

**Sinai Cement Company
SAE
Independent Financial
Statements
&
Auditor's Report
As OF 31 December 2024**

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Auditor's Report on Review of Interim Financial Statements
To the Board of Directors of Sinai Cement Company, SAE

Introduction:

We have audited the accompanying **independent financial statements** of **Sinai Cement Company - An Egyptian Joint Stock Company**, which comprise the **independent statement of financial position** as of **December 31, 2024**, as well as the **independent statements of income, comprehensive income, changes in equity, and cash flows** for the financial year then ended, along with a summary of **significant accounting policies** and other **explanatory notes**.

Management's Responsibility for the Independent Financial Statements

Management is responsible for the preparation and fair presentation of these **independent financial statements** in accordance with **Egyptian Accounting Standards (EAS)** and in light of the applicable **Egyptian laws and regulations**. This responsibility includes designing, implementing, and maintaining **internal controls** relevant to the preparation and fair presentation of the **independent financial statements** that are **free from material misstatement**, whether due to **fraud or error**. It also includes selecting and applying **appropriate accounting policies** and making reasonable **accounting estimates** in accordance with the circumstances.

Auditor's Responsibility

Our responsibility is to express an **opinion** on these **independent financial statements** based on our audit. We conducted our audit in accordance with **Egyptian Auditing Standards (EAS)** and in light of applicable **Egyptian laws and regulations**. These standards require that we comply with **ethical requirements** and plan and perform the audit to obtain **reasonable assurance** as to whether the **independent financial statements** are free from **material misstatement**.

An **audit** involves performing procedures to obtain **audit evidence** about the amounts and disclosures in the **independent financial statements**. The procedures selected depend on the **auditor's judgment**, including the assessment of the **risks of material misstatement**, whether due to **fraud or error**. In making those risk assessments, the auditor considers **internal controls** relevant to the company's preparation and fair presentation of the **independent financial statements** to design **audit procedures** that are appropriate in the circumstances, but not for the purpose of expressing an **opinion on the effectiveness** of the company's internal controls.

An audit also includes evaluating the **appropriateness of accounting policies** used and the **reasonableness of accounting estimates** made by management, as well as assessing the overall **presentation** of the **independent financial statements**.

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

Opinion

In our opinion, the **independent financial statements** referred to above present **fairly, in all material respects**, the **independent financial position** of **Sinai Cement Company** as of **December 31, 2024**, as well as its **financial performance and independent cash flows** for the financial year then ended in accordance with **Egyptian Accounting Standards (EAS)** and in light of the applicable **Egyptian laws and regulations** governing the preparation of these **independent financial statements**.

Report on Other Legal and Regulatory Requirements

The company maintains **proper financial records**, which include all the data required by **law and its statutes**. The **independent financial statements** were found to be in agreement with these records.

The **independent financial data** included in the **Board of Directors' Report**, prepared in accordance with the requirements of **Law No. 159 of 1981** and its **executive regulations**, are consistent with the company's financial records, to the extent that such data is recorded therein.

Auditor

Medhat Fouad Ghaly

Register Auditors the central bank of Egypt No. 8383

Register Auditors the General Authority for Financial Supervision No. 121

Register Auditors the Central Bank of Egypt No. 263

Cairo at 13 /03/2025



Sinai Cement Company
S.A.E
Balance Sheet
As of 31 Dec 2024

Egyptian Pounds

	Note No	31/12/2024	31/12/2023
Assets			
Non Current Assets			
Fixed Assets (Net)	4	1,026,166,835	967,198,768
Intangible Assets (Net)	5	162,269,152	920,965
Construction Works In Process	6	344,607,261	139,159,795
Financial investments in affiliated companies	7	25,039,500	125,561,420
Investments at fair value through other comprehensive income	8	65,010	65,010
Deferred tax principal	9	145,689,339	-
Total Non Current Assets		1,703,837,097	1,232,905,958
Current Assets			
Inventories(Net)	10	1,049,449,935	883,259,621
Debtors&Notes Receivable	11	223,320,195	547,056,074
Due From Affiliated Companies	12	4,170,523	10,821,310
Sundry Debtors(Net)	13	77,574,168	76,195,147
Other Debit accounts	14	599,285,115	402,643,025
Cash at hand&in Banks	15	1,890,505,077	350,019,607
Cash in Banks blocked under capital increase	17	147,466,100	-
Total Current Assets		3,991,771,113	2,269,994,784
Total Assets		5,695,608,210	3,502,900,742
Equity & Liabilities			
Equity			
Issued and paid-in Capital	16	1,330,658,670	1,330,658,670
Paid under capital increase	17	1,277,466,100	-
Legal reserve		227,163,603	227,163,603
General reserve	4/3	29,359,411	29,359,411
Profit(losses)brought forward		(2,201,209,864)	(2,083,628,252)
(losses) for the year		3,072,361,811	(117,581,612)
Total Equity		3,735,799,731	(614,028,180)
Non Current Liabilities			
Deferred Tax Liability		-	132,485,238
Long Term Loans	18	-	170,895,515
Lease Liability	19	141,240,526	783,452
Total Long Term Liabilities		141,240,526	304,164,205
Current Liabilities			
Lease Liability	19	8,717,155	120,000
Bank Facilities	20	-	690,607,915
Provisions	21	121,722,580	105,541,205
Short term loans from Affiliated companies	22	427,905,191	1,746,543,178
Suppliers, Creditors & Notes Payable	23	599,922,969	782,542,842
Other credit accounts	24	660,300,058	487,409,577
Total Current Liabilities		1,818,567,953	3,812,764,717
Total Liabilities		1,959,808,479	4,116,928,922
Total Liabilities & Equity		5,695,608,210	3,502,900,742

..The Accompanying notes are an integral part of these consolidated interm financial statements
..Review report attached

Head of Finance
Wael Mohamed Ali Mohamed Abd-Rabbou

Abd-Rabbou

Chief Financial Officer
Mohamed Mohsen Mostafa Kamel

M. Kamel

Managing Director
Tamer Magdy Ragheb

Tamer Magdy Ragheb



Sinai Cement Company
S.A.E
Income Statement
As of 31 Dec 2024

Egyptian Pounds

	Note No.	12/31/2024	31/12/2023
Sales (Net)		6,428,011,851	4,285,470,153
<u>Less</u>			
Cost of Sales	25	3,775,018,888	3,364,587,755
GROSS (LOSS)		2,652,992,963	920,882,398
<u>LESS:</u>			
Selling and distribution expenses	26	765,354,606	556,987,405
General and administrative expenses	27	355,437,994	162,657,891
Finance expenses		194,386,055	275,591,963
Provisions other than depreciation		37,487,827	4,910,710
TOTAL EXPENSES		1,352,666,482	1,000,147,969
Operating (Losses)		1,300,326,481	(79,265,571)
<u>Add(deduct):</u>			
Interest Income		29,990,318	6,973,315
Capital gains profit (losses)		13,629,104	(210)
Financial investments revenues		172,705,005	227,856
Unusual Income		30,690,582	-
Other Income		25,051,246	-
Foreign Exchange gains Profit (losses)		60,257,107	(38,044,366)
Gain (loss) on sale of investments		1,517,386,642	-
Net (Losses) before tax		3,150,036,485	(110,108,976)
<u>Add(deduct):</u>			
Tax on dividend distributions revenues		(26,356,846)	-
Deferred taxes		278,174,577	(7,472,636)
Corporate tax		(329,492,405)	-
Net (Losses) after tax for the year		3,072,361,811	(117,581,612)
Earning (Losses) Per Share of the holding company	28	23.09	(0.88)

