

Concrete Fashion Group for Commercial and Industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)

for the Financial Period Ended September 30, 2024
and Independent Auditors' Report on limited review
of Separate Interim Financial Statements

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Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Separate statement of profit or loss for the

	Note	2024		2023	
		Financial Period from February 1 st To September 30, <u>USD</u>	Financial Period from July 1 st To September 30, <u>USD</u>	Financial Period from February 1 st To October 31, <u>USD</u>	Financial Period from August 1 st To October 31, <u>USD</u>
Operating Revenue					
Technical support services revenue	(6)	84 259	29 046	115 591	38 275
Net revenues from selling investments at FVTPL	(7)	1 776 682	--	--	--
Total		1 860 941	29 046	115 591	38 275
Other income	(8)	134 349	50 670	121 769	42 321
Other expenses	(9)	(87 420)	(26 144)	(72 494)	(23 555)
Expected Credit loss on the value of financial assets	(10)	(53 223)	(1 941)	(1 744 828)	(376 069)
Administrative and General expenses	(11)	(1 832 624)	(342 357)	(2 133 646)	(802 629)
Operating profit /(losses)		22 023	(290 726)	(3 713 608)	(1 121 657)
Finance income		160 755	(61 288)	691 467	111 022
Finance costs		(863 883)	(360 916)	(2 017 740)	(431 853)
Net finance (costs)	(12)	(703 128)	(422 204)	(1 326 273)	(320 831)
Net (losses) for the period		(681 105)	(712 930)	(5 039 881)	(1 442 488)
Basic / diluted (losses) per share (USD/Share)	(25-1)	(0.0014)	(0.0015)	(0.0107)	(0.0031)

- The notes and accounting policies on pages (6) to (50) are an integral part of these separate interim financial statements and to be read these with.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Separate Statement of Comprehensive Income for the**

	Note No	2024		2023	
		Financial Period from February 1 st To September 30, <u>USD</u>	Financial Period from July 1 st To September 30, <u>USD</u>	Financial Period from February 1 st To October 31, <u>USD</u>	Financial Period from August 1 st To October 31, <u>USD</u>
Net (losses) for the period		(681 105)	(712 930)	(5 039 881)	(1 442 488)
<u>Other comprehensive</u>					
<u>income/(comprehensive loss) items:</u>					
<u>Items that will not be reclassified to</u>					
<u>profit or loss</u>					
The effect of applying Egyptian accounting standard No. (13)	(31)	(1 748 298)	--	844 849	269 748
Total comprehensive (loss) for the period		(2 429 403)	(712 930)	(4 195 032)	(1 172 740)
Basic / diluted (losses) per share (USD/Share)	(25-2)	(0.005)	(0.001)	(0.0089)	(0.002)

- The notes and accounting policies on pages (6) to (50) are an integral part of these separate interim financial statements and to be read together.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Separate statement of Changes in Equity for the financial period ended September 30,2024**

	Note	Issued and Paid up Capital	Reserves	Accumulated (Losses)	Total
	<u>No.</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Balance as of February 1, 2023		94 050 000	19 106 191	(24 961 620)	88 194 571
<u>Comprehensive income</u>					
Applying the Egyptian Accounting Standard No. (13) “The Effect of Change in Exchange Rates”	(31-2)	--	--	844 849	844 849
Net (loss) for the financial period ended October 31, 2023		--	--	(5 039 881)	(5 039 881)
Total comprehensive income		--	--	(4 195 032)	(4 195 032)
Balance as of October 31, 2023		94 050 000	19 106 191	(29 156 652)	83 999 539
Balance as of February 1, 2024		32 917 500	6 737 403	(3 944 701)	35 710 202
<u>Comprehensive income</u>					
Applying the Egyptian Accounting Standard No. (13) “The Effect of Change in Exchange Rates”	(31-2)	--	--	(1 748 298)	(1 748 298)
Net (Loss) for the period ended September 30, 2024		--	--	(681 105)	(681 105)
Total comprehensive income		--	--	(2 429 403)	(2 429 403)
Balance as of September 30, 2024		32 917 500	6 737 403	(6 374 104)	33 280 799

▪ The notes and accounting policies on pages (6) to (50) are an integral part of these separate interim financial statements and to be read together.

Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Separate statement of cash flows for the financial period of

	Note	from February 1 st 2024 To September 30,2024 <u>USD</u>	from February 1 st 2023 To October 31,2023 <u>USD</u>
	<u>No.</u>		
<u>Cash flows from operating activities</u>			
Net (loss) for the period		(681 105)	(5 039 881)
<u>Adjustments for the following:</u>			
Property, plant & equipment Depreciation	(13)	134 620	157 457
Expected credit losses in the value of financial assets	(10)	53 223	1 744 828
Interest expense on lease contract	(12)	--	427 352
Interest and finance cost	(12)	863 883	1 590 388
Credit interest	(12)	(29 338)	(691 467)
		341 283	(1 811 323)
<u>Changes in:-</u>			
Debtors and other debit balances	(16)	1 408	107 520
Due from related parties	(26-1)	(565 632)	17 882 775
Creditors and other credit balances	(20)	(322 923)	(18 562 139)
Due to related parties	(26-2)	2 079 412	10 153 659
Provision		--	2 322
		1 533 548	7 772 814
Payment of loan interest expense	(18-1)	(346 822)	(556 171)
Interest expense and bank fees		(411 491)	(375 319)
Net cash generated from operating activities		775 235	6 841 324
<u>Cash flows from investing activities</u>			
Cash Payments for Acquisition of property, plant and equipment	(13)	(3 319)	(10 888)
Collected Credit interest	(12)	29 338	691 467
Payment for investments in subsidiaries	(14)	(150 147)	(31 912)
Net cash (Used in)/ generated from investing activities		(124 128)	648 667
<u>Cash flows from financing activities</u>			
Net payments for bank-credit facilities	(19)	(152 922)	(19 454 810)
Loans payments	(18-1)	(1 640 000)	(1 500 000)
Lease payments		--	(1 189 771)
Cash (used in) Financing Activities		(1 792 922)	(22 144 581)
Net change in cash and cash equivalent during the period		(1 141 815)	(14 654 590)
The effect of changes in foreign currency exchange rates on cash and cash equivalents	(31-2)	(1 748 298)	844 849
Cash and cash equivalents at the beginning of the period	(17)	3 893 589	15 111 718
Cash and cash equivalents at the end of the period	(17)	1 003 476	1 301 977

- The notes and accounting policies on pages (6) to (50) are an integral part of these separate interim financial statements and to be read together.
- Non-monetary transactions have been excluded as shown in note (34).

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)**

Notes to the separate interim financial statements for the financial period ended September 30, 2024

1- Company's Background and activities

1-1 Legal entity

- Concrete Fashion Group for commercial and industrial Investments (An Egyptian Joint stock company - Under Public Free zone) (Al Arafa for Investment and Consultancies) was established as Swiss Garments Company previously, in accordance with provisions of investment incentives and guarantees Law No.8 of 1997, operating under the Free Zone system.

1-2 Swiss Garments company demerge

- The Board of Directors of Swiss Garments Company (S.A.E.) -Free Zone proposed in its meeting held on the 18th of June 2005 to demerge the Company into two Joint Stock Companies (demerging Company and Demerged Company) operating according to the Free Zone System with the same shareholders and the same participation percentage in the company's issued capital as of the demerge date. , using the book value of the assets and liabilities on the 30th of June 2005 as a basis for the demerge. As the purpose of the demerging company will be specialized in investing in financial instruments and the demerged company will be specialized in manufacturing ready made garments., As the company's Extraordinary General Assembly at its session held on October 14,2005 agreed on the mentioned board of director's proposal, as a final approval on the issuance of the demerge decision was taken by the general Authority for Investment and Free Zone as of November 24,2005.
- The demerging Company's name was changed to Al Arafa for Investment and Consultancies Company, and the Article of Association was amended accordingly on January 11, 2006 and was approved on commercial register under no.17426 on January 16, 2006.

