

**Heliopolis Company For Housing and Development**  
**(An Egyptian Joint Stock Company)**  
**financial statements**  
**For the financial year ended December 31, 2024**  
**And Review Report**

**Translation of financial statements**  
**Originally issued in Arabic**

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*Translation of Independent Auditor's Report  
Originally Issued in Arabic*

## **Auditor's Report**

### **To the Shareholders of Heliopolis Company for Housing and Development - SAE**

#### **Report on the financial statements**

We have audited the accompanying financial statements of **Heliopolis Company for Housing and Development** which comprise the statement of financial position as at 31 December 2024 and the statements of profit or loss, comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management responsibility for the financial statements**

These financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and in the light of prevailing 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibilities**

Our responsibility is to express an opinion on these financial statements based on our audit, except what is discussed in basis of qualified opinion section, we conducted our audit in accordance with Egyptian Auditing Standards and in the light of prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 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 opinion on the financial statements.

**Bases of Qualified Opinion**

- 1- In reference to note No. (31), the company capitalized estimated costs related to incomplete studies that was prepared from the prior years. The cost was not supported non adjusted for the changes in prices of materials , wages and indirect expenses. Accordingly, we were not able to verify the amount of EGP 293.9 milion related to the costs as at 31 december 2024.
- 2- In reference to note No. (30), the company reconized revenue from the joint venture with an amount of EGP 487 milion that doesn't comply wuth Egyptian Accounting Standard No. (48), as not all conditions for revenue recogonition were met.
- 3- In reference to note No. (11) ,the company did not record a liability as a consequence of the acquisition of additional land area 710 thousands meters with in the total area of new heliopolis city .
- 4- The company did not calculate an expected credit loss provision for all financial assets, which is in violation of Egyptian Accounting Standard No. (47) "Financial Instruments".
- 5- In reference to note No. (38) ,we were unable to verify the accuracy of the adjustments made as of December 31, 2024, to the retained earnings amounting to EGP 80.8 million, among with the reduction in the opening balance of the accrued liabilities and other debtors with the same amount.
- 6- In reference to note No. (13), The company did not record the long term notes receivables at present value in departure to the EAS No.(47) and No.(1)
- 7- The company did not send confirmations for all debtor and creditor balances as of December 31, 2024. Therefore, we were unable to verify the existence of these balances as at 31 december 2024.
- 8- We were unable to verify the adequacy of the provision for contingent claims as of December 31, 2024, as the company management did not provide us with a provision study and tax return and deferred tax calculation approved by the company's tax consultant.

**Qualified Opinion**

Except for the effect of the potential adjustments, the necessity of which could have been determined in relation to what was stated in previous paragraphs, in our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Heliopolis Company for Housing and Development as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

**Report on the legal requirements and other regulations**

The company maintains proper records which include all that is required by law and the statutes of the Company, and the accompanying separated financial statements are in agreement therewith , The company does not apply a cost system that is commensurate with the nature of the company's activity, and the inventory counts were performed by the Company's management in accordance with methods in practice.

The financial information included in the Board of Directors' report prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the company's books of account.

Cairo: April 3, 2025

 **WAHID ABDEL GHAFFAR**

**Independent Auditors Record No. (6)**  
**at the Egyptian Financial Regulatory Authority**

**Baker Tilly Mohamed Hilal and Wahid Abdel Ghaffar.**

Heliopolis Company for Housing and Development  
(An Egyptian Joint Stock Company)  
Statement of financial position as at December 31, 2024  
(All amounts in EGP)

Translation of financial statements  
Originally issued in Arabic

|   | Note No | 31/12/2024            | 31/12/2023            |
|---|---------|-----------------------|-----------------------|
| <b>Assets</b>   |         |                       |                       |
| <b>Non - Current Assets</b>                                 |         |                       |                       |
| Property, plant and equipment                               | (4)     | 18 501 943            | 51 003 283            |
| Projects under construction                                 | (5)     | 2 274 616             | 1 817 116             |
| Investment property   | (6)     | 71 553 871            | 37 032 739            |
| Investments at fair value through OCI                       | (7)     | --                    | --                    |
| Investments held to maturity                                | (8)     | 107 459               | 107 459               |
| Intangible assets   | (9)     | 625 016               | 2 570 499             |
| <b>Total Non- Current Assets</b>                            |         | <b>93 062 905</b>     | <b>92 531 096</b>     |
| <b>Current Assets</b>                                       |         |                       |                       |
| Inventory   | (10)    | 41 095 475            | 27 658 625            |
| Completed units and lands available for sale                | (11)    | 2 357 128 440         | 169 858 482           |
| Works in process  | (12)    | 2 189 604 788         | 2 240 049 075         |
| Trade and notes receivable (Net)                            | (13)    | 1 171 112 772         | 847 278 085           |
| Debtors and other debit balances                            | (14)    | 89 320 338            | 132 148 001           |
| Due from related parties (The Holding Company)              | (15)    | 28 673 665            | 25 493 089            |
| Prepayments   | (16)    | 3 558 834 451         | 1 642 680 125         |
| Financial investments at amortized cost - Treasury bills    | (17)    | --                    | 9 400 700 000         |
| Cash and cash equivalents                                   | (18)    | 4 850 387 717         | 1 236 152 800         |
| <b>Total Current Assets</b>                                 |         | <b>14 286 157 646</b> | <b>15 722 018 282</b> |
| <b>Total Assets</b>   |         | <b>14 379 220 551</b> | <b>15 814 549 378</b> |
| <b>Equity</b>   |         |                       |                       |
| Issued and paid in capital                                  | (19)    | 333 771 300           | 333 771 300           |
| Reserves  | (20)    | 1 998 375 586         | 377 666 798           |
| Retained earnings   | (38)    | 4 510 809 751         | 241 848 888           |
| Net profit for the year                                     |         | 2 559 832 567         | 7 808 811 008         |
| <b>Total Equity</b>   |         | <b>9 402 789 204</b>  | <b>8 762 097 994</b>  |
| <b>Non - Current Liabilities</b>                            |         |                       |                       |
| Long term loans   | (21)    | 467 570 430           | 781 570 448           |
| Deferred tax liabilities                                    | (2-28)  | 805 648               | 805 648               |
| Provision cost to complete facilities ( Lands & Buildings ) | (22)    | 857 616 883           | 793 219 145           |
| Other liabilities   | (23)    | 1 649 763 512         | 257 350 772           |
| <b>Total Non - Current Liabilities</b>                      |         | <b>2 975 756 493</b>  | <b>1 832 946 013</b>  |
| <b>Current Liabilities</b>                                  |         |                       |                       |
| Loans due during year                                       | (21)    | 143 085 236           | 270 263 302           |
| Provisions  | (1-24)  | 311 106 723           | 510 956 184           |
| Banks facilities  | (25)    | --                    | 549 276 613           |
| Suppliers and contractors and notes payable                 | (26)    | 337 288 708           | 623 816 870           |
| Creditors and other credit balances                         | (27)    | 669 284 855           | 423 811 409           |
| Current income tax liabilities                              | (1-28)  | 295 476 015           | 2 676 140 996         |
| Deferred gain from sale units                               | (29)    | 172 593 687           | 3 430 628             |
| Dividends accrued   |         | 71 839 630            | 161 809 369           |
| <b>Total Current Liabilities</b>                            |         | <b>2 000 674 854</b>  | <b>5 219 505 371</b>  |
| <b>Total Liabilities</b>                                    |         | <b>4 976 431 347</b>  | <b>7 052 451 384</b>  |
| <b>Total Equity and Liabilities</b>                         |         | <b>14 379 220 551</b> | <b>15 814 549 378</b> |

The accompanying notes are an integral part of the financial statements and to be read therewith  
Auditor's Report "attached".

General accounts manager

Mr / Wael Ali El sawy



Chief of accounts

Mr / Ahmed Fouad



Chief financial officer

Dr / Mohamed Mostafa



Chief executive officer

Dr / Sameh El saved



Heliopolis Company for Housing and Development

(An Egyptian Joint Stock Company)

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Income Statement for the financial year ended December 31, 2024

(All amounts in EGP )

|   | Note   | For the year ended   |                       |
|---|--------|----------------------|-----------------------|
|   | No.    | 31/12/2024           | 31/12/2023            |
| Operating revenue                                     | (30)   | 1 055 522 435        | 15 620 830 930        |
| Sales returns   | (32)   | ( 444 330)           | (40 659 351)          |
| Operating cost  | (31)   | ( 293 967 945)       | (3 366 484 257)       |
| Cost of sales returns                                 | (32)   | 135 741              | 1 572 034             |
| <b>Gross profit</b>                                   |        | <b>761 245 901</b>   | <b>12 215 259 356</b> |
| <b>Add/ (Deduct):</b>                                 |        |                      |                       |
| Investment and interest income                        | (33)   | 2 435 855 062        | 261 817 826           |
| Other income  | (34)   | 53 352 111           | 48 919 626            |
| General and administrative expenses                   | (35)   | ( 197 922 423)       | ( 266 393 757)        |
| Reserve of Expected Credit loss                       | (24-2) | 747 377 534          | ( 953 670 943)        |
| impairment in the fair value og financial instruments |        | --                   | ( 24 000 000)         |
| Provision no longer required                          | (24-1) | 196 861 085          | --                    |
| Cliaims provision                                     | (24-1) | --                   | (391 976 939)         |
| Solidarity contribution                               |        | ( 8 861 824)         | ( 39 727 273)         |
| Other operating expenses                              | (36)   | ( 529 548 659)       | ( 6 156 252)          |
| Finance cost  | (37)   | ( 290 740 205)       | ( 358 892 372)        |
| <b>Net profit for the year before taxes</b>           |        | <b>3 167 618 582</b> | <b>10 485 179 272</b> |
| Income tax  | (28)   | ( 607 786 015)       | (2 676 140 996)       |
| Income tax  | (28-2) | --                   | ( 227 268)            |
| <b>Net profit for the year</b>                        |        | <b>2 559 832 567</b> | <b>7 808 811 008</b>  |
| <b>Earning Per Share</b>                              | (39)   | <b>1.92</b>          | <b>5.85</b>           |

The accompanying notes are an integral part of the financial statements and to be read therewith

**Heliopolis Company for Housing and Development**  
**(An Egyptian Joint Stock Company)**

**Translation of financial statements**  
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**Statement of Comprehensive Income for the financial year ended December 31, 2024**

|                            | For the year ended at |                      |
|----------------------------|-----------------------|----------------------|
|                            | 31/12/2024            | 31/12/2023           |
| (All amounts in EGP )      |                       |                      |
| Net profit for the year    | 2 559 832 567 --      | 7 808 811 008 --     |
| Other comprehensive income | --                    | --                   |
| Total comprehensive income | <u>2 559 832 567</u>  | <u>7 808 811 008</u> |

The accompanying notes are an integral part of the financial statements and to be read therewith

Heliopolis Company for Housing and Development

(An Egyptian Joint Stock Company)

Translation of financial statements  
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statement of changes in equity For the financial year ended December 31, 2024