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Head of Finance
 Wael Mohamed Ali Mohamed Abd-Rabbou



Chief Financial Officer
 Mohamed Mohsen Mostafa Kamel



Managing Director
 Tamer Magdy Ragheb



Sinai Cement Company

S.A.E

Statement Of Comprehensive income

As of 31 Dec 2024

Egyptian pounds

	<u>12/31/2024</u>	<u>12/31/2023</u>
Net(Losses) for the year	3,072,361,811	(117,581,612)
Total Comprehensive Income (Loss)	<u>3,072,361,811</u>	<u>(117,581,612)</u>



Sinai Cement Company

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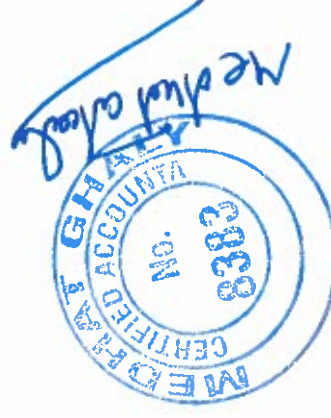
Statements of Changes in Shareholder's Equity

As of 31 Dec 2024

	Capital	Paid under capital increase	Legal Reserve	General Reserve	Retained Earnings	Profit(losses) of The period	Egyptian Pounds Total
Balance as at 1/1/2023	1,330,658,670	-	227,163,603	29,359,411	(1,763,827,282)	(319,800,970)	(496,446,568)
Convert 2023 losses into profits	-	-	-	-	(319,800,970)	319,800,970	-
Losses for the ending period as at 31/12/2023	-	-	-	-	-	(117,581,612)	(117,581,612)
Balance as at 31/12/2023	1,330,658,670	-	227,163,603	29,359,411	(2,083,628,252)	(117,581,612)	(614,028,180)
Balance as at 1/1/2024	1,330,658,670	-	227,163,603	29,359,411	(2,083,628,252)	(117,581,612)	(614,028,180)
Paid under capital increase	-	1,277,466,100	-	-	-	-	1,277,466,100
Convert 2023 losses into profits	-	-	-	-	(117,581,612)	117,581,612	-
Losses for the ending financial period 31/12/2024	-	-	-	-	-	3,072,361,811	3,072,361,811
Balance as at 31/12/2024	1,330,658,670	1,277,466,100	227,163,603	29,359,411	(2,201,209,864)	3,072,361,811	3,735,799,731

The Accompanying notes are an integral part of these consolidated interim financial statements

Review report attached



Sinai Cement Company

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Statement of Cash Flow

As of 31 Dec 2024

		Egyptian Pounds	
	Note NO.	31/12/2024	31/12/2023
- Net(losses) before tax and extraordinary items		3,150,036.485	(110,108,976)
- Depreciation	4	88,786,811	87,210,904
- Amortization		1,963,206	19,023
- Provisions other than deprecation		22,018,225	4,910,710
- Provision No Longer Required		(1,530,398)	-
- Expected Credit Losses		17,000,000	-
- Finance expense		194,386,055	275,591,963
- Foreign Exchange gains Profit (losses)		(60,257,107)	38,044,367
- Capital gains profit (losses)		(13,629,104)	210
- Interest income		(29,990,318)	(6,973,315)
- Financial investments revenues		(172,705,005)	-
- Unusual Income		(30,690,582)	-
- Other Income		(25,051,246)	-
- Gain (loss) on sale of investments		(1,517,386.642)	-
- Deferred tax		278,174,577	7,472,636
Profit from operations before changes in working capital		1,901,124,957	296,167,522
- Change in inventories		(166,190,314)	2,288,723
- Change in debtors & notes receivable		323,735,879	(277,788,062)
- Change in due from affiliated companies		6,650,787	(3,919,904)
- Change in sundry debtors		(18,379,021)	202,626,146
- Change in other debit accounts		(196,642,090)	(266,656,552)
- Change in investment accounts		100,521,920	-
- Change in provision		(4,306,452)	(14,480,876)
- Change in suppliers, creditors and notes payable		(182,619,873)	(135,891,045)
- Change in other credit accounts		(156,601,924)	3,812,713
- Change in Lease Liability		149,054,229	-
- Change in deferred tax liabilities		(278,174,577)	(7,472,636)
Net cash generated from operating activities		1,478,173,523	(201,313,970)
CASH FLOWS FROM INVESTING ACTIVITIES:			
- Receipts from the payer under the capital increase account		1,277,466,100	-
- Payment for purchase of fixed assets		(320,960,258)	(43,041,892)
- Proceeds from sales of fixed assets		23,523,090	5,277
- Payment to construction works in progress		(205,447,467)	(77,785,335)
- Proceeds from interest income		29,990,318	6,973,315
- Financial investments revenues		172,705,005	-
- Payments of tax on dividend distributions revenues		(26,356,846)	-
- Unusual Income		30,690,582	-
- Receipts from Other Revenue		25,051,246	-
- Proceeds from sale of financial investments		1,517,386,642	-
Net cash resulted from (used in) investing activities		2,524,048,412	(113,848,635)
CASH FLOWS FROM FINANCING ACTIVITIES:			
- Proceeds from (Payment) Bank facilities		(690,607,915)	90,298,534
- Proceeds from Long term loans		(170,895,515)	(32,723,879)
- Proceeds from Loans from affiliated Companies		(1,318,637,987)	796,543,178
- Payment of finance expenses		(194,386,055)	(275,591,963)
- Proceeds from capital increase		(147,466,100)	-
Net cash generated (used) in financing activities		(2,521,993,572)	578,525,870
Net increase (decrease) in cash during the period		1,480,228,363	263,363,265
Cash & cash equivalent at the beginning of the period		350,019,607	124,700,709
- Foreign Exchange Gains Profit (losses)		60,257,107	(38,044,367)
Cash & cash equivalent at the end of the period	13	1,890,505,077	350,019,607

..The Accompanying notes are an integral part of these consolidated interm financial statements

..Review report attached



Sinai Cement Company (SAE)
Notes to the Financial Statements
As of 31 December 2024

1. Activities:

Sinai Cement Company (SAE) has been established in accordance with Law No. 8 for the year 1997 and pursuant to the resolution No. 72 for the year 1998 for the production of cement, packing bags and the manufacture of all cement products. The actual production was started with effect from 22/1/2001 as per the resolution of the Public Authority for investment and Free Zones dated 22/9/2001. The company's term is twenty-five years, ending on 4/9/2032, and its headquarters is in Cairo.

