NAEEM HOLDING COMPANY
FOR INVESTMENTS (S.A.E – FREE ZONE)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
TOGETHER WITH AUDITOR'S REPORT

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Translation of auditor's report originally issued in Arabic

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE)

Report on the consolidated Financial Statements
We have audited the accompanying consolidated financial statements of NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE), represented in the consolidated balance sheet as of 31 December 2015, and the related consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion
In our opinion, the consolidated financial statements referred to above, give a true and fair view, in all material respects, of the financial position of NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE), as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

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EMPHASIS OF A MATTER PARAGRAPH

As per the extraordinary general assembly meeting of Bedaya for Real Estate Investments (Subsidiary) held on 27 March 2013 it has been approved on liquidating the company's activities through freezing it's operation starting from 31 March 2013 and the tax card has been delivered to the company (Note 29).

As per the decision from the board of directors of the Egyptian Financial Supervisory Authority (EFSA) session held on 23 July 2011, Naeem For Real Estate Financing (Subsidiary) has been prevented from performing its operations according to the article No. 42 of the real estate financing law No. 148 of 2001 for not completing its issued capital. (Note 29).

As per the decision of the extraordinary general assembly meeting of Gold Capital for Trading held on 11 June 2015 it has been approved on the temporary suspension of the company's operation for one year from 30 June 2015. (Note 29).

Cairo: 6 March 2016

Auditor

Amr M. El Shaabini
FESAA - FEST
(RAA. 9365)
(CMAR. 103)

Translation of consolidated financial statements
originally issued in Arabic

NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2015

	Notes	31/12/2015 USD	31/12/2014 USD
Non-Current Assets			
Fixed assets	(5)	3,770,350	2,279,379
Projects under construction	(6)	4,903,027	6,232,930
Available for sale investments	(7)	73,263,972	72,906,136
Long-term investments	(8)	737,081	847,068
Investments in associates	(24)	2,995,628	4,118,663
Investments properties	(28)	14,929,348	-
Due from sale- leaseback		1,105,464	4,133,024
Deferred tax assets		499	-
Employees rewarding system	(9)	10,267,559	13,543,273
Goodwill	(10)	56,908,567	56,908,567
		168,881,495	160,969,040
Current Assets			
Cash on hand and at banks	(11)	22,079,030	27,892,535
Investments at fair value through profits or losses	(13)	8,652,152	5,743,695
Available for sale financial investments	(27)	18,899,545	18,899,545
Accounts Receivable	(12)	17,396,677	14,876,534
Work in Process	(26)	26,958,862	29,057,327
Prepaid expenses and other debit balances	(14)	24,227,267	34,096,961
Finished units	(22)	29,086,236	39,089,189
Total Current Assets		147,299,769	169,655,786
Current Liabilities			
Provisions	(15)	291,464	568,598
Banks overdraft	(16)	18,754,590	5,878,701
Accounts receivables – credit balances		10,168,051	25,036,591
Accrued expenses and other credit balances	(17)	17,502,454	18,699,700
Total Current Liabilities		46,716,559	50,183,590
Working Capital		100,583,210	119,472,196
Total Investments		269,464,705	280,441,236
Financed as follows:			
Equity			
Issued and paid up capital	(18)	283,889,471	283,889,471
Legal reserve		8,149,099	8,149,099
Treasury stocks	(19)	(1,492,537)	
Treasury stock reserve	(19)	6,671,109	6,671,109
Employees' rewarding system revaluation differences	(9)	(11,465,392)	(8,189,667)
Unrealized (losses) from available for sale investments		(9,510,935)	(10,334,467)
Consolidated translation differences		(19,436,808)	(15,173,794)
(Deficit) Retained Earnings		(36,129,274)	(35,754,205)
(Losses) for the year		(5,929,965)	(375,069)
Total Equity		214,744,768	228,882,477
Minority Interest		51,109,630	43,680,379
Non-Current Liabilities			
Long-term liabilities	(20)	3,549,581	7,854,460
Deferred tax liabilities		60,726	23,920
Total Non-Current Liabilities		3,610,307	7,878,380
Total finance of Working Capital and Non-Current Assets		269,464,705	280,441,236

CFO	Managing Director	Chairman
Ahmed Mahmoud Elgammal	Yossef Medhat Elfar	Dr. Nasser AbdAllah Elmohwas

- The accompanying notes from (1) to (29) are an integral part of these consolidated financial statements.
- Auditor's report attached.

NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE)

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	31/12/2015 USD	31/12/2014 USD
Fees, commissions and investments managing revenues		4,183,871	4,279,014
Units sales revenue		9,650,624	13,583,234
Cost of units sold		(6,928,336)	(14,294,234)
(Loss) Gain of investment sale		(1,736,501)	5,545,080
Capital gain	(5)	11,516	501,165
Dividends from associates		-	1,226,894
Credit interests		261,159	221,274
Unrealized gains (losses) from revaluation of investments at fair value through profit or loss		(783,006)	3,516,424
Revaluation gain from real state investments		14,733,369	-
Foreign exchange differences		(1,499,150)	(681,052)
Provision no longer required	(15)	-	266,585
Company's share of (losses) profits in associates		(800,145)	(453,453)
Other income		6,597,856	3,079,611
Total Revenues		23,691,257	16,790,542
General and administrative expenses		(13,778,291)	(12,764,800)
Marketing and managing expenses		(956,308)	(1,311,632)
Finance lease expenses		(4,958,236)	(4,810,873)
Provisions		165,183	-
Debit interests		(1,980,521)	(1,306,774)
Fixed assets depreciation		(589,480)	(561,025)
Total Expenses		(22,097,653)	(20,755,104)
Profits (Losses) for the year before taxes		1,593,604	(3,964,562)
Income tax		(52,226)	
Deferred income taxes		(42,092)	24,412
Profits (Losses) for the Year		1,499,286	(3,940,150)
Represented in:			
Shareholders' equity of the Holding Company		(5,929,965)	(375,069)
Minority interest		7,429,251	(3,565,081)
Profits (Losses) for the Year		1,499,286	(3,940,150)