1-3 Merger of both Al Arafa for Investment and Consultancies Company (S. A. E.) with the General Free Zone System (merging company) and Al Arafa for Investment in Garments industry Company (merged company), Al Arafa for Investment in Spinning and Textile Industry Company (merged company), and Al Arafa for Investments in Garments Marketing and Retail Company (merged company)

- The decision of the formed committee was issued by the General Authority for Investment and Free Zone, approved on the first of July 2019 to verify the initial assessment of the assets and liabilities of the following companies for the purpose of merging with Al Arafa for Investment and Consultancies Company (S. A. E.) merging company with both Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.) "free zone", and Al Arafa for Investment in Garments industry Company (S. A. E.) "free zone" and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) "free zone" (merged companies) using the book values according to the financial statements of the merging company and the merged companies on October 31, 2018. , taken as a basis for the merger. And establishing the net equity of Al Arafa for Investment and Consultancies Company (merging company) on October 31, 2018 amounted USD 146 935 721 (one hundred forty six million nine hundred thirty five thousand seven hundred and twenty one USD) and the net non-controlling interest in the Al Arafa for Investment in Garments industry Company (merged company) deficit of USD 31 971 885 (thirty one million nine hundred seventy one thousand eight hundred eighty five USD) and the Al Arafa for Investment in Spinning and Textile Industry Company (merged company) amounted USD 16 753 (sixteen thousand seven hundred and fifty three USD) after excluding the value of the investments of Al Arafa for Investment and Consultancies Company (the merging company) in Al Arafa for Investment in Spinning and Textile Industry Company (merged company) amounted USD 2 077 340 (two million and seventy seven thousand and three hundred and forty USD), and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (merged company) deficit of USD 3 896 892 (three million eight hundred ninety six thousand eight hundred and ninety two USD).

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

- According to the decision of the extraordinary general assembly of the company on August 4, 2019, it was agreed to determine the authorized capital of the merging company amounted USD 150 million (one hundred and fifty million USD) and the issued and paid-up capital of the company amounted USD 94 050 000 (ninety four million fifty thousand USD) distributed over 470 250 000 shares (four hundred seventy million two hundred and fifty thousand shares) with a value of USD 20 cents per share. It is represented in the total net equity of the merging company, Al Arafa for Investment and Consultancies Company and the net equity of non-controlling interest of the merged companies according to the report of the committee formed by the General Authority for Investment and Free Zone and according to the decision of the Executive chairman of the General Authority for Investment and Free Zone No. 85 of 2019 regarding licensing the merger of each of the Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.), and Al Arafa for Investment in Garments industry Company (S. A. E.) and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (free zone) (merged companies) in Al Arafa for Investment and Consultancies Company (S. A. E.) (merging company) in the public free Zone system in Nasr City, and this was notarized in the company's commercial registry on December 10, 2019.

1-4 Al Arafa For investment and consultancies company demerge

- On November 22, 2023, the extraordinary general assembly of Concrete Fashion Group for commercial and industrial Investments (Al Arafa for Investment and consultancies - Previously) approved the proposal presented by the company's board of directors to demerge the company according to the horizontal merge method based on the book value on the basis of the company's financial statements as of January 31, 2023. This demerge creates two companies, Al-Arfa for Investment and Consultancy (the demerging company), which will reduce its issued capital by decreasing the nominal value of its shares, and will also change its name to "Concrete Fashion Group for Commercial and Industrial Investments S.A.E" while retaining the same purposes. The demerge will also result in the creation of a new company called GTEX for Commercial and Industrial Investments S.A.E (the demerged company).The extraordinary general assembly also approved the demerge report issued by the Economic Performance Sector of the General Authority for Investment and Free Zones, indicating the net owner's equity of the demerging company and the demerged company at book value on January 31, 2023, which amounted to USD 50 157 720. The net owner's equity are to be distributed between the demerging company and the demerged company as follows:
 1. The net of owner's equity of the shareholders of the demerging company on January 31, 2023, amounted USD 32 981 870.
 2. The net of owner's equity of the shareholders of the demerged company on January 31, 2023, amounted USD 17 175 850.
- The extraordinary general assembly also approved the demerge of the company, including all its material and non- material components, into two companies: Concrete Fashion Group for Commercial and Industrial Investments S.A.E (the demerging company) and GTEX for Commercial and Industrial Investments S.A.E (the demerged company), transferring all assets, liabilities, shareholder's equity, revenues, and expenses between the two companies based on the financial statements as of January 31, 2023.

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

- The company's management has taken all the necessary legal and administrative procedures and completed the demerge process and was notarized in the commercial register on December 24, 2023.
- According to the company's Article of association, the company's financial period start from the first of February from each year and ends at 31 January from the next year , the extraordinary assembly held on June 12.2024 decided to amend the company's financial year to start from 1st of January and end at December 31 of each year
- Company's Duration is 25 years starting from the date of registering this amendment in the commercial register.
- Company's location: Nasr city free zone, Arab Republic of Egypt.
- The Company's Chairperson is Mrs. Maria Luisa Cicognani
- The Company's vice Chairman and Managing Director is Dr Alaa Ahmed Abd El Maksoud Arafa

1-5 Company's purpose

Providing financial and management consultancy services, investing in Capitals of other Egyptian and Foreign Companies and participating in restructuring companies and providing them with technical and management support.

1-6 Listing in the stock exchange

The Company has been listed in the Egyptian Stock Exchange.

2- Basis of preparation of the separate financial statements

- The attached separate interim financial statements are prepared in accordance with Egyptian accounting standards and relevant Egyptian laws and regulations.
- Egyptian accounting standards require reference to international financial reporting standards for events and transactions for which an Egyptian accounting standard or legal requirements have not been issued explaining how to deal with them.
- The separate interim financial statements for the period ended September 30,2024 were approved for issuance by the company's board of directors on November 24, 2024.
- Details of the company's material accounting policies have been included in Note No. (30).

3- Basis of measurement

- The separate interim financial statements have been prepared according to the historical cost principle, with the exception of financial instruments that are measured at amortized cost or at fair value
- Investments in subsidiaries and associate companies have been presented in the separate interim financial statements on the basis of cost, which represents the company's direct share in the ownership and not on the basis of business results and net assets of the investee companies. The consolidated financial statements provide a more comprehensive understanding of the consolidated financial position, business results and consolidated cash flows of the Company and its subsidiaries (the Group).

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

4- Functional and presentation currency

The separate interim financial statements are presented in the USD which is the functional currency, and all the financial information included are in USD, unless otherwise indicated in the separate interim financial statements or in the notes of the financial statement.

5- Use of estimates and judgments

- In preparing the separate interim financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. These estimates and assumptions are based on experience and various factors. Actual results may differ from these estimates and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

- The estimates and underlying assumptions are reviewed on an ongoing basis. differences in accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period s if the revision affects both current and future years.

A- Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the separate interim financial statements is included in the following:

B- Assumptions and estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period , are discussed below. The Company depends on its assumptions and estimates on parameters available when the separate interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Provisions and contingent liabilities

Management assess events and circumstances that might led to a commitment on the Company's side from performing its normal economic activities, management uses in this primary estimates and assumptions to judge the extend on which the provision's recognition conditions have been met at the financial statement date, and analyze information to assume whether past events lead to current liability against the Company and estimate the future cash outflows and timing to settle this obligation, in addition, selecting the method which enable the management to measure the value of the commitment reliably.

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

- **Calculation of Expected credit loss**

The Company assesses the impairment of its financial assets based on the expected credit loss (“ECL”) model. Under the ECL model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments.

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

- **Impairment of property, plant and equipment**

Properties classified under property, plant and equipment are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment review is carried out to determine the recoverable amount which considers the fair value of the property under consideration.

The fair values are compared to the carrying amounts to assess any probable impairment (If any).

- **Useful lives of property, plant and equipment and intangible assets**

Management reviews the residual values and estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period. Management determined that the current period’s expectations do not differ from previous estimates based on its review.

C- Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinarily 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 will take place either

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

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 best and best use or selling it to another participant who will use the asset at its best and best use.

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 that are measured or disclosed in the separate interim financial statements at fair value are categorized in fair value hierarchy categories. This is described, as follows, based on the lowest level input that is significant to the entire fair value measurement as a whole:

- **Level 1:** Quoted prices (unadjusted) in an active market for identical assets or liabilities.
- **Level 2:** Evaluation techniques in which the lowest level inputs considered significant for the entire measurement are directly or indirectly observable.
- **Level 3:** Assessment techniques in which the lowest level input considered significant for the entire measurement is unobserved.

If the inputs used to measure the fair value of an asset or liability are at different levels in the fair value hierarchy, the entire fair value measurement is classified in the same level in the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company acknowledges transfers between levels in the fair value hierarchy that occur at the end of the reporting period in which the change occurred.

Further information about assumptions used in measuring fair value is disclosed in the Financial Instruments note.

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

6- Operating revenue

	<u>Note No.</u>	2024		2023	
		Financial Period	Financial Period	Financial	Financial
		from February 1st	from July 1st	Period from	Period from
		To September 30,	To September 30,	February 1st	August 1st
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>Recognized revenues over a period of time</u>					
Revenue from technical support services for subsidiaries (26-1)		80 055	27 810	109 125	31 809
Revenue from technical support services for other companies		4 204	1 236	6 466	6 466
		84 259	29 046	115 591	38 275

7- Revenues from selling investments by fair value through profit or loss

Revenue of investment with FVTPL		3 795 942	--	--	--
<u>Deduct:</u> expenses and commissions related to sell transaction		(23 386)	--	--	--
Cost of investing in securities		(1 995 874)	--	--	--
		1 776 682	--	--	--

8- Other Income

Rental income		134 349	50 670	121 769	42 321
		134 349	50 670	121 769	42 321

9- Other expenses

GAFI expense as a percentage of rent		67 174	25 335	60 884	21 160
Expense as a percentage of revenue *		20 246	809	9 288	1 916
Others		--	--	2 322	479
		87 420	26 144	72 494	23 555

* The amounts due to the general authority for investments and freezones are 50% of rent income and 1% of the total revenue.