2. Financial Statements basis of preparation:

A. Going Concern:

The financial statements have been prepared in accordance with Egyptian Accounting Standards under the historical cost principle, except for financial assets and liabilities resulting from foreign exchange swap contracts, financial investments available for sale and financial investments held for trading, which are valued at their fair value.

B. Accounting Standards and applied Laws:

- Financial statements are prepared in accordance with Egyptian Accounting Standards issued by the Investment Minister decree No 110 for 2015 dated 9th July 2015 and in accordance with related current local laws and regulations.

C. Currency:

- The financial Statements are presented in Egyptian Pounds Transaction Currency.

D. Accounting Estimates:

- Accounting Standards, the management has to adopt key assumptions and estimates that may cause adjustment to the carrying amounts of the assets, liabilities, expenses and revenues during the financial year and the actual results may differ from the estimates. Such assumptions and estimates are studied and reviewed continuously and the results for modifying such accounting estimates are recognized in the period such modification were affected and future period affected by such amendments.

The assumptions and estimates represented mainly in applying the accounting policies with significant influence such as:

- Fixed assets note (4)
- Construction work in progress note (5)
- Deferred tax note (16)
- Provisions note (19)
- Financial instruments note (32 - 33)

3- Significant accounting policies applied

- The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

3/1: Translation of Transactions in Foreign Currencies:

- The company maintains its accounts in Egyptian Pounds. Transactions made in foreign currencies are translated according to the exchange rates ruling at the day of the transaction.

- Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.
- Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined,
- At the end of the financial period, the balances of monetary assets and liabilities are translated according to the exchange rate prevailing at that day and any foreign currencies differences resulted during the year and at the translation date are recorded in the income statement at 31st December 2024, the exchange rates were:-

U\$ Dollar	= L.E 50.9069
€ Euro	= L.E 52.9992

3/2: Fixed assets and depreciation:

Recognition and initial measurement:

- Fixed assets are stated at cost less accumulated depreciation (note No.4) and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use.
- The company capitalize some expenses related to periodical major overhaul for the production line and add it to the fixed assets during the maintenance work done by Reliance Company for Heavy Industries and ASEC company, which are currently responsible for the technical management, complete operational services and maintenance for the Clinker production equipment and Cement packing.
- **Depreciation** is calculated on the basis of the straight-line method. Depreciation is to be charged to the income statement based on the estimated useful life of fixed assets and consistent with preceeding year, at the following rates:

Buildings & Utilities	2% - 2.5%
Machinery	5%
Motor Vehicles	20%
Tools	20%
Furniture & Office equipment	10%-25%

3/3: Lease Contracts:

In accordance with Egyptian Accounting Standard No. (49) on lease contracts, leases are accounted for as follows:

Initial Recognition and Measurement:

- **Right-of-Use Asset:** The right-of-use asset (leased assets) is initially measured at the lease commencement date. The initial measurement of the leased assets (right-of-use asset) is based on the present value of unpaid lease payments at that date. Lease payments are discounted using the implicit interest rate in the lease if it can be readily determined; otherwise, the lessee's incremental borrowing rate is used. The initial measurement also

includes any lease payments made before or at the lease commencement date, minus any lease incentives received, and any directly attributable initial costs incurred by the lessee.

- **Lease Liability:** The lease liability is initially recognized and measured at the lease commencement date at the present value of unpaid lease payments at that date. Lease payments are discounted using the implicit interest rate in the lease if it can be readily determined; otherwise, the lessee's incremental borrowing rate is used.

Subsequent Measurement:

- **Right-of-Use Asset:** After the lease commencement date, the right-of-use asset is measured using the cost model, whereby the asset is measured at cost less accumulated depreciation and any accumulated impairment losses. Adjustments are made for any remeasurement of the lease liability.
- **Lease Liability:** After the lease commencement date, the lease liability is accounted for as follows:
 - a. The carrying amount of the lease liability is increased to reflect interest on the lease liability.
 - b. The carrying amount of the lease liability is reduced to reflect lease payments made.
 - c. The carrying amount of the lease liability is remeasured to reflect any reassessment or modification of the lease contract, or to reflect any changes in in-substance fixed lease payments.
 - d. Interest on the lease liability is recognized in the income statement as part of finance costs.

3/4: Legal Reserve:

- A legal reserve is made at the rate of 5% out of net profit annually till the reserve reaches 50% of the company's issued capital.

3/5: General reserve:

- According to Article No. (55) of the company association, a general reserve was previously formed at the amount of EGP 29,359,411, and this amount may have been since 2001, and it was formed for the purpose of securing expected financial liabilities that may fall on the company in the future based on what came in the report Board of Directors for the fiscal year ending 31/12/2001.

3/6: Construction Works in Progress:

- Projects under construction represent the amounts that are paid for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which

it is transferred to fixed assets. Fixed assets under construction are valued at cost net of impairment loss.

3/7: Long term Financial Investments:

A- Investment in Subsidiaries

- Investments in Subsidiaries are investments in companies controlled by another entity. Control is presumed to exist if the Parent Company owns directly or indirectly through subsidiaries, more than half of the voting power of the entity invested in, unless in exceptional circumstances, it can be clearly determined that such ownership does not constitute control.
- Investments in Subsidiaries are stated - when acquired - at its acquisition cost, if a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such reduction and will be charged to the income statement for each investment, and the resulting losses from the impairment cannot be charged back.

B- Investment in Affiliated Companies

- Investment in Affiliated Companies is investment in an entity over which the Company has a significant influence, but it is neither a subsidiary company nor a joint venture project. Significant influence exists when the company directly or indirectly owns 20% or more of the voting rights in the invested company, unless in exceptional circumstances, it can be clearly determined that such ownership does not constitute influence.
- Investments in Affiliated are stated at its acquisition cost- when acquired -. If a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such reduction and will be charged to the income statement for each investment and the resulting losses from the impairment cannot be charged back.

C- Other financial Investment

- Other financial investment represents non-derivative financial assets that are intended to be held for an indefinite period and may be sold in response to a need for liquidity or changes in interest rates, exchange rates or shares.
- Other financial investment measured by cost including the direct expenses related to its purchase.
- Other financial investment included in the non-current assets and recorded by fair value and the proceed from changes in fair value or sale of these investments either profit or loss are charged to income statement as these investments are not traded in the stock exchange and there are no studies for its fair value, hence recorded at cost.

3/8: Inventories:

- Inventories of raw materials and supplies are valued on the basis of less of actual cost or salable value.

- Inventories of finished products and semi-finished products are valued on the basis of less of actual cost or net salable value.
- The net of the salable value is determined on the basis of the expected sale price in the normal circumstances less the estimated costs needed and any other costs required to finalize the sale process.
- The company is using the weighted average method when pricing the inventory released for production and the coal stock pricing policy was changed from the first-in, first-out (FIFO) policy to the weighted average policy in line with the company's management, and this resulted in the company incurring losses, and those losses were charged to the income statement.
- The decrease in the value of inventory is recognized to the net selling value and all inventory losses are included in the cost of sales in the income statement in the period in which the decrease or loss occurred. The response occurred.

