profits or losses.

At initial recognition, the financial assets classified as financial assets at fair value through other comprehensive income, and financial assets at amortized cost are recognized at fair value plus the transaction cost.

At initial recognition, the financial liabilities classified at amortized cost are recognized at fair value minus the transaction cost.

B. Classification and measurement of financial assets and liabilities

The Egyptian standard number (47) – Financial Instruments include nine main categories based on the subsequent measurement for the financial assets, as follows:

- Financial assets by amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets through profits or losses.

In general, the classification of the financial assets as per the Egyptian standard number (47) – Financial Instruments is based on the business model managing the financial asset and related contractual cash flows.

Financial assets are classified based on: amortized cost, or fair value through other comprehensive income, or fair value through profits or losses.

The financial asset is classified based on the business model managing the financial asset and related contractual cash flows.

Financial assets are measured by amortized cost, if two conditions were met, and if was not measure by fair value through profits or losses.

- The asset is included in a business model planning to keep the asset for its contractual future cash flows.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.

The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measure by fair value through profits or losses.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-22 Financial Instruments (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

- The asset is included in a business model its goal is to collect contractual cash flows and sale of the financial asset.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.

The financial asset must be measured at fair value through profits or losses, if not measured by the amortized cost, or at fair value through comprehensive income.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, if this would materially result in reducing the volatility of measurement and recognition.

The institution must classify all its assets to be subsequently measure at amortized cost, except for the following:

- Financial liabilities at fair value through profits or losses, where that kind of liabilities and related derivatives representing these liabilities, subsequently, at fair value.
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.
- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard.

  B- Or, the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard.

  B- Or, the recognized balance - initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, when applicable by the Egyptian Accounting Standards, or when it results in better information, for:

A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes- as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.

B- There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for b this group on this base to the top management of the institution (also as defined in the Egyptian accounting standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president.

Financial Assets and Liabilities – re-classification:
Financial instruments are re-classified only when the financial model of the portfolio as a total change.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-22 Financial Instruments (Cont'd)

C. Impairment of financial assets value

The "Expected Credit Loss" model is applied on the financial assets measured at amortized cost, and contractual assets, and debt investments, at fair value through other comprehensive income, but not based on investments at equity.

The company valuates all available information, including future based information for the expected credit losses related to the included assets at amortized cost.

The "Expected Credit Loss" model is based on, if there is an increase in the expected credit losses. And to valuate if there is a material increase in credit risk, the failure to pay risk, at the separate financial statements date, is compared with the failure to pay risk at the initial recognition date, according to all the available information, and reasonable supporting future information.

As for only trading debtors' balances, due from related parties, and cash and cash equivalent, the company recognize the expected credit losses according to simple approach as per Egyptian Accounting Standard number (47).

The simple approach for recognizing expected credit losses, don't require the company to track the credit risk changes, but it can recognize impairment losses according to the permanent expected credit losses, at the preparation date of the separate financial statements.

The impairment in the credit losses value guide may include indicators showing that debtors or group of debtors are facing material financial problems, or failure, or delay in profits or principal payment, or liquidation problem, or any other financial restructuring, and as the observable information are showing a measurable impairment in the expected future cash flows, like, delays variables, or economic conditions related to payment failure. The trading debtors are audited in kind, depending on each situation, to detect if there is any reason for disposal.

The company measures the expected credit losses through considering payment failure risks during the contractual year, and include, during measurement, the future information.

D. Disposing of the financial asset from the books

The institution is to dispose of the financial assets from the books, only when:

- The contractual rights of the financial asset cash flows are over, or
- The institution transfers the financial asset.

The institution must dispose of the financial asset from the books (or part of the financial liability) from the balance sheet, when only it is reconciled – meaning that, the liability is paid to the contractual exact time, or cancelled, or expired.

3-23 Trade payable, contractors and notes payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3-24 Significant accounting estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years, while the actual results may vary from those estimates.

3-25 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

3-26 Cash and cash equivalent

For the purpose of preparing the consolidated cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within Year after deducted banks credit balances.