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Notes to the separate interim financial statements for the financial period ended September 30, 2024

10- Expected credit losses in the value of financial assets

	Note No.	2024		2023	
		Financial Period from February 1 st To September 30, USD	Financial Period from July 1 st To September 30, USD	Financial Period from February 1 st To October 31, USD	Financial Period from August 1 st To October 31, USD
Expected credit losses in related parties	(26-1)	53 223	1 941	1 744 828	376 069
		53 223	1 941	1 744 828	376 069

11- Administrative and General expenses

Wages and salaries		66 937	23 452	74 367	25 272
Property, plant and equipment depreciation	(13)	134 620	49 721	157 457	52 536
Board of directors allowance		114 400	24 000	102 200	13 400
Consulting and professional fees		698 286	65 493	685 200	324 771
Travel expenses		89 016	33 064	93 591	50 958
Maintenance		271 425	307	473 129	189 412
Subscriptions and service		292 743	85 070	294 482	81 943
Others		165 197	61 250	253 220	64 337
		1 832 624	342 357	2 133 646	802 629

12- Net Finance Income / (Cost)

Finance Income

Interest income		29 338	1 233	691 467	111 022
Net Foreign currency translation differences	(31)	131 417	(62 521)	--	--
		160 755	(61 288)	691 467	111 022

Finance costs

Interest expense on lease contracts		--	--	(427 352)	(132 764)
Interest expense on loans	(18)	(452 392)	(116 222)	(556 171)	(143 054)
Interest expense, Bank commission and expenses		(411 491)	(244 694)	(1 034 217)	(156 035)
Total Finance Cost		(863 883)	(360 916)	(2 017 740)	(431 853)
Net Finance Cost		(703 128)	(422 204)	(1 326 273)	(320 831)

**Concrete Fashion Group for commercial and industrial Investments
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Notes to the separate interim financial statements for the financial period ended September 30,2024

13- Property, plant and equipment

	Buildings	Vehicles	Furniture and office equipment	Improvements in premises	Total
<u>Cost</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
On February 1, 2024	1 551 523	446 403	426 870	595 382	3 020 178
Additions during the period	--	--	3 319	--	3 319
Cost as of September 30, 2024	1 551 523	446 403	430 189	595 382	3 023 497
<u>Accumulated Depreciation</u>					
On February 1, 2024	310 304	272 312	369 561	425 548	1 377 725
Depreciation charge for the period	20 687	50 510	23 731	39 692	134 620
Accumulated Depreciation as of September 30, 2024	330 991	322 822	393 292	465 240	1 512 345
Net book value as of September 30, 2024	1 220 532	123 581	36 897	130 142	1 511 152
Net book value as of January 31, 2024	1 241 219	174 091	57 309	169 834	1 642 453
Fully Depreciated Assets and still in use as of September 30, 2024	--	78 019	286 731	--	364 750

- Depreciation expenses have been allocated as follows:

	Note No.	30/9/2024 <u>USD</u>	31/10/2023 <u>USD</u>
Administrative and General expenses	(11)	134 620	157 457
		134 620	157 457

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Notes to the separate interim financial statements for the financial period ended September 30,2024

Cont.: Property, plant and equipment

	Buildings and Constructions	Vehicles	Furniture and office equipment	Improvements in premises	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Cost as of February 1, 2023	1 551 523	446 403	426 870	584 494	3 009 290
Additions during the period	--	--	--	10 888	10 888
Cost as of October 31, 2023	1 551 523	446 403	426 870	595 382	3 020 178
Accumulated Depreciation as of February 1, 2023	279 274	193 070	329 628	366 463	1 168 435
Depreciation during the period	23 273	59 431	30 553	44 200	157 457
Accumulated Depreciation as of October 31, 2023	302 547	252 501	360 181	410 663	1 325 892
Net book value as of October 31, 2023	1 248 976	193 902	66 689	184 719	1 694 286
Net book value as of January 31, 2023	1 272 249	253 333	97 242	218 031	1 840 855
Fully Depreciated Assets and still in use as of October 31, 2023	--	50 195	266 359	--	316 554

- Depreciation expenses have been allocated as follows:

	31/10/2023	31/10/2022
	<u>USD</u>	<u>USD</u>
Administrative and General expenses	157 457	154 495
	157 457	154 495

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14- Investments in subsidiaries

<u>Investee company's name</u>	Paid		cost of Investment 30/9/2024 USD	Impairment losses 30/9/2024 USD	Cost of Investment as of June 30, 2024 USD	Cost of Investment as of January 31, 2024 USD
	Percentage From Contribution value %	Percentage Contribution In capital %				
•Concrete for Readymade Garments	100%	91.64%	31 771 464	–	31 771 464	31 771 464
•Swiss for Readymade Garments	100%	99.20%	18 848 000	–	18 848 000	18 848 000
•Egypt Tailoring for Ready made Garments	100%	99.4%	16 008 060	(1 876 407)	14 131 653	14 131 653
•Swiss Cotton Garments	100%	99.4%	8 452 000	–	8 452 000	8 452 000
•Crystal for Making Shirts	100%	99.8%	3 708 868	–	3 708 868	3 708 868
•Savini for Readymade Garments (1)	25%	49.2%	1 230 000	–	1 230 000	1 230 000
•Port Said for Readymade Garments	100%	97.52%	1 157 322	–	1 157 322	1 157 322
•Euromed for Trading and Marketing	100%	97.21%	970 180	–	970 180	970 180
•Fashion Industry (2)	100%	89.8%	745 000	–	745 000	745 000
•Concrete international (3)	100%	100%	150 147	–	150 147	–
			83 041 041	(1 876 407)	81 164 634	81 014 487

- (1) The company owns 49.2 % of the capital of Savini for ready-made Garments Company, in addition to 50 % indirect ownership through the subsidiary - Swiss for ready-made Garments Company.
- (2) The company directly owns 89.8% of the capital of fashion industry company, in addition to 10% indirect ownership through the subsidiary – Egypt Tailoring For Ready–Made Garments Company.
- (3) During the period, the company established Concrete International Company, headquartered in the Emirate of Dubai.

15- Financial Investments at Fair Value through profit or loss

<u>Investee company's name</u>	Paid Percentage from contribution value %	Contribution percentage in capital %	Cost of Investment as of September 30, 2024 USD	Formed impairment losses as of September 30, 2024 USD	Net of Investment as of September 30, 2024	Net of Investment as of January 31, 2024
			75 745	(75 745)	--	--

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16- Debtors and other debit balances

	September 30, 2024	January 31, 2024
	<u>USD</u>	<u>USD</u>
Notes receivables	23 343	5 443
Prepaid expenses	87 736	146 841
Accrued revenue	63 122	30 809
Deposit to other	5 814	--
Other debit balances	19 682	18 012
	<u>199 697</u>	<u>201 105</u>

17- Cash and cash equivalents

Bank - Current accounts	859 313	1 295 608
Bank - Time deposits	--	2 204 609
Cash on hand	144 163	393 372
Cash and cash equivalents	<u>1 003 476</u>	<u>3 893 589</u>

18- Medium-term loans

	<u>Balance at</u> <u>1st February</u> <u>2024</u>	<u>Transfer</u> <u>from credit</u> <u>facilities</u>	<u>Loan payment</u> <u>through the</u> <u>period</u>	<u>Balance at</u> <u>30/9/2024</u>	<u>Installments</u> <u>due within</u> <u>the period</u>	<u>Long term</u> <u>loan</u> <u>balance at</u> <u>30/9/2024</u>
The rescheduled remaining balance of the medium-term loan granted from AAIB with an amount of USD 13 907 087 from March 1, 2021 to be repaid on nine unequal semi-annual installments ending June 2025.*	5 601 229	--	(1 500 000)	4 101 229	4 101 229	--
HSBC Rescheduled loan of USD1,250,000 effective August 2024 in eight unequal quarterly installments ending in July 2026 at an annual variable interest rate equal to the SOFR secured financing rate plus a margin of 2% quarterly rate. (Clarification No. (19))	--	1 250 000	(140 000)	1 110 000	560 000	550 000
Balance at 30/9/2024	<u>5 601 229</u>	<u>1 250 000</u>	<u>(1 640 000)</u>	<u>5 211 229</u>	<u>4 661 229</u>	<u>550 000</u>
						<u>Long term</u> <u>loan</u> <u>balance at</u> <u>31/1/2024</u>
Value in USD	<u>Balance at</u> <u>1st February</u> <u>2023</u>	<u>Transfer</u> <u>from credit</u> <u>facilities</u>	<u>Loan payment</u> <u>through the</u> <u>year</u>	<u>Balance at</u> <u>31/12/2024</u>	<u>Installments</u> <u>due within</u> <u>the year</u>	<u>Long term</u> <u>loan</u> <u>balance at</u> <u>31/1/2024</u>
The rescheduled remaining balance of the medium-term loan granted from AAIB with an amount of USD 13 907 087 from March 1, 2021, to be repaid on nine unequal semi-annual installments ending June 2025.	8 601 229	--	(3 000 000)	5 601 229	3 551 000	2 050 229
Balance at 31/01/2024	<u>8 601 229</u>	<u>--</u>	<u>(3 000 000)</u>	<u>5 601 229</u>	<u>3 551 000</u>	<u>2 050 229</u>

* On October 14 ,2024, The Company paid the remaining amount of the medium – term loan granted from AAIB with an amount of 4 101 229 USD.