(All amounts in EGP)

|   | Note No | Issued and paid up capital | Reserves      | Retained (Losses) earnings | Net profit for the year | Periodic dividends | Total            |
|---|---------|----------------------------|---------------|----------------------------|-------------------------|--------------------|------------------|
| Balance at 1 January 2023 as issued                         |         | 333 771 300                | 377 666 798   | ( 151 149 441)             | 603 239 981             | ( 379 452 512)     | 784 076 126      |
| Adjustments to retained earnings                            | (38)    | --                         | --            | 169 210 860                | --                      | --                 | 169 210 860      |
| Balance at 1 July 2021 after amend                          |         | 333 771 300                | 377 666 798   | 18 061 419                 | 603 239 981             | ( 379 452 512)     | 953 286 986      |
| Comprehensive Income Items                                  |         |                            |               |                            |                         |                    |                  |
| Net profit for the financial year ended at 31 December 2023 |         | --                         | --            | --                         | 7 808 811 008           | --                 | 7 808 811 008    |
| Total comprehensive income                                  |         | --                         | --            | --                         | 7 808 811 008           | --                 | 7 808 811 008    |
| Transactions with the company's shareholders                |         |                            |               |                            |                         |                    |                  |
| Transferred to Retained earnings                            |         | --                         | --            | 223 787 469                | ( 603 239 981)          | 379 452 512        | --               |
| Total Transactions with the company's shareholders          |         | --                         | --            | 223 787 469                | ( 603 239 981)          | 379 452 512        | --               |
| Balance at 31 December 2023 as issued                       |         | 333 771 300                | 377 666 798   | 241 848 888                | 7 808 811 008           | --                 | 8 762 097 994    |
| Balance at 1 January 2024 before amendment                  |         | 333 771 300                | 377 666 798   | 241 848 888                | 7 808 811 008           | --                 | 8 762 097 994    |
| Adjustments to retained earnings                            | (38)    | --                         | --            | 80 858 643                 | --                      | --                 | 80 858 643       |
| Balance at 1 June 2024 after amendment                      |         | 333 771 300                | 377 666 798   | 322 707 531                | 7 808 811 008           | --                 | 8 842 956 637    |
| Comprehensive Income Items                                  |         |                            |               |                            |                         |                    |                  |
| Net profit for the financial year ended at 31 December 2024 |         | --                         | --            | --                         | 2 559 832 567           | --                 | 2 559 832 567    |
| Total comprehensive income                                  |         | --                         | --            | --                         | 2 559 832 567           | --                 | 2 559 832 567    |
| Transactions with the company's shareholders                |         |                            |               |                            |                         |                    |                  |
| Transferred to Retained earnings                            |         | --                         | --            | 6 188 102 220              | ( 6 188 102 220)        | --                 | --               |
| Transferred to Reserves                                     |         | --                         | 1 620 708 788 | --                         | ( 1 620 708 788)        | --                 | --               |
| Dividends   |         | --                         | --            | ( 2 000 000 000)           | --                      | --                 | ( 2 000 000 000) |
| Total Transactions with the company's shareholders          |         | --                         | 1 620 708 788 | 4 188 102 220              | ( 7 808 811 008)        | --                 | ( 2 000 000 000) |
| Balance at 31 December 2024                                 |         | 333 771 300                | 1 998 376 586 | 4 510 809 751              | 2 559 832 567           | --                 | 9 402 789 204    |

The accompanying notes are an integral part of the financial statements and to be read therewith

Statement of cash flows for the financial year ended December 31, 2024

(All amounts in EGP )

|  | Note<br>No | For the year ended     |                        |
|--|------------|------------------------|------------------------|
|  |            | 31/12/2024             | 31/12/2023             |
| <b>Cash flows from operating activities</b>                                |            |                        |                        |
| Net profit for the period before tax                                       |            | 3 167 618 582          | 10 485 179 272         |
| <b>: Adjustments as Follow</b>   |            |                        |                        |
| Depreciation and Amortization  |            | 8 700 130              | 9 008 738              |
| Expected Credit Losses   |            | (747 377 534)          | 892 002 830            |
| Claims provision   |            | --                     | 391 976 939            |
| Provision no longer required   |            | (196 861 085)          | --                     |
| Impairment in fair value of financial investments                          |            | --                     | 24 000 000             |
| Finance ( income ) cost ( Net )  |            | (2 145 114 857)        | 97 074 546             |
|  |            | <u>86 965 236</u>      | <u>11 899 242 325</u>  |
| <b>Change In:</b>  |            |                        |                        |
| Works in progress, Inventory and completed units                           |            | 49 737 479             | 5 444 073              |
| Trade and notes receivable, Debtors, other debit balances                  |            | (3 517 976 892)        | (1 746 673 525)        |
| Suppliers, contractors, Notes Payable, Creditors and other credit balances |            | 947 953 073            | 553 607 078            |
| Provisions (Used)  |            | ( 2 988 376)           | --                     |
| <b>Cash flows (used in) Provided from operating activities</b>             |            | <u>(2 436 309 480)</u> | <u>10 711 619 951</u>  |
| Paid Income Tax  |            | <u>(2 988 450 996)</u> | <u>( 210 600 645)</u>  |
| <b>Net cash flows (used in) Provided from operating activities</b>         |            | <u>(5 424 760 476)</u> | <u>10 501 019 306</u>  |
| <b>Cash flows from investing activities</b>                                |            |                        |                        |
| (Payments) to acquire assets   |            | (8 447 548)            | (1 313 234)            |
| (Payments) to acquire Financial investments at amortized cost              |            | (4 660 200 000)        | (9 400 700 000)        |
| Proceeds from financial investments at amortized cost                      |            | 4 697 800 000          | --                     |
| Proceeds from interests  |            | 2 435 855 062          | 261 817 826            |
| <b>Net cash flows (Used in) provided from investing activities</b>         |            | <u>2 465 007 514</u>   | <u>(9 140 195 408)</u> |
| <b>Cash flows from financing activities</b>                                |            |                        |                        |
| Payments for Loans and Credit banks  |            | ( 990 454 677)         | (91 536 581)           |
| Payments for Dividends   |            | (2 089 969 739)        | (168 046 859)          |
| Interests paid   |            | ( 290 740 205)         | (358 892 372)          |
| <b>Net cash flows used in financing activities</b>                         |            | <u>(3 371 164 621)</u> | <u>( 618 475 812)</u>  |
| <b>Cash and cash equivalents during the year</b>                           |            | <u>(6 330 917 583)</u> | <u>742 348 086</u>     |
| <b>Cash and cash equivalents at the beginning of the year</b>              |            | <u>11 182 292 800</u>  | <u>498 136 601</u>     |
| <b>The effect of the ECL on Cash and cash equivalents</b>                  |            | <u>--</u>              | <u>61 668 113</u>      |
| <b>Treasury bills due within 3 months</b>                                  |            | <u>--</u>              | <u>9 880 140 000</u>   |
| <b>Cash and cash equivalents at the end of the year</b>                    | (18)       | <u>4 851 375 217</u>   | <u>11 182 292 800</u>  |

The accompanying notes are an integral part of the financial statements and to be read therewith

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)**  
**Notes to financial statements for the financial ended December 31, 2024**  
**(All amounts are shown in EGP otherwise stated)**

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**1. Reporting entity**

**Company Name:**

Heliopolis Company for Housing and Development, a subsidiary entity for the Holding Company for Construction and Development.

**Company's address:**

28 Ibrahim El-Laqrani Street - Heliopolis - Cairo.

**Legal form:**

- An Egyptian joint stock company subject to the provisions of Law No. 203 of 1991, business sector until August 2021.
- On September 1, 2021, the company's status was reconciled to exit from Law No. 203 of 1991, so that the company became subject to the provisions of Law No. 159 of 1981 and updated in the commercial registry.

**Company's duration:**

One hundred years from the date of registration in the commercial register on 23/6/1969.

**Establishment date:**

The company is established at year 1906

**Financial year:**

In accordance with Article No. (54) of the company's discipline principles issued on September 12, 2021, the company's fiscal year was changed to begin on the first of January and end on December 31 of the same year instead of beginning on the first of July and end on June 30 of the same year, provided that the first fiscal year begins. For the company from the date of reconciliation of conditions until the end of the next fiscal year, provided that this does not exceed 24 months.

**Company's Purpose:**

- Carrying out all work related to housing and construction projects, preparing and dividing lands, and providing them with facilities and services.
- Organizing, planning and selling lands owned or managed for others.
- Carrying out design work and supervising the implementation of local projects or projects in which Arab and foreign capital is invested.
- Establishing special housing such as hotels, hospitals and tourist constructions.

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)**

**Notes to financial statements for the financial year ended December 31, 2024**

**(All amounts are shown in EGP otherwise stated)**

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**Commercial register:**

Register No. 138485 dated at 23/6/1969, and it was approved in the commercial registry to reconcile the company's status in accordance with Law No. 203 for the year 1991 with issuance No. 6229 on 5/5/1994 and issuance No. 9262 on 16/6/2021, and on 1/9/2021 the commercial registry was updated to reconcile the company's conditions to exit from Law No. 203 of 1991 so that the company becomes subject to the provisions of Law No. 159 of 1981. With issuance number 1395.

- On August 14, 2021, the extraordinary general assembly of the company agreed to proceed with the procedures for transferring dependency from the provisions of Law No. 203 of 1991 and to complete the work under the rules of the provisions of Law No. 159 of 1981 and its amendments and its executive regulations. This was registered in the commercial registry on September 1, 2021.
- The last amend in the commercial registry with issuance No. 20588 is on 12/14/2021

**Company's status in the stock exchange:**

The company's shares were registered on the Egyptian Stock Exchange as of May 9, 1995, and the registration was amended on July 25, 1996.

**On February 19, 2003, the Securities Listing Committee approved the following:**

- A- Adjusting the conditions for registering the company's shares with a capital of EGP 24 723 800 distributed over 4 944 760 shares with a par value of EGP 5 per share in the official schedule No. (1), represented in seventeen edition, in accordance with the rules and procedures for registration, continuation, and delisting in effect as of 1/8/2002 issued by the decision of the Board of Directors of the Capital Market Authority No. 30 on 18/6/2002 and the decision of the Board of Directors of the Stock Exchange on 24/7/2002.
- B- Registering the shares of the company's capital increase from EGP 24 723 800 to EGP 74 171 400 an increase of EGP 49 447 600 distributed among 9 889 520 shares with a nominal value of EGP 5 per share in the official table No. (1), eighteenth edition. This is done by distributing 2 free shares for every original share.
- The Capital Market Authority, in its Letter No. 1468 dated 7/7/2008, approved the company's issuance of shares in the issued capital of 74 171 400 nominal cash ordinary shares with a par value of one Egyptian pound per share after amendment, and an issued capital of EGP 74 171 400, and the segmentation operation was implemented as of 31/7/2008.

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)**

**Notes to financial statements for the financial year ended December 31, 2024**

**(All amounts are shown in EGP otherwise stated)**

- The company's shares were re-listed on the Egyptian Stock Exchange on November 11, 2009, with an issued capital of EGP 74 171 400 (fully paid), distributed among 74 171 400 shares with a par value of one Egyptian pound per share, represented in 18 issues in a table. Registration of Egyptian securities (shares).
- The Capital Market Authority, in its letter No. 24 902, dated November 3, 2010, approved the company's issuance number of 37 085 700 cash ordinary shares, with a nominal value of one Egyptian pound per share, and a total value of the issue of EGP 37 085 700, fully paid from the profits carried forward in the company's financial statements in 30/6/2010, so that the issued and paid-in capital became EGP 111 257 100 instead of EGP 74 171 400.
- On 24/11/2010, the Securities Listing Committee of the Egyptian Stock Exchange approved an increase in the issued and paid-in capital from EGP 74 171 400 to EGP 111 257 100, an increase of EGP 37 085 700 distributed among 37 085 700 shares with a par value of one pound. per share (nineteenth issue) according to Egyptian Stock Exchange Letter No. 7 274 dated 25/11/2010
- On 16/11/2016, the Financial Regulatory Authority (the Capital Market) was approved, as well as the approval of the Securities Listing Committee on the Egyptian Stock Exchange on 23/11/2016, to split the nominal value of the company's shares from 1 Egyptian pound to 0.25 Egyptian pounds per share, with the same issued and paid-in capital as it amounted to EGP 111 257 100, to be distributed among 445 028 400 shares with a par value of 0.25 Egyptian pounds per share, according to the Egyptian Stock Exchange Letter No. (6 981) dated 27/11/2016.
- The Financial Regulatory Authority, in its Letter No. 205 dated 8/1/2020, approved the company's issuance of a number of 890 056 800 ordinary cash shares with a par value of 0.25 Egyptian pounds per share and a total value of the issue amounted to EGP 222 514 200 Egyptian pounds were paid in full from the retained earnings appearing in the company's financial statements on 30/6/2019, so that the issued and paid-up capital became EGP 333 771 300 instead of EGP 111 257 100.
- On 12/2/2020, the Securities Listing Committee of the Egyptian Stock Exchange approved an increase in the company's issued and paid-up capital from EGP 111 257 000 to EGP 333 771 300, an increase of EGP 222 514 500 distributed among 890 056 800 shares with a par value 0.25 Egyptian pounds per share (twentieth issue) in the Egyptian securities registration table (shares).