4- FIXED ASSETS

	Land	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Wood scaffold	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2025	44,688,634	29,493,838	61,302,879	9,339,593	45,453,182	46,209,692	68,574,045	107,652,317	122,989,321	68,635,001	604,338,502
Reclassification of fixed assets for the Period	-	-	-	841,749	8,765,082	(9,606,831)	(9,004,696)	9,004,696	-	-	-
Additions for the period	-	4,252,133	6,889,371	2,221,143	4,267,199	7,208,218	7,551,100	3,317,450	1,474,980	1,240,946	38,422,540
Disposals for the period	-	-	(18,226)	-	(6,505)	(7,396)	(825,450)	(544,604)	(551,846)	-	(1,954,027)
Translation of foreign operations	-	-	(118,931)	-	(162,595)	-	-	-	(333,687)	-	(615,213)
30 June 2025	44,688,634	33,745,971	68,055,093	12,402,485	58,316,363	43,803,683	66,294,999	119,429,859	123,578,768	69,875,947	640,191,802
Accumulated depreciation											
1 January 2025	-	(14,269,207)	(35,219,229)	(3,316,857)	(33,244,565)	(18,333,535)	(40,561,929)	(60,423,305)	(55,961,027)	(49,675,420)	(311,005,074)
Depreciation for the period	-	(2,234,071)	(2,342,046)	(590,457)	(1,508,763)	(3,520,909)	(4,568,087)	(3,798,805)	(2,976,789)	(2,293,524)	(23,833,451)
Depreciation of disposals During the Period	-	-	18,226	-	6,505	7,396	495,191	544,604	549,836	-	1,621,758
Translation of foreign operations	-	-	118,913	-	162,584	-	-	-	12,513	-	294,010
30 June 2025	-	(16,503,278)	(37,424,136)	(3,907,314)	(34,584,239)	(21,847,048)	(44,634,825)	(63,677,506)	(58,375,467)	(51,968,944)	(332,922,757)
Net book value											
As of 30 June 2025	**44,688,634**	**17,242,693**	**30,630,957**	**8,495,171**	**23,732,124**	**21,956,635**	**21,660,174**	**55,752,353**	**65,203,301**	**17,907,003**	**307,269,045**

- Gain on sale of fixed assets during the period is presented as follows:

		For the six months ended 30 June 2025
	EGP	**EGP**
Proceeds from sale of fixed assets		5,829,332
Cost of disposed asset	(1,954,027)	
Accumulated depreciation of disposed asset	1,621,758	
Net book value of disposed asset		(332,269)
Gain on sale of fixed assets		**5,497,063**

4- FIXED ASSETS (CONT'D)

	Land	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Wood scaffold	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2024	72,154	20,412,048	47,884,591	6,087,826	39,984,988	37,114,371	56,244,879	51,677,620	102,646,922	68,635,001	430,760,400
Transferred from right-of-use assets (Note 34)	-	-	-	-	-	-	1,714,000	-	-	-	1,714,000
Cost transferred from investment properties (Note 8)	44,616,480	-	-	-	-	-	-	52,036,654	-	-	96,653,134
Fixed assets from acquired subsidiary	-	-	-	-	-	4,001,143	-	-	-	-	4,001,143
Additions for the year	-	9,109,090	11,256,307	3,251,767	2,377,242	5,094,178	12,500,931	3,938,043	13,998,978	-	61,526,536
Disposals	-	(27,300)	(98,912)	-	-	-	(1,885,765)	-	-	-	(2,011,977)
Translation of foreign operations	-	-	2,260,893	-	3,090,952	-	-	-	6,343,421	-	11,695,266
31 December 2024	44,688,634	29,493,838	61,302,879	9,339,593	45,453,182	46,209,692	68,574,045	107,652,317	122,989,321	68,635,001	604,338,502
Accumulated depreciation											
1 January 2024	-	(11,375,491)	(28,521,678)	(2,378,102)	(27,659,545)	(12,675,888)	(35,513,082)	(31,758,575)	(49,572,275)	(44,246,957)	(243,701,593)
Transferred from right-of-use assets (Note 34)	-	-	-	-	-	-	(377,080)	-	-	-	(377,080)
Cost transferred from investment properties (Note 8)	-	-	-	-	-	-	-	(19,472,886)	-	-	(19,472,886)
Accumulated depreciation from acquired subsidiary	-	-	-	-	-	(842,842)	-	-	-	-	(842,842)
Depreciation for the year	-	(2,902,816)	(4,549,674)	(938,755)	(2,494,865)	(4,814,805)	(5,919,903)	(9,191,844)	(6,388,752)	(5,428,463)	(42,629,877)
Depreciation of disposals	-	9,100	98,912	-	-	-	1,248,136	-	-	-	1,356,148
Translation of foreign operations	-	-	(2,246,789)	-	(3,090,155)	-	-	-	-	-	(5,336,944)
31 December 2024	-	(14,269,207)	(35,219,229)	(3,316,857)	(33,244,565)	(18,333,535)	(40,561,929)	(60,423,305)	(55,961,027)	(49,675,420)	(311,005,074)
Net book value											
As of 31 December 2024	44,688,634	15,224,631	26,083,650	6,022,736	12,208,617	27,876,157	28,012,116	47,229,012	67,028,294	18,959,581	293,333,428

