ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial period ended September 30, 2023

Together With Limited Review Report

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Translation from Arabic

Limited Review Report

To The Members of Boards of Directors Of
ORIENTAL WEAVERS COMPANY FOR CARPETS

Introductory

We have reviewed the accompanying separate financial position of Oriental Weavers Company for Carpets "S.A.E" at September 30, 2023 and the separate statement of income, separate statement of comprehensive income, separate statement of changes in equity and separate cash flow statement for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. These separate financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these separate financial statements based on our review.

Scope of limited review

We conducted our review in accordance with the Egyptian Standard on Review Engagements (2410). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the separate financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view for the separate financial position of the Company as of September 30, 2023 and of its financial performance and its cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Cairo: November 14, 2023

Auditor

Tarek Salah
B.T. Mohamed Hilal & Wahid Abdel Ghaffar.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of financial position as of September 30, 2023

(All amounts are in Egyptian Pounds)

	Note №	30/9/2023	31/12/2022
Non current assets			
Fixed assets	(5)	971 150 285	1 036 910 007
Projects in progress	(8)	120 432 407	48 951 121
Right of use assets	(9)	321 656 060	269 232 310
Investments in subsidiaries	(6)	1 348 416 085	1 348 416 085
Investments at fair value through other comprehensive income	(7)	30 353 894	19 382 102
Total non current assets		**2 792 008 731**	**2 722 891 625**
Current assets			
Inventory	(10)	1 472 527 531	1 109 673 967
Trades and notes receivable	(11)	1 287 561 955	1 078 076 328
Debtors and other debit accounts	(12)	344 872 777	230 928 451
Treasury bills	(13)	1 241 369 812	1 017 579 727
Cash at banks and on hand	(14)	392 897 482	395 964 650
		4 739 229 557	**3 832 223 123**
Non-current assets held for sale	(16)	--	1
Total current assets		**4 739 229 557**	**3 832 223 124**
Total assets		**7 531 238 288**	**6 555 114 749**
Equity			
Issued and paid up capital	(17)	665 107 268	665 107 268
Reserves	(18)	1 132 337 692	1 117 584 059
Retained earnings		1 283 864 893	315 986 594
Net profit for the period/year		1 046 170 146	1 461 193 154
Total equity		**4 127 479 999**	**3 559 871 075**
Non current liabilities			
Long term loans	(19)	118 642 814	154 213 085
lease contracts liabilities	(20)	274 348 184	229 928 367
Deferred tax liabilities	(21)	88 920 692	88 266 508
Total non current liabilities		**481 911 690**	**472 407 960**
Current liabilities			
Provisions	(22)	94 757 517	90 237 823
Banks-Credit accounts	(23)	326 856 822	556 365 070
Lease contracts liabilities - current portion	(20)	90 538 915	71 663 800
Trades and notes payable	(24)	1 980 142 484	1 346 136 119
Long term liabilities - current portion	(19)	107 370 384	111 118 837
Dividends payable		11 177 683	5 878 555
Creditors and other credit accounts	(25)	247 448 220	233 869 495
Tax payable		63 554 574	107 566 015
Total current liabilities		**2 921 846 599**	**2 522 835 714**
Total liabilities		**3 403 758 289**	**2 995 243 674**
Total equity and liabilities		**7 531 238 288**	**6 555 114 749**

The accompanying notes from №.(1) to №. (36) form an integral part of these separate financial statements.
Limited Review Report attached.