The registration was updated in the commercial registry under issuance No. 1 307 on 26/1/2020.

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)**

**Notes to financial statements for the financial year ended December 31, 2024**

**(All amounts are shown in EGP otherwise stated)**

**The company's position on the evaluation and the consultant that conducted the evaluation:**

The company has completed the evaluation of its assets and determined the equity and the value of share by Misr Bank (Shawqi & Co. Office - Sabour & Co. Office). This evaluation was approved by the company's Board of Directors, the Accountability State Authority, and the Holding Company for Construction and Development, and the first tranche of capital (20%) was offered in the stock exchange was offered for public subscription during the months of July and August 1995. The holding company also sold 2.14% of the capital shares in the stock exchange, in addition to offering the second tranche for public subscription on the stock exchange, amounting to 5%, on November 28, 1996, in addition to the holding company selling 90 000 shares within a month. May 2007.

**Market value of the stock:**

The market value of the share on 31/12/2024 amounted to 9.04 Egyptian pounds per share, thus the value of the market capitalization at 31/12/2024 as follows:

| Par value | Number of Shares  | The selling price on the stock exchange at 31/12/2024 | Market value of capital at 31/12/2024 |
|-----------|-------------------|---|---------------------------------------|
| EGP 0.25  | EGP 1 335 085 200 | EGP 9.04  | EGP 12 069 170 208                    |

**Employment:**

The number of employees at 31/12/2024 amounted to 1 155 workers, compared to 1 163 workers at 31/12/2023, distributed as follows:

|                                  | Number of employees at 31-12-2024 |              | Number of employees at 31-12-2023 |              |
|----------------------------------|-----------------------------------|--------------|-----------------------------------|--------------|
|                                  | partial                           | Total        | partial                           | Total        |
| Permanent employment             | 1 119                             | --           | 1 147                             | --           |
| Insured contracts                | 14                                | --           | 1                                 | --           |
| Total permanent employment       | --                                | 1 133        | --                                | 1 148        |
| Casual employment                | --                                | --           | --                                | --           |
| Deductible salaries              | --                                | 2            | --                                | 3            |
| Assistant of Chairman            | --                                | --           | --                                | --           |
| Consulting contracts             | --                                | 7            | --                                | 8            |
| Outsiders                        | --                                | 13           | --                                | 4            |
| <b>Total number of employees</b> | <b>1 133</b>                      | <b>1 155</b> | <b>--</b>                         | <b>1 163</b> |

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Central custody of the company's shares at Misr Clearing Company in accordance with the provisions of Law No. 93 of 2000:

- In implementation of the provisions of Law No. 93 of 2000, the company registered its shares in the central custodial system of the Misr for Central Clearing, Depository and Registry Company, as of 16/8/2001
- As of this date, paper shares will not be dealt with. Transactions will be made through an account statement issued to each shareholder by one of the banks licensed to operate as custodians. The company has carried out the necessary publication in the daily newspapers to inform shareholders of this.
- The financial statements were approved by the company's Board of Directors at 3 April 2025.

## **2. Use of Estimates and Judgment**

The preparation of financial statements in accordance with Egyptian accounting standards requires management to make a professional judgment, estimates and assumptions that affect the application of policies and assets, liabilities, income and expenses and estimates and assumptions depend on past experience and other factors that management believes are reasonable in the circumstances existing in the history of the financial position, and the results of these estimates and assumptions are the basis for professional judgment on the book values of assets and liabilities, and therefore the actual results may differ from those estimates.

- Estimates and assumptions related to them are reviewed on an ongoing basis, and accounting adjustments to estimates are recognized in the in which the estimate is adjusted and in future s if such estimates affect future s.
- The estimates and assumptions that affect the financial statements are as follows:
  - Estimated ages for calculating depreciation of fixed assets.
  - Income taxes.
  - Impairment of financial and non-financial assets.
  - Provision of completing the works.

## **3. Basis of preparation of financial statements**

### **3-1 Compliance with accounting standards and laws**

The financial statements of the Company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)**  
**Notes to financial statements for the financial year ended December 31, 2024**  
**(All amounts are shown in EGP otherwise stated)**

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**3-2 functional and presentation currency:**

The financial statements are presented in Egyptian pounds, which represents the company's functional currency.

**3-3 Use estimates and assumptions**

- The preparation of financial statements in accordance with Egyptian accounting standards requires the use of estimates and assumptions that may affect the values of assets and liabilities and the disclosure of potential assets and liabilities at the date of the independent financial statements, as well as may affect the values of revenues and expenses during the year, although these estimates and assumptions are prepared in the light of the best information available to management about current events and transactions, but actual results may differ from those estimates.
- Estimates and assumptions are reviewed periodically.
- A change in accounting estimates is recognized in the in which the estimate is changed if the change affects only that, or in the of change and futures if the change affects both.

**3-4 Fair Value Measurement**

- The fair value of financial instruments is determined based on the market value of a financial instrument or similar financial instruments at the date of the independent financial statements. Financial assets values are determined at the current prices for the purchase of those assets, while the financial liabilities values are determined at current prices, which could be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the recent price of the same transactions, and guided at fair value for other similar instruments - discounted cash flows or any other method of evaluation that resulting values can be relied on.
- When using the discounted cash flow method to valuate, the estimated future cash flows will be based on management's best estimates. Discount rate used is determined in the light of the prevailing market price at the date of the financial statements for the financial instruments that are similar in nature and terms.

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Notes to financial statements for the financial year ended December 31, 2024

(All amounts are shown in EGP otherwise stated)

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4- Property, plant and equipment

|  | Lands   | Buildings     | Machines & equipments | Tools & equipments | Furniture  | Vehicles   | Total         |
|--|---------|---------------|-----------------------|--------------------|------------|------------|---------------|
| Cost at December 31 , 2022                         | 746 520 | 60 443 856    | 2 060 898             | 456 923            | 15 637 650 | 9 955 195  | 89 301 042    |
| Additions for the year                             | --      | --            | --                    | --                 | 307 172    | --         | 307 172       |
| Disposals for the year                             | --      | ( 50 577)     | ( 100 000)            | --                 | ( 77 348)  | ( 537 260) | ( 765 185)    |
| Cost at December 31 , 2023                         | 746 520 | 60 393 279    | 1 960 898             | 456 923            | 15 867 474 | 9 417 935  | 88 843 029    |
| Additions for the year                             | 13 776  | 1 037 606     | --                    | --                 | 4 687 142  | 3 800 000  | 9 538 524     |
| Disposals for the year                             | --      | ( 48 036 612) | --                    | --                 | ( 493 784) | ( 3 310)   | ( 48 533 706) |
| Cost at December 31 , 2024                         | 760 296 | 13 394 273    | 1 960 898             | 456 923            | 20 060 832 | 13 214 625 | 49 847 847    |
| Accumulated depreciation at December 31 , 2022     | --      | 13 766 003    | 1 843 137             | 379 775            | 10 872 182 | 9 135 230  | 35 996 327    |
| Depreciation for the year                          | --      | 1 686 517     | 13 368                | 19 760             | 507 357    | 334 566    | 2 561 568     |
| Accumulated depreciation of disposals for the year | --      | ( 3 540)      | ( 100 000)            | --                 | ( 77 348)  | ( 537 261) | ( 718 149)    |
| Accumulated depreciation at December 31 , 2023     | --      | 15 448 980    | 1 756 505             | 399 535            | 11 302 191 | 8 932 535  | 37 839 746    |
| Depreciation for the year                          | --      | 1 713 963     | 58 210                | 18 611             | 954 373    | 786 288    | 3 531 445     |
| Accumulated depreciation of disposals for the year | --      | ( 9 622 910)  | --                    | --                 | ( 399 068) | ( 3 309)   | ( 10 025 287) |
| Accumulated depreciation at December 31 , 2024     | --      | 7 540 033     | 1 814 715             | 418 146            | 11 857 496 | 9 715 514  | 31 345 904    |
| Net Book Value at December 31 , 2024               | 760 296 | 5 854 240     | 146 183               | 38 777             | 8 203 336  | 3 499 111  | 18 501 943    |
| Net Book Value at December 31 , 2023               | 746 520 | 44 944 299    | 204 393               | 57 388             | 4 565 283  | 485 400    | 51 003 283    |

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**(All amounts are shown in EGP otherwise stated)**

**5- Projects under construction**

|                                | 31 December 2024 | 31 December 2023 |
|--------------------------------|------------------|------------------|
| Integrated computer project    | 1 792 596        | 1 792 596        |
| Furniture and office equipment | 24 520           | 24 520           |
| Al-Montazah                    | 457 500          | --               |
|                                | <u>2 274 616</u> | <u>1 817 116</u> |

**6- Investment Property**

|  | Lands            | Buildings          | Total              |
|--|------------------|--------------------|--------------------|
| Cost at 1 January 2023   | 1 263 626        | 60 495 156         | 61 758 782         |
| Disposal for the year  | (473)            | (2 077 174)        | (2 077 647)        |
| Cost at 31 December 2023   | <u>1 263 153</u> | <u>58 417 982</u>  | <u>59 681 135</u>  |
| Cost at 1 January 2024   | 1 263 153        | 58 417 982         | 59 681 135         |
| Additions for the year   | --               | 48 036 612         | 48 036 612         |
| Disposals for the year   | (13 776)         | (1 037 606)        | (1 051 382)        |
| Cost at 31 December 2024   | <u>1 249 377</u> | <u>105 416 988</u> | <u>106 666 365</u> |
| Accumulated depreciation at 31 December 2022                     | --               | 19 830 803         | 19 830 803         |
| Depreciation for the year  | --               | 3 184 884          | 3 184 884          |
| Accumulated depreciation for disposals                           | --               | (367 291)          | (367 291)          |
| Accumulated depreciation at 31 December 2023                     | --               | <u>22 648 396</u>  | <u>22 648 396</u>  |
| Depreciation for the year  | --               | 3 918 655          | 3 918 655          |
| Disposals for the year   | --               | (1 077 467)        | (1 077 647)        |
| Accumulated depreciation of Assets transferred from fixed Assets | --               | 9 622 910          | 9 622 910          |
| Accumulated depreciation at 31 December 2024                     | --               | <u>35 112 494</u>  | <u>35 112 494</u>  |
| Net book value at 31 December 2024                               | <u>1 249 377</u> | <u>70 304 494</u>  | <u>71 553 871</u>  |
| Net book value at 31 December 2023                               | <u>1 263 153</u> | <u>35 769 586</u>  | <u>37 032 739</u>  |

**7- Investments at fair value through OCI**

|                                   | 31 December 2024    | 31 December 2023    |
|-----------------------------------|---------------------|---------------------|
| Al-Nasr Real Estate Development * | 24 000 000          | 24 000 000          |
| Impairment in value of investment | <u>(24 000 000)</u> | <u>(24 000 000)</u> |
|                                   | <u>--</u>           | <u>--</u>           |

\* General Assembly of Al-Nasr Real Estate Development Company approve the decision to set the company under liquidation, and thus formed impairment with the total value.