CFO
Ahmed Mahmoud Elgammal

Managing Director
Yossef Medhat Elfar

Chairman
Dr. Nasser AbdAllah Elmohwas

- The accompanying notes from (1) to (29) are an integral part of these consolidated financial statements.

NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2015

	Issued & paid up capital	Legal Reserve	Treasury Stocks	Treasury stock Reserve	Employee' rewarding system revaluation reserve	Unrealized (Losses) on revaluation of available for sale investments	Consolidated translation differences	Retained earnings (Accumulated deficit)	(Losses) Profits for the year	Total	Minority Interest	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance as of 1 January 2015	283,889,471	8,149,099	-	6,671,109	(8,189,667)	(10,334,467)	(15,173,794)	(35,754,205)	(375,069)	228,882,477	43,680,379	272,562,856
Transferred to retained earnings (deficit)	-	-	-	-	-	-	-	(375,069)	375,069	-	-	-
Revaluation differences on investments available for sale	-	-	-	-	-	823,532	-	-	-	823,532	-	823,532
Consolidated translation differences	-	-	-	-	-	-	(4,263,014)	-	-	(4,263,014)	-	(4,263,014)
Employees' rewarding system revaluation differences	-	-	-	-	(3,275,725)	-	-	-	-	(3,275,725)	-	(3,275,725)
Subsidiaries treasury stocks	-	-	(1,492,537)	-	-	-	-	-	-	(1,492,537)	-	(1,492,537)
Minority interest	-	-	-	-	-	-	-	-	-	-	7,429,251	7,429,251
(Losses) for the year	-	-	-	-	-	-	-	-	(5,929,965)	(5,929,965)	-	(5,929,965)
Balance as of 31 December 2015	**283,889,471**	**8,149,099**	**(1,492,537)**	**6,671,109**	**(11,465,392)**	**(9,510,935)**	**(19,436,808)**	**(36,129,274)**	**(5,929,965)**	**214,744,768**	**51,109,630**	**265,854,398**
Balance as of 1 January 2014	283,889,471	8,149,099	-	6,671,109	(14,282,594)	(22,136,601)	(15,115,624)	(24,736,164)	(11,018,041)	211,420,655	49,118,530	260,539,185
Transferred to legal reserve and retained earnings	-	-	-	-	-	-	-	(11,018,041)	11,018,041	-	-	-
Revaluation differences on investments available for sale	-	-	-	-	-	11,802,134	-	-	-	11,802,134	-	11,802,134
Consolidated translation differences	-	-	-	-	-	-	(58,170)	-	-	(58,170)	-	(58,170)
Employees' rewarding system revaluation differences	-	-	-	-	6,092,927	-	-	-	-	6,092,927	-	6,092,927
Treasury stocks reserve	-	-	-	-	-	-	-	-	-	-	(5,438,151)	(5,438,151)
Profits (losses) for the year	-	-	-	-	-	-	-	-	(375,069)	(375,069)	-	(375,069)
Balance as of 31 December 2014	283,889,471	8,149,099	-	6,671,109	(8,189,667)	(10,334,467)	(15173,794)	(35,754,205)	(375,069)	228,882,477	43,680,379	272,562,856

- The accompanying notes from (1) to (29) are an integral part of these consolidated financial statements.