5- PROJECTS UNDER CONSTRUCTION

	30 June 2025	31 December 2024
	EGP	EGP
Beginning balance	**24,281,748**	24,281,748
Additions for the period	**5,279,202**	-
Transferred to intangible assets (Note 9)	**(2,439,758)**	-
Ending Balance	**27,121,192**	24,281,748

6- INVESTMENTS IN ASSOCIATES

	Ownership Percentage	**30 June 2025**	Ownership Percentage	31 December 2024
	%	**EGP**	%	EGP
Lotus For Hotels and Resorts Company	**36.59**	**563,137,232**	42.75	563,232,468
Bedaya For Roads and Contracting Company	**27.94**	**1,125,000**	28.46	1,125,000
Aman Construction Company	**13.25**	**1,355,733**	13.26	1,412,111
Arabian Company for Dairy Products (Arab Dairy)	**0.03**	**510,178**	0.67	16,002,025
El Hessn For Consulting Company	**0.25**	**2,679,404**	0.29	2,292,083
Universal For Papers And Packing Materials Company (Unipack)	**0.04**	**221,006**	0.04	145,639
		569,028,553		584,209,326

- These investments were considered as an investment in associate companies due to the presence of significant influence represented in the exchange of management personnel.

The Company's share of associates' assets, liabilities and equity as follows:

Values in (EGP)	Non-current assets	Current assets	Current liabilities	Non-current liabilities	Capital and shareholders' equity
Lotus For Hotels and Resorts Company	38,750	18	36	4,020	34,712
Bedaya For Roads and Contracting Company	689	17,395	14,352	-	3,732
Aman Construction Company	13	49,416	48,531	-	898
Arabian Company for Dairy Products (Arab Dairy)	301	535	504	74	258
El Hessn For Consulting Company	3,660	353	1,997	-	2,016
Universal For Papers And Packing Materials Company (Unipack)	184	329	290	36	187

The Company's profit share from investments in associates as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	EGP	EGP
Lotus For Hotels and Resorts Company	**(95,236)**	(39,123)
Aman Construction Company	**(56,378)**	(359,771)
Arabian Company for Dairy Products (Arab Dairy)	**(38,850)**	64,102
El Hessn For Consulting Company	**387,321**	215,272
Universal For Papers And Packing Materials Company (Unipack)	**5,395**	12,000
	202,252	(107,520)

7- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025	31 December 2024
	EGP	EGP
Non-quoted investments	**239,060**	239,060
	239,060	239,060

8- INVESTMENT PROPERTIES

	Balance as of 1 January 2025	Transferred to housing and development projects	Revaluation during the period	**Balance as of 30 June 2025**
	EGP	EGP	EGP	**EGP**
Point 90 Mall	4,717,350,800	-	-	**4,717,350,800**
Al-Multaka Mall	460,839,520	-	-	**460,839,520**
Maarouf Land	321,107,600	-	-	**321,107,600**
Shubara land *	-	31,852,373	117,567,627	**149,420,000**
Katmiyya land	104,750,000	-	-	**104,750,000**
	5,604,047,920	31,852,373	117,567,627	**5,753,467,920**

*During the period based on the change in the business model of the aforementioned plot of land, based on the management plan, the purpose of using the plot of land owned by the company was changed from the purpose of development to the purpose of retention and achieving an increase in its value, selling and renting it in the future, as the land is retained for that purpose and in accordance with paragraph No. 57 of the Egyptian Accounting Standard for Investment property Standard No. (34), Accordingly, the company used the fair value model for its investment property on March 31, 2025, according to the report of the property appraiser approved by the Financial Regulatory Authority and designated for the same purpose, which resulted in a valuation gain of EGP 117,567,627 that was included in the statement of profit or loss for the period in accordance with paragraph No. 63 of the standard

9- INTANGIBLE ASSETS

	30 June 2025	31 December 2024
	EGP	EGP
Cost		
Beginning balance	**807,763**	807,763
Transferred from projects under construction (Note 5)	**2,439,758**	-
Ending balance	**3,247,521**	807,763
Accumulated amortization		
Beginning balance	**(807,763)**	(807,763)
Amortization for the period	**(121,988)**	-
Ending balance	**(929,751)**	(807,763)
Net book value at the end of the period / year	**2,317,770**	-

10- GOODWILL

	30 June 2025	31 December 2024
	EGP	EGP
United Company For Housing And Development	**263,603,006**	263,603,006
Al Giza General For Contracting And Real Estate Investment Co.	**191,119,964**	191,119,964
Cairo For Housing And Real Estate Development Company	**117,200,787**	117,200,787
El Saeed For Contracting And Real Estate Investment Company	**3,757,979**	3,757,979
	575,681,736	575,681,736

- The goodwill balance represents the difference between the acquisition cost and the group's share in the fair value of the investments.