3/9: Income Tax & Deferred Tax:

- Income tax comprises profit/loss of the current tax period/year and deferred tax. Income tax expense is recognized in profit or loss except for items recognized directly in equity, in which case it is recognized in equity.
- The deferred tax resulting from temporary time differences between the book value of assets and liabilities is recognized according to the accounting basis and their value according to this tax basis. The value of the deferred tax is determined based on the expected method of achieving or settling the values of assets and liabilities using the tax rates in effect on the date of preparing the company's budget, and the assets are recognized. Deferred tax when there is a strong possibility that taxable profits can be achieved in the future through which this asset can be used, and the value of deferred tax assets is reduced by the value of the part from which the expected tax benefit will not be realized during the following years.

3/10: Borrowing costs:

- Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.
- All other borrowing costs are expensed in the period in which they are incurred.

3/11: Revenue Recognition:

- Revenue is recognized when the product is delivered and its ownership is finally transferred to customers &an invoice is issued. Through this invoice the revenue can be measured and the company incurred cost can be determined in an accurate and reliable way.
- The interest income is recorded according to timing percentage basis taking into consideration the targeted income on assets.
- The stages of revenue recognition are as follows:

1. Determine the contract.
2. Determine the performance obligation.
3. Determine the transaction price.
4. Distributing the transaction price over the performance obligation.
5. Revenue Recognition.

3/12: Cash and Cash Equivalents:

- The statement of cash flows is prepared on the basis of "Indirect Method" according to Egyptian Accounting Standard No. 4 "Cash Flow" and for the purpose of preparing the cash flow statement, Cash and cash equivalents includes Cash at hands and in Banks and time deposits with original maturities of three months or less and not subject to risk of change in its fair value.

3/13: Provisions:

- A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
- In the case of the existence of contingent liabilities that does not apply to the recognition conditions, either because of lack of expected flows to outflows resources which include the economic benefits required to settle the obligation or it is not possible to estimate the value of commitment reliably then it is disclosed in the financial statements.

3/14: Employees Benefits:

The Benefits of retirement pensions

- The company pays the contributions to the Public Authority for Social Insurance for the benefit of employees of the company, according to the Social Insurance Law No. (79) Of 1975, and its amendments. The subscriptions amounts included in the income statements, according to accrual basis. The company is not committed to pay any obligations other than the value of the contributions mentioned above.

The end of services benefits

- The company calculates the obligations arising from the benefits of the end of service as specified in the assessment of the benefits of future earned by employees and subject those benefits are deductible to determine their present value by an actuary and recognize the profit or loss on the settlement of the benefit of end of service and that at the time of the settlement and the company follows International Accounting Standards No. 19, and its amendments "Employee Benefits".

3/15: Impairment of Assets:

- At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment

loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

- Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3/16: Profit distribution:

- Profit distribution is recognized as a liability in the period in which they are declared and approved by the AGM.

3/17 Earning per share

- Earnings per share is calculated by dividing the profit available for distribution by the average number of the shares outstanding during the period/year.

3/18: Related Party Transactions:

- Related parties are represented in the Company' shareholders, board of directors, executive directors and/or companies in which they own directly or indirectly shares giving them significant influence or controls over the company. Transactions with related party are recognized in the context of regular transactions according to the conditions determined by the board of directors. Transaction with related parties is carried out on the same bases the company deals with other parties.

3/19: Treasury Shares:

- Treasury shares consist of the Parent Company's own issued shares that have been reacquired by the Company and not yet reissued or cancelled, the treasury shares are accounted for using the cost method which include all direct costs related to the purchase transaction and in case the company sell the treasury shares with higher or lower price, the gain /loss is charged to the Shareholders Equity. The treasury shares are deducted from the Equity. Noncash dividends are paid on these shares. The issue of bonus shares increases the number of treasuries shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

3/20: Expenses Recognition:

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

3/21: Debtors and Sundry Debtors:

- Trade, notes and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, an estimate of doubtful debts is made when collections of the full amount are no longer probable, Bad debts are written off when identified, other debit balances are stated at cost less impairment losses.

3/22: Creditors and Suppliers:

- Trade, contractors and other credit balances are stated at cost.

3/23: Fair value Measurement:

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- For assets traded in an active market, fair value is determined by reference to quoted market bid prices.
- The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.
- For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

3/24: Financial Investment held for Trading:

- The financial investment held for trading is measured by cost including the direct expenses related to its purchase.

- The investment held for trading are included in the current assets and recorded by fair value and the proceed from changes in fair value or sale of these investments either profit or loss are charged to income statement as these investments are not traded in the stock exchange and there are no studies for its fair value, hence recorded at cost.

4. Fixed Assets:

Detailed as follows:

Egyptian Pounds

Details	Building & Utilities	Machinery & Equipment	Motor Vehicles	Tools	Office Furniture & Equipment	Total
Cost 1/1/2024	708,961,536	1,854,087,850	24,180,725	35,922,946	48,908,755	2,672,061,812
Additions of the period	6,184,262	150,051,706	972,998	-	439,898	157,648,864
Disposals of the period	(13,500,000)	-	-	(694,216)	(12,963,133)	(27,157,349)
Cost 31/12/2024	701,645,798	2,004,139,556	25,153,723	35,228,730	36,385,520	2,802,553,327
Acc Depreciation at 1/1/2024	266,278,746	1,354,311,412	22,537,788	32,969,775	28,765,324	1,704,863,045
Dep. of the period	17,624,351	64,798,213	551,754	1,404,926	4,407,567	88,786,811
Disposals of the period	(4,479,750)	-	-	(694,161)	(12,089,453)	(17,263,364)
Accumulated Depreciation at 31/12/2024	279,423,347	1,419,109,625	23,089,542	33,680,540	21,083,438	1,776,386,492
Net Book Value 31/12/2024	422,222,451	585,029,931	2,064,182	1,548,190	15,302,081	1,026,166,835

Fully depreciated fixed assets and still in use in Sinai Cement Company as at 31 December 2024 amounted to LE 364,847,685. There are no fixed assets temporary broken-down, or out of use or retained until disposal as of 31/12/2024.

5. Right-of-Use Assets

- On March 21, 2022, a contract was executed for the transfer of freehold rights and the licensing of the right to use a property (the land on which Sinai Cement's factory and its facilities are located). This agreement was made between North Sinai Governorate (First Party) and Sinai Cement Company (Second Party).
- The agreement stipulated the transfer of the freehold rights of the land owned by the Second Party in Sinai to the First Party in exchange for an amount equivalent to the net book value of the land. In return, a right-of-use contract was granted to the Second Party for the land.
- Contract Duration: 50 years, with the option to extend for an additional period not exceeding 25 years.
- Transfer Value: The net book value of the land transferred amounted to EGP 1,651,078.
- Annual License Fee: EGP 100,000, increasing annually by 10% of the original amount.
- The annual right-of-use fee is deducted from the net book value of the land until the full amount is exhausted.
- The Extraordinary General Assembly of Sinai Cement Company, held on January 26, 2022, and approved by the General Authority for Investment and Free Zones on March 14, 2022, ratified this right-of-use agreement.
- On May 27, 2024, a lease agreement was signed between Marakez Sokhna for Real Estate Projects and Sinai Cement Company for the lease of an administrative unit covering 1,109.76

square meters in the District 5 - Campus project. The space will be used as an administrative headquarters, along with the right to use seven parking spaces in the garage.