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18-1 The following table shows the reconciliation of the loan liability movement during the period / year:

	Note <u>No.</u>	Period from February 1, 2024 To September 30, 2024 <u>USD</u>	Period from February 1, 2023 To January 31, 2024 <u>USD</u>
Current borrowing at the beginning of the period/year		3 551 000	3 000 000
Non-current borrowing at the beginning of the period/year		2 050 229	5 601 229
Finance cost during the period /year	(12)	452 392	539 328
Balance		6 053 621	9 140 557
Payments for borrowing		(1 640 000)	(3 000 000)
Transfer from credit facilities		1 250 000	--
Payment of finance cost during the period / year		(346 822)	(504 138)
Accrued interest expense	(20)	(105 570)	(35 190)
Balance		5 211 229	5 601 229
Current borrowing		(4 661 229)	(3 551 000)
Non-current borrowing		550 000	2 050 229

19- Banks - Credit facilities

	Balance at September 30, 2024 <u>USD</u>	Balance at January 31, 2024 <u>USD</u>
CIB	851 001	756 096
HSBC *	310 074	1 807 901
	1 161 075	2 563 997

- The credit facilities is represented in withdrawals from short-term unsecured current facilities granted by local banks in USD based on an interest rate linked to the LIBOR rate on the amounts withdrawn in USD.

* The company has entered into an agreement with HSBC to convert an amount of 1 250 000 USD of the credit facility to short-term loan rescheduled for eight with quarterly installments ending no later than July 20, 2026,(note No.18).

20- Creditors and other credit balances

	September 30,2024 <u>USD</u>	January 31, 2024 <u>USD</u>
Deposits from others	109 640	100 077
Accrued expenses	79 980	403 894
General Authority for Investment	13 016	16 065
Notes payable	17 387	13 560
Accrued interest expense	105 570	35 190
Other Credit balances	300 372	274 532
	625 965	843 318

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21- Financial instruments

21-1 Financial risk management

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Other market price risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, as well as the Company management of capital. Further quantitative disclosures are included throughout these separate interim financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also identifies and analyzes the risks faced by the Company, sets appropriate risk limits and controls, and monitors risks and adherence to limits.

The Company aims to develop a disciplined and constructive control environment through which all employees understand their roles and obligations.

Both the Audit Committee and Internal Audit Management assist the Company's Board of Directors in its oversight role. Internal Audit Management is responsible for conducting both regular and surprise inspections of control aspects and policies related to risk management, and reports the results of these inspections to the Board of Directors

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. This risk is mainly associated with the Company's banks, time deposits, Notes receivables and other receivables.

- The company deals with banks with high credit ratings and banks with high financial solvency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the cost of servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk on credit loans and facilities granted to it in foreign currencies despite transaction currency of the company.

The interest associated with these loans in different currencies is repaid through offsetting from cash flow generated from the company's core operation, which provides economic hedge for the group without entering into derivatives operations.

Interest rate risk

The Company adopts a policy to limit the Company's exposure to interest risk, over loans with variable interest rate between %9 to 11% according to contract polices with banks that the company deal with. The Company does not enter into hedging contracts for interest rates.

Other market price risk

Equity price risk arises from available-for-sale equity securities and the management of the Company monitors the mix of equity securities in its investment portfolio based on market indices and the objective valuation of the financial statements related to these shares.

Material investments within the portfolio are managed on an individual basis and all buying and sell decisions are approved by the Company' Board of Directors.

The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

Capital management

The company's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors, and the market, as well as to meet future developments in the business. The company's board of directors is responsible for monitoring the return on capital, which is defined by the company as the net profit for the period divided by total shareholder equity. The board of directors also monitors the level of dividend payouts to shareholders.

The board of directors seeks to balance between maximizing returns with high levels of borrowing, benefits, and guarantees, while maintaining safe capital base.

There are no changes in the company's capital management strategy during the period, nor is the company subject to any external requirements imposed on its capital.

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a- Credit risk exposure

The carrying amount of financial assets represents the maximum exposure to credit risk, which amounted as of the date of the separate interim financial position date as follows:

	<u>Note.</u> <u>No</u>	<u>30/9/2024</u> <u>USD</u>	<u>31/1/2024</u> <u>USD</u>
Debtors and other debit balances	(16)	111 961	54 264
Due from related parties	(26-1)	987 671	475 262
Cash and cash equivalents	(17)	1 003 478	3 893 589
		<u>2 103 110</u>	<u>4 423 115</u>

- All financial assets and liabilities are classified and measured at amortized cost, and the fair value of all financial instruments does not differ materially from their book value.
- For the purpose of disclosure of financial instruments, non-financial assets of USD 87 736 (January 31, 2024: USD 146 841) are excluded from other debit balances.

b- Liquidity risk

The following are the contractual terms of financial liabilities:

<u>September 30,2024</u>	<u>Total</u> <u>Carrying</u> <u>amount</u> <u>USD</u>	<u>Expected</u> <u>Cashflow</u> <u>USD</u>	<u>During</u> <u>the year</u> <u>USD</u>	<u>Accrual</u> <u>date 1-2</u> <u>years</u> <u>USD</u>	<u>2-5</u> <u>years</u> <u>USD</u>	<u>More</u> <u>than 5</u> <u>years</u> <u>USD</u>
Loans (include interest)	5 211 229	5 529 920	4 958 376	571 544	--	--
Trade payable /note payable creditors	625 965	625 965	625 965	--	--	--
Due to related parties	44 587 562	44 587 562	44 587 562	--	--	--
Bank credit facilities	1 161 075	1 161 075	1 161 075	--	--	--
	<u>51 585 831</u>	<u>51 904 522</u>	<u>51 332 978</u>	<u>571 544</u>	<u>--</u>	<u>--</u>
<u>January 31, 2024</u>	<u>Total</u> <u>Carrying</u> <u>amount</u> <u>USD</u>	<u>Expected</u> <u>Cashflow</u> <u>USD</u>	<u>During</u> <u>the year</u> <u>USD</u>	<u>Accrual</u> <u>date 1-2</u> <u>years</u> <u>USD</u>	<u>2-5</u> <u>years</u> <u>USD</u>	<u>More</u> <u>than 5</u> <u>years</u> <u>USD</u>
Loans (include interest)	5 601 229	6 045 522	3 918 435	2 127 087	--	--
Trade payable /note payable creditors	587 282	587 282	587 282	--	--	--
Due to related parties	42 508 150	42 508 150	42 508 150	--	--	--
Bank credit facilities	2 563 997	2 563 997	2 563 997	--	--	--
	<u>51 260 658</u>	<u>51 704 951</u>	<u>49 577 864</u>	<u>2 127 087</u>	<u>--</u>	<u>--</u>

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c- Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk for main currencies was as follows:

<u>September 30,2024</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalents	19 280 499	21 945	25 229	457 503
due from related parties	83 870 035	51 984	1 248	1 795 964
Notes receivable & Debtors, other debit balance	1 274 709	38 947	--	69 976
Total assets in currency	104 425 243	112 876	26 477	2 323 443
Due to related parties'	(325 289)	(1 780 777)	--	(1 999 779)
Notes payables and creditors and other credit balances	(1 292 870)	--	--	(26 762)
Total liabilities in currency	(1 618 159)	(1 780 777)	--	(2 026 541)
Exposure to Surplus / (deficit) Equivalent in USD	102 807 084	(1 667 901)	26 477	(296 902)
	2 128 106	(1 866 715)	35 511	(296 902)
<u>January 31, 2024</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalents	6 406 931	23 384	28 431	268 372
due from related parties	32 377 667	49 563	--	1 099 540
Notes receivable & Debtors, other debit balance	168 501	--	--	5 442
Total assets in currency	38 953 099	72 947	28 431	1 373 354
Due to related parties' notes payables and creditors and other credit balances	(1 002 433)	(1 831 533)	(27 372)	(2 053 039)
Total liabilities in currency	(1 002 433)	(1 831 533)	(27 372)	(2 053 039)
Surplus / (deficit) Equivalent in USD	37 950 666	(1 758 586)	1 059	(679 685)
	1 225 806	(1 906 835)	1 344	(679 685)

The following is the exchange rates during the period / year:

	Closing rate on separate interim financial statements date		Average exchange rate used	
	30/9/2024	31/1/2024	30/9/2024	31/1/2024
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
EGP	0.0207	0.0323	0.0234	0.0323
EURO	1.1192	1.0843	1.0872	1.1272
GBP	1.3412	1.2688	1.2814	1.1897

Assessment of currency exchange difficulty

"On March 3, 2024, the Prime Minister issued Decision No. 636 amending Egyptian Accounting Standard No. (13), effect of changes in foreign currency exchange rates (Egyptian Accounting Standard No. 13, Paragraph 57A), effective from January 1, 2024.