11- CASH ON HAND AND AT BANKS

	30 June 2025 EGP	31 December 2024 EGP
A. Local currency		
Cash on hand	**46,432,338**	37,797,500
Current accounts	**1,353,082,248**	1,768,730,616
Deposits	**562,892,158**	902,575,270
	1,962,406,744	2,709,103,386
B. Foreign currency		
Cash on hand	**13,269,926**	11,409,816
Current accounts	**119,370,626**	46,898,707
	11,452,222	6,664,020
	144,092,774	64,972,543
Total cash on hand and at banks	**2,106,499,518**	2,774,075,929
Deduct:		
Deposits (more than 3 months) *	**(465,155,598)**	(888,978,773)
Cash and cash equivalent as of the cash flow	**1,641,343,920**	1,885,097,156

* These deposits are held by the banks as collateral for credit facilities and letters of guarantee at the financial statements date.

12- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 EGP	31 December 2024 EGP
Investment funds securities	**45,275**	50,000
Quoted investments	**811,885,334**	1,080,521,560
Non-quoted investments	**5,219**	5,196
	811,935,828	1,080,576,756

- The movement of investments at fair value through profit or loss during the period is as follows:

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Balance at the beginning of the period	**1,080,576,756**	494,533,408
Investments at fair value through profit or loss valuation differences	**10,239,690**	538,174,445
Gain from sale of investments at fair value through profit or loss	**37,768,552**	1,627,857
Balance at the end of the period	**(811,935,828)**	(1,034,683,824)
The change in investments at fair value through profit or loss	**316,649,170**	(348,114)

13- INVESTMENT IN TREASURY BILLS

	30 June 2025 EGP	31 December 2024 EGP
Par value	**40,000,000**	320,900,000
Deferred returns	**(3,988,899)**	(16,197,386)
Taxes on return on treasury bills	**(910,397)**	(2,423,899)
Present value	**35,100,704**	302,278,715

14- TRADE AND NOTES RECEIVABLE

	30 June 2025 EGP	31 December 2024 EGP
Contracting receivable	**2,905,233,663**	3,115,763,888
Real estate receivable	**2,565,108,050**	1,464,487,374
Rent receivable	**45,356,804**	32,266,644
	5,515,698,517	4,612,517,906
Expected credit loss in trade and notes receivable	**(168,001,988)**	(163,383,395)
Deferred instalments interest	**(571,986,685)**	(245,585,475)
	4,775,709,844	4,203,549,036

- Expected credit loss in trade and notes receivable movement is as follow:

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Beginning balance	**(163,383,395)**	(64,647,558)
Charged during the period	**(4,618,593)**	(2,199,260)
Ending balance	**(168,001,988)**	(66,846,818)

15- DUE FROM RELATED PARTIES

	Affiliation	**30 June 2025 EGP**	31 December 2024 EGP
Aspire Capital Holding Company for Financial Investments	Related party	**159,129,120**	184,130,356
Gadwa for Industrial Development Company	Related party	**187,703,914**	448,369,512
El Hessn For Consulting Company	Associate	**-**	22,226
PHC Food Company	Related party	**-**	5,750,000
Lotus For Hotels and Resorts Company	Associate	**4,985,165**	4,883,165
		351,818,199	643,155,259
Expected credit loss in due from related party		**(830,284)**	(1,457,472)
		350,987,915	641,697,787

- Expected credit loss in due from related parties' movement is as follow:

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Beginning balance	**(1,457,472)**	(1,297,027)
Reversed during the period	**627,188**	140,051
Ending balance	**(830,284)**	(1,156,976)

16- HOUSING AND DEVELOPMENT PROJECTS

	30 June 2025 EGP	31 December 2024 EGP
Housing and development projects – under construction	**42,613,971,355**	37,959,193,748
Housing and development projects – completed	**912,189,114**	849,413,995
	43,526,160,469	38,808,607,743