NAEEM HOLDING COMPANY FOR INVESTMENTS (S.A.E – FREE ZONE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	31/12/2015	31/12/2014
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits (Losses) for the year before taxes		1,593,604	(3,964,562)
Adjustments to reconcile (losses) profits for the year to cash flows from operating activities			
Depreciation of Fixed assets	(5)	589,480	561,025
Income tax and deferred income tax		(94,318)	(1,181)
Provisions charged during the year		48,545	-
Provision no longer required		(266,948)	(267,227)
Provision used during the year		(58,731)	(45,193)
Capital (gains)		-	(501,165)
Sales of financial investment (gains)		-	(5,545,080)
Credit interest		(261,159)	(221,274)
Debit interest		1,980,521	1,306,773
Foreign exchange differences		1,499,150	681,052
(Gains) Losses on revaluation of Investments in associates		-	453,453
Revaluations of real State investments (gains)		(14,733,369)	-
Unrealized gains (losses) on revaluation of Investments at fair value through profit or loss		783,006	(3,516,424)
(Losses) before changes in working capital		(8,920,219)	(11,059,803)
Change in accounts receivable	(12)	(2,520,143)	(703,540)
Change in prepayments and other debit balances	(14)	9,869,694	(11,635,631)
Change in accounts receivable – credit balances		(14,868,540)	13,031,444
Change in accrued expenses and other credit balances	(17)	(1,197,246)	(2,757,648)
Change in work in progress		2,098,465	607,671
Change in finished units		10,002,953	14,007,716
Minority interest		-	(1,873,070)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		(5,535,036)	(382,861)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payments) to acquire fixed assets	(5)	(2,080,451)	(440,868)
Proceeds from sale of fixed assets	(5)	-	1,132,955
(Payments) to acquire projects under construction	(6)	-	(1,003,256)
Proceeds from Projects under construction		1,329,903	1,020,412
Deferred tax assets		(499)	
Change in investments available for sale	(7)	465,696	2,380,812
Change in due from sale contract		3,027,560	2,887,996
Change in investments at fair value through profit or loss		11,041,906	-
Change in real state investments		(14,929,348)	6,228,696
Change in employee's rewarding system		(11)	(344)
Change in goodwill		-	758,537
Change in long-term investments	(8)	109,987	2,224
Change in investments in associates		1,123,035	(4,301,408)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		87,778	8,665,756
CASH FLOWS FROM FINANCING ACTIVITIES			
(Payments) Proceeds from banks overdraft	(16)	12,875,889	461,614
(Payments) proceeds of long term liabilities		(4,304,879)	(4,913,202)
Deferred tax liabilities		36,806	-
Debit interest		(1,980,521)	(1,306,773)
Purchase of treasury stocks		(1,492,537)	-
Credit Interest		261,159	221,274
Consolidated translation differences		(4,263,014)	(58,170)
NET CASH FLOWS (USED IN) PROVIDED FROM FINANCING ACTIVITIES		1,132,903	(5,595,257)
Foreign currency exchange		(1,499,150)	(681,052)
Changes in cash and cash equivalents during the year		(5,813,505)	2,006,586
and cash Cash equivalents – beginning of the year	(11)	27,892,535	23,649,549
Change in time deposits held as collateral or exceeding 3 months maturity		-	2,236,400
CASH AND CASH EQUIVALENTS - END OF THE YEAR	(11)	22,079,030	27,892,535

- The accompanying notes from (1) to (29) are an integral part of these consolidated financial statements.

1 BACKGROUND

Naeem Holding Company for Investments "S.A.E - Free Zone" was incorporated according to the provisions of law 8 of 1997 and its executive regulations and law 95 of 1992 and its special executive regulations related to the capital market, The Company was registered in the commercial registry under number 881- Ismailia on the 14 May 2006, The Company's activities are as follows:

1. Participate, either fully or partially, in establishing companies.
2. Prepare feasibility studies for projects.
3. Finance lease.
4. Guarantee and covering public offering.
5. Margin trading and custodian function.

The Company has the following investments in subsidiaries as of 31 December 2015 :

Company	Activity	Country	Share %
Naeem Brokerage Company	Financial Securities Brokerage	Egypt	99.96%
Naeem For Shares and Bonds Company*	Financial SecuritiesBrokerage	UAE	100%
Naeem Financial Investments Company	Financial services	Egypt	99.99%
Naeem Mortgage for Real Estate	Real estate financing	Egypt	98.4%
Naeem for consulting services Company	Consulting services	Egypt	98%
Naeem Capital Limited Company	Financial Securities investments	BVI	100%
Naeem Development Projects Limited Company	Financial Securities investments	BVI	100%
Naeem for Real Estate Management Limited Company	Real Estate Investment Management	UAE	100%
Naeem for Investment Funds Company	Investment Funds	Egypt	99%
Gold capital for trading Company	Trading commodities	Egypt	98.80%
Recap For Financial investments (Recap holding previously)**	Financial services	Egypt	56.56%
ELarabeya Lel Mehaleyat ELtabeaya	Manufacturing	Egypt	99.98%

* These investments include direct and indirect investments.
** RECAP for Financial Investments owns the following ownerships in its Subsidiaries :

Company	Activity	Country	Share %
Severico For Real Estate Investment Company	Real Estate Investments	Egypt	68.35%
Naeem For Real Estate Investments	Real Estate Investments	Egypt	99.98%
Bedaya For Real Estate Investments (Subsidiary of Naeem for Real Estate Investments)	Real Estate Investments	Egypt	99%
Belady For Tourist Development and Hotels (Subsidiary of Naeem for Real Estate Investments)	Tourism Investments	Egypt	99%

The financial statements for the year ended 31 December 2015 has been approved in accordance with the board of directors held in 6 March 2016.

2 PURPOSE OF PREPARATION

The consolidated financial statements and the accompanying notes were prepared to be provided to Egyptian Security Exchange Commission as required by the Egyptian laws and applicable local regulations.

3 BASIS OF CONSOLIDATION

- The financial statements of the Holding Company and its subsidiaries are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.
- Similar accounts for assets, liabilities, revenues and expenses of Holding Company and its subsidiaries have been grouped, after excluding the following:

a- The equity of subsidiary is reduced against the cost of the investment cost of Holding Company in its subsidiary.

b- Intercompany accounts between Holding Company and subsidiaries:
  - Current accounts between group companies
  - Notes receivables / payables between group companies

c- Revenues, expenses and dividends paid between Holding Company and subsidiaries during the year.

d- Unrealized gains on the date of consolidated financial statements that resulted from transactions between Holding Company and subsidiaries which may appear in some assets at the date of consolidated financial statements.

e- Any differences between debit and credit balances through settlements, which arose as a result of operation between Holding Company and subsidiaries which recorded in the books of one of the companies and have not been recorded in the books of other Company.

f- Show minority interest in a separate line item in the consolidated financial statements attributed to equity share in subsidiaries.