- Lease Term: 7 years, commencing the day after the completion of the preparation period on December 1, 2024.
- Payment Terms: Rent, maintenance fees, and security deposits will be paid in Egyptian pounds, equivalent to the US dollar exchange rate as announced by the Central Bank of Egypt on the due date.
- Advance Payments: The first nine months' rent was paid in advance. The remaining rent will be paid in quarterly installments in advance. Additionally, maintenance fees for the first nine months were paid in advance, along with a three-month deposit as per the contract.

Egyptian Pounds

Details	Land	Building Lease	Total
Cost 1/1/2024	951,140.00	-	951,140.00
Additions of the period	-	163,311,394.00	163,311,394.00
Disposals of the period	-	-	-
Cost 31/12/2024	951,140.00	163,311,394.00	164,262,534.00
Acc Amortization at 1/1/2024	30,175.00	-	30,175.00
Amortization of the period	19,023.00	1,944,183.00	1,963,206.00
Disposals of the period	-	-	-
Accumulated Amortization 31/12/2024	49,198.00	1,944,183.00	1,993,381.00
Net Book Value 01/01/2024	920,965.00	-	920,965.00
Net Book Value 31/12/2024	901,942.00	161,367,210.00	162,269,152.00

6. Construction Works in Progress:

- The construction works in progress as at 31/12/2024 represent the work and advances for the buildings, construction, roads and other works performed in the plant as follows:

Egyptian Pounds

Details	Balance as at 31/12/2024	Balance as at 31/12/2023
Projects in Progress	333,430,035	84,593,837
<u>Investment spending</u>		
Letters of credit	5,969,588	6,043,081
Advance Payments	5,207,638	48,522,877
Total	344,607,261	139,159,795

7. Long-term Financial Investments:

- Detailed as follows:

Egyptian Pounds						
Name of the company	No. of shares	Value per share	Shareholding (%)	Total Shareholding & Amount paid.	Carrying value At 31/12/2024	Carrying value At 31/12/2023
Sinai White Cement Co.	-	-	-	-	-	100,521,920
Sinai Cement for Services	2,499,000	10	99.96%	24,990,000	24,990,000	24,990,000
Sinai Cement for International Trade	4,950	10	99%	49,500	49,500	49,500
Total (2)				25,039,500	25,039,500	125,561,420

- Summary of the financial information of the investment companies as per their financial statements detailed as follows:

Egyptian Pounds						
Details	Assets	Liabilities	Equity	Revenue	Expenses	Profit (losses)
31/12/2024						
Sinai Cement for Services	17,624,594	22,539,915	(4,915,321)	74,087,854	68,923,600	5,164,254
Sinai Cement for International Trade*	-	-	-	-	-	-

- *Sinai Cement company participation in the shareholding of Sinai Cement for international trade (LLC) represents shareholding in the issued and paid in capital. The company purpose is export, import and commercial agency. The company has not started its operations yet and has not issued any financial statements yet.
- Sinai Cement Services Company transports bulk cement.
- On August 14, the investment in Sinai White Cement Company was sold at a value of EGP 1,617,908,562 and the book value was EGP 100,521,920

8. Financial Investments:

- Represent value of 2167 shares from the Development Company for the industrial free zone of East Port Said with value of LE 50 per share. The paid amounted to LE 65,010 representing
- LE 30 per share and the shareholding 00.15% represent Sinai Cement Company got this investment as a result of liquidating the Egyptian investment and Finance Company and the company has no plan yet for such investment.

9. Deferred Tax:

- The Company calculates the deferred tax Assets in accordance with the independent tax consultant's memorandum as at 31/12/2024 the deferred tax liability amounted to L.E 145,689,339.

10. Inventories (Net):

- Detailed as follows:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Finished Products (packed & bulk)	48,756,214	34,280,495
Semi-Finished products	116,124,790	144,362,974
Work in process	4,392,593	3,102,691
Raw materials	106,202,912	78,567,963
Spare parts, Oils, Refractories& Supplies	194,342,641	216,338,769
Fuel	538,247,171	362,428,283
Packing materials	43,728,661	46,523,493
Total	1,051,794,982	885,604,668
Less: Provision for slow moving inventories	2,345,047	2,345,047
Inventories (net)	1,049,449,935	883,259,621

11. Debtors and Notes Receivable (Net):

- Detailed as follows:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Customers	13,386,932	210,617,908
Notes receivables	209,933,263	336,438,166
Total	223,320,195	547,056,074

12. Due from affiliated companies:

- Detailed as follows:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Sinai White Cement	-	241,419
Sinai Cement for Services	4,162,717	10,572,085
Sinai Cement for International Trade	7,806	7,806
Total	4,170,523	10,821,310

13. Sundry Debtors (Net):

- Detailed as follows:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Advances to Suppliers	76,588,615	48,678,514
Sundry Debtors	28,145,940	37,677,020
Total	104,734,555	86,355,534
Less: Expected Credit Loss	27,160,387	10,160,387
Net	77,574,168	76,195,147

14. Other Debit Accounts:

- Detailed as follows:

Details	Egyptian Pounds	
	31/12/2024	31/12/2023
Refundable Deposits	46,909,586	34,611,277
Prepaid Expenses	28,137,308	6,520,791
Accrued Income (Interest income)	3,733,380	3,733,380
Accrued export subsidies	313,976,851	230,289,950
Letters of Credit - (Spare parts & other supplies)	8,062,901	4,434,271
Payment under tax account	112,506,948	97,506,948
Withholding TAX	33,919,046	25,546,408
Tax Authority- VAT	47,039,095	-
Total	599,285,115	402,643,025

15. Cash on hand & in the Bank:

- Detailed as follows:

Details	Egyptian Pounds	
	31/12/2024	31/12/2023
Cash at hand	880,184	370,550
Bank current accounts L. E	49,356,536	104,519,993
Bank current accounts with interest L. E	12,219,510	11,371,915
Cash at bank - Deposits LE	180,000	180,000
Cash at bank -Current accounts- Deposits foreign currencies	1,762,948,018	159,408,472
Cheques under collection L.E	36,398,850	22,089,000
Veil of Money Letters of credit	28,521,979	52,079,677
Total	1,890,505,507	350,019,607

16. Capital:

- The authorized capital amounted to L.E 2 billion. As at 31/12/2024 the issued, subscribed and paid in capital amounted to L.E 1,330,658,670 and divided into 133,065,867 shares of L.E 10 each.

17. Capital increase:

On 26/2/2024, the Extraordinary General Assembly approved increasing the capital from 1,330,658,670 EGP to 3,012,666,190 EGP (only three billion twelve million six hundred sixty-six thousand one hundred and ninety Egyptian pounds) with an increase of 1,682,007,520 EGP, provided that this increase is paid in cash or by using the debts owed to shareholders in the financial position on 30/6/2023 and approved by the Economic Performance Sector on

28/2/2024 towards the company.