17- INVENTORIES

	30 June 2025 EGP	31 December 2024 EGP
Raw materials	**982,980,563**	682,148,916
Spare parts	**4,666,955**	4,584,742
Fuel	**641,652**	625,596
Scrap	**-**	51,800
	988,289,170	687,411,054

18- PREPAYMENTS AND OTHER DEBIT BALANCES

	30 June 2025	31 December 2024
	EGP	EGP
Prepaid expenses	**48,790,043**	48,370,427
Prepaid sales commissions	**1,971,249,901**	1,828,939,871
Advance payments to acquire fixed assets	**3,423,218**	157,741,964
Advance payments to suppliers and contractors	**1,030,613,851**	451,366,980
Sundry contractors	**17,515,692**	16,240,102
Deposits with others	**1,076,793,209**	1,093,188,522
Letters of guarantee margin	**17,248,364**	17,248,364
Tax Authority	**96,207,558**	108,056,463
Accrued revenue	**140,467,876**	126,942,409
Financial Group – Securitization *	**19,459,208**	26,318,420
Accrued maintenance expenses	**571,842,663**	755,289,761
Other debit balances	**1,202,653,384**	490,315,446
	6,196,264,967	5,120,018,729
Expected credit loss in other debit balances value **	**(8,155,142)**	(6,283,703)
	6,188,109,825	5,113,735,026

* The group companies signed a securitization contract in December 2021 for the portfolio of some clients of the Stone Residence project - Fifth Settlement to the EFG Hermes company, with a total value of EGP 409,481,604, including a present value discount of EGP 67,470,911.

In return, EFG Hermes paid EGP 315,634,532 after deducting administrative expenses of EGP 10,155,756 to the group companies and setting aside EGP 16,220,405 Included in deposits with others for the credit enhancement account.

* The group companies signed a securitization contract in July 2022 for the portfolio of some clients of the Stone Residence project - Fifth Settlement to the EFG Hermes company, with a total value of EGP 230,916,301, including a present value discount of EGP 58,748,154.

In return, EFG Hermes paid EGP 156,516,511 after deducting administrative expenses of EGP 6,694,526 to the group companies and setting aside EGP 8,957,110 Included in deposits with others for the credit enhancement account.

* The group companies signed a securitization contract in November 2022 for the portfolio of some clients of the Stone Residence project - Fifth Settlement to the EFG Hermes company, with a total value of EGP 290,196,194, including a present value discount of EGP 104,401,268.
In return, EFG Hermes paid EGP 150,533,199 after deducting administrative expenses of EGP 7,720,384 to the group companies and setting aside EGP 8,082,135 Included in deposits with others for the credit enhancement account, and the remaining EGP 19,459,208 owed to the group companies with EFG Hermes company.

** Expected credit loss in other debit balance is as follow:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	EGP	EGP
Beginning balance	**(6,283,703)**	(3,739,958)
Charged during the period	**(1,871,439)**	-
Ending balance	**(8,155,142)**	(3,739,958)

19- CAPITAL

As of 24 July 2021, the Extraordinary General Assembly Meeting unanimously approved the report number 534 as of 15 June 2021 from the Economic Performance Sector of the General Authority for Investment and Free Zones reports, confirming the preliminary book and fair value assessment of the company's assets and liabilities for the purpose of splitting the company into nine companies (an original company and two resulted companies). The report concluded that net owners' equity value of Aspire Capital Holding Company for Financial Investments (S.A.E) (Previously - Pioneers Holding Company for Financial Investments) is EGP 7,039,494,200, which resulted the following:
Net shareholders' equity of Pioneers Properties for Urban Development Company (resulted company) is EGP 4,752,277,200

The Issued and paid-up capital of EGP 4,746,623,220 divided over 1054805160 shares with a face value of EGP 4.5 per share, with authorized capital of EGP 23 billion. The Commercial Register was issued on 8 September 2021.

During the period, the Company continuing the purchase of treasury stocks in accordance with the Board of Directors resolution on 14 January 2025. and the number of treasury stocks purchased till 20 May 2025, Equal 41,146,758 to shares, with a value of EGP 128,333,334.

As of 21 May 2025, the Company allocated 28281758 treasury stocks purchased for share-based payments reserve with a value of EGP 88,208,463, Accordingly, the number of remaining treasury stocks till 30 June 2025, Equal 12,865,000 to shares, with a value of EGP 40,124,871, (35,936,758 shares, with a value of EGP 111,280,771 on December 31, 2024).