4 SIGNIFICANT ACCOUNTING POLICIES

4-1 Basis of preparation

The consolidated financial statements have been prepared under the going concern assumption and on a historical cost basis, except for investment property and available for sale financial assets that have been measured at fair value.

Subsidiaries companies

Subsidiaries are the companies that under the control of the group. In Which the group has the ability to control their financial and operating policies to obtain benefits from its activities taking into consideration the current and probable voting rights at the date of preparation of consolidated financial statements. When measuring the extent of control. The financial statements of subsidiaries are included in the consolidated financial statements since the date of acquisition till the date losing control of Holding Company on subsidiaries.

Consolidation elimination transactions

When preparing consolidated financial statements all balances, transactions and unrealized gains and losses between group companies are eliminated.

Conformity with Accounting standards

The financial statements of the Holding Company and its subsidiaries are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

4-2 Changes in accounting policies

The accounting policies adopted this year are consistent with those of the previous year

4-3 Foreign currency translation

The Holding Company maintains its accounts in US Dollar as it operates in a free zone. Transactions denominated in foreign currencies are recorded at the prevailing exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies other than US Dollar are retranslated using the prevailing exchange rate currencies other than US Dollar at the balance sheet date. All differences are recognized in the statement of income.

For the subsidiaries that maintains its accounts with a different currencies other than used by the Holding Company (US Dollars), balances of assets and liabilities of the financial statements for these companies are translated using the exchange rates prevailing at the balance sheet date, equity translated on the basis of historical exchange rates. Revenues and expenses on the bases of average exchange rates during the year. Foreign exchange translation differences recorded in special reserve item "Consolidated Translation differences due to consolidation" in equity consolidated balance sheet.

4-4 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Corresponding cost for this process and cost to complete, if available, are measured:

- Profit or loss resulted from sale of financial investments are recognized on transaction date based on the difference between the cost and selling price less selling commission and expenses.
- Dividends income is recognized when collected.
- Interest income is recognized on accrual basis.
- Brokerage commissions resulting from purchase and sale of securities for clients are recorded after implementation of buy or selling order and issuing client's invoice.
- Management fees are calculated on a monthly basis based on agreed upon contract of the total customer's investment portfolio and total market value shares of the client according to contract terms.
- Purchase with margin revenue is recognized on accrual basis and according to the agreed upon interest rate.
- Custody revenues are recognized on accrual basis based on the agreed upon percentages with the customers.
- Performance revenue are calculated annually on the net profit of the investment portfolio of the client under the terms of the contract.

4-5 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of income 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 asset as follows:

	Years
Buildings	20
Furniture and office utilities	10 – 16
Office equipment and tools	3 – 8
Vehicles	3 – 5

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 consolidated statement of income when the asset is derecognized.

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

The Company assesses at each balance sheet 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 losses are recognized in the statement of income

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 income.

4-6 Investments

Investments at fair value through profit or loss
Investments at fair value through profit or loss are financial assets classified 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 or loss are initially recognized at fair value inclusive direct attributable expenses.

Investments at fair value through profit or loss are carried in the consolidated balance sheet at fair value with gains or losses recognized in the consolidated statement of income.

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

Investments in subsidiaries
Investments in subsidiaries are investments in entities which the Company has control. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries more than half of the voting power of the investee, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

Investments in subsidiaries are accounted for in separate financial statements at cost acquisition including transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the separate statement of income for each investment separately. Impairment loss shall not be reversed.

Available for sale investments
Available for sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held to maturity investments or investments at fair value through profit or loss.
Available for sale investments are initially recognized at fair value inclusive directly attributable expenses.

After initial measurement, available for sale investments are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in the statement of income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized in the statement of income.
If the fair value of an equity instrument cannot be reliably measured, the investment is carried at cost.

Equity investments: where there is an evidence of impairment, the cumulative loss is removed from the equity and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income; increases in the fair value after impairment are recognized directly in equity.

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 in the consolidated financial statements at cost inclusive acquisition cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the consolidated statement of income for each investment separately. Impairment loss shall not be reversed.

current assets held for sale

current assets held for sale is the non-current assets that is expected to regain its book value basically from sale agreement not from the use of those assets

those assets are measured by the lower of the book value or the fair value after deducting the sales cost.

current assets held for sale in case of impairment, the carrying amount to be adjusted by the value of this impairment and are charged to the statement of income Impairment losses to be reversed in the period when occurred, and to the extent to the amount of book value that previously reduced unless the impairment loss was recognized in the previous years.

4-7 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, and a reliable estimate of the amount of the obligation can be made. 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

4-8 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

4-9 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 year periods 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 balance sheet (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 income for the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity.

4-10 Expenses

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

4-11 Finance lease

Finance lease is classified as operating lease according to Egyptian laws and regulations, the value of lease installments is recorded as expenses by the straight line basis all over the lease period.

4-12 Treasury shares

Treasury shares are recognized at cost and deducted from equity at the balance sheet, taking into consideration for the company not to hold these stocks less than three months but not to exceed one year holding year. The company is authorized to sell the stocks during the year in case that their fair value exceeds their cost after general authority for financial supervisory approval. The company's board of directors should disclose in the extraordinary general assembly meeting the reasons for the company holding these stocks for more than six months to agree on the action to be taken towards them.

4-13 Employees' rewarding system

Securities held for employees' rewarding system are measured by reference to the fair value (market price) at the date of establishing the system and allocation and are revaluated to the fair

value (market price) at each reporting date, together with a corresponding revaluation differences in equity at the balance sheet.