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of income for the financial period ended September 30, 2023

(All amounts are in Egyptian Pounds)

	Note №	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Net sales	(26)	5 122 716 935	4 056 794 526	1 674 338 202	1 319 278 696
Less:					
Cost of sales		4 637 930 544	3 554 517 084	1 493 018 656	1 172 106 349
Gross profit		**484 786 391**	**502 277 442**	**181 319 546**	**147 172 347**
Add / (less):					
Financial investments income	(27)	942 339 387	912 535 904	346 645 629	247 724 266
Gain from the sale of assets held for sale	(16)	34 761 620	--	--	--
Reverse of impairment of assets held for sale		25 067 999	--	--	--
Capital gain		2 502 823	2 330 548	2 502 823	--
Other revenues		26 537 060	39 363 857	26 537 060	4 434 271
Treasury bills returns		114 224 441	30 239 460	34 787 054	8 437 135
Interest income		29 225 996	17 477 308	15 679 426	6 869 754
Distribution expenses		(102 918 158)	(89 314 857)	(38 755 499)	(32 353 012)
General and administrative expenses	(28)	(158 178 880)	(120 811 144)	(53 848 428)	(37 499 169)
Expected credit loss	(15)	(35 743 703)	(1 080 168)	(21 122 862)	70 344
Formed provisions and impairment		(10 500 000)	--	(4 100 000)	--
Finance expenses	(29)	(62 466 229)	(65 756 154)	(21 200 303)	(22 747 970)
Foreign exchange differences		(148 434 680)	(101 171 542)	4 037 708	1 004 935
Net profit for the period before income tax		**1 141 204 067**	**1 126 090 654**	**472 482 154**	**323 112 901**
(Less)\ Add:					
Current income tax	(30)	(96 848 390)	(76 145 549)	(45 581 173)	(20 416 715)
Deferred tax	(21)	1 814 469	(498 070)	920 370	(1 268 958)
Income tax for the period		**(95 033 921)**	**(76 643 619)**	**(44 660 803)**	**(21 685 673)**
Net profit for the period after income tax		**1 046 170 146**	**1 049 447 035**	**427 821 351**	**301 427 228**
Basic earnings per share	(31)	**1.57**	**1.58**	**0.64**	**0.45**

The accompanying notes from №.(1) to №. (36) form an integral part of these separate financial statements.

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of comprehensive income for the financial period ended September 30, 2023

(All amounts are in Egyptian Pounds)

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Net profit for the period	**1 046 170 146**	**1 049 447 035**	**427 821 351**	**301 427 228**
Other comprehensive income				
Changes in fair value of investments at FVTOCI	10 971 792	--	--	--
Deferred tax related to other comprehensive income items	(2 468 653)	--	--	--
Total other comprehensive income after tax	**8 503 139**	**--**	**--**	**--**
Total comprehensive income for the period	**1 054 673 285**	**1 049 447 035**	**427 821 351**	**301 427 228**

The accompanying notes from №.(1) to №. (36) form an integral part of these separate financial statements.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of changes in equity for the financial Period ended September 30, 2023

(All amounts are in Egyptian Pounds)

	Issued and paid up capital	Reserves	Retained earnings	Net profit	Total equity
Balance at 1/1/2022	**665 107 268**	**1 099 185 826**	**201 491 786**	**865 076 860**	**2 830 861 740**
Transferred to capital reserve	--	13 274 782	--	(13 274 782)	--
Dividends	--	--	--	(737 307 270)	**(737 307 270)**
Transferred to retained earning	--	--	114 494 808	(114 494 808)	--
Total Comprehensive income for the period	--	--	--	1 049 447 035	**1 049 447 035**
Balance at 30/9/2022	**665 107 268**	**1 112 460 608**	**315 986 594**	**1 049 447 035**	**3 143 001 505**
Balance at 1/1/2023	**665 107 268**	**1 117 584 059**	**315 986 594**	**1 461 193 154**	**3 559 871 075**
Transferred to capital reserve	--	6 250 494	--	(6 250 494)	--
Dividends	--	--	--	(487 064 361)	**(487 064 361)**
Transferred to retained earning	--	--	967 878 299	(967 878 299)	--
Total Comprehensive income for the period	--	8 503 139	--	1 046 170 146	**1 054 673 285**
Balance at 30/9/2023	**665 107 268**	**1 132 337 692**	**1 283 864 893**	**1 046 170 146**	**4 127 479 999**