The capital structure is as follows:

Shareholders	Percentage	No. of shares	**Value EGP**
Walid Mohamed Zaki	27.62%	291285929	1,310,786,681
Abdelkader Elmohedeb And Sons Company	14.38%	151658750	682,464,375
Taha Ibrahim Mostafa Mohamed Eltelbani	10.08%	106344921	478,552,145
Hesham Ali Shoukry Hafez	7.08%	74643766	335,896,947
EGYCAP Investments Ltd.	6.73%	70935897	319,211,536
Hossam Mohammed Zaki	4.23%	44615652	200,770,434
Others shareholders	29.89%	315320245	1,418,941,102
Total	**100%**	**1054805160**	**4,746,623,220**

20- NON-CONTROLLING INTEREST

	30 June 2025 EGP	31 December 2024 EGP
Beginning balance for the period / year	**6,024,738,912**	4,878,080,708
Adjustments on retained earnings – subsidiaries	**21,649**	577,327,269
Adjustments arising from capital increase of subsidiaries	**182,518,369**	7,500,015
Adjustments arising from acquisition of subsidiaries	**-**	903,415
Adjustments arising from changes in subsidiaries' ownership percentage	**(15,891,951)**	451,350,521
Adjustments arising from subsidiaries' treasury stocks purchase	**(121,325,241)**	(31,894,196)
Dividends distributed – subsidiaries	**(21,521,356)**	(24,925,317)
Exchange differences on translation of foreign operations	**(6,420,096)**	1,607,811
Non-controlling interest in consolidated statement of profit or loss	**286,256,523**	164,788,686
Ending balance for the period / year	**6,328,376,809**	6,024,738,912

21- LONG-TERM LOANS

	30 June 2025 EGP	31 December 2024 EGP
Loans balance	**6,445,019,868**	6,445,336,278
Deduct:		
Current portion	**(889,408,104)**	(202,965,772)
Non-current portion	**5,555,611,764**	6,242,370,506

- Loans granted by banks with an interest rate of 1% - 3% above the corridor rate and guaranteed by securities held by banks.

22- LAND CREDITORS

	30 June 2025 EGP	31 December 2024 EGP
Liability balance	**14,992,307,143**	14,853,953,136
Deduct:		
Current portion of land creditors	**(2,970,247,463)**	(1,512,585,742)
Non-current portion of land creditors	**12,022,059,680**	13,341,367,394

23- SHAREHOLDERS' CREDIT BALANCES

	30 June 2025 EGP	31 December 2024 EGP
Shareholders – (Subsidiary companies)	**127,548,196**	139,783,558
	127,548,196	139,783,558

24- ADVANCES FROM CUSTOMERS

	31 June 2025 EGP	31 December 2024 EGP
Customers – Contracting activity	**659,352,981**	468,559,602
Customers – Real estate investment activity	**18,297,207,644**	13,755,682,713
	18,956,560,625	14,224,242,315

25- CREDIT FACILITIES

	30 June 2025 EGP	31 December 2024 EGP
Credit Facilities - Local Currency	**2,381,121,561**	3,188,091,454
Credit Facilities - Foreign Currency	**405,807,680**	409,542,994
	2,786,929,241	3,597,634,448

- Credit facilities granted by banks with interest rates between 0.5% - 2.5% above the CORRIDOR rate and between 1% - 3% above the LIBOR price, guaranteed by term deposits and commercial papers held by banks.

26- TRADE PAYABLE, CONTRACTORS, AND NOTES PAYABLE

	30 June 2025 EGP	31 December 2024 EGP
Trade payable and contractors	**1,880,842,609**	1,461,315,736
Notes payable	**1,774,912,071**	1,614,824,722
	3,655,754,680	3,076,140,458

27- TAX AUTHORITY – CREDIT BALANCES

	30 June 2025 EGP	31 December 2024 EGP
Tax Authority – Income tax	**165,179,831**	105,196,868
Tax Authority – Other taxes	**336,384,673**	320,760,071
	501,564,504	425,956,939

28- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 June 2025	31 December 2024
	EGP	EGP
Accrued expenses	**75,841,220**	82,733,013
Deposits from others	**565,977,595**	469,718,487
Social Insurance Authority	**68,702,641**	57,165,062
Contractors Social Insurance	**104,561,397**	75,208,931
Accrued maintenance expenses	**9,741,472**	9,506,826
Deferred revenue	**1,962,051**	1,606,483
Union of occupants -Maintenance deposit	**1,444,951,230**	1,063,879,341
The Egyptian Real Estate Finance Company	**592,149**	1,190,050
The Arabian Egyptian Real Estate Bank	**65,651,919**	98,041,171
Amlak Financing Company	**45,053,786**	52,824,867
Hermes Financial Group	**39,000,000**	-
Accrued interest	**60,887,261**	37,280,333
Other credit balances	**811,818,044**	987,895,332
	3,294,740,765	2,937,049,896