The subscription share amounted to 1,277,466,100 EGP on 31 Dec 2024, amounting to 127,746,610 shares.

The balance of the outstanding amount with the bank under the capital increase reached 147,466,100 EGP.

18. Long term loans:

- Detailed as follows:

Egyptian Pounds

Details	31/12/2024	31/12/2023
Bank QNB	-	170,895,515

19. Lease Contract:

Details	Land	Building Lease	Total
31/12/2023			
Current	120,000	-	120,000
Non-current	783,452	-	783,452
Total	903,452	-	903,452
31/12/2024			
Current	130,000	8,587,155	8,717,155
Non-current	825,740	140,414,786	141,240,526
Total	955,740	149,001,941	149,957,681

- **Current part:** The part of the lease liability that is due within less than one year from the reporting date.
- **Non-current part:** The part of the lease liability that is due more than one year after the reporting date, including future payments due after the current financial year.

Movement on lease contract:

Details	31/12/2024	31/12/2023
Balance 1/1/2024	903,452	851,140
Additions	163,311,394	-
Modifications	2,923,826	-
Interest Expenses	1,074,963	162,312
Payments from liabilities during the year	18,255,954	110,000
Total	149,957,681	903,452

20. Bank Facilities:

- Detailed as follows:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
HSBC Bank	-	97,399,942
Credit Agricole Bank	-	575,567,900
Suez Canal Bank	-	17,639,852
Qatar National Bank AL Ahli	-	221
Total	-	690,607,915

21. Provisions:

- Detailed as follows:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Provision for end of service benefits	8,469,524	8,768,149
Provision for claims (Government Fees and taxes)	113,253,056	96,773,056
Total	121,722,580	105,541,205

The provision movements during the financial Year Ending 31/12/2024 represented as follows:

Details	Balance as at 1/1/2024	Formed provision	Used during the Period	Provision No Longer Required	Balance as at 31/12/2024
Provision for end of service benefits	8,768,149	5,538,225	4,306,452	1,530,398	8,469,524
Claims provision	96,773,056	16,480,000	-	-	113,253,056
Total	105,541,205	22,018,225	4,306,452	1,530,398	121,722,580

- Claims Provision represents the expected claims from some parties concerning the company activity and the management reviews the provisions regularly and amends according to the agreements and progress with such parties.

22. Short term loans from Affiliated Companies:

- On 14/1/2019, Vika Egypt for Cement Industry SAE (shareholder) signed a loan contract for Sinai Cement Company with two hundred million pounds at an interest rate of 8.5% annually, the loan term is one year, renewable by agreement of the two parties. The first installment of the loan was received, amounting to one hundred million pounds in 2019 and one hundred million Egyptian pounds during February and March 2020. Sinai Cement Company is committed to paying taxes imposed by government agencies in relation to sign a loan contract. The Ordinary General Assembly of Sinai Cement Company on 29/3/2018 approved the loan.
- On 10/5/2022 the mentioned loan contract was amended, as it was agreed between the two parties to increase the loan amount to reach the amount one billion and two hundred million

Egyptian pounds for a period ending on 9/5/2023, subject to renewal by agreement of the two parties, and a payment of the loan was received during 2022 amounted seven hundred and fifty million Egyptian pounds, The Ordinary General Assembly of the Sinai Cement Company on 26/4/2022 approved the increase of the loan amount.

- And during January & February the installments of the loan was received amounted Egyptian pounds five hundred ninety-four million and one hundred thousand
- on 6/4/2023 The ordinary General Assembly meeting of the Sinai Cement Company approved the increase of the loan amount to be 2 billion Egyptian pounds The association was accredited by the General Authority for Investment and Free Zones on 18/10/2023.
- Accordingly, the balance of short-term loans from affiliated companies on 31/12/2024 amounted 427,905,191 four hundred twenty-seven million nine hundred five thousand one hundred ninety-one, Egyptian pounds.

23. Suppliers, Creditors and Notes Payable:

- Detailed as follows:

Details	Egyptian Pounds	
	31/12/2024	31/12/2023
Suppliers	324,822,301	427,911,565
Creditors	4,035,063	3,642,314
Notes payable	49,045,280	137,874,058
Coupons payable and advances from customers	222,020,325	213,114,905
Total	599,922,969	782,542,842

24. Other Credit Accounts:

- Detailed as follows:

Details	Egyptian Pounds	
	31/12/2024	31/12/2023
Accrued expenses	209,807,624	220,869,513
Sundry credit accounts	277,356,262	44,908,036
Securities for others	10,513,287	10,517,263
Distribution creditors	9,278	9,278
Interests on loans from affiliated companies	12,613,607	211,105,586
Total	660,300,058	487,409,577

25. Cost of sale:

- Detailed as follows:

Egyptian Pounds

Details	31/12/2024	31/12/2023
Raw materials, Supplies, fuel, power, packing sacks	3,031,229,986	3,026,169,346
Wages, Salaries	69,084,467	46,554,590
Operation and Development fees	98,752,335	78,943,919
Various supplies	18,797,577	12,442,758
Stationery and Prints Tools	713,271	441,949
Maintenance expenses	217,728,745	81,456,188
Public relations expenses, hospitality and reception	148,360	57,787
Travel and transportation	352,579	835,637
Governmental fees, stamps, mail, telephone& real estate tax	4,617,943	2,786,703
Insurance	22,996,332	9,079,102
Consultancy fees and studies	1,434,534	860,131
Transfer & loading expenses	5,090,262	3,391,699
Cleaning, security, guard, custom expenses, others, public relations expenses	10,983,180	5,069,580
Accommodation, operating expenses for service fees	144,906,595	112,681,421
Rents	53,786,444	39,477,821
Industrial Fixed assets depreciation	84,045,872	82,564,005
Amortization of intangible assets	19,023	19,023
Total	3,764,687,505	3,502,831,659
Add / Deduct:		
Change in inventory	(10,331,383)	(138,243,904)
Net	3,775,018,888	3,364,587,755

26. Selling & distribution Expenses:

- Detailed as follows:

		Egyptian Pounds	
Details	31/12/2024	31/12/2023	
Salaries &Wages	12,841,119	7,707,839	
Transfer & loading expenses &renting cars to transport cement	499,269,967	544,400,550	
Stationery and printing	763	-	
Maintenance expenses	318,351	92,831	
Public relations expenses	12,391,825	9,530	
Travel and transfers	513,589	263,371	
Governmental fees, stamps, &telephone	404,890	219,765	
Cleaning, gratuities and others	479,735	323,260	
Export expenses and the right to use the quality mark	232,605,937	3,884,803	
Rents	5,450,013	-	
Donations & Accommodation	55,201	85,456	
Electricity and Fuel	108,477	-	
Consultancy fees and studies	60,500	-	
Accommodation	854,239	-	
Total	765,354,606	556,987,405	