4-14 Related party transactions

Related parties represent associate companies, major shareholders, 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 boards of directors.

4-15 Accounting estimates

The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years. Actual results could differ from these estimates.

4-16 Impairment

Impairment of financial assets
The Company assesses at each balance sheet 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 impairment 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 of non-financial assets
The Company assesses at each consolidated balance sheet 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. Impairment losses are recognized in the consolidated statement of income

A previously recognized impairment loss is only reversed 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 consolidated statement of income.

4-17 Statement of cash flows
The statement of cash flows is prepared using the indirect method.

4-18 Cash and cash equivalent
For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months.

4-19 Projects under construction
Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Projects under construction are valued at cost less impairment.

4-20 Work in Process
Properties acquired, constructed or in the course of construction for future sale are classified as work in process at their cost.
Work in process are subsequently carried at the lower of cost and net realizable value.
Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to complete development and selling activities.

4-21 Long term Investments
Long term investments is represented in the company's share in Misr for Central Clearing Depository Registry (MCDR), the long term investments should be recorded at the acquisition cost less any permanent impairment in its value for each investment separately.

4-22 Finished Units
Revenue from finished units is recorded at fair value for the amount received or due by the net after deducting any commercial discounts, quantities, sales tax or any other fees.

4-23 Investment property

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both. Investment property is measured initially at cost including transaction costs. The investments property are measured after initial recognition at fair value and the gains or losses arising from change in fair value are recognized in the statement of income.

5 FIXED ASSETS

	Buildings	Furniture & Office Utilities	Office Equipment & Tools	Vehicles	Total
	USD	USD	USD	USD	USD
Cost					
1 January 2015	673,715	4,482,447	2,086,434	235,990	7,478,586
Additions for the year	809,517	1,075,025	281,157	71,689	2,237,388
Transfer from projects under construction	-	(156,353)	(86,511)	(13,299)	(256,163)
Disposals for the year	1,483,232	5,401,119	2,281,080	294,380	9,459,811
31 December 2015					
Accumulated Depreciation					
1 January 2015	(58,578)	(2,915,694)	(2,118,712)	(106,223)	(5,199,207)
Depreciation for the year	(49,887)	(275,375)	(235,504)	(28,714)	(589,480)
Disposals' depreciation for the year	-	3,525	82,402	13,299	99,226
31 December 2015	(108,465)	(3,187,544)	(2,271,814)	(121,638)	(5,689,461)
Net Book Value					
31 December 2015	1,374,767	2,213,575	9,266	172,742	3,770,350
31 December 2014	615,137	1,566,752	(32,278)	129,767	2,279,379

6 PROJECTS UNDER CONSTRUCTION

	31/12/2015	31/12/2014
	USD	USD
Beginning Balance	881,719	769,423
Additions	-	1,003,256
Transferred to fixed assets	(89,680)	(890,960)
Transferred to subsidiaries	(784,784)	-
Foreign exchange and expenses *	(7,255)	-
Crystal project installations and studies **		
Ending Balance	-	881,719

*The value of improvement has been transferred to subsidiaries companies by its cost in EGP which result in a foreign exchange.

**The change is due to the reduction of the interest due on the value of the purchase of land for the project and that have already been capitalized in development properties.

7 AVAILABLE FOR SALE INVESTMENTS

	31/12/2015 USD	31/12/2014 USD
Quoted shares in the stock market *	53,861,195	53,080,234
Unquoted Shares	19,402,777	19,825,902
	73,263,972	72,906,136

* The value of Quoted shares in the Egyptian stock exchange commission amounted to 25,221,513 shares at fair market value USD 41,363,281 from Investments in Egyptian Gulf Bank shares mortgaged by a letter of guarantee issued from the Al Ahli United bank in favor of Naeem for Stock and Bonds Company as a guarantee of brokerage activities.

8 LONG-TERM INVESTMENTS

	Share %	31/12/2015 USD	31/12/2014 USD
Misr Company for central Clearing and Depository *	1.5%	237,148	325,028
Guarantee settlement fund **	-	483,948	504,582
Dealers insurance fund	-	15,985	17,458
		737,081	847,068

* The change is due to the decline in owned investments in Misr for Clearing and Depository due to the re-distribution of Misr for Clearing and Depository capital on its members every three years, taking into consideration the volume of transactions for all of them with the company during the same period and the ownership of shares will be transferred among members and in accordance with its nominal value and re-distribution at the entry of new members.

** The change in investment is due to the re- distribution of ratio in accordance with the volume of transactions in the market and be re- evaluated every three months by the Settlement Guarantee Fund.

9 EMPLOYEES' REWARDING SYSTEM

The balance of employees' rewarding system as of 31 December 2015 amounted to USD 10,267,559 represented in the fair market value of the system shares amounted to USD 7,700,349 in addition to cash portion amount to USD 2,567,210.

On 30 April 2008, the Company shares has been transferred all treasury shares to employees' stock rewarding system and the stocks wererevalued at the fair (market) value at date of transfer.

On 24 May 2013 5000000 shares has been transferred to employees rewarding system previously purchased on 13 November 2012 as per the extraordinary general assembly meeting decision for financing the employees rewarding system.

As of 31 December 2015 the employees' rewarding system is amounted of USD 10,267,559 represented in the market value of system's shares amounted of USD 7,700,349 in addition to a cash amount of USD 2,567,210 and the shares were re-valuated using the fair (market) value that amounted to USD 7,700,349 (31 December 2014 amounted to USD 8,189,667), With a net negative valuation differences of those shares amounted to USD 11,465,392 at 31 December 2015 included in Employees' rewarding system revaluation differences in equity in the separate financial statements (USD 8,189,667 as of 31 December 2014).