29- PROVISIONS

	1 January 2025	Used during the period	**30 June 2025**
	EGP	EGP	**EGP**
Provision for liabilities	12,102,863	(620,526)	**11,482,337**
Provision for claims	36,190,279	-	**36,190,279**
	48,293,142	(620,526)	**47,672,616**

30- INCOME TAXES

INCOME TAXE EXPENSE	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024
	EGP	EGP
Current income tax	**153,358,141**	49,446,244
Returns on treasury bills taxes	**3,284,010**	8,853,630
Deferred income tax – (revenue)	**(163,753)**	202,621,507
Income tax expense	**156,478,398**	260,921,381

DEFERRED INCOME TAX	**30 June 2025**	31 December 2024
	EGP	EGP
Beginning balance - (Liability) / Asset	**(306,594,871)**	485,947,761
Adjustments	**-**	(883,160,747)
Translation of foreign operations	**(139,939)**	2,723,336
Deferred income tax for the period / year – (expense) / revenue	**163,753**	87,894,779
Ending Balance – (Liability)	**(306,571,057)**	(306,594,871)

31- OPERATIONS REVENUE

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	EGP	EGP
Contracting activity revenue	**1,227,561,463**	1,506,660,931
Real estate sales revenue	**1,856,269,485**	992,331,572
Investments properties rental revenue	**174,563,985**	135,556,239
Retail activity revenue	**19,910,408**	14,394,162
	3,278,305,341	2,648,942,904

32- OPERATIONS COST

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Contracting activity cost	**973,509,568**	1,167,285,432
Real estate sales cost	**890,481,248**	640,729,558
Investment properties rental cost	**36,058,543**	28,394,033
Retail activity cost	**14,999,487**	11,918,541
	1,915,048,846	1,848,327,564

33- LOSS ON SALE OF INVESTMENTS IN ASSOCIATES

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Loss on sale of investments in associates	**(2,310,715)**	-
	(2,310,715)	-

34- EARNINGS PER SHARE

Earnings per share is calculated by dividing equity holders of the Parent Company share in profit for the period by weighted average number of outstanding shares, as follows:

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Net profit for the period attributable to the equity holders of the parent company	**217,964,866**	1,198,219,866
Weighted average number of outstanding shares during the period	**1043975271**	1050196155
Earnings per share	**0.209**	1.141

35- LEASE CONTRACTS

1- RIGHT-OF-USE ASSETS

Cost	Buildings EGP	Vehicles EGP	Total EGP
1 January 2025	95,696,153	6,207,586	**101,903,739**
Additional during the period	652,870	-	**652,870**
30 June 2025	96,349,023	6,207,586	**102,556,609**
Accumulated Amortization			
1 January 2024	(31,788,761)	(2,718,868)	**(34,507,629)**
Amortization for the period	(6,392,501)	(455,458)	**(6,847,959)**
30 June 2025	(38,181,262)	(3,174,326)	**(41,355,588)**
Net Book Value			
As of 30 June 2025	58,167,761	3,033,260	**61,201,021**

Cost	Buildings EGP	Vehicles EGP	Total EGP
1 January 2024	86,814,597	7,921,586	94,736,183
Adjustments	19,496,358	-	19,496,358
Additions	1,011,796	-	1,011,796
Transferred to fixed assets	-	(1,714,000)	(1,714,000)
Disposals	(11,626,598)	-	(11,626,598)
31 December 2024	95,696,153	6,207,586	101,903,739
Accumulated Amortization			
1 January 2024	(22,891,134)	(2,139,326)	(25,030,460)
Adjustments	(690,713)	-	(690,713)
Amortization for the year	(11,759,485)	(956,622)	(12,716,107)
Transferred to fixed assets	-	377,080	377,080
Amortization of disposals	3,552,571	-	3,552,571
31 December 2024	(31,788,761)	(2,718,868)	(34,507,629)
Net Book Value			
As of 31 December 2024	63,907,392	3,488,718	67,396,110

35- LEASE CONTRACTS (CONT'D)

2- LEASE LIABILITIES

	Operating Lease Contracts EGP	Finance Lease Contracts EGP	**30 June 2025 Total EGP**
Lease liabilities balance	71,823,147	1,429,337,952	**1,501,161,099**
deduct:			
Current portion of lease liability	(14,632,164)	(235,962,305)	**(250,594,469)**
	57,190,983	1,193,375,647	**1,250,566,630**