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**8- Investments held to maturity**

|  | 31 December 2024 | 31 December 2023 |
|--|------------------|------------------|
| Government bonds deposited in the National Investment Bank | <u>107 459</u>   | <u>107 459</u>   |

**9- Intangible assets**

It is represented in ERP software license owned by the holding company

|  | 31 December 2024   | 31 December 2023 |
|--|--------------------|------------------|
| <b>Cost at the beginning of the year</b>                     | 8 568 327          | 5 471 086        |
| Additions during the year                                    | —                  | 3 097 241        |
| Disposals during the year                                    | <u>(2 318 178)</u> | <u>—</u>         |
| <b>Cost at the ending of the year</b>                        | <u>6 250 149</u>   | <u>8 568 327</u> |
| <b>Accumulated amortization at the beginning of the year</b> | 5 997 828          | 2 735 542        |
| Accumulated amortization Disposals                           | (1 622 725)        | —                |
| Amortization during the year                                 | <u>1 250 030</u>   | <u>3 262 286</u> |
| <b>Accumulated amortization at the ending of the year</b>    | <u>5 625 133</u>   | <u>5 997 828</u> |
| <b>Net book value at the ending of the year</b>              | <u>625 016</u>     | <u>2 570 499</u> |

**10- Inventory**

|                          | 31 December 2024  | 31 December 2023  |
|--------------------------|-------------------|-------------------|
| Materials                | 538               | 538               |
| Fuel and oils            | 79 440            | 121 402           |
| Spare parts and supplies | 41 012 072        | 27 535 151        |
| Waste and scrap          | <u>3 425</u>      | <u>1 534</u>      |
|                          | <u>41 095 475</u> | <u>27 658 625</u> |

**11- Completed units and lands available for sale**

|                         | 31 December 2024     | 31 December 2023   |
|-------------------------|----------------------|--------------------|
| Units, shops and villas | 156 204 154          | 168 934 196        |
| Lands                   | <u>2 200 924 286</u> | <u>924 286</u>     |
|                         | <u>2 357 128 440</u> | <u>169 858 482</u> |

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**12- Works in process**

|                                | 31 December 2024     | 31 December 2023     |
|--------------------------------|----------------------|----------------------|
| New Heliopolis projects        | 2 101 329 351        | 2 155 339 491        |
| Misr El-Gadida region projects | 88 275 437           | 84 709 584           |
|                                | <u>2 189 604 788</u> | <u>2 240 049 075</u> |

**13- Trade and notes receivable (Net)**

|                               | 31 December 2024     | 31 December 2023     |
|-------------------------------|----------------------|----------------------|
| Trade receivable*             | 1 031 687 502        | 1 556 552 725        |
| Notes receivable**            | 1 291 531 681        | 264 180 699          |
|                               | <u>2 323 219 183</u> | <u>1 820 733 424</u> |
| <b>(Deduct):</b>              |                      |                      |
| Deferred installment interest | (648 433 776)        | (314 760 252)        |
| Expected credit losses        | (503 672 635)        | (658 695 087)        |
|                               | <u>1 171 112 772</u> | <u>847 278 085</u>   |

\*Trade receivable includes bounced cheques for EGP 48 165 697.

\*\*Notes receivable includes cheques under collection (delivered to banks) for  
EGP 289 351 077 at December 31, 2024 against EGP 195 763 947 at 31 December  
2023 its Maturity dates ending in year 2027.

**14- Debtors and other debit balances**

|   | 31 December 2024  | 31 December 2023   |
|---|-------------------|--------------------|
| Deposits with others                            | 2 132 121         | 2 132 121          |
| Due from other                                  | 2 913 772         | 2 913 772          |
| Due from Cairo Electricity Distribution Company | 6 284 004         | 18 993 261         |
| Employee custody                                | 1 354 195         | 2 056 977          |
| Prepaid to contractors                          | 886 258           | 920 790            |
| Balances under settlement                       | 59 922 482        | 123 707 577        |
| Accrued revenues                                | 19 745 908        | 12 684 487         |
|   | <u>93 238 740</u> | <u>163 408 985</u> |
| <b>(Deduct):</b>                                |                   |                    |
| Expected Credit Losses                          | (3 918 402)       | (31 260 984)       |
|   | <u>89 320 338</u> | <u>132 148 001</u> |

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**15- Due from related parties (The Holding Company)**

**31 December 2024      31 December 2023**

|  |            |            |
|--|------------|------------|
| Holding Company for Construction and Development | 28 673 665 | 25 493 089 |
|--|------------|------------|

**16- Prepayments**

**31 December 2024      31 December 2023**

|                               |               |               |
|-------------------------------|---------------|---------------|
| Advance payments to Suppliers | 3 578 998 452 | 2 120 344 597 |
|-------------------------------|---------------|---------------|

|                  |           |            |
|------------------|-----------|------------|
| Prepaid expenses | 2 812 949 | 45 312 478 |
|------------------|-----------|------------|

|  |               |               |
|--|---------------|---------------|
|  | 3 581 811 401 | 2 165 657 075 |
|--|---------------|---------------|

**(Deduct):**

|                        |              |               |
|------------------------|--------------|---------------|
| Expected credit losses | (22 976 950) | (522 976 950) |
|------------------------|--------------|---------------|

|  |               |               |
|--|---------------|---------------|
|  | 3 558 834 451 | 1 642 680 125 |
|--|---------------|---------------|

**17- Financial investments at amortized cost – treasury bills**

**31 December 2024      31 December 2023**

|                |    |                |
|----------------|----|----------------|
| Treasury bills | -- | 10 000 000 000 |
|----------------|----|----------------|

|                    |    |               |
|--------------------|----|---------------|
| Unearned interests | -- | (599 300 000) |
|--------------------|----|---------------|

|  |    |               |
|--|----|---------------|
|  | -- | 9 400 700 000 |
|--|----|---------------|

**18- Cash and cash equivalents**

**31 December 2024      31 December 2023**

|  |            |            |
|--|------------|------------|
| Cairo Bank – time deposits (loan warranty) | 30 168 758 | 30 000 000 |
|--|------------|------------|

|                                  |    |             |
|----------------------------------|----|-------------|
| Real Estate Bank – time deposits | -- | 850 000 000 |
|----------------------------------|----|-------------|

|                           |    |             |
|---------------------------|----|-------------|
| SAIB Bank – time deposits | -- | 100 000 000 |
|---------------------------|----|-------------|

|   |             |            |
|---|-------------|------------|
| Investment bank – time maintenance deposits | 152 246 000 | 25 000 000 |
|---|-------------|------------|

|                                       |    |            |
|---------------------------------------|----|------------|
| SAIB Bank – time maintenance deposits | -- | 20 000 000 |
|---------------------------------------|----|------------|

|  |           |           |
|--|-----------|-----------|
| Banks - Current accounts (maintenance interests) | 3 404 090 | 3 870 325 |
|--|-----------|-----------|

|                          |               |             |
|--------------------------|---------------|-------------|
| Banks - Current accounts | 4 665 556 369 | 273 282 475 |
|--------------------------|---------------|-------------|

|              |    |    |
|--------------|----|----|
| Cash on hand | -- | -- |
|--------------|----|----|

|  |               |               |
|--|---------------|---------------|
|  | 4 851 375 217 | 1 302 152 800 |
|--|---------------|---------------|

|                        |           |              |
|------------------------|-----------|--------------|
| Expected credit losses | (987 500) | (66 000 000) |
|------------------------|-----------|--------------|

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| <b>Cash and cash equivalents</b> | <b>4 850 387 717</b> | <b>1 236 152 800</b> |
|----------------------------------|----------------------|----------------------|

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For the purposes of preparing the statement of cash flows, cash and cash equivalents are presented as follows:

|   | 31 December 2024     | 30 December 2023      |
|---|----------------------|-----------------------|
| Cash and cash equivalents   | 4 851 375 217        | 1 302 152 800         |
| Add:  |                      |                       |
| Treasury bills due within three months                                | --                   | 9 880 140 000         |
| Cash and cash equivalents as presented in the statement of cash flows | <u>4 851 375 217</u> | <u>11 182 292 800</u> |

#### 19- Share capital

- The authorized capital of the company is EGP 1.5 billion (one billion five hundred million Egyptian pounds).
- The issued and paid-up capital is EGP 333 771 300 (three hundred and thirty-three million, seven hundred and seventy-one thousand and three hundred Egyptian pounds), distributed over 1 335 085 200 shares (One billion three hundred and thirty-five million and eighty-five thousand two hundred shares) with a par value of EGP 0,25 per share, are fully paid cash shares and distributed at 31 December 2024 as follows:

|  | Number of<br>Shares  | Par value          | Percentage   |
|--|----------------------|--------------------|--------------|
| Holding company for construction and development | 964 613 604          | 241 153 401        | 72.25 %      |
| Others shareholders (shares to the public)       | 370 471 596          | 92 617 899         | 27.75 %      |
|  | <u>1 335 085 200</u> | <u>333 771 300</u> | <u>100 %</u> |

#### 20- Reserves

|   | 31 December 2024     | 31 December 2023   |
|---|----------------------|--------------------|
| Legal reserve                             | 166 885 650          | 107 939 064        |
| Reserve                                   | 1 743 834 650        | 182 072 448        |
| Capital reserve                           | 3 092 001            | 3 092 001          |
| Reserve invested in governmental bonds    | 790 574              | 790 574            |
| Reserve for financing investment projects | 40 521 093           | 40 521 093         |
| General reserve                           | 37 957 785           | 37 957 785         |
| Increasing assets prices reserve          | 2 431 260            | 2 431 260          |
| Extraordinary reserve                     | 661 702              | 661 702            |
| Treasury shares reserve                   | 2 200 871            | 2 200 871          |
|   | <u>1 998 375 586</u> | <u>377 666 798</u> |

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**21- Long-term loans from banks and financing from companies**

|   | 31 December 2024     | 31 December 2023     |
|---|----------------------|----------------------|
| Cairo Bank Loan*                                | 610 655 686          | 1 016 570 448        |
| National Investment Bank loan                   | --                   | 55 702               |
| Corporate loans (finance lease)                 | --                   | 35 207 600           |
|   | <u>610 655 686</u>   | <u>1 051 833 750</u> |
| <b>(Deduct) Loans due during year</b>           |                      |                      |
| Cairo Bank Loan                                 | (143 085 236)        | (235 000 000)        |
| Corporate loans (finance lease)                 | --                   | (35 207 600)         |
| National Investment Bank loan                   | --                   | (55 702)             |
|   | <u>(143 085 236)</u> | <u>(270 263 302)</u> |
| <b>Balance of long-term loans and financing</b> | <u>467 570 450</u>   | <u>781 570 448</u>   |

The balances of long-term loans are as follows:

|                 | 31 December 2024   | 31 December 2023   |
|-----------------|--------------------|--------------------|
| Cairo Bank Loan | 467 570 450        | 781 570 448        |
|                 | <u>467 570 450</u> | <u>781 570 448</u> |

**\*Cairo Bank loan**

**- Loan contract date in December 2018**

**Loan receipt tranche:**

The first tranche, EGP 900 million, was used to pay utility costs for the city of Heliopolis.

The second tranche, EGP 200 million, was used to pay short-term facilities that were used to develop the company's projects.

- The third tranche, EGP 100 million, was used to pay the costs of facilities and development of Maryland Park.
- **Guarantees:** The company's revenue from SODIC joint venture project.
- **Loan contract:** 7.5 years
- **Availability and withdrawal:** one year with a grace of 2.5 years ending in March 2022.

**Number of installments until the end of the loan contract:** (5) equal installments starting from March 2022 to March 2026.