The accompanying notes from №.(1) to №. (36) form an integral part of these separate financial statements.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of cash flow for the financial period endedSeptember 30, 2023

(All amounts are in Egyptian Pounds)

	Note №	30/9/2023	30/9/2022
Cash flows from operating activities			
Net profit for the period before income tax		1 141 204 067	1 126 090 654
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		88 003 099	65 268 136
Depreciation of right of use assets		48 954 473	41 685 128
Expected credit loss		35 743 703	1 080 168
Finance expenses		62 466 229	65 756 154
Interest income		(29 225 996)	(17 477 308)
Formed provisions and impairment		10 500 000	--
Financial investments revenues		(942 339 387)	(912 535 904)
Treasury bills returns		(114 224 441)	(2 330 548)
Capital (gain)		(2 502 823)	--
Reverse of impairment of assets held for sale		(25 067 999)	--
Gain from the sale of assets held for sale		(34 761 620)	--
Operating profits before changes in working capital		**238 749 305**	**367 536 480**
Change in :			
Inventory		(362 853 564)	(471 194 932)
Trades and notes receivable		(240 608 609)	(188 910 399)
Debtors and other debit accounts		(167 318 378)	(75 840 885)
Trades and notes payable		634 006 365	367 366 917
Creditors and other credit accounts		7 598 421	43 635 160
Cash flows provided by operating activities		**109 573 540**	**42 592 341**
Finance expenses paid		(62 466 229)	(65 756 154)
Proceeds from interest income		29 225 996	17 477 308
Income tax paid		(87 691 338)	(44 958 358)
Net cash flows (used in) operating activities		**(11 358 031)**	**(50 644 863)**
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(94 010 731)	(91 066 718)
(Payments) to treasury bills due more than three months		(1 844 722 870)	(720 812 677)
Proceeds from sale of fixed assets		2 788 891	3 590 547
Proceeds from treasury bills due more than three months		2 979 067 446	883 845 737
Proceeds from sale of assets held for the sale		59 829 619	--
Proceeds from investments income		942 339 387	891 985 149
Net cash flows provided by investing activities		**2 045 291 742**	**967 542 038**
Cash flows from financing activities			
(Payment) to banks-credit accounts		(229 508 248)	49 607 154
Lease contracts liabilities paid		(38 083 291)	(30 661 588)
(Payment) Proceeds from long term loans		(39 318 724)	41 962 508
Dividends paid		(481 765 233)	(730 662 556)
Net cash flows (used in) financing activities		**(788 675 496)**	**(669 754 482)**
Net change in cash and cash equivalents during the period		**1 245 258 215**	**247 142 693**
Cash and cash equivalents at the beginning of the period		396 103 831	124 631 030
Cash and cash equivalents at end of the period represents in:	(14)	**1 641 362 046**	**371 773 723**
Cash and cash equivalents	(14)	394 083 800	371 773 723
Treasury bills	(13)	1 247 278 246	529 715 595
Treasury bills due more than three months		--	(529 715 595)
Cash and cash equivalents		**1 641 362 046**	**371 773 723**

The accompanying notes from №.(1) to №. (36) form an integral part of these separate financial statements.

1 - BACKGROUND INFORMATION

1-1 Oriental Weavers Carpets Company was established in November 16, 1981 as a Limited Liability Company according to Law No. 43 of 1974 which was replaced by Law No.32 of 1977. On November 2, 1991 the Legal status of the company was changed to be an Egyptian Joint Stock Company (S.A.E) under Law No. 230 of 1989 and Law No. 95 of 1992.

1-2 **Commercial Register**

Commercial Register No 44139 dated November 16, 1981.