The company applied the amendment in Paragraph 57-A of Egyptian Accounting Standard No. (13) and conducted an Assessment to determine whether there is difficulty in exchanging foreign currencies against the US Dollar.

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The company assessed that there is no difficulty in exchanging assets denominated in foreign currency as of February 1, 2024. This assessment was based on the ability to exchange foreign currency-denominated assets at the bank at any time without any difficulty.

The company also assessed that there is no difficulty in exchanging foreign currency-denominated liabilities, to the extent that foreign currency-denominated assets can be used to settle these liabilities. There are no foreign currency-denominated liabilities that would be settled outside the banking system, as a significant portion of the related parties sales are in US Dollar , Euro, and British Pound. Therefore, there is no estimate of difficulty in exchanging these balances, and there is no cash impact from the application of the amended Egyptian Accounting Standard No. (13).

Due to the surplus in Egyptian Pound-denominated asset balances compared to liabilities, this has led to losses in the Assessment of foreign currencies as of September 30,2024 – Note No (31).

d- Sensitivity Analysis

The 5% increase (decrease) in exchange rates of foreign currencies against the US dollar on September 30 would impact the measurement of financial instruments in foreign currency and affect owner's equity as illustrated below. This analysis assumes the stability of all other variables, especially interest rates, and disregards any potential impact from expected sales and purchases.

September 30, 2024

	<u>Effect on profit or loss</u>		<u>Effect on owner's equity</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
EGP	212 810	(212 810)	106 405	(106 405)
Euro	(186 617)	186 617	(93 336)	93 336
GBP	3 551	(3 551)	1 776	(1 776)

January 31, 2024

	<u>Effect on profit or loss</u>		<u>Effect on owner's equity</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
EGP	122 580	(122 580)	61 290	(61 290)
Euro	(190 683)	190 683	(95 342)	95 342
GBP	134	(134)	67	(67)

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e- Interest rate risk

At the date of separate interim financial statements, the interest rate profile of the Company's financial instruments was as follows: -

	<u>Note.</u>	<u>30/9/2024</u>	<u>31/1/2024</u>
<u>Financial assets</u>	<u>No</u>	<u>USD</u>	<u>USD</u>
Financial assets with a fixed rate	(17)	--	2 204 609
Financial assets with a variable rate	(17)	859 313	1 295 608
		<u>859 313</u>	<u>3 500 217</u>
<u>Financial liabilities</u>			
Financial liabilities with a fixed rate	(18)	4 101 229	5 601 229
Financial liabilities with a variable rate	(19)	2 271 075	2 563 997
		<u>6 372 304</u>	<u>8 165 226</u>

f- Sensitivity Analysis

A change in interest rates by 100 basis points on September 30, 2024 would have an impact on the valuation of assets and liabilities with variable interest rates as follows:

September 30, 2024

	<u>Effect on owner's equity</u>		<u>Effect on profits or losses</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Financial liabilities	(227 107)	227 107	(227 107)	227 107
Financial assets	85 931	(85 931)	85 931	(85 931)

January 31, 2024

	<u>Effect on owner's equity</u>		<u>Effect on profits or losses</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Financial liabilities	(256 399)	256 399	(256 399)	256 399
Financial assets	129 561	(129 561)	129 561	(129 561)

22- Capital

22-1 The Authorized Capital

The authorized capital of the company amounted USD 150 million (one hundred and fifty million US dollars), according to the decision of the extraordinary general assembly held on November 22, 2023, the demerge of Al-Arafa Investment and Consulting Company into two companies has been approved, as well as the reduction of the authorized capital of the company to be an amount of 32 917 500 US dollars.

22-2 Issued and paid-up capital

The issued and paid-up capital after the amendment has reached USD 94 050 000 according to the decision of the extraordinary general assembly of the company.

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The issued and paid-up capital of the company consists of 470 250 000 nominal shares, at a value of 20 cents per share, and the issued capital is fully paid, which is the sum of the net equity in the merging company, according to the report of the formed committee by the General Authority for Investment and Free Zone in accordance with the decision of the CEO of the General Authority for Investment and Free Zone No. 127 of 2019.

Based on the Extraordinary General Assembly meeting held on November 22, 2023, regarding the Demerge of Al-Arafa Investment and Consulting Company, it has been approved to reduce the company's issued capital to \$32 917 500, distributed over 470 250 000 shares at a value of 7 cents per share. The company's issued capital represents the total net equity of the company after deducting \$64 370 held as reserves. The authorized, issued and paid-up capital has been notarized in the Commercial Register of the company as of December 24, 2023. The shareholder structure is distributed as follows:

<u>Name</u>	<u>No. of shares</u> <u>share</u>	<u>Nominal value</u> <u>USD</u>	<u>Percentage</u> <u>%</u>
Mrs. / Samaa Abd El Gawad Mohamed Ragab	77 436 541	5 420 558	16.46%
Mrs./ Shereen Ahmed Abd El Maksoud Arafa	66 576 321	4 660 342	14.15%
Mr. / Ashraf Ahmed Abd El Maksoud Arafa	55 949 224	3 916 446	11.89%
Mrs. / Malak Alaa Ahmed Arafa	44 341 111	3 103 878	9.4%
Mrs. / Shams Alaa Ahmed Arafa	44 341 111	3 103 878	9.4%
Other shareholders	181 605 692	12 712 398	38.7%
	<u>470 250 000</u>	<u>32 917 500</u>	<u>100%</u>

- The main shareholders for the company are the Arafa family.

23- Reserves

	<u>September 30,2024</u> <u>USD</u>	<u>January 31, 2024</u> <u>USD</u>
Reserves Result from demerge	<u>6 737 403</u>	<u>6 737 403</u>
	<u>6 737 403</u>	<u>6 737 403</u>

Legal reserve

According to the requirements of the companies' laws and the articles of association of the group companies, 5% of the annual net profit of the companies is set aside to form the statutory reserve until it reaches 50% of the issued capital of each company. No distribution is made from this reserve, but it can be used to increase capital or reduce losses.

A reserve resulting from the process of demerge transaction

According to the demerge decision the financial statements were prepared on January 31, 2023 for Al-Arfa for Investments and Consultations have been taken as a basis for the demerge and the balance was settled according to the report of the General Investment Authority as follows:

Setting aside an amount in the reserve account in accordance with the decision of the extraordinary general assembly of the demerging company on November 22, 2023	<u>USD</u> 64 370
Reverse of impairment losses in investments in certain subsidiaries	<u>6 673 033</u>
Reserve resulting from demerge	<u>6 737 403</u>

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Notes to the separate interim financial statements for the financial period ended September 30,2024

24- Tax status

As mentioned in the Company's tax card, the Company and the company's dividends are not subject to tax laws and charges applied in Republic of Egypt (article No. 35 of law No.8 for the period of 1997 which was replaced by Article 41 of Law 72 for the period of 2017).

24-1 Payroll tax

The payroll tax has been inspected from the beginning of the activity until 2022 and the payment has been made. The tax deducted is paid monthly on legal dates.

24-2 Withholding Tax

The company provides the withholding tax to the Central Department of withholding tax under the tax account on the legal dates.

24-3 Stamp tax

The company is obligated to pay tax on advertisements, and there are no taxes due on the company.

24-4 Real estate tax

The company is exempted according to the provisions of the law 72 for the period of 2017.