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**22- Provision cost to complete facilities (Lands & Buildings)**

|   | 31 December 2024   | 31 December 2023   |
|---|--------------------|--------------------|
| Provision Cost to complete facilities (Lands & Buildings) | 857 616 883        | 793 219 145        |
|   | <u>857 616 883</u> | <u>793 219 145</u> |

**23- Other liabilities**

|                                      | 31 December 2024     | 31 December 2023   |
|--------------------------------------|----------------------|--------------------|
| Contractors – retention due to other | 15 493 748           | 20 426 063         |
| Surplus employees' profits 10 %      | 8 373 243            | 9 388 015          |
| Facilities completion liabilities    | --                   | 42 583 776         |
| SODIC                                | 100 000 000          | 100 000 000        |
| Sales of incomplete units            | 82 780 991           | 69 638 017         |
| Retention                            | 22 865 530           | 15 314 901         |
| Collection From Joint Ventures       | 1 405 250 000        | --                 |
|                                      | <u>1 649 763 512</u> | <u>257 350 772</u> |

**24- Provisions and Expected credit losses**

**24.1 Provisions**

|  | 31 December 2024   | 31 December 2023   |
|--|--------------------|--------------------|
| Tax provision                            | 127 607 223        | 190 992 660        |
| Claims and disputes provision (lawsuits) | 113 499 500        | 249 963 524        |
| Provision cost to complete facilities    | 69 307 691         | 54 698 655         |
| Additional provision (price differences) | 469 509            | 15 301 345         |
|  | <u>311 106 723</u> | <u>510 956 184</u> |

The movement of provisions during the year is as follows:

|                                      | 31 December 2024   | 31 December 2023   |
|--------------------------------------|--------------------|--------------------|
| Balance at the beginning of the year | 510 956 184        | 119 738 791        |
| Formed during the year               | --                 | 391 976 939        |
| Provision no longer required         | (196 861 085)      | --                 |
| Used from the provisions             | (2 988 376)        | (759 546)          |
|                                      | <u>311 106 723</u> | <u>510 956 184</u> |

**24.2 Expected credit losses**

|                                 | Trade and notes<br>receivable | Debtors and<br>other debit<br>balances | Prepayments         | Cash and cash<br>equivalents | Total                |
|---------------------------------|-------------------------------|--|---------------------|------------------------------|----------------------|
| Balance at 31 December 2023     | (658 695 087)                 | (31 260 984)                           | (522 976 950)       | (66 000 000)                 | (1 278 933 021)      |
| Formed during the year          | --                            | --                                     | --                  | --                           | --                   |
| Reserve of Expected Credit loss | 155 022 452                   | 27 342 582                             | 500 000 000         | 65 012 500                   | 747 377 534          |
| Balance at 31 December 2024     | <u>(503 672 635)</u>          | <u>(3 918 402)</u>                     | <u>(22 976 950)</u> | <u>(987 500)</u>             | <u>(531 555 487)</u> |

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**25- Banks facilities**

|                                       | Limit of<br>facilitation<br>One<br>million<br>EGP | 31 December 2024 | interest<br>rate | 31 December 2023   |
|---------------------------------------|---|------------------|------------------|--------------------|
| Al Baraka Bank Egypt – Misr El-Gadida | 250   | --               | %19.75           | 118 842 635        |
| Misr Iran Development Bank            | 100   | --               | %19.75           | 87 016 484         |
| National Bank of Egypt                | 200   | --               | %19.15           | 192 094 143        |
| Arab Bank Roxy Branch                 | 300   | --               | %21.75           | 89 675 633         |
| SAIB Bank                             | 100   | --               | %13.5            | 61 647 718         |
|                                       |   | <u>--</u>        |                  | <u>549 276 613</u> |

**26- Suppliers and contractors**

|               | 31 December 2024          | 31 December 2023          |
|---------------|---------------------------|---------------------------|
| Suppliers     | 283 372 179               | 100 955 923               |
| Contractors   | <b>49 867 750</b>         | <b>522 860 947</b>        |
| Notes Payable | 4 048 779                 | --                        |
|               | <u><b>337 288 708</b></u> | <u><b>623 816 870</b></u> |

**27- Creditors and other credit balances**

|  | 31 December 2024          | 31 December 2023          |
|--|---------------------------|---------------------------|
| Advance payments - trade receivables and debtors | 39 387 700                | 17 374 817                |
| Accounts payable to governmental bodies          | 15 930 631                | 48 337 966                |
| Accrued expenses                                 | 729 622                   | 336 874                   |
| Deposits to others                               | 101 571 148               | 89 714 276                |
| Due to employees                                 | 12 424 194                | 12 833 700                |
| Due to contractors                               | 2 281 631                 | 1 792 846                 |
| Returned checks                                  | 1 834 040                 | 1 834 003                 |
| Retained Deposit for land purchase               | 200 000 000               | --                        |
| Downpayments and real estate liabilities         | 42 051 041                | 54 989 626                |
| Due to employees - deposits                      | 1 298 312                 | 1 065 100                 |
| Employees benefits                               | 128 175                   | 111 184                   |
| Other credit balances                            | 251 648 361               | 195 421 017               |
|  | <u><b>669 284 855</b></u> | <u><b>423 811 409</b></u> |

**For the year ended at**

|                              | 31 December 2024            | 31 December 2023              |
|------------------------------|-----------------------------|-------------------------------|
| Income tax during the year   | (295 476 015)               | (2 676 140 996)               |
| Deferred income              | --                          | (227 268)                     |
| Income tax on treasury bills | (312 310 000)               | --                            |
|                              | <u><b>(607 786 015)</b></u> | <u><b>(2 676 368 264)</b></u> |

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**28- Income tax expense**

**28-1 Current income tax liabilities**

|                        | 31 December 2024   | 31 December 2023     |
|------------------------|--------------------|----------------------|
| Income tax liabilities | 295 476 015        | 2 676 140 996        |
|                        | <u>295 476 015</u> | <u>2 676 140 996</u> |

The following are a movement of income tax liabilities during the year as follows- :

|                                      | 31 December 2024   | 31 December 2023     |
|--------------------------------------|--------------------|----------------------|
| Balance at the beginning of the year | 2 676 140 996      | 210 600 645          |
| Payments during the year             | (2 676 140 996)    | (210 600 645)        |
| Formed during the year               | 295 476 015        | 2 676 140 996        |
|                                      | <u>295 476 015</u> | <u>2 676 140 996</u> |

**28-2 Deferred tax liability**

|  | 31 December 2024 | 31 December 2023 |
|--|------------------|------------------|
| Balance at the beginning of the / year | 805 648          | 578 380          |
| Expense formed during the / year       | --               | 227 268          |
|  | <u>805 648</u>   | <u>805 648</u>   |

**29- Deferred gain from sale units**

|                               | 31 December 2024   | 31 December 2023 |
|-------------------------------|--------------------|------------------|
| Deferred gain from sale units | 172 593 687        | 3 430 628        |
|                               | <u>172 593 687</u> | <u>3 430 628</u> |

**30- Operating revenue**

|  | For the year ended at<br>31 December 2024 | 31 December 2023      |
|--|---|-----------------------|
| Revenues from SODIC joint ventures project       | 487 442 141                               | 421 297 889           |
| Land/building sales                              | 484 423 019                               | 15 137 216 685        |
| Sales of purchased goods (water and electricity) | 31 528 107                                | 11 848 095            |
| Service revenue                                  | 52 129 168                                | 50 468 261            |
| <b>Total</b>                                     | <u>1 055 522 435</u>                      | <u>15 620 830 930</u> |

**31- Operating cost**

|                                      | For the year ended at<br>31 December 2024 | 31 December 2023     |
|--------------------------------------|---|----------------------|
| Cost of SODIC joint ventures project | 97 488 428                                | 66 101 642           |
| Cost of sales of lands/units         | 157 254 973                               | 3 231 481 409        |
| Cost of water and electricity        | 25 402 581                                | 49 498 631           |
| Cost of Montazah                     | 8 225 729                                 | 11 816 615           |
| Other                                | 5 596 234                                 | 7 585 960            |
| <b>Total</b>                         | <u>293 967 945</u>                        | <u>3 366 484 257</u> |

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**32- Net Sales returns for previous contracts**

|   | For the year ended at |                   |
|---|-----------------------|-------------------|
|   | 31 December 2024      | 31 December 2023  |
| Sales return - Lands                            | --                    | 30 802 143        |
| Sales return - Buildings                        | 444 330               | 9 857 208         |
| <b>Total sales return</b>                       | <b>444 330</b>        | <b>40 659 351</b> |
| <b>(Deduct):</b>                                |                       |                   |
| Cost of sales land return                       | --                    | 391 170           |
| Cost of Sales building return                   | 135 741               | 1 180 864         |
| <b>Total cost of sales return</b>               | <b>135 741</b>        | <b>1 572 034</b>  |
| <b>Net Sales returns for previous contracts</b> | <b>308 589</b>        | <b>39 087 317</b> |

**33- Investment and interest income**

|  | For year ended at    |                    |
|--|----------------------|--------------------|
|  | 31 December 2024     | 31 December 2023   |
| Income from financial investments at amortized cost – treasury bills | 1 561 550 000        | --                 |
| Land and buildings interests   | 127 191 627          | 102 513 491        |
| Delaying installments interests                                      | 71 055 425           | 93 554 177         |
| Deposits interests   | 306 802 423          | 60 147 967         |
| Others   | 369 255 587          | 5 602 191          |
|  | <b>2 435 855 062</b> | <b>261 817 826</b> |

**34- Other income**

|                                  | For year ended at |                   |
|----------------------------------|-------------------|-------------------|
|                                  | 31 December 2024  | 31 December 2023  |
| Compensation and fines           | 14 586 280        | 24 209 081        |
| Income from waste                | 5 070 176         | 26 158            |
| Foreign exchange difference gain | 2 551 077         | 285 668           |
| Others                           | 31 144 578        | 24 398 719        |
|                                  | <b>53 352 111</b> | <b>48 919 626</b> |

**35- General and administrative expenses**

|                           | For year ended at  |                    |
|---------------------------|--------------------|--------------------|
|                           | 31 December 2024   | 31 December 2023   |
| Materials and spare parts | 23 878 007         | 12 644 107         |
| Salaries                  | 152 626 148        | 132 221 422        |
| Purchased services        | 14 884 630         | 110 032 105        |
| Depreciation              | 1 633 096          | 6 935 318          |
| Real estate taxes         | 1 507 720          | 879 502            |
| Indirect taxes            | 3 392 822          | 3 681 303          |
|                           | <b>197 922 423</b> | <b>266 393 757</b> |

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**36- Other operating expenses**

|   | For year ended at  |                  |
|---|--------------------|------------------|
|   | 31 December 2024   | 31 December 2023 |
| Compensation and fines                              | 2 954 477          | 5 106 045        |
| Emergency fund                                      | 5 000              | --               |
| Culture services                                    | 5 620              | --               |
| Company's contribution to treating workers          | 180 727            | 164 358          |
| Company s contribution to Hajj                      | 188 975            | 867 619          |
| Heliopolis city development and operating expenses* | 526 155 753        | --               |
| Other Compensation                                  | 14 928             | --               |
| Medical Services                                    | 20 000             | 18 230           |
| Expenses of previous years                          | 23 179             | --               |
|   | <u>529 548 659</u> | <u>6 156 252</u> |

**\* Heliopolis city development and operating expenses:**

|                           | For the ended at   |
|---------------------------|--------------------|
|                           | 31 December 2024   |
| Materials and spare parts | 60 746 183         |
| Salaries                  | 56 879 619         |
| Purchased services        | 406 509 341        |
| Depreciation              | 2 020 610          |
|                           | <u>526 155 753</u> |

**37- Finance costs**

|                                       | For the year ended at |                    |
|---------------------------------------|-----------------------|--------------------|
|                                       | 31 December 2024      | 31 December 2023   |
| Discounted notes receivables expenses | 44 745 054            | 20 622 164         |
| Finance Lease                         | --                    | 21 350 918         |
| Interest expenses                     | 245 995 151           | 316 919 290        |
|                                       | <u>290 740 205</u>    | <u>358 892 372</u> |

**38- Adjustments on retained earnings**

During the fiscal year ending December 31, 2024, the company made adjustments resulting from accounting errors and estimates that were recorded incorrectly. These adjustments directly impacted the retained earnings, leading to an increase in the retained earnings balance by EGP 80,643,858.

During the financial year ending on December 31, 2023, the company recognized the operating revenue from rents, which belong to the Maryland Casino and the headquarters of the National Party, which had not been recorded in the financial statements in previous years. This recognition led to an increase in retained earnings by EGP 177 554 500 and retained earnings were reduced by the amount of EGP 8 343 640 representing expenses that had not been recognized in prior years.