1-3 **Company's objective**

- Production of machine – made carpets and semi hand-woven carpets (Hand-Tuft), marketing and selling them domestically, export and import the machinery and equipment and raw materials necessary for the production.
- Toll manufacturing for other parties and at other parties.
- Supplying, installing and maintaining of all types of woven carpets and carpets, and purchasing, importing and supplying all installation and maintenance supplies.
- Importing all types of carpets, woven and non-woven semi-finished materials from the country or abroad, complete their production, processing, and then re-market and sell them domestically and aboard.
- Manufacturing, selling and exporting all kinds of natural and industrial raw materials which are necessary for the manufacturing of carpets, whether in the form of yarn or in the form of materials needed to produce the yarn, as well as importing all the necessary needs to achieve this purpose.
- Importing all machine-made and hand-made rugs and the accessories complementary to its product mix from Egypt or from outside the country for the purpose of marketing and selling them domestically.

1-4 Company Life time is 25 years start from November 15, 2006 to November 14, 2031.

1-5 The Company is listed in Egyptian exchange.

1-6 **Company's Headquarter**

The Company located at Tenth of Ramadan city – Industrial zone – Sharkia.

1-7 The Financial Statements are approved for issue by the Board of Directors on November 14, 2023.

2 - BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

2-1 Statement of compliance

- The Separate financial statements have been prepared in accordance with Egyptian Accounting Standards and in the light of Egyptian laws and regulations.
- The Egyptian Accounting Standards requires refer to the International Financial Reporting Standards when no Egyptian accounting standard or legal requirements illustrate how to treat specific balances or transaction.

2-2 Basis of measurement

- The Separate financial statements have been prepared using historical cost, modified by the results of revaluation differences of financial assets and liabilities at fair value through profit and loss as shown in the accounting policies mentioned below.

2- 3 New Editions and Amendments to Egyptian Accounting Standards:

- On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: 2- Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Leasing Contracts"	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time**.
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes"	Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the fair value model are effective for financial periods starting **on or after January 1, 2023 retrospectively,** cumulative impact of the preliminary applying of the fair value model shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.**

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	- Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts"		
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. 2- The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	These amendments are effective for annual financial periods starting **on or after January 1, 2023 retrospectively**, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**
Egyptian Accounting Standard No. (50)	1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their	Management is currently evaluating the potential impact on the financial	Egyptian Accounting Standard No. (50) is effective for annual financial periods

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
"Insurance Contracts".	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 the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- 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: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property".	statements from the application of the standard.	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.

3 - USE OF JUDGMENTS AND ESTIMATES

- The preparation of Separate financial statements according to the Egyptian Accounting Standard requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates. The note no. (4) From the notes of the financial statements indicates the items and the elements that have significant accounting estimates.

- Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to 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 periods if the revision affects both current and future periods.

3-1 Fair Value Measurement

- The fair value of the financial instruments is determined based on the quoted price for the financial instrument or similar instruments at the financial statement date. The financial assets value is determined based on current purchase price for these assets; while the financial liabilities value is determined based on current prices for which these liabilities settled.
- In the absence of an active market, the fair value is determined using various valuation techniques taking into consideration the transactions recent prices, current fair value for the other similar instruments substantially, discounted cash flows or any other valuation technique which resulting in reliable values.
- When using the discounted cash flow method as a valuation technique, the future cash flows are estimated based on management's best estimates. The discount rate used is determined in the light of the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

4 - SIGNIFICANT ACCOUNTING POLICIES

4-1 Foreign currency Translation

a- Presentation and Transaction Currency

The Financial Statements are presented in Egyptian pound which represents the company presentation and transaction currency.

b- Transaction and Balances

Transactions denominated in foreign currencies are recorded at the prevailing exchange rates at the date of the transaction. At Separate financial position date monetary assets and liabilities denominated in foreign currencies are revaluated at the exchange rates declared by the company's bank and its subsidiaries' bank at that date.

Assets and liabilities items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Non-monetary items that are measured at historical cost in a foreign currency shall be translated using the exchange rates at the date of transaction.