25- Basic and diluted (losses) per share (USD/share)

25-1 Basic and diluted (losses) per share (USD/share) according to Statement of Profit or Loss

Basic and diluted (losses) per share were calculated according to Egyptian Accounting Standards as follows:

		<u>2024</u>		<u>2023</u>	
		<u>Financial Period from February 1st To September 30, USD</u>	<u>Financial Period from July 1st To September 30, USD</u>	<u>Financial Period from February 1st To October 31, USD</u>	<u>Financial Period from August 1st To October 31, USD</u>
Net (Loss) for the period	USD	(681 105)	(712 930)	(5 039 881)	(1 442 488)
Weighted-average number of paid ordinary shares during the period	(Share)	470 250 000	470 250 000	470 250 000	470 250 000
Basic diluted (losses) per share	(USD/Share)	<u>(0.0014)</u>	<u>(0.0015)</u>	<u>(0.0107)</u>	<u>(0.0031)</u>

25-2 Basic and diluted (losses) per share (USD/share) according to Statement of Comprehensive Income

		<u>2024</u>		<u>2023</u>	
		<u>Financial Period from February 1^s To September 30, USD</u>	<u>Financial Period from July 1st To September 30, USD</u>	<u>Financial Period from February 1st To October 31, USD</u>	<u>Financial Period from August 1st To October 31, USD</u>
Net (Loss) for the period	USD	(2 429 403)	(712 930)	(4 195 032)	(1 172 740)
Weighted-average number of paid ordinary shares during the period	(Share)	470 250 000	470 250 000	470 250 000	470 250 000
Basic diluted (losses) per share	(USD/Share)	<u>(0.005)</u>	<u>(0.001)</u>	<u>(0.0089)</u>	<u>(0.002)</u>

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26- Transactions with related parties

Transactions with related parties represent the company's transactions with company's shareholders and the companies owned by the shareholders whether directly or indirectly and the top management as they have a significant influence and control, the company carries out many transactions with related parties and these transactions have been conducted in accordance with the terms and rules approved by the company's management, The following provides the balances of the most important of these transactions during the period and the resulting balances on the date of the separate interim financial statements:

26-1 Due from related parties

<u>Company's Name</u>	<u>Nature of relationship</u>	<u>Nature of transactions</u>	<u>Value of transactions</u> <u>USD</u>	<u>Balance as of September 30, 2024</u> <u>USD</u>	<u>Balance as of January 31, 2024</u> <u>USD</u>
• Crystal for Making shirts	Subsidiary	Financial Transaction	(22 730)	78 608	101 338
• Euromed For Trade and Marketing	Subsidiary	Financial Transaction Technical Support	(7 835) (16 011)	766	24 612
• Concrete For Ready – Made Garments Company	Subsidiary	Financial Transaction Technical Support	(53 743) (64 044)	108 917	226 704
• Port said for Readymade Garments	Subsidiary	Payments for others	852 603	852 603	--
• G – Tex for investment	Affiliated	Financial Transaction	(122 608)	--	122 608
				<u>1 040 894</u>	<u>475 262</u>
• Expected credit losses				(53 223)	--
				<u>987 671</u>	<u>475 262</u>

- Expected credit losses in the value of related parties

	<u>Balance as of 31/1/2024</u> <u>USD</u>	<u>Formed during the period</u> <u>USD</u>	<u>Balance as of 30/09/2024</u> <u>USD</u>
Expected credit losses in the value of related parties	--	53 223	53 223
	<u>--</u>	<u>53 223</u>	<u>53 223</u>

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26-2 Due to related parties

Company's Name	Nature of relationship	Nature of transactions	Value of transactions USD	Balance as of September 30,2024 USD	Balance as of January 31, 2024 USD
• Swiss For Ready – Made Garments Company	subsidiary	Payments for others	150 298	21 152 057	21 001 759
• Egypt Tailoring For Ready – Made Garments Company	subsidiary	Payments for others	(404 057)	7 159 872	7 563 929
• Savini For Ready – Made Garments Company	subsidiary	Payments for others	(1 322)	2 380 306	2 381 628
• Fashion Industry	subsidiary	Payments for others	2 414	939 441	937 027
• Swiss Cotton Garments Company	subsidiary	Payments for others	250 185	10 873 992	10 623 807
• G – Tex for investment	Affiliated	Payments for others	2 034 170	2 034 170	--
• Concrete international	subsidiary	Payments for others	47 724	47 724	--
				44 587 562	42 508 150

26-3 Top management members

The senior management is represented by the Board of Directors and the main managers of the company, and the salaries and benefits paid to senior management during the financial period amounted:

	2024		2023	
	Financial Period from February 1st to September 30,2024	Financial Period of July 1st To September 30,2024	Financial Period from February 1st To October 31,2023	Financial Period from August 1st To October 31,2023
	USD	USD	USD	USD
Remuneration and allowances of members of the Board of Directors, attendance of committees, salaries and benefits of executive management	114 400	24 000	102 200	13 400
	114 400	24 000	102 200	13 400

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27- Contingent liabilities

The value of the letters of guarantee issued by banks on behalf of the company and some of its subsidiaries in favor of others as at September 30,2024 amounted USD 2 614 475 to the equivalent of USD 9 760 325 as at January 31, 2024 which aren't fully covered.

28- Capital Commitments

The value of capital commitments on September 30,2024 amounted USD 3 690 000 value of investment at Savini For Ready – Made Garments Company and there are USD 3 690 000 commitment for the period ended January 31,2024.

29- Comparative figures

The Extra Ordinary General Assembly Meeting dated June 12, 2024 decided to change the financial year end to be December 31 instead of January 31 from each year. Hence, the figures of statements of profit or loss, other comprehensive income, changes in owner's equity, and the cash flows statement are presented for the period ended in September 30,2024 comparative to the period ended in October 31,2023,therefore,comparative figures may not be comparable.

30- Material accounting policies

The separate interim financial statements have been prepared by following the same accounting policies that are applied continuously when preparing the company's annual separate financial statements.

30-1 Translation of transactions in foreign currencies

The company maintains its accounts in USD. Foreign transactions are translated in the functional currency at the exchange rate prevailing on the transaction dates. On the date of the separate financial statements, assets and liabilities of monetary nature in foreign currencies are translated into USD according to the prevailing exchange rates on that date, and the resulting currency differences are included in the separate profit or loss statement. Assets and liabilities of a non-monetary nature denominated at historical cost in foreign currency are translated using the prevailing exchange rates at the date of the transaction, and the currency differences resulting from transactions during the period and from revaluation at the date of the separate financial statements are included in the separate profit or loss statement.

On an exceptional basis, the Egyptian Cabinet agreed to deal with the exceptional economic decision related to moving the exchange rate by setting an additional option for Paragraph No. (28) of the amended Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates," which requires recognition of currency differences within The statement of profits or losses for the period in which these differences arise so that the standard allows the recognition of debit and credit currency differences on the translation of assets and liabilities of monetary nature in foreign currencies existing at the end of the fiscal period within the items of other comprehensive income in accordance with Paragraph No. (9) of the appendix to the standard amendment, and also Paragraph No. (10) of the amendment made it possible to include the amount of currency differences resulting from the retranslation of monetary items, which were presented in the items of other comprehensive income in accordance with Paragraph No. (9) of this appendix, in the profit or loss carried forward at the end of the financial period for applying the special treatment, which is contained in this appendix.

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30-2 Property, plant and equipment and depreciation

a. Initial recognition and measurement

Items of property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses.

If the substantive components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Profit and losses resulted from disposal of fixed assets are recognized within separate profits or losses statement.

b. Subsequent acquisition costs

The costs subsequent to acquisition are capitalized on the assets only if it is probable that it will generate and increase the future economic benefits of the assets. As all the other expenses are recognized in the separate profits or losses statement as an expense when incurred, maintenance and repair costs are also charged to the profit or loss statement for the fiscal period in which they occurred.

c. Depreciation

Depreciation of fixed assets applicable to be depreciated - which is the cost of an asset deducting its scrap value – is according to the straight-line method and this is over the estimated useful life of each type of fixed asset and the depreciation is charged to the profit or loss statement. Land is not depreciated – if any.

The residual value, useful life, and method of depreciation of assets are reviewed on the date of the financial statements, taking into account that the effect of any changes in those estimates is accounted for on a future basis.

The book value of an item of fixed assets is excluded from the books upon its disposal or in the event that no future economic benefits are expected from its use. The profits or losses resulting from the disposal of an item of fixed assets are included in the separate statement of profits or losses, and are determined on the basis of the difference between the net disposal proceeds and the book value of the item.

The following are the estimated useful lives for each type of fixed assets.

The following are the estimated useful lives.

<u>Fixed assets</u>	<u>Useful life (Period s)</u>
* Buildings	50
* Transport & Transportation Vehicles	5
* Office furniture and equipment	2-16.66
* Leasehold improvements	10

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- d. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the profit or loss under item (other operating revenues/expenses.)

30-3 Lease contracts

1) Determining whether the arrangement contains a lease contract or not

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

Initially or when evaluating any arrangement that contains a contract lease, the Group separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Group concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled, and the finance cost calculated on the obligation is recognized using the Group's additional borrowing rate.