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The impact of these adjustments on the retained earnings was presented as follows:

|   | <b>31 December 2024</b> |
|---|-------------------------|
| <b>Balance of retained losses at 31 December 2022</b>                                       | <b>(151 149 441)</b>    |
| Net profit for the financial year ended at 31 December 2022                                 | 603 239 981             |
| Deduct: Reserves for periodic dividends   | (49 596 282)            |
| Dividends during the year   | (329 856 230)           |
| Adjustments of rent revenue on retained earnings  | 177 554 500             |
| Adjustments Expense on retained earnings  | (8 343 640)             |
| <b>Balance of retained earnings at 31 December 2023 as issued</b>                           | <b>241 848 888</b>      |
| <b>Adjustment of retained earnings for the financial year beginning 1 January 2024:</b>     |                         |
| Decrease in The Accumulated Depreciation of Fixed Assets                                    | 315 851                 |
| Decrease in the Net Intangible Assets   | (695 453)               |
| Decrease in Works in Process – Heliopolis Warehouse   | 16 356 194              |
| Increase in Trade and notes receivable  | 255 825                 |
| Increase in Deferred installment interest in Trade and notes receivable                     | (17 595 949)            |
| Decrease in Debtors and other debit balances  | (566 131)               |
| Long term corporate loans - finance lease   | 2 849 831               |
| Decrease in Suppliers and contractors and notes payable                                     | 10 157 724              |
| Decrease in other liabilities (Facilities completion liabilities)                           | 42 583 776              |
| Decrease in Provision Cost to complete facilities (Lands & Buildings)                       | 24 734 809              |
| Increase in Suppliers and contractors and notes payable                                     | (228 084)               |
| Decrease in Creditors and other credit balances   | 3 229 250               |
| Increase in Creditors and other credit balances   | (539 000)               |
| <b>Total adjustments of retained earnings for the financial year ended 31 December 2024</b> | <b>80 858 643</b>       |
| <b>Balance of retained earnings after amendment</b>   | <b>322 707 531</b>      |
| <b>Net profit for the financial year ended at 31 December 2023</b>                          | <b>7 808 811 008</b>    |
| Deduct: Reserves  | (1 620 708 788)         |
| Dividends for the year 2023   | (2 000 000 000)         |
| <b>Adjusted Balance of retained earnings at 31 December 2024</b>                            | <b>4 510 809 751</b>    |

**39- Earnings per share for the year**

|  | <b>For the year ended at</b> |                         |
|--|------------------------------|-------------------------|
|  | <b>31 December 2024</b>      | <b>31 December 2023</b> |
| Net Profit for the year                        | 2 559 832 567                | 7 808 811 008           |
| Number of shares outstanding during the year   | 1 335 085 200                | 1 335 085 200           |
| Basic earnings per share for the (EGP / share) | <b>1.92</b>                  | <b>5.85</b>             |

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)**

**Notes to financial statements for the financial year ended December 31, 2024**

**(All amounts are shown in EGP otherwise stated)**

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**40- Tax position**

**First: Corporate income Tax**

- Tax returns are submitted on time.
- Income tax inspections in process:
  - A- The years up to 1993 were accounted for and assessed on the company in accordance with the decision of the Tax Appeal Committees.
  - B- From 1994 to 1999, the company was accounted for and assessed in accordance with a court ruling.
  - C- From 2000 to 2008, the company was accounted for and assessed in accordance with the decision of the Appeal Committees.
  - D- From 2009 to 2014, the company was accounted for and audited in accordance with an internal committee decision.
  - E- From 2014 to 2017, the company was accounted for and audited in accordance with an internal committee decision.
  - F- The period from 2017 to 2023 has not been examined to date.

**Second: Stamp Tax**

- The company is obliged to submit tax returns monthly in accordance with the law.
- Years up to June 30, 2021, the inspection was completed, the inspection result was approved, and the tax due was paid.
- Years from July 1, 2021 to January 2022 are being examined by the company.

**Third: Value Added Tax**

- Monthly tax returns are presented in accordance with the law and payment is made at date.
- The company was inspected until 2020 and the due differences and additional tax were paid.

**Fourth: Payroll Tax**

- Tax is paid monthly and quarterly returns are presented on the dates specified in accordance with the law.
- The years from the beginning of the activity until 2019 were checked and linked to these years.
- For the years 2020 to 2022, the documents have been submitted and are being examined by the mission through the company.

**Fifth: Real Estate Tax**

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- The tax is paid annually for the head quarter building located at 28 Ibrahim Al-Laqany Street - Heliopolis - Roxy.
- The physical account of the company's buildings in the new city of Heliopolis was made, and 50% of the value of the claims was paid until an appeal was made against the rental value as well as the areas estimated at the value of the tax.
- An appeal was made on the rental value of the company's new buildings in Heliopolis, and the decision of the appeal committee was issued to reduce the rental value by 75%.

**Sixth: Deductible tax from withholding**

- Form 41 is submitted quarterly in accordance with the provisions of the law on the legal dates and payment is made according to the new tax system.

**41- Major and subsequent events**

- On October 27, 2022 and March 6, 2024, the Central Bank of Egypt issued a decision regarding the liberalization of the exchange rate of foreign currencies against the Egyptian pound, using a flexible exchange rate system based on supply and demand, which resulted in a substantial increase in the exchange rates of foreign currencies against the local currency (the Egyptian pound).
- The Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank of Egypt by 800 basis points during 2022 to reach 16.25%, 17.25% and 16.75%, respectively, and the credit and discount rate was raised by 800 basis points to reach 16.75%, and the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 200 basis points within a year. 2023 to 18.25%, 19.25% and 18.75% respectively, and the credit and discount rate was raised by 200 basis points to 18.75%.
- On February 1, 2024, the Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to raise the overnight deposit and lending rates and the main operation rate of the Central Bank of Egypt by 200 basis points to reach 21.25%, 22.25% and 21.75%, respectively, and the credit and discount rate by 200 basis points to reach 21.75%.
- In its extraordinary meeting on 6 March 2024, the Monetary Policy Committee (MPC) decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 600 basis points to reach 27.25%, 28.25% and 27.75%, respectively. The credit and discount rate were also raised by 600 basis points to 27.75%.

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**New Editions and Amendments to Egyptian Accounting Standards:**

On March 3, 2024, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards,

the following is a summary of the most significant amendments:

| New or reissued standards   | Summary of the most significant amendments  | Potential impact on the financial statements  | Effective date   |
|---|---|---|--|
| <b>Egyptian Accounting Standard No. (34) amended 2024</b><br><b>"Investment property "</b>          | 1- It is amended for applying the fair value model, regarding that the profit or loss resulted from a change in the fair value of real estate investment must be proven in the statement of profits or losses for the in which this change resulted, or through the statement of other comprehensive income for once in the life of the asset or investment, taking in consideration the two paragraphs. (35a) and (35b) of the standard. | Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.  | The amendments of adding the option to use the fair value model are effective for financial s starting <u>on or after January 1, 2024</u> <b>retrospectively</b> , cumulative impact of the preliminary applying of the fair value model shall be <b>added to the balance of retained earnings or losses at the beginning of the financial in which the company applies this model for the first time.</b> |
| <b>Egyptian Accounting Standard No. (17) amended 2024</b><br><b>"Separate Financial Statements"</b> | 1- EAS No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in EAS No. (18) "Investments in Associate " when accounting for investments in subsidiaries. Associate companies and companies with common control.   | Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in the standard and assessing the potential impact on the financial statements in case of using this option. | The amendments of adding the option to use the revaluation model are effective for financial s starting <u>on or after January 1, 2024, pre application is allowed</u> <b>retrospectively</b> , cumulative impact of the preliminary applying of the equity method shall be <b>added to the balance of retained earnings or losses at the beginning of the financial in which the company.</b>             |

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Notes to financial statements for the financial year ended December 31, 2024

(All amounts are shown in EGP otherwise stated)

| New or reissued standards   | Summary of the most significant amendments   | Potential impact on the financial statements   | Effective date  |
|---|--|--|---|
| Egyptian accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates". | <p>This standard was reissued in 2024, adding -1 how to determine the real-time rate when it is difficult to exchange between two currencies and the conditions that must be met in the real-time exchange rate on the measurement date.</p> <p>2- An application instructions appendix has been added, which includes instructions for evaluating whether a currency is exchangeable for another currency, and instructions for applying the required treatments in the event of non-exchangeability.</p> | <p>Management is currently evaluating the potential impact on the financial statements from the application of the standard.</p> | <p>Egyptian Accounting Standard No. (13) is effective for annual financial s starting <u>on or after July 1, 2024</u>, and if the Egyptian Accounting Standard No. (13) shall be applied for an earlier , the company should disclose that fact. When the company reports foreign currency transactions in its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance of retained earnings on the date of initial application.</p> <p>• When an entity uses a presentation currency other than its functional currency or translates the results and financial position of a foreign operation, any effect of the initial application is recognized as an adjustment to the cumulative amount of translation differences - accumulated on the equity side - at the date of the initial application.</p> |

**Heliopolis Housing & Development Company (Egyptian Joint Stock Company)****Main accounting policies for the financial year ended 31 December 2024****(All amounts are in Egyptian pounds unless otherwise noted)****42- Significant accounting policies applied:****(I) Property, plant and equipment and its depreciation**

- **Recognition and measurement**

- Fixed assets are recognized at cost minus the depreciation pool and the impairment loss complex.
- If the intrinsic components of a fixed asset item have different useful lives, they are accounted for as items (main components) within those fixed assets.
- Gains or losses from the exclusion of fixed assets are recognized by profits or losses.

- **Post-acquisition costs**

Post-acquisition expenses on the asset are capitalized only if they are expected to generate a future economic benefit flow to the company.

- **Depreciation**

The depreciable value of a fixed asset, which is the cost of the asset less its scrapping value, is depreciated according to the (straight-line method) over the estimated useful life of each type of fixed asset, and depreciation is charged to profits or losses. Land is not depreciated. The estimated productive ages during the are as follows :

| <b><u>Origin</u></b>                          | <b>Estimated useful lives (in years)</b> |
|---|--|
| Buildings                                     | 20-50                                    |
| Elevators                                     | 10                                       |
| Machinery & Equipment Production Activity     | 5  |
| Machinery & Equipment for services Facilities | 20                                       |
| Vehicles                                      | 5  |
| Tools and equipment                           | 20                                       |
| Furniture and devices                         | 3-10                                     |

**(II) Projects under construction**

The costs incurred by the company in the installation of fixed assets are recorded in the item of projects under construction, and are presented in the statement of financial position less impairment in value, if any, the costs are transferred to the fixed assets item when the asset is completed and ready for their intended use.

**Heliopolis Company for Housing and Development (An Egyptian Joint Stock Company)****Notes to financial statements for the financial year ended December 31, 2024****(All amounts are shown in EGP otherwise stated)****(III) Intangible assets****Recognition**

Intangible assets are recognized if the asset is able to generate potential economic and future benefits, a feasibility study is available with the intention of completing the asset in addition to sufficient financial, technical and other resources to complete the development of the asset's use, and the company has the ability to accurately measure the expenses attributed to the asset.

**Subsequent expenditures**

Subsequent expenditures are recognized as an asset only if the intangible asset will result in an increase in future economic benefits associated with research and development projects under implementation and recognized as an intangible asset. All other expenses, which include goodwill and internally generated trademarks are recognized as an expense immediately after spent.

**Amortization**

Amortization is calculated to incur the cost of intangible assets less their estimated scrap value using the straight-line method with the estimated specific useful lives of those assets, and the amortization burden is recognized as an expense in statement of profits or losses. The method of amortization, useful lives and scrap values shall be reviewed at the end of each financial and adjusted if appropriate, and the amortization of intangible assets will be as follows:

| Item        | Estimated useful lives<br>(years) |
|-------------|-----------------------------------|
| ERP Program | 2                                 |

**(IV) Investment properties**

- Recognition and measurement**

Properties investments are represented in properties held to achieve a decrease or increase in their value or both, and properties investments are initially measured at cost and are later measured at cost minus accumulated depreciation and combined impairment losses.