27. General & Administrative Expenses:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Salaries & Wages	92,587,705	38,419,743
Board of Directors Member salaries and allowances	10,797,648	6,431,090
Electricity, gas and fuel	964,580	516,780
Stationery and printings	465,628	408,892
Maintenance expenses	2,982,589	2,547,495
Advertising and public relations	2,790,290	2,290,699
Travel and transportation	3,796,290	3,105,499
Governmental fees and stamps and mail and telephone	14,149,601	6,789,616
Insurance	12,785,968	6,746,146
Consultancy fees and studies	46,073,960	11,332,149
Cleaning and others expenses	10,327,484	5,578,398
Accommodation	2,044,399	1,191,069
Technical assistance	87,296,694	38,054,147
Rents	27,085,244	16,145,654
Donations and grants	1,168,562	876,245
Solidarity contribution	20,728,288	10,714,245
Real estate tax	7,110	24,030
Others	8,288,356	-
Tax inspection variance	4,412,476	6,839,095
Non-Industrial depreciation	4,740,939	4,646,899
Intangible assets depreciation	1,944,183	-
Total	355,437,994	162,657,891

28. Earnings per share:

Egyptian Pounds		
Details	31/12/2024	31/12/2023
Net (Losses) for the year	3,072,361,811	(117,581,612)
Number of shares	133,065,867	133,065,867
Earnings (loss) per Share	23.09	(0.88)

29. Tax Status:

Company Details:

- Tax File number: 00/00/267/10/5/555
- Tax Registration number: 205 - 001 - 548
- Tax Office: Tax authority large payers

FIRST: Corporate Income Tax:

- The company presents its tax returns in due time and the tax exemption have been ended on 31/12/2011.

Years from start of operation year 1998 to Year 2012:

- The company was examined and the tax due on it was paid according to Form 9 reservation issued by the Tax Center for Major Financiers on 17/10/2019, and the estimates of the tax authority were challenged in some items and a lawsuit was filed before the Supreme Administrative Court, and a request was submitted to the Dispute Resolution Committee No. 49/2637.

Years from 2013 to 2014 :

- The company was examined and the examination resulted in some items of disagreement, and it was referred to the internal committees and then the specialized internal committees issued their decision, and the result was objected to and referred to the tax appeal committees, which issued its decision to reduce the tax bases concluded by the specialized internal committee, and thus the tax became payable and the tax authority linked the tax according to the decision of the appeal committee, The company has paid the tax due according to Form 9 reservation referred to above.
- It should be noted that the company has appealed this decision before the Administrative Court under the lawsuit No. 5597 of 76 BC, D 26 taxes, and also submitted a request to the Dispute Resolution Committee No 49/2210 at 4/12/2022.

Years from 2015 to 2019:

- These years was examined and the examination resulted that there were tax losses for these years, and tax variance due for article No (56), and these differences are being settled through the credit balance due to the company.

Years from 2020 to 2022:

- These years was examined and the examination resulted that there were tax losses for these years, and tax variance due for article No (56), and these differences are being settled through the credit balance due to the company.

Years 2023:

- The company presents its tax returns in due time
- We are working on preparing the examination of those years.

SECOND: Value Added Tax "VAT":

- The company submits tax returns on legal dates and pays the due on a regular basis.

Years from start of operation year 1998 to Year 2019:

- The final settlement has been completed and there are no outstanding dues.

Year 2020

- The company still examined and not finished

Year 2021/2024

- The examination was not requested by the tax authority.

THIRD: Withholding Tax:

- The company presents its tax forms in the due times and pays the tax due regularly.
- The company is regularly inspected for withholding taxes with no tax differences.

FOURTH: Stamp Tax:

Years from start of operation to year 2020:

- The tax differences were examined and settled as a deduction from the balances of the advance payments due to the company according to the latest form 9 reservation issued by the tax authority

Year 2021/2024

- The examination was not requested by the tax authority.

FIFTH: Salaries Tax:

- The company presents its tax returns in the due times and pays the tax due regularly.

Years from start of operation to Year 2020:

- The tax differences were examined and settled according to the latest form 9 reservation issued by the tax authority.

Year from 2021 to 2022 :

- These years have been reviewed, and Form (38) for payroll was issued on 29/7/2024. Only the principal tax amount has been paid.

Years 2023 to 2024:

- The tax inspection has not been requested by the tax authority.
- The company withholds and pays payroll taxes monthly within the legal deadlines.
- The company is committed to submitting quarterly declarations and Form (6) within the legal deadlines.

SIXTH Tax on dealings with related parties:

- The center of tax authority large payers was notified the company with a tax form payment (3/1) with tax center number 1804 on 22/2/2022 a fine was demanded amount 9,945,448 EGP from un completing the contents of the main and local file of tax settlement 2022, according to article number 30 of law number 91 for 2005 and articles 12/13 of law number 206 for the

year 2020, that's in addition to 534,567 (other than delay charge), with a total fine amount EGP 10,480,015 till January 2022.

- The company has appealed the legal deadline and completing these files as appropriate and presently to the tax authority.

SEVENTH: Development dues:

- The company presents its monthly declaration regularly.
- The company was examined until 2015, and the company was asked for examination differences until December 2015 in the amount of EGP 909,975, and it was challenged on the established dates, and the appeal was accepted in form, and in the matter, the Appeals Committee agreed with the Tax Authority's point of view, and the Company filed a case with the State Council to challenge the Committee's decision. No session has been set to date, and the company has paid these differences, and a request to end a dispute (49/2424) was submitted on 25/12/2022.
- The company was examined 2021/2022 and paid the differed TAX.
- The year 2023 has been audited, resulting in tax differences. The company has filed an appeal within the legal deadline, and no hearing has been scheduled to date.

EIGHTH: Real Estate "Property" Tax:

- The company paid tax claims for real estate tax due for the administrative office in Cairo and for the
- Plant in EL Arish - North Sinai Governorate. There is no dispute with the Real Estate Tax Authority.

NINTH: Cases filed by and against the company:

- In light of the certificate of the company's legal advisor, His Excellency's opinion ended with the creation of a provision under the account of the cases filed against the company in the amount of approximately one million pounds under the deficit and the increase.

30. Related Parties Transactions:

- Pursuant to the approval of the extraordinary general assembly on 9/7/1998 to authorize the company's Board of Directors to approve the existence of any contractual relations between the company and one of the founders or one of the members of the board of directors or any of the shareholders and accordingly the company has contracted with each of the following:
- Sinai White Cement Co. (sister company), where the Sinai Cement Company contributes 25.4% of its capital, and there are transactions and a current account between them.
- Vicat company - Technical Assistance contract.
- Vicat Egypt Cement Company, A short-term loan.
- Reliance Logistics Company that supplies briquette and its logistic works,
- The transactions with the related parties are carried out on the same bases the company deals with other parties. The total movement and balances of the above-mentioned accounts were as follows during the financial period ending 30 September 2024:

Egyptian Pounds

Details	Transaction during the Period	Balance as at 31/12/2024
VICAT (Technical assistance)	109,018,097	(30,652,785)
VECI Egypt Cement Company. (Loan &Interest&other)	60,519,243	(435,055,468)
Reliance Logistics	47,987,854	4,162,717
Baskon Yonetim Limited Sirketi	29,663,850	-
CEMENTI CENTRO SUD SPA	34,661,305	(12,917,263)
SOCOCIM INDUSTRIES	99,489,279	-
CIMENTS ET MATERIAUX DU MALI	145,864,459	-
CIMENTS ET MATERIAUX DU MALI	148,300,053	-

31. Capital Commitments:

- The remaining outstanding shareholding in the capital of Industrial Free Zone Development Co. - East Port Said amounting to LE 34,672 representing 32%.