2) Leased assets

Lease contracts for property, plant and equipment that are transferred in a large degree to the Group, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.

Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Group's statement of financial position.

3) Lease payments

Operating leases' payments are recognized in profit or loss on a straight-line basis over the term of the lease. Received lease incentives are recognized as an integral part of the total lease expense, over the lease term.

The minimum lease payments of finance leases are divided between financing expenses and the reduction of unpaid liabilities. Finance charges are charged for each period during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation.

4) Lessor books

When the Group acts as a lessor, it determines at the inception of the lease whether each lease is or not a lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease has been transferred substantially all the risk and reward incidental to ownership of the underlying asset.

If so, the lease is an indirect lease; If not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is in place for the principal part of the economic age of the asset.

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Where the Group is an intermediate lessor, it accounts for its share of the main lease and sublease separately. It assesses the classification of a sublease with reference to the right-of-use asset arising from the main lease, not with reference to the underlying asset. If the lease is a short-term lease for which the Group applies the above exemption, then the sublease is classified as an operating lease. If the arrangement contains lease and non-lease components.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

Financial Lease contracts (sale and lease-back)

If the entity (the lessee) transfers the asset to another entity (the lessor) and re-leases this asset, the entity must determine whether the transfer of the asset is accounted for as a sale of this asset or not.

In the case of transferring the asset is not a sale:

The lessee must continue recognizing the transferred asset and must recognize a financial liability equal to the transfer proceeds.

30-4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the company's independent financial statements using the cost method, so that investments in subsidiaries are recorded at acquisition cost, minus impairment in value. Impairment is estimated for each investment separately and is recorded in the profit or loss statement. Subsidiaries are companies controlled by the company when the investor achieves all of the following:

- Power over the investee.
- Exposure or right to variable returns through its participation in the investee.
- The ability to use its power over the investee to affect the amount of returns it obtains from it.

The Company shall reassess control over the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

30-5 Impairment in the value of non-financial assets

At the end of each fiscal period , or whenever necessary, the company reviews the book values of the company's non-financial assets and intangible assets to determine whether there is an indication of impairment. If this is the case, the company makes an estimate of the recoverable value of the asset.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets - CGUs.

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

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

Impairment losses are recognized in profit or loss. Other assets in the CGU are reduced pro rata based on the carrying amount for each asset in the unit.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, (net of depreciation and amortization), if no impairment loss had been recognized in the previous periods.

Financial Liabilities and Financial Instruments Issued by the Company

Classification of the Instrument as a Liability or Equity

Financial instruments are classified as liabilities or equity based on the company's contractual agreements as of the issuance date of those instruments.

Equity Instruments

Equity instruments represent any agreement that gives the company the right to the net assets of an entity after deducting all its liabilities. Equity instruments issued by the company are recorded at the amount received or the net value of transferred assets, less directly attributable issuance costs.

Financial Liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Other Financial Liabilities

Other financial liabilities include balances of loans, suppliers, amounts due to related parties, and other obligations. Initially, financial liabilities are recognized at fair value (the amount received) minus transaction costs. They are subsequently measured at amortized cost using the effective interest rate, with interest expense allocated to the relevant periods based on the effective yield.

The effective interest rate method is a technique for calculating the amortized cost of financial liabilities and allocating interest expense over the relevant periods.

The effective interest rate is the rate used to discount future cash payments over the estimated life of the financial liabilities or over a shorter, appropriate period.

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30-6 Financial Instruments:

Financial assets

Classification

The company classifies its financial assets into the following measurement categories:

- Those that will subsequently be measured at fair value (either through other comprehensive income or through profit or loss), and
- Those that will be measured at amortized cost.

The classification depends on the company's business model for managing those financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies its investments when and only when its business model for managing those assets changes.

a- Recognition and exclusion

The usual way of buying and selling financial assets, on the trade-off date, which is the date on which the company is committed to buying or selling the financial asset. A financial asset is derecognized when the contractual rights to obtain cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

b- Measurement

On initial recognition, the Company measures the financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are recognized as an expense in the statement of profit or loss. Financial assets that contain embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories by which the company classifies debt instruments:

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- **Amortized cost** : Assets held to maturity to collect contractual cash flows, as those cash flows represent only payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest method. Any profits or losses resulting from the disposal of investments are recognized directly in the statement of profits or losses, and are classified under other income / other expenses. Impairment losses are presented as a separate item in the statement of profit or loss.

- Fair value through other comprehensive income: Assets that are held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the assets' cash flows represent only payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit or loss and recognized in other income/expenses. Any interest income from these financial assets is included in financing income using the effective interest rate method, and impairment expenses are presented as a separate item in the profit or loss statement.

- FVTPL : Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented net under other income/expenses in the period in which they arise.

Equity tools

Subsequently, the Company measures all investments in equity instruments at fair value. And when the company's management chooses to present fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposing of the investment. Dividends from these investments shall continue to be recognized in the profit or loss statement as other income when the company's right to receive such distributions is established.

Changes in the fair value of financial assets at fair value through profits or losses are recognized in the other income / expenses item in the profit or loss statement, as the case may be. Impairment losses (and the reversal of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

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30-7 Impairment

a. Financial asset

1) Non-derivative financial assets

Financial instruments and contract assets

The company recognizes loss allowances for ECLs for:

- Financial assets measured at amortized cost.
- Debt investments measured at FVOCI; and
- Contract assets.

The company measures loss allowances at an amount equal to the ECLs over the life of the financial asset, except for the following, which are measured at an amount equal to ECLs for 12 months:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime of the ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as releasing security (if any is held); or
- The financial asset according to the terms of payment and the nature of each sector for individual customers and considering the study of expected credit losses prepared by the company.

The company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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Measurement of ECLs

It is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or being more than 120 days past due and the restructuring of a loan or advance by the company on terms that the Company would not consider otherwise. It is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset entirety or a portion of it. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is two periods past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets and intangible asset to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any other asset the CGU.

An impairment loss for other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in the previous years.

30-8 Capital

i. Common shares

Incremental costs directly attributable to the issuance of common stock and underwriting options are recognized as a deduction from shareholders' equity.

ii. Repurchase and re-issuance of capital share

When issued capital shares are repurchased, the amount of consideration paid against repurchase, including directly attributable costs, is recognized and it will be classified as treasury bills, presenting the treasury bills as a deduction from total equity.

When the treasury shares are sold or reissued, the amount proceed is recognized as an increase in shareholders' equity and the surplus or deficit resulting from the transaction within the reserves.

iii. Dividends

Dividends are recognized as a liability in the period in which they are declared and approved by the company's general assembly.

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30-9 Provisions

The provision is recognized when the company has a current obligation (legal or constructive) as a result of past events and it is likely that the settlement of that obligation will result in an outflow from the company in the form of resources that include economic benefits. The estimated costs to meet these obligations are likely to occur and it is possible to estimate the value of the obligation in a reliable manner. The value recognized as a provision represents the best available estimate of the consideration required to settle the present obligation at the date of the independent financial statements, if the risks and uncertainties surrounding that obligation are taken into account. When a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount of the provision represents the present value of those flows. If the cash flows are discounted, the book value of the provision increases in each period to reflect the time value of money resulting from the period's lapse. This increase in the provision is recognized within the financing expenses in the separate profit or loss statement.

30-10 Revenue

Revenue from contract with customer

Revenue is recognized at the fair value of the consideration received or due to the company, after excluding any discounts.

Revenue from contracts with customers is recognized by the group based on five steps module as EAS 48:

- **Step 1:** Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.
- **Step 2:** Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.
- **Step 3:** Determine the transaction price: Transaction price is the compensation amount that the Group expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.
- **Step 4:** Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Group will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Group expects to receive in exchange for each performance obligation satisfaction.
- **Step 5:** Revenue recognition when the entity satisfies its performance obligations.

The Group satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met:

- a) Group performance does not arise any asset that has an alternative use of the Group and the Group has an enforceable right to pay for completed performance until the date.
- b) The Group arise or improves a customer-controlled asset when the asset is arise or improved.

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- c) The customer receives and consumes the benefits of Group performance at the same time as soon as the group has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Group satisfies performance obligation.

When the Group satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Group, revenue and costs can be measured reliably, where appropriate.

• **Satisfaction of performance obligation:**

the Group should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Group estimated that, and based on the agreement with customers, the Group does not arise asset has alternative use to the Group and usually has an enforceable right to pay it for completed performance to the date.

- In these circumstances, the Group recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

• **Determine the transaction price:**

- The Group has to determine the price of the transaction in its agreement with customers, using this judgement, the Group estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

• **Control transfer in contracts with customers**

- If the Group determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

Revenue recognition

a) **Services revenue**

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.

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b) Dividends

Dividend income is recognized in the income statement on the date of establishing the company's right to receive the dividends of the investee companies is established and is recognized after the date of acquisition.

c) Gain on sale of investments.