- Depreciation**

The properties investment is depreciated according to the straight-line method over the estimated useful life of each type of properties investment, and depreciation is charged to statement of profits or losses. Land is not depreciated. The estimated productive ages during the are as follows:

| <u>Origin</u> | Estimated useful lives (in years) |
|---------------|-----------------------------------|
| Buildings     | 20 – 50                           |

Gains or losses resulting from the disposals of properties investment (calculated by the difference between the net proceeds of the disposal of the property and its net book value) are recorded in statement of profits or losses.

**Heliopolis Housing & Development Company (Egyptian Joint Stock Company)**

**Main accounting policies for the financial year ended 31 December 2024**

**(All amounts are in Egyptian pounds unless otherwise noted)**

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**(V) Works in process (Real Estate Development Project)**

- The work in process is evaluated on a cost basis, where all costs associated with real estate development projects implemented by the company are recognized as a work in process item in the statement of financial position, and this item is recognized for all costs associated with the repurchase of real estate units, represented in all amounts previously collected from customers in addition to other necessary costs incurred by the company in order to re-acquire those units.
- The financing costs related to the cost of acquiring the project land are added to the item of works in process for the areas eligible for capitalization, represented in the areas being prepared and developed to become suitable for the construction of units, considering that these financing costs cannot be avoided for the acquisition and preparation of the land to become eligible for construction. The capitalization of financing charges for each unit is stopped when it is completed and delivered to customers judicially or actually, and the subsequent measurement of real estate development projects is at cost or net redemption value, whichever is lower.

**(VI) Inventory of complete units at cost**

The completed units prepared for sale are recorded at cost, and all costs associated with those units, including construction costs and indirect costs, are charged to a line of works in process until the completion of all works at that stage, where the share per square meter of the total costs is determined and thus the cost of the units is determined according to their area.

**(VII) Financial Leasing**

• **Sale and leaseback transactions**

If the lessee seller transfers the asset to another lessor buyer and re-leases this asset back from the lessor buyer, both the lessee seller and the lessor buyer must be held accountable for the lease contract in accordance with the following:

**Assessing if an asset transfer is a sale:**

The Company shall apply the necessary requirements to determine when the performance obligation is met in accordance with Egyptian Accounting Standard No. (48) "Revenue from Contracts with Clients" to determine whether a transfer of an asset is being billed as a sale of such asset.

**First: The transfer of the asset represents a sale**

If an asset transfer by the lessee seller meets the requirements set out in Egyptian Accounting Standard No. (48) Revenues from customer contracts to be accounted for as a sale of the asset:

- A- The lessee seller shall measure the "usufruct" asset resulting from the lease by the portion of the previous book value of the asset relating to the usufruct held by the lessee seller and accordingly the lessee seller shall only recognize the amount of any profit or loss related to the rights transferred to the buyer's lessor.
- B- The lessor purchaser shall be accountable for the purchase of the asset by applying the applicable standards and accounting for the lease contract by applying the lessor's accounting requirements in this standard.

If the fair value of the sale of the asset is equal to the fair value of the asset, or if the rental payments are not at market prices, the entity must make the following adjustments to measure the proceeds of the sale at fair value:

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- A- Any lack of market conditions should be accounted for as an advance payment of rent.
- B- Any excess of market conditions shall be billed as additional financing provided by the lessor buyer to the lessee seller.
- E- An entity shall measure any modification that is likely to be requested on the basis of what can be easily neutralized to:

The difference between the fair value of the sale compares with the fair value of the asset and the difference between the present value of the contractual payments of the lease and the present value of the lease payments at market prices.

**Second: Transferring the asset is not a sale**

If the transfer of the asset by the lessee seller does not meet the requirements of Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" for accounting for it as a sale of the asset:

- A- The lessee seller must continue to recognize the transferred asset, and must recognize a financial obligation equal to the proceeds of the transfer. It shall be held accountable for financial compliance with the application of Egyptian Accounting Standard No. (47) "Financial Instruments".
- B- The lessor purchaser may not recognize the transferred asset, and must recognize a financial asset equal to the proceeds of the transfer, and must account for the financial asset by applying Egyptian Accounting Standard No. (47) "Financial Instruments".

**(VIII) Financial Instruments**

**- Financial assets**

**Classification and measurement of financial assets**

The Company classifies its financial assets among the following groups: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss. The classification is generally based on the business model in which financial assets are managed and their contractual cash flows.

**Financial assets at amortized cost**

Customer loans are recognized within the business model for financial assets held to collect contractual cash flows. The objective of the business model is to hold financial assets to collect contractual cash flows represented by the principal investment amount and returns. A sale is an exceptional incidental event in relation to the objective of this model and under the conditions set out in the standard that there is a deterioration in the credit capacity of the issuer of the financial instrument.

Lowest sales in terms of liquidity and value. A clear and approved documentation process for the justifications for each sale and its compliance with the requirements of the standard.

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**Financial assets at fair value through other comprehensive income**

A financial asset is held within the business model of financial assets held for the collection of contractual cash flows and for the sale of financial assets, where the cash flows of the assets represent principal and interest payments only, excluding the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses recognized in the statement of profit or loss. When the financial asset is unrealized, the carry-forward profits or accumulated losses previously recognized in the statement of other comprehensive income from equity are reclassified to the statement of profits or losses and are recognized in other profit (losses) and interest income from these financial assets is classified in financing income using the effective interest rate method, foreign exchange gains and losses are displayed in other gains (losses) and impairment expenses are displayed as a separate item in the statement of profits or losses.

**Financial assets at fair value through profit or loss**

The financial asset is held within other business models that include trading, managing financial assets on a fair value basis, maximizing cash flows through sale. The goal of the business model is not to hold the financial asset to collect contractual cash flows or to hold it to collect contractual cash flows and sell. The collection of contractual cash flows is an incidental event relative to the model's target.

**Business Model Assessment**

The company conducts an assessment of the business model in which the asset is held at the portfolio level as this best reflects the way the business is managed and information is presented to management. Information considered includes:

The stated policies and objectives of the portfolio and the mechanism of operation of those policies in practice. In particular, whether the management strategy focuses on earning contractual interest income, matching the duration of financial assets with the duration of financial liabilities that finance those assets or generating cash flows through the sale of assets;

How to evaluate the performance of the portfolio and report thereon to the company's management;

risks that affect the performance of the business model and the financial assets held in this business model and how to manage these risks;

The number of deals, volume and timing of sales in previous periods, the reasons for these sales and their expectations regarding future sales activity. However, information on sales activity is not considered separately but rather as part of a comprehensive assessment of how to achieve the company's stated goal of financial asset management and how to achieve cash flows.

Financial assets held for trading or whose performance is valued on the basis of fair value at fair value are measured at fair value through profit and loss because they are not held for contractual cash flow collection only and are not held to collect contractual cash flows with the sale of financial assets.

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| <b>Measurement methods according to the business model</b> |   |   |  |
|--|---|---|--|
| <b>Financial Instrument</b>                                | <b>Amortized cost</b>   | <b>Fair value through comprehensive income</b>                              |  |
| Equity instruments   | Not applicable  | One-time option on first recognition and irrevocable                        | Fair value through profit or loss      |
| Debt Instruments   | Business model for assets held for contractual cash flow collection | Business model of assets held for contractual cash flow collection and sale | Normal treatment of equity instruments |

**Derecognition of a financial asset**

The Company derecognition of financial asset only when:

expiration of contractual rights in cash flows from the financial asset,

Transfer contractual rights to receive cash flows from the financial asset and transfer approximately all risks and rewards of ownership of the financial asset, or maintain contractual rights to receive cash flows from the financial asset with a contractual obligation to pay cash flows to one or more recipients and transfer approximately all risks and rewards of ownership of the financial asset

Transfer contractual rights to receive cash flows from the financial asset without transfer and do not maintain almost all risks and rewards of ownership of the financial asset if you have not maintained control over the financial asset. Or

Maintain contractual rights to receive cash flows from the financial asset, with a contractual obligation to pay cash flows to one or more recipients without transfer nor to maintain nearly all risks and rewards of ownership of the financial asset if you have not maintained control over the financial asset.

When a financial asset is unrecognized in its entirety, the difference between the carrying amount (measured on the date of de-recognition) and consideration received (including any new asset acquired minus any new obligation incurred) is recognized in the income statement.

**Impairment of financial assets**

The Company applies a three-stage approach to measure expected credit losses from financial assets recognized at amortized cost and debt instruments at fair value through other comprehensive income. Assets transition between the next three phases based on the change in credit quality since their initial recognition.

**Phase I: Expected credit loss over 12 months**

The first stage involves financial assets at initial recognition that do not involve a material increase in credit risk since initial recognition or that involve relatively low credit risk. For these assets, expected credit losses over a 12-month are recognized and interest is calculated on the total book value of the assets (excluding the credit provision deduction). 12-month ECL is expected credit losses that may result from potential failures within 12 months after the financial statement date.

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**Phase Two: Expected Lifetime Credit Loss – with no impairment in credit value**

The second phase involves financial assets with a substantial increase in credit risk since initial recognition but no objective evidence of impairment. Expected lifetime credit losses are recognized for those assets but interest continues to be charged on the total carrying amount of the assets. Lifetime ECL is the expected credit loss resulting from all possible failures over the expected life of a financial instrument.

**Phase Three: Lifetime Expected Credit Loss – Credit value Impairment**

The third stage involves financial assets in which there is objective evidence of impairment at the date of the financial statements; for these assets expected credit losses are recognized over the lifetime.

**– Financial liabilities**

Financial liabilities at initial recognition are classified at fair value through profit or loss. Direct transaction costs are recognized in the statement of profit or loss and other comprehensive income when incurred. Financial liabilities are measured at fair value by fair value gains or losses and changes – including any interest expense and are reflected in the statement of profit or loss and other comprehensive income.

Non-derivative financial liabilities are initially measured at fair value less any direct costs related to the transaction. Subsequent to the initial proof, these liabilities are measured at amortized cost using the effective interest rate.

**Classification and subsequent measurement**

The Company classifies all financial liabilities as measured later by depreciated cost except:

- Financial liabilities at fair value through profit or loss statement and other comprehensive income.
- Financial liabilities arising when transferring a financial asset that is not eligible for disposal or when applying the continuous participation method.
- Financial Guarantee Contracts

All financial liabilities of the company are subsequently measured at amortized cost using the effective interest rate.

Amortized cost is calculated by taking into account any deduction or premium on acquisition, fees or costs that are an integral part of the effective interest rate and the actual interest rate is included as financing costs in wind or loss.

**Derecognition of financial liabilities**

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Proof of financial liabilities is canceled when contractual liabilities are paid, canceled or expired.

When an existing financial obligation is replaced by another from the same lender under completely different conditions or when the terms of an existing obligation are substantially modified, such replacement or modification is treated as a cancellation of the entry of the original financial obligation with proof of the new obligation. The difference between the relevant book value is recognized in the statement of profit or loss and other comprehensive income.

**Offsetting Financial Instruments**

Assets and financial liabilities are set-off and the net is included in the statement of financial position when there is a binding statutory right to settle the recognized amounts and when there is an intention to settle the assets with the liabilities on a net basis in order to sell the assets and pay the liabilities simultaneously.

The Company classifies non-derivative financial assets between the following categories: financial assets classified at fair value through profits or losses, investments held to maturity, loans and debts, and financial assets available for sale.

**(IX) provisions**

- Provisions are recognized when a company has a current obligation (legal or judgmental) resulting from an event in the past, and the obligation can be reliably estimated. It is expected to be settled through cash outflows.
- A contingent liability is an existing liability that has arisen from past events that have not been recognized because there is no expected cash outflow to settle that liability or its value cannot be measured in a sufficiently reliable manner. The Company does not recognize the potential liability of the financial statements, but only discloses the potential liability in the supplementary notes to the financial statements.
- When there are a number of similar liabilities, the degree to which cash outflows required for repayment or settlement are expected is determined by taking into account all elements of the obligation, and the provision is recognized although there is a probability of cash outflows for any item that may be small, cash outflows are expected to be required to settle all elements of the obligation.
- When the impact of the time value of money is significant, the value of the provision is the present value of the expenses expected to be requested to settle the liability using the pre-tax discount rate that reflects current market estimates of the time value of money and the specific risk of the obligation, and the increase in the book value of the provision from to is recognized to reflect the passage of time as a borrowing cost in the profit and loss statement.
- When some or all of the expenses necessary to settle an allowance are expected to be recharged to another party outside the Company, the Company shall recognize redemption when it is certain that the recovery will take place if the Company settles the obligation, and the redemption shall be treated as a separate asset in the statement of financial position, and the value recognized for redemption shall not exceed the value of the provision.