Movement Summary is as follows:

	Shares	Shares
Total shares transferred to the system		11372754
Donated shares distribution		3790919
Shares transferred to the system		5000000
Total system shares		20163673
Shares designated and sold:		
Shares sold	(20000)	
Holding Company's employees	(390000)	
Subsidiaries' employees	(972334)	
Total designated shares		(1382334)
Total non-designated shares		18781339

10 GOODWILL

	31/12/2015 USD	31/12/2014 USD
Goodwill arising from acquisition of:		
Naeem Brokerage	40,330,093	40,330,093
RECAP for financial investments (Recap holding previously)	10,251,294	10,251,294
Naeem for Shares and Bonds	2,750,059	2,750,059
Naeem for Financial Investments	3,103,794	3,103,794
Unifund Capital for Financial Investment	473,327	473,327
	56,908,567	56,908,567

11 CASH ON HAND AND AT BANKS

	31/12/2015 USD	31/12/2014 USD
US Dollars		
Cash on hand	54,605	44,976
Banks- Current accounts	15,283,104	4,087,320
Time deposits	3,950,301	-
	19,288,010	4,132,296
Other Currencies		
Cash on hand	16,520	87,785
Banks- Current Accounts	2,774,500	22,279,698
Time Deposits	-	1,392,756
Total Cash on Hand and at Banks	22,079,030	27,892,535

12 ACCOUNTS RECEIVABLE

	31/12/2015 USD	31/12/2014 USD
Accounts receivables	17,806,022	15,328,114
Deduct:		
Impairment of accounts receivables	(409,345)	(451,580)
	17,396,677	14,876,534

-The accounts receivables balance at 31 December 2015 includes USD 3,501,749 which represents the value of purchased shares in favor of purchasing with margin trading customers (31 December 2014 amounted to USD 2,986,897)

13 INVESTMENTS AT FAIR VALUE THROUGH PROFITSOR LOSSES

	31/12/2015 USD	31/12/2014 USD
Quoted shares in the stock market	7,480,261	1,806,071
Unquoted shares	1,171,891	3,937,624
	8,652,152	5,743,695

14 PREPAID EXPENSES AND OTHER DEBIT BALANCES

	31/12/2015 USD	31/12/2014 USD
Refundable deposits	-	632,397
Funds' customs	6,394	6,983
Prepaid expenses	783,724	2,070,648
Employees' loans and advances	179,285	196,587
Advances to suppliers	867,986	-
Accrued revenue	375,023	130,070
Selling and purchasing clearance	25,575	1,125,232
Advance payments to purchase investments	31,250	6,426,613
Dar El Tegara for construction – Detac	-	245,017
International company for finance lease – Incolease	-	4,597,470
Smart Village Company	8,894,017	9,593,144
Employees dividends down payment	279,570	-
Tax authority	90,030	9,933
Checks under collections and notes receivable	2,912,876	4,138,342
Other debit balances*	9,781,537	6,984,647
	24,227,267	36,157,083
Impairment in value of other debit balances	-	(2,060,122)
	24,227,267	34,096,961

* Other debit balances includes USD 55,721 represents down payments for issuing license fees of Ossoul Real Estate Investment Fund in Bahrain amounting to USD 500 million.
- amount of 2,958,079USD related to Unifund Capital for Financial Investment company represent in the cash part resulted from sales 50% Unifund Capital for Financial Investment shares in additions of transactions represents in finance for the operation during the year.
- Maintenance deposit amounted to 124,808 USD related to Rakeen's Company for units of palm parks project.

15 PROVISIONS

	31/12/2015 USD	31/12/2014 USD
Balance at beginning of the year	568,598	881,018
Formed during the year	48,545	-
Used during the year	(58,731)	(45,193)
Provision no longer required during year	(266,948)	(267,227)
Balance at end of the year	291,464	568,598

-These provisions are formed to face (liabilities) contingent tax claims.

16 BANKS OVERDRAFT

	31/12/2015 USD	31/12/2014 USD
Almashreq bank	-	1,477,108
Misr Bank	1,129,680	17
Export Development Bank of Egypt*	8,256,850	4,401,576
Arab African International Bank **	9,368,060	-
	18,754,590	5,878,701

* The company obtained credit facility amounted to 50,000,000 EGP from Export Development Bank of Egypt to finance the margin purchase transactions, margin trading customers balance as of 31 December 2015 amounted to 3,501,749 USD.

** The company obtained credit facility amounted to 80,000,000 EGP from Arab African International Bank under guarantee of Recap for financial investments shares to finance investments of stocks portfolio.

The average effective interest rate for bank over drafts is 13.25%.

17 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31/12/2015 USD	31/12/2014 USD
Notes payables	1,322,330	4,043,360
Deposits with others	86,749	156,849
Employees rewarding loan	2,563,838	2,563,838
Accrued expenses	944,483	1,189,241
Central depository custody	46,191	24,669
Social insurance authority	36,232	34,145
Advances from customers	4,389,911	-
Risk guarantee fund	1,334	847
Current portion of financial lease installments	-	931,542
Tax Authority	185,012	103,084
Nile palm company	6,234,630	-
General authority for tourism development	457,375	544,582
Accrued Revenue	279,351	7,280,158
Accrued coupons	17,802	18,078
Unifund Capital for Financial Investment	1,819	-
Other credit balances	935,397	1,809,307
	17,502,454	18,699,700

18 ISSUED AND PAID UP CAPITAL

The Company's authorized capital amounts to USD 600 million and the initial issued and paid up capital at the date of incorporation amounted to USD 120 million divided over 120 million shares each with a par value of USD 1.