Generally, the exchange differences are recorded in the Separate income statement for the period.

4-2 Fixed Assets and Depreciation

a- Recognition and Initial Measurement

Fixed assets are recognized initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses-if exist.

b- Subsequent Cost

The Company recognizes the carrying amount of Parts of some Items of Fixed assets may require replacement, the cost of replacing part of such an item is recognized when criteria are met and after de-recognition the carrying amount of those parts that are replaced and when replacement have probable future economic benefits and can be measured reliable, any other costs are recognize at income statement.

c- Depreciation

Depreciable value is determined based on fixed asset cost less its residual value. Residual value is representing the net value resulting from dispose-off the asset, if the asset were in its condition after its useful life.

Depreciation of assets is charged in the income statement on a straight-line basis over the estimated useful lives of each part of fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Description	Estimated useful life (Year)
Buildings & Constructions	25-50
Machinery & Equipment	10
Vehicles	5-8
Tools & Supplies	5
Show-room Fixture	3
Furniture & office equipment	5-10
Computers & programs	3

Useful lives, depreciation method and residual value of assets are reviewed annually, and amendments are applied if there is a significant change in the earning of the economic benefits generated from these assets.

4-3 Projects in Progress

Projects in progress are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use.

Projects in progress are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

4-4 Investments in subsidiaries

Subsidiaries are companies that the company has the control over it, the control is achieved if the company has all the following:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiaries is accounted using the cost method where the investment in subsidiaries is recognized at acquisition cost less impairment losses. Impairment is determined for each investment separately and is recognized in the income statement.

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, if no impairment loss had been recognized.

4-5 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

4-6 Financial instruments

4-6-1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI debt investment; FVOCI — equity 'investment; or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument- by- instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4-6-2 Financial assets — Business model assessment

- The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated — e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
- Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4-6-3 Financial assets — Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
Contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable- rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).
- A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

  Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

4-6-4 Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets ate subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

4-6-5 Financial liabilities — Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4-6-6 Derecognition

Financial assets

The Company derecognized a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non- cash assets transferred or liabilities assumed) is recognized in profit or loss.

4-6-7 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4-7 Inventory

Inventory is valued at the end of the year at which is lower of cost or net realizable value according to the following basis:

- Raw materials, Spare parts, packaging materials, are determined using the moving average method.
- Cost of work in process is determined at industrial cost which include materials used in its production and direct wages in addition to its related direct and indirect industrial expenses up to the production stage that have been reached.
- Cost of finished products at which is lower of cost or net realizable value includes all the direct and indirect industrial expenses.

4-8 Leases

The Egyptian Standard "Lease Contracts" No. (49) sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

An entity shall determine the lease term as the non-cancellable period of a lease, together with both:

periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non -lease components and account for the lease and non -lease components as a single lease component .

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received .

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right- of- use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability .

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate .

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased .

Lease payments included in the measurement of the lease liability comprise the following :

Fixed payments, including in - substance fixed payments ;

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date ;

Amounts expected to be payable under a residual value guarantee ;
and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early .

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment .

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right- of- use asset or is recorded in profit or loss if the carrying amount of the right- of- use asset has been reduced to zero.

The Company presents right- of- use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

4-9 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset shall be capitalized. Capitalization of interest and commission should be ceased when the assets are substantially ready for intended use.

Other borrowing costs shall recognize as an expense in the period in which it incurs them in the finance expenses account using the effective interest rate method.

Capitalization of borrowing costs should be suspended during extended periods in which it suspends active development of a qualifying asset. Capitalization of borrowing costs should be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4-10 Debtors and other debit accounts

Debtors and other debit accounts are stated at amortization cost using the effective interest rate less impairment loss of any amounts expected to be uncollected, and are classified as current assets. Amounts that are expected to be collected after more than one year are classified as non-current assets.