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**(X) Creditors and other credit balances**

The initial recognition is at fair value minus the direct cost of the transaction and its subsequent measurement is depreciated using the effective interest rate.

Dividends are recognized as an obligation in the in which the distribution is announced and the resolution of the company's general assembly is issued.

**(XI) Foreign currency translation**

- Foreign transactions are translated in the currency of dealing with the exchange rate on the dates of transactions.
- Assets and liabilities of a monetary nature in foreign currency are translated into the currency of exchange at the date of the financial statements.
- Assets and liabilities measured at fair value in foreign currency are translated into the exchange rate used when determining fair value.
- Assets and liabilities of a non-monetary nature that are measured at historical cost in foreign currency are translated into the exchange rate on the date of the transaction.
- Currency differences are generally recognized in the statement of profit or loss.

**(XII) Impairment of assets**

**Impairment of non-financial assets**

Egyptian Accounting Standard No. 47 "Financial Instruments" replaces the "Loss Incurred" model in Egyptian Accounting Standard No. 26 "Financial Instruments - Recognition and Measurement" with the "Expected Credit Losses" (ECL) model. The new impairment model applies to financial assets measured at amortized cost and customers.

For customer debts that have reduced, ECL is estimated as the difference between all contractual cash flows due to the Company in accordance with the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate in accordance with the contract.

Expected credit losses are a weighted estimate of credit losses. It is measured taking into account the expected cash flows received, the probability of default and the rate of loss on default (i.e. the size of the loss if there is a default) is taken into account and the relevant valuation is based on historical delay data adjusted by specific customer factors and future information that includes macroeconomic factors.

The Company determines the values exposed to expected credit losses based on the number of days of delay which are determined to be predictive of loss risks in accordance with Egyptian Accounting Standard No. 47 "Financial Instruments".

The determinants of expected credit losses (probability of default - value exposed to expected credit losses - rate of loss when defaulted) result in three scenarios.

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Weighted expected credit losses are calculated at three levels (basic – best – worst) for all three stages (12 months and expected credit loss over a lifetime).

Customer indebtedness is written off (either partially or completely) when there is no reasonable expectation to recover all or part of the financial asset. This is generally the case when a company determines that the lessee has no assets or sources of income that could generate sufficient cash flows to pay off amounts subject to write-offs. This assessment is carried out at an individual level for each client. Refunds previously written off under "Impairment losses" are included in the statement of profits, losses and other comprehensive income.

Financial assets that have been written off can remain subject to legal proceedings in application of the Company's procedures for the recovery of outstanding amounts.

**(XIII) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, current accounts in banks and time deposits for a not exceeding three months.

**(XIV) Capitalization of the borrowing cost**

The cost of borrowing directly related to the acquisition, creation or production of a qualified asset is capitalized and charged as part of the value of that asset when it is expected to create future economic benefits for the enterprise and there is a possibility of reliably measuring the cost. The capitalization of the borrowing cost is discontinued when all material activities necessary to prepare the asset eligible for use or sale have been completed.

**(XV) Revenue recognition**

• **Real Estate and Land Sales**

- The revenue from the sale of residential, professional, commercial units and contracted lands is recognized upon the transfer of control to customers, whether these units and villas have been fully or partially implemented (finishing or semi-finished) at the value that reflects the expected value of the company against those units and the revenue of those units / lands is recognized at a point in time.
- Revenue is measured on the basis of the amount specified in the contract with the customer and excludes amounts collected on behalf of a third party. The Company recognizes revenue when control of land, units or service passes to customers. The principles in Egyptian Accounting Standard No. (48) are applied using the following five steps:
  - **The first step:** Determine the contract (contracts) with the customers: The company counts the contract with the customers in the following cases:
    - If the contract is approved and adhered to by all parties.
    - If the rights of each party are identified.
    - If payment terms are defined.
    - If the contract has a commercial content.
    - If the contract is collectible.

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- **The second step:** identifying performance obligations: the company identifies all the goods or services agreed upon in the contract and determines whether to calculate for each agreed good or service a separate performance obligation. A good or service is distinct and is separated from other obligations in the contract if:
  - The customer can benefit from the good or service separately or in combination with other resources readily available to the customer.
  - The good or service is defined separately from other goods or services contained in the contract.
- **Step Three:** The company determines the transaction price, which is the consideration it would expect in return for transferring the agreed goods or services to a customer.
- **Step Four:** Allocation of the transaction price to the performance obligations: The transaction price is allocated to each independent performance obligation on the basis of the independent selling price of the goods or services provided to the customer.
- **Step Five:** Revenue is recognized when (whenever) the company fulfills a performance obligation: Revenue is recognized when control of the goods or services is transferred to the customer.

A company transfers a good or service when a customer obtains control of that good or service.

A customer obtains control of a good or service if he has the ability to use it to benefit from it.

**(XVI) Leasing income**

Rental income is recognized on a straight-line basis over the lease .

**(XVII) Interest income**

Interest income is recognized using the effective return method. Interest income is included in the statement of gains or losses in financing income.

**(XVIII) Investment Income**

The income of financial investments shall be recognized within the limits of the company's dividends to the investee companies realized after the date of acquisition, as of the date of issuance of the distribution decision in the general assemblies of the investee companies that approved the dividends.

**(XIX) Employees' share of profits**

According to the company's articles of association, employees shall have a share of the profits that are decided to be distributed in cash to shareholders by not less than 10%, provided that it does not exceed the total annual wages of the company's employees. The share of employees in profits is recognized as dividends in the statement of change in independent equity and as a liability during the financial in which the Company's shareholders approved such distribution when approved by the Company's shareholders. No obligation is recognized for the share of employees in profits in respect of undistributed profits.

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**(XX) Recognition of costs**

- Contracts for individual units, whose revenues have been recognized on the basis of total cost, which are:
  - Construction land costs per unit.
  - Direct construction costs per unit.
  - The unit's share of direct wages and salaries, which were distributed on the basis of direct construction costs for each unit.
  - The unit's share of the costs of shared facilities and services.
  - Unit shares of indirect costs.
  - Interest on deferred amounts of land value (qualified asset) in proportion to the area of land sold and delivered as buildings.

The costs of the combined sale contracts for the current housing units and any similar future contracts are proven from the reality of the calculated costs, whether actual or estimated, according to the date of contracting with each company and according to the theory of sizes, which are calculated based on the building block granted to these contracts compared to the building block of the entire project, in addition to loading these contracts with their share of the cost of utilities and infrastructure for the entire project land, provided that any other future costs are distributed to the rest of the undelivered project elements.

**(XXI) Expense**

All operating expenses, including general and administrative expenses, selling and distribution expenses, are recognized and charged to the income statement in accordance with the accrual basis in the financial in which such expenses were realized.

**(XXII) Rent Payments**

Payments for operating leases from third parties are recognized in the income statement on a straight-line basis over the duration of the contract and rental incentives collected on the income statement are recognized as an integral part of the total rental expense.

**(XXIII) Deferred revenue**

Deferred revenues are recognized as part of the Company's liabilities on the due date of installments of units sold to customers in accordance with the payment schedule of sales contracts, provided that they are included in the Company's revenues in accordance with the revenue realization policy.

**(XXIV) Related Party Transactions**

The company deals with related parties on the same basis as dealing with third parties.

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**(XXV) Legal Reserve**

According to the company's articles of association, 5% of the net profits are set aside to form the statutory reserve, and this deduction ceases when the total legal reserve reaches an amount equivalent to half of the company's issued capital, and when the reserve decreases from that, the deduction shall be returned.

**(XXVI) Statutory reserve**

According to the company's articles of association, no more than 20% of the net profits are set aside to form a statutory reserve, to be used for the benefit of the company.

**(XXVII) Tax**

Tax expense includes both income tax calculated in accordance with the Income Tax Law using the rates in effect at the date of the financial statements and deferred tax. The tax payable on the company's profits is recognized directly in the income statement, and the income taxes related to the items that are included in equity are recognized directly under equity.

**- Deferred taxes**

- It is the tax calculated by the method of financial position accounts for temporary differences in the recognition and measurement bases of assets and liabilities in accordance with the applicable tax law and their values as in the financial statements in accordance with the Egyptian accounting standards.
- The value of deferred tax is determined using the tax rates in effect at the date of the financial statements. Deferred tax is recognized for all temporary differences, carry-forward amounts of an unused asset and unused tax losses as an asset when there is a strong possibility that this asset can be used to reduce taxes payable by the company during future years.

**(XXVIII) Dividends**

Dividends are recognized as a liability during the year in which those dividends are announced.

**(XXIX) Employee Benefits**

The company is obligated to pay its share in the social insurance system of the Social Insurance Authority for the benefit of employees in accordance with the provisions of the Social Insurance Authority Law No. 79 of 1975 and its amendments, and the company bears the value of this contribution and is included in the wages and salaries item in the income statement according to the accrual basis.

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**(XXX) Contingent Liabilities and Commitments**

Contingent liabilities in which the company is a party as well as commitments outside the financial position appear as not representing actual assets or liabilities at the date of the financial position.

**(XXXI) Statement of cash flows**

The cash flow statement is prepared according to the indirect method, and for the purposes of preparing the cash flow statement for the year, cash and cash equivalents include cash balances and term deposits for a not exceeding 3 months.

**(XXXII) Earnings per share**

The basic share is calculated by dividing the profit and loss related to shareholders for their contribution to the company's ordinary shares based on the weighted average number of ordinary shares outstanding during the year.

**(XXXIII) Comparative figures**

The General Assembly approved the decision on August 14, 2021 to change the company's financial year to start from the first of January and end on December 31 of the same year instead of starting on the first of July and ending in June of the following year.

Accordingly, the comparative figures during the current were presented for the statements of income, comprehensive income and cash flows to represent the eighteen months from July 1, 2021 to December 31, 2022 due to the change of the company's financial year to start from the first of January, and therefore the company's first fiscal year to reconcile the situation represents eighteen months ending on December 31, 2022.

**(XXXIV) Financial Risk Management**

Financial instruments include balances of debtors, creditors, cash and bank accounts and other savings vessels, and includes clarification (3) of accounting policies used to prove and measure the most important financial instruments, and the following are the most important risks associated with financial instruments and the most important procedures applied by the company to face those risks:

**(I) Liquidity risk**

Liquidity risk is the factors that affect a company's ability to pay part or all of its liabilities.

According to the Company's policy, appropriate liquidity (including arrangements with banks for additional facilities) is maintained to minimize that risk.

**(II) Credit Risk**

The risk of credit is the inability of debtors to pay the amount owed by them, and to reduce this risk, the company distributes the debt to a large number of customers with strong and stable financial positions, and the company obtains, whenever possible, appropriate guarantees to reduce the risk of credit to a minimum.

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**(III) Foreign Exchange Rate Risk**

The risk of foreign exchange rates is represented in changes in the exchange rate, which affects payments and receipts in foreign currencies as well as the valuation of assets and liabilities in foreign currencies, and the company reduces the risk of change in foreign exchange rates by avoiding the presence of an open position for foreign currencies in order to reduce this risk to a minimum.

**(IV) Interest Rate Risk**

Interest rate risk is represented by changes in the interest rate on fixed-rate debts, and the company reduces interest rate risk through a term loan at variable interest rates.

**(e) Capital management**

The company's management goal with capital management is to maintain the company's viability to generate a return for shareholders and provide benefits to third parties using the financial statements. The company's management also aims to save and maintain the best capital structure, which leads to a reduction in capital costs.