On 18 July 2006, the board of directors approved an increase in the issued and paid up capital from USD 120 million to USD 240 million and increase the shares from 120 million shares to 240 million shares each with a par value of USD1 and the increase was fully subscribed in.

On 30 March 2008 the general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 3 shares with total amount of USD 80 million, On 16 July 2008 the capital increase was registered at Misr for Central Clearing, Depository and Registry Company, Accordingly, issued and paid up capital amounted to USD 320 million divided over 320 million shares each with a par value of USD 1.

On 11 November 2009 the board of directors decided to redeem 10660529 shares from treasury shares at their par value (Note 19), Accordingly the Company issued and paid up capital amounted to USD 309,339,471.

On 14 April 2011 extra ordinary general assembly meeting decided to redeem 5017471 shares of treasury shares with their par value (Note 19) accordingly issued and paid up capital becomes USD 304,322,000.

On 21 May 2012, according to the decree of the Extraordinary General Assemble Meeting, 10432529 shares of treasury shares have been redeemed with their par value (Note 19), accordingly issued and paid up capital becomes USD 293,889,471.

On 6 August2013, according to the decree of the Extraordinary General Assemble Meeting, 10000000 shares of treasury shares have been redeemed with their par value (Note 19), accordingly issued and paid up capital becomes USD 283,889,471.

On 16 January 2014 the articles no, 6 & 7 of the company's article of association has been changed and the changes were highlighted in the commercial register on that date.

19 TREASURY STOCKS

According to the Company's board of directors meeting held on 25August 2008, the Company decided to purchase 4, 9% from Company's shares, The Company had purchased 11115493 shares during 2008 and 2009 with amount of USD 7,428,235.

On 11 November 2009 the board of directors agreed to redeem 10660529 shares from treasury shares at par value (Note 18), The Company completed the appropriate procedures to redeem these shares of an amount of 7,219,991 USD as at 30 March 2010 according to the decision of the extraordinary general assembly meeting held, The difference between the acquisition cost and the par value amounted to USD 3,440,538 is recognized in reserve available for distribution in equity at the balance sheet as of 31 December 2009.

According to the decree of Company's Extraordinary General Assembly Meeting held on 14 April 2011, 5017471 treasury shares and their acquisition cost is amounted to 2,654,357 and their par value is amounted to USD 5,017,471 has been redeemed (Note 18), and the difference between the share's par value and their acquisition cost has been charged to reserve available for distribution in the equity in the Consolidated balance sheet, as of 31 December 2011 with the addition to the amount of USD 2,363,114, so that, for the reserve available for distribution as of 31 December 2011 amounted to USD 5,803,652.

On 21 May 2012, according to the Extraordinary General Assembly Meeting decision, 10432529 shares from treasury shares have been redeemed at par value (note 18) that had acquisition cost amount to USD 5,605,525 with par value amount to USD 10,432,529, The difference between the par value and acquisition cost amount to USD 4,827,004, so that the dividends available to distribution becomes USD 10,630,656 as of 31 December 2012.

On 13 November 2012, according to the Extraordinary General Assembly Meeting decision, 5000000 shares from treasury share have been purchased with the amount of USD 1,608,173 for the purpose of financing rewarding system.

On 6 August 2013, according to the Extraordinary General Assembly Meeting decision, 10000000 shares from treasury shares have been redeemed at par value (note 18) that had acquisition cost amount to USD 2,814,142 with par value amount to USD 10,000,000, The difference between the par value and acquisition cost amount to USD 6,671,109, so that the dividends available to distribution becomes USD 6,671,109 as of 31 December 2013.

On 31 December 2015 the treasury stocks outstanding were zero with total value of USD zero (there is no existing balance for treasury stocks as of 31 December 2014).

According to Board of Directors meetings of Recap for financial investments company (subsidiary company) held on 9 November 2015 it has been decided to purchase 2.75% from company's shares and it has been purchase 3 million share amounted to 9,000,000 EGP during 2015 which equivalent to 1,492,537 USD.

20 LONG TERM LIABILITIES

	31/12/2015 USD	31/12/2014 USD
Notes payables	413,906	2,028,404
End of service reward	322,376	260,369
Settlement of finance lease contract	-	232,881
Credit accounts and other credit balances*	2,813,299	5,332,806
	3,549,581	7,854,460

* The change is due to the reclassification to add the difference under other short-term credit balances to maturity in a short period of time.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are represented in financial assets and liabilities, The financial assets include cash on hand and at banks, account receivables, other debit balances and financial investments. The financial liabilities include bank overdraft, dividends payable and other credit balances.

The significant accounting policies applied for the recognising of income and expenses are included in note (4) of the notes to the financial statements.

a- The foreign currency risk other than US dollar
The foreign currency risk is the risk that the value of the financial assets and liabilities and their related cash inflows and outflows in foreign currencies other than the US Dollar will fluctuate due to changes in foreign currency exchange rates.

b- Fair value
According to the followed bases in the evaluation of the financial assets and liabilities of the Company, the fair value of the financial instruments are not materially different from their fair values at the financial statements date.

c- Credit risk
The company settles its banking liabilities periodically to avoid unexpected financial losses.

d- Liquidity risk
The company is constantly examining financial situation of liquidity for all items of the statements as well as Taking all necessary precautionary measures to face any expected risks that may arise from the dealings of the company and lead to a problem in liquidity.

e- Risks of financial flows related to interest rate
Usually, future cash flows of financial instruments is prepared, in order to anticipate any changes that may occur in the future interest rate changes and this may lead to a change in the effective interest rate of the tool without any change in fair value.