Gain on sale of financial investments is recognized when ownership transfers to the buyer, based on the difference between the sale price and its carrying amount at the date of the sale.

d) Rental income

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

e) Management fees and technical support services

Management fees and technical support services are recognized over a period of time according to contracts concluded with subsidiaries and sister companies according to the accrual principle in the separate profit or loss statement, to the extent that the company is considered to have performed the services in accordance to the contracts. Revenue, total flow of economic benefit entering the company, and the rate of completion of transactions can be measured accurately.

f) Interest income

Credit interest is recognized in the separate profit or loss statement based on the accrual basis on a time proportion basis, taking into consideration principle amount outstanding and the effective interest rate applied for the period until the maturity date.

30-11 Expenses

i. Cost of borrowing

Loans are recognized first at fair value less the cost of obtaining loans and later at amortized cost. The separate profit or loss statement is charged with the difference between the proceeds less the cost of obtaining the loan and the value that will be met over the loan period using the effective interest rate method. Loans are classified as short-term unless the company has unconditional rights to postpone the settlement of obligations at least 12 months after the date of the independent financial statements. Borrowing costs include currency differences arising from foreign currency borrowing to the extent that these differences are an adjustment to the interest cost. Those profits or losses that are considered an adjustment to interest cost include interest rate differences between the cost of borrowing in the functional currency and borrowing in the foreign currency.

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A specific borrowing may be invested temporarily until it is spent on assets eligible for capitalization. In such a case, the income earned from the temporary investment of that borrowing is deducted from the borrowing costs within the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the separate statement of profit or loss in the period in which they are invested. incurred therein.

Social insurance contribution and Pension Plan

The company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employer contribute into the system on a fixed percentage of salaries basis. The company's liability is confined to the amount of its contribution. Contributions are charged to the income statement according to the accrual basis.

30-12 Basic earnings per share

Earnings per share is calculated by dividing the profit or loss relating to shareholders by their common shares in the company by the weighted average to the number of shares outstanding during the period.

30-13 Legal reserve

In accordance with the requirements of companies' law and the company's bylaws, 5% of the net profit is set aside to form a legal reserve not available for distribution of individuals. The transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital, if the reserve falls below the defined percentage, then the company is required to continue setting aside more reserves.

30-14 Employees' share in profit

According to its bylaws the company pays a minimum percentage of 10% from cash dividends as employees share in profit on condition not to exceed total annual employee's salaries. Employees' share in profit is recognized as dividends within changes in equity statement and as a liability during the financial period whereas the company's shareholders approved these dividends. Since the distributions of profits is an inherent right of the company's shareholders, the obligation towards the employees is not recognized in the profits whose distribution is announced until the date of the independent financial statements.

30-15 Statement of cash flows

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

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31- Currency differences charged to the statement of comprehensive income

On December 27, 2022, Prime Minister Decision No. 1568 of 2022 was issued to amend some provisions of the Egyptian Accounting Standards, represented in the issuance of Appendix C to Egyptian Accounting Standard No. (13), amended in 2015, "The Effects of Changes in Foreign Currency Exchange Rates," which deals with the special accounting treatment to deal with the effects of foreign exchange rates floatation. This special optional accounting treatment issued in this appendix is not considered an amendment to the amended Egyptian Accounting Standards currently in force, beyond the time period for the validity of this appendix, and these treatments are as follows:

- 1- An entity that, prior to the date of the abnormal exchange rate movements, may acquire fixed assets and/or real estate investments and/or exploration and evaluation assets and/or intangible assets (other than goodwill) and/or usufruct assets on lease contracts, funded by existing obligations on that date in foreign currencies, to recognize within the cost of those assets the currency differences resulting from retranslating the balance of the outstanding liability related to them on the date of moving the exchange rate using the exchange rate on the date of moving the exchange rate. The facility can apply this option for each asset separately.
- 2- As an exception to the requirements of Paragraph No. 28 of the amended Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Currency Exchange Rates" regarding the recognition of currency differences, an enterprise whose business results were affected by net profits or losses of currency differences as a result of moving the currency exchange rate may recognize within the items of other comprehensive income the debit and credit currency differences resulting from the retranslation of the existing balances of monetary items at the end of the fiscal period using the closing rate on the same date, minus any currency translation differences that were recognized within the cost of assets in accordance with the previous paragraph. Considering that these differences were mainly caused by the decision of the unusual foreign exchange rate movements.

The company's management decided to apply accounting treatment No. (2), as the currency differences charged to the statement of comprehensive income losses amounted to USD 1 748 298 on September 30, 2024 compared with 844 849 USD on October 31, 2023 – Note No (21-1-c).

32- Comparative figures

Some comparative figures have been reclassified to conform to the current period presentation.

	Before reclassification February 1st 2024 <u>USD</u>	Reclassification during the period <u>USD</u>	After reclassification February 1st 2024 <u>USD</u>
Creditors and other credit balances	587 282	256 036	843 318
provision	256 036	(256 036)	--

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33- New Editions and Amendments to Egyptian Accounting Standards

On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts".</p>	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property". 	<p>The Company is currently assessing the impact of applying this new standard on its separate financial statements. The Company doesn't have this type of contracts. Accordingly, this change doesn't have an impact on the financial statement of the Company.</p>	<p>Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.</p>

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (34) amended 2024 "Investment property "	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024. It modified the application method for the fair value model by requiring the recognition of profit or loss resulting from changes in the fair value of investment property to be included in the profit or loss statement for the period in which the change occurs or, alternatively, through other comprehensive income only once in the asset's or investment's lifetime, while considering paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendment regarding the addition of the option to use the fair value model applies to financial periods starting on or after January 1, 2024. Early adoption is allowed with retroactive effect. The cumulative effect of applying the fair value model should be initially recognized by adding it to the retained earnings balance at the beginning of the financial period in which the company first applies this model.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in associates Companies" when accounting for investments in subsidiaries, associates companies and jointly controlled companies	this change doesn't have an impact on the financial statement of the Company.	The amendments shall apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	<ul style="list-style-type: none"> - This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. - An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability. 	<p>The Company is currently assessing the impact of applying the amendments of this standard on its financial statements.</p>	<p>Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after January 1, 2024 with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should:</p> <ul style="list-style-type: none"> • When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application. • When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	<p>Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".</p>	<p>The management is currently studying the financial implications of applying the accounting interpretation to the Company's consolidated financial statements.</p>	<p>The application starts on or after the first of January 2025, early adaptation is allowed.</p>

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On October 23, 2024, the Prime Minister issued Decision No. 3527 of 2024, which introduces and adds the new Egyptian Accounting Standard No. (51) titled "Financial Statements in Hyperinflationary Economies."

The following is a summary of the most important of those amendments:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
<p>The new Egyptian Accounting Standard No. (51) "Financial statements in Hyperinflationary Economies. 11</p>	<p>The impact on the financial statements has not yet been determined until the application date is specified.</p>	<p>This standard must be applied to financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary.</p>	<p>A decision will be issued by the Prime Minister or an authorized representative to specify the start and end dates for the financial period(s) during which this standard must be applied when the functional currency is the local currency, taking into account the following:</p> <p>(a) This standard must be applied to the financial statements of the entity starting from the beginning of the financial period in which the economy is classified as hyperinflationary. Comparative figures presented in the financial statements must be adjusted in accordance with the requirements of this standard.</p>

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
		<p>This standard applies to financial statements, including independent and individual financial statements for any entity whose functional currency is in an economy classified as hyperinflationary. It also applies to any group that has foreign operations, including branches, subsidiaries, sister companies, joint ventures, or others in an economy classified as hyperinflationary. This standard requires the adjustment of financial statements prepared in the currency of a hyperinflationary economy, aiming to provide useful information about the financial position of the entity, its performance, and changes in its financial position for a wide range of users to make economic decisions based on a fair presentation of the financial statements.</p>	<p>(b) As an exception to the requirements of paragraph 39 of Egyptian Accounting Standard No. 1, personal estimates may be used when applying this standard for accounting for foreign operations, such as branches, subsidiaries, sister companies, or joint ventures, to determine whether the economy is hyperinflationary.</p> <p>(c) This standard must be applied to all entities whose functional currency is the currency in which the economy has been classified as hyperinflationary.</p> <p>The impact on financial statements has not yet been determined until the application date is specified. This standard must be applied to the financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary.</p>

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34- Non-cash transactions

For the purpose of preparing the separate statement of cash flows, the following have been excluded from the values of assets and liabilities that don't represent a change in cash as follows a statement of the non-cash transactions referred to above:

	Note	<u>30/9/2024</u>	<u>31/10/2023</u>
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Credit facilities	(19)	1 250 000	--
Loans	(18)	(1 250 000)	--