	Operating Lease Contracts EGP	Finance Lease Contracts EGP	31 December 2024 Total EGP
Lease liabilities balance	78,507,355	1,458,244,963	1,536,752,318
deduct:			
Current portion of lease liability	(15,580,924)	(174,481,455)	(190,062,379)
	62,926,431	1,283,763,508	1,346,689,939

- The finance lease contracts are represented in the balances of Pioneers Properties for Urban Development Company with a value of EGP 90,525,218, Cairo for Housing and Real Estate Development Company with a value of EGP 719,923,537, and the United Company for Housing and Development with a value of EGP 408,809,580, and Mashareq For Real Estate Investment Company with a value of EGP 101,678,701 and El Saeed For Contracting And Real Estate Investment Company with a value of EGP 3,840,096 and Al Giza General For Contracting And Real Estate Investment Company with a value of EGP 70,000,000 resulting from contracts of sale and leaseback of assets that were originally owned by the companies and will regain its ownership at the end of the contract at a value of EGP 1 per contract.

36- TAX POSITION

Pioneers Properties for Urban Development Company (S.A.E.) and its subsidiaries are subject to income tax. Income tax is calculated for each company. The income tax balance shown in the consolidated interim statement of profit or loss represents the total income tax for the financial six months ended 30 June 2025.

37- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Financial instruments of the company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade and notes receivable, due from related parties, and other receivables), the financial liabilities include (customers – credit balances, credit facilities, lease liabilities, trade payable, contractors, notes payable, loans, land creditors, due to related parties, tax liabilities, shareholders' credit balances, accrued expenses and other credit balances). Note (3) in the accompanying notes of the consolidated financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

Fair value of financial instruments
In accordance with the valuation principles used in the valuation of the Company's assets and liabilities stated in Note (3), the fair values of financial assets and liabilities are not materially different from their carrying amounts at the financial position date.

Interest rate risk
The Company monitors the maturity structure of assets and liabilities with the related interest rates.

Foreign Currency Risk
The foreign currency risk is the risk that the value of the inflows and outflows in foreign currencies, as well as, valuation of assets and liabilities in foreign currencies, will fluctuate due to changes in foreign currency exchange rates.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, resulting in financial losses beard by the other party. The Company is exposed to credit risk from its deposits with banks, accounts receivables as well as some other assets as represented on the financial position.
The company seeks to reduce credit risk related to bank deposits by dealing with reputable banks and by setting credit limits to its clients and monitoring their customer outstanding credit balances.

37- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of retained earnings, and company bank balances to match the maturity of the company liabilities when due.

Cash flows risk related to the interest rate

The risk of interest rate cash flows is the risk of changes in future cash flows due to changes in interest rates. The Company seeks to reduce that risk by relying on cash flows from operating activities.

Capital Management

The main purpose of the capital management is to ensure that the company maintain a proper percent of the capital to support its business and to achieve the maximum increase for the shareholders.

The company manages the capital structure and adjust it in considerations to the changes in the business environment. There were no changes in the company goals, policies and operations for the financial six months ended 30 June 2025 and the financial six months ended 30 June 2024.

38- KEY SOURCES FOR UNCERTAIN ESTIMATES

The Company makes future estimates and assumptions. The results of accounting estimates, as defined, are rarely equal to actual results. Estimates and assumptions with significant risks that could cause a material adjustment to the carrying amounts of assets and liabilities during the next financial period are indicated below:

Decline in trade and other receivables value

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Income taxes

The company is subject to corporate tax. A provision for income tax is estimated using an expert opinion, any discrepancies between estimated and actual tax are reflected on provision for income tax and deferred tax for these periods.

39- SIGNIFICANT EVENTS

A. On October 23, 2024, the Egyptian Accounting Standard No. 51 titled "Financial Statements in Hyperinflationary Economies" was issued by Prime Ministerial Decree No. 3527 of 2024. The purpose of this standard is to assist in re-evaluating assets and liabilities in the financial statements to reflect the actual purchasing power under the impact of inflation. The Company's management is currently monitoring the implications of implementing this standard to assess its potential effect on the separate financial statements. As of the date of issuance of these consolidated interim financial statements, no official instructions for application have been issued.

B. On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the credit and discount rate by 225 basis points to reach 25.50% for the main operation rate. On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the credit and discount rate by 100 basis points, to reach 24%, the lending rate at 25%, and the main operation rate at 24.5%.