22 FINISHED UNITS

	31/12/2015 USD	31/12/2014 USD
94 apartments at Royal & Rakin projects *	9,219,535	16,961,641
Building B16- ground floor-Smart Village	1,651,885	1,651,885
First phase Buildings – Smart village**	18,214,816	20,475,663
	29,086,236	39,089,189

*The Complete units represents the fair value of 94 apartments in the project of Royal & Rakin, as it included in the balances of Recap for financial investments.

**This amount represents the amount of covered cost of first phase building which is included in the balances of Reacap for financial investment.

23 CONTINGENT LIABILITIES

The Company has a letter of guarantee amounting to USD 9,225,000 issued by Arab African International Bank to Naeem Share and Bonds (subsidiary Company in Dubai) in favor of Dubai and Abu Dhabi Market Capital to guarantee the brokerage activity. This letter of guarantee was issued against the Company undertaking to continuously maintain a minimum coverage of 350% of the guarantee value. Accordingly, the Companies pledged its shares in the Egyptian Gulf Bank main branch with market value amounting to USD 41,027,220 as of 31 December 2015. And its time deposit in the Arab African International Bank amounted to USD 1,400,000.

Account receivable balance amounted to USD 2,276,519 as of 31 December 2015 include shares purchased on behalf of purchase with margin customers (USD 3,251,533 as of 31 December 2014).

24 INVESTMENTS IN ASSOCIATES

	Ownership%	Number of shares	31/12/2015	31/12/2014
			USD	USD
Etihad Capital*	31.20%		2,995,628	3,795,773
Naeem Masr investment fund			-	322,890
			2,995,628	4,118,663

25 GOALS AND METHODS OF CAPITAL MANAGEMENT

The Company aims to achieve the maximum return on its capital through capital management in accordance with its related investments activities through its operations department that has a sufficient experience to manage company's capital and to achieve the required return.

Capital finance of the group are made through shareholder's equity, and borrowings through financial institutions are very limited.

26 WORK IN PROGRESS

	31/12/2015	31/12/2014
	USD	USD
Marsa alam land *	3,405,541	3,719,459
First phase lands – smart village' buildings and constructions	23,553,321	25,337,868
	26,958,862	29,057,327

*Currency change is due to the difference between the holding company and its subsidiary which owns these development properties.

27 AVAILABLE FOR SALE FINANCIAL INVESTMENTS

	Country	Share percent	31/12/2015	31/12/2014
			USD	USD
Nile Palm ElNaeem for Real Estate Development *	Egypt	49%	18,899,545	18,899,545
			18,899,545	18,899,545

* Financial Investments held for trading represents the 49% ownership of Naeem for Real Estate Investment Company in Nile Palm ELNaeem for Real Estate Development, the total investment cost reached L,E 120,031,013 after revaluation an the date of purchase as per the study made by Baker Telly, accordingly RECAP company has purchased a share in Naeem for Real Estate Investment company, a study was made during the year 2013 to evaluate the cost of the investments in Nile Palm ELNaeem for Real Estate Development made by First office for consulting which announced no impairments recognized for the fair value of the investments, during the year 2013 the company has reclassified the Investments in Nile Palm ELNaeem for Real Estate Development stated in the Investments in related parties as of 31 December 2013 to Investments held for trading as per the Egyptian accounting standards no (32) which requires to be presented separately from other investments, due to that the company is intending seriously to sell them but because of the market exceptional situation the company was not able to sell them.

28- INVESTMENTS PROPERTIES

	31/12/2015 USD	31/12/2014 USD
Building F4 & B143	14,929,348	-
-	14,929,348	-

With indicate to the board of directors decision that had been held on 11 November 2015 which it was decided to cancel the finance lease contract with the International Company for Leasing which was contracted during 2011 related to the finance lease of building- F4& B143, that resulted in acquisition of building B143 & F4 by **Severico For Real Estate Investment Company** amounted to 2,946,959 EGP with the purpose of maintaining building B14 and building F4 to be offered for leasing according to one or more operating lease contract.

As a result and according to item number (8) standard (34) of Egyptians accounting standards that's related to investment properties the Severico For Real Estate Investment Company recognized building F4 and B134 in the investment properties.

And according to the fair value model the company revaluated building F4 and building B143 and recognized the gain resulted from changing in fair value for investment properties in profits and losses for the period amounted to 113,800,541 EGP on 31- 12- 2015 which equivalent to
14,733, 369 USD.

29- GOING CONCERN

On 27 March 2013, according to the Extraordinary General Assembly Meeting decision of Bedaya for Real Estate Investment company (Subsidiary), it was accepted to freeze the company's activities as of 31 March 2013, and the tax card has been retained by the company.

As per the decision from the board of directors of the Egyptian Financial Supervisory Authority (EFSA) session held on 23 July 2011, Naeem For Real Estate Financing (Subsidiary) has been prevented from performing its operations according to the article no, 42 of the real estate financing law no, 148 of 2001 for not completing its issued capital.