32. Contingent Liabilities & Probable commitments:

- Contingent liabilities as at 31/12/2024 represent unsecured amounts of the letters of guarantee and letters of credit issued to third party as follows:

Details	Value
Letters of credit	219,300 \$

33. Financial Instruments:

- The financial instruments represent items with monetary nature which include cash at hand and in banks, debtors, notes receivables and some debit balances and due from affiliated companies. The financial liability includes bank facilities, creditors and credit balances and due to affiliated companies and They are the assets and liabilities of the company that will be received or paid in fixed or specified amounts of cash and include Note No.3 to the financial statements includes accounting policies adopted for the measurement and reporting of the major financial instruments and their related profit and loss.

Fair value of financial instruments:

- In accordance with the bases of valuation of the company's assets and liabilities as per Note No.2 the fair value of the financial assets and liabilities are not materially different from their book value at the date of the financial statements.

34. Risk Management
Introduction

- Risk is inherent in the company activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The major risks to which the company is exposed in conducting its business and operations, and the means and organizational structure it employs in seeking to manage them strategically in building shareholder value are outlined below.

34/1- Risk management structure

- The Board of Directors of the Company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles.

34/2- Excessive risk concentrations

- Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry or geographical location.
- In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on country and counter party limits and maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

34/3- Credit risk

- Credit risk is the risk that one party of a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages credit risk by setting limits for individual counter-parties, monitors credit exposures, and continually assesses the creditworthiness of counterparties, with the result that the Company's exposure to bad debts is not significant.
- Credit risk is the risk that one party will fail to discharge an obligation. Company credit risk is limited as the company trades with clients with good financial solvency.
- The Company trades only with recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis.
- With respect to credit risk arising from the financial assets of the Company, which comprise bank balances and short-term deposits, the Company's exposure to credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amount of bank balances, short term deposits and accounts receivable.
- The company updated the method of calculating the expected credit losses on its financial assets on 31/12/2024, in accordance with the requirements of Egyptian Accounting Standard No. (47) amended for the year 2019 - financial instruments, and the balances in the mentioned study were found to be consistent with the balances in the financial statements.

***Gross maximum exposure to credit risk:**

The table below shows the gross maximum exposure to credit risk across financial assets.

Egyptian Pounds

Details	31/12/2024	31/12/2023
Bank balances and short-term deposits	1,890,505,077	350,019,607
Accounts receivable and other assets	904,350,001	1,036,715,556
Total	2,794,855,078	1,368,753,163

***Credit related commitments**

Financial instruments with contractual amounts representing credit risk:

Egyptian Pounds

Details	31/12/2024	31/12/2023
Letters of credit	11,163,883	3,118,546
Total	11,163,883	3,118,546

34/4- Liquidity risk

- Liquidity risk is the risk that the Company will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.
- The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.
- The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted repayment obligations. The liquidity profile of financial liabilities reflects the projected cash flow which includes future interest payments over the life of these financial liabilities.

Egyptian Pounds

Details	31/12/2024	31/12/2023
Creditors, Suppliers and Notes payable	599,922,969	782,542,842
Credit balances and other credit balances	660,300,058	487,409,577
Bank Facilities and Loans	-	690,607,915
Total	1,260,223,027	1,960,560,334

34/5- Market Risk

- Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.
- Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long- and short-term changes in fair value.

34/6- Interest rate risk

- Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. Interest rate risk is managed by the finance department of the Company. The company is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, loans and borrowings) as a result of mismatches of interest rate reprising of assets and liabilities. It is the Company's policy to manage its interest cost using a mix of fixed and variable rate debts. The Company's policy is to keep a substantial portion of its borrowings at variable rates of interest. The company is controlling the maturity dates of the monetary assets and liabilities with their related interest rate.

34/7- Equity price risk

- Equity price risk arises from changes in the fair values of investments. The Company manages this through diversification of investments in different sectors. All of the Company's investment shares are not quoted on the Stock Exchange.

34/8- Foreign currency risk

- Currency risk is the risk that the value of the financial instrument on monetary items will fluctuate due to changes in the foreign exchange rates that affect payments and receipts in foreign currencies in addition to valuation of assets and liabilities in foreign currencies. Accordingly, the company is facing the risk of fluctuation in exchange rates due to the non-existence of sufficient balances denominated in foreign currencies. As at 31/12/2024 there were liabilities denominated in foreign currencies amounting to U\$ dollar 7,303,531 and € Euro 589,132 assets denominated in foreign currencies amounting to U\$ dollar 29,499,219 and € Euro 5,602,885. Assets & Liabilities have been revalued at the prevailing exchange rate at that date.

34/9- Capital Management

- The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business maximize shareholder value and remain within the quantitative loan covenants. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company's management, aims to ensure its continuity as a working entity and maintain an effective capital structure with the aim of developing business and maximizing the return to shareholders through optimizing the use of equity.
- On 14/3/2022, the extraordinary general assembly meeting of the company held on 25/6/2018 was approved, and the assembly agreed to increase the authorized capital from 1 billion Egyptian pounds to 2 billion Egyptian pounds, in order to accommodate the increase in the issued capital, as well as absorb any Future increases, and an increase in the issued capital from the amount of 680,584,430 Egyptian pounds to the amount of 1,330,658,670 Egyptian pounds, according to a cash increase of 650,074,240 Egyptian pounds distributed over the number of shares of 65,007,424 shares with a nominal value of 10 pounds per share as resulted from the subscription. The year is for old shareholders during the period from 25/3/2018 to

23/4/2018 and the company's commercial registry has indicated that on 15/3/2022. Thus, the number of companies shares after the increase became 133,065,867 shares.

- The company's capital structure consists of shareholders' equity, which includes issued capital, reserves, carryover losses, payments under the capital increase account, and net Gain for the period. Net equity on 31/12/2024 amounted to 3,735,799,731.
- The profits as of December 31, 2023, amounted to EGP 3,072,361,811.

35. Comparative figures: -

- Comparative figures are reclassified whenever necessary to keep pace with the changes in the presentation used in the current period, and no figures have been reclassified during the period.

Netting contracts:

- Based on the decision of the minutes of the Ordinary General Assembly held on 17/6/2021 and approved by the General Investment Authority on 13/2/2022, it was approved to authorize the members of the Board of Directors to sign the following contracts:
 - Contract with Reliance Logistics Company.
 - A contract with Sama Sina Investment Company.
 - Contract with Vicat Egypt for the cement industry.