4-11 Treasury Bills

Treasury Bills are recorded at face value, where the unearned revenue is recorded in the liabilities, accordingly the net treasury bills presented after deducting the unearned revenue.

4-12 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that an out flow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated, and if there is a significant effect of the monetary time value, the provisions are determined after deduction of future cash flow that are related to the obligation of payment by using the relevant deduction rate to take this effect into consideration. Provisions are reviewed at the financial position date and amended when necessary to reflect the best current estimate.

4-13 Revenue from contract with customers

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for such transfer .

The company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS (15) and is given below :

Step 1 - Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met ;

Step 2 - Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer ;

Step 3 - Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties ;

Step 4 - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation ;

Step 5 - Recognize revenue when (or as) the entity satisfies a performance obligation .

The company satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

The customer simultaneously receives and consumes the benefits provided by the entity's performance once the company has performed.

Company performance creates or improves a customer-controlled asset at the same time as the asset is being constructed or improved.

The performance of the company does not create an asset with an alternative use for the company, and that the company has an enforceable right to payment for performance completed to date.

For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied .

If the company fulfils the performance obligation by providing the services that have been promised, this creates an asset based on a contract in exchange for consideration gained from performance. In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, a contract obligation may arise.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees. The company reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent .

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that revenue and costs, where applicable, can be measured reliably.

4-14 Dividends and interest income

- Income from investments is recognized when the cash distribution declared by the Investee Company and received.
- Interest income is recognized in the income statement using the effective interest method. The effective interest method is used for discounting the expected future cash flows and allocating the related interest income over the maturity period. The effective interest is calculated taking in consideration the contractual arrangements.

4-18 Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except for the extent that it relates to items outside profit or loss which is recorded whether in other comprehensive income or recorded directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the Separate financial position date, and any adjustment to tax payable in respect of previous year.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amount used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Separate financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against extent that it is no longer probable that the related tax benefit will realize.

4-19 Employees' pension

A- Social Insurance and pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law no. 79 of 1975 and its modifications. Limited Contributions are charged to income statement using the accrual basis of accounting.

B- Employees' profit share

The Company contributes an employees' profit share of 10% from net profit for the year after deducting the legal reserve and the accumulated losses, if any, not to exceed the total salaries for the year and the employees' profit share is recognized as liabilities when it is approved by the general assembly.

4-20 Contingent liabilities and commitments

Contingent liabilities and commitments shown out of the financial position as it is not represented actual assets or liabilities at the financial position date.

4-21 Related parties' transactions

Transactions with Related parties that are undertaken by the Company in the course of its ordinary transactions are recorded according to the conditions laid down by the company's management on the same bases of dealing with third party.

4-22 Cash flow statement

Separate Cash flow statement is prepared using the indirect method.

For purpose of preparing the Separate statement of cash flows, Cash and cash equivalents include cash, time deposits for a period not more than three months and treasury bills for a period not more than three months.

4-23 Comparative Figures

Comparative figures are reclassified whenever necessary to confirm with the current classification in the current period.

(All amounts in Egyptian Pounds unless otherwise stated)

5- Fixed assets

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
Cost as of 31/12/2021	137 538 790	431 004 830	681 799 321	28 576 101	35 453 543	113 921 549	53 891 156	49 364 597	1 531 549 887
Additions	--	1 179 463	66 833 362	2 337 212	5 890 652	22 756 322	5 643 274	2 485 799	107 126 084
Currency exchange differences	--	--	81 707 955	--	--	--	--	--	81 707 955
Disposals	--	(2 510 526)	--	(124 625)	--	(5 524 122)	--	--	(8 159 273)
Cost as of 31/12/2022	137 538 790	429 673 767	830 340 638	30 788 688	41 344 195	131 153 749	59 534 430	51 850 396	1 712 224 653
Additions	--	--	264 080	--	4 547 944	13 234 356	2 183 408	2 299 657	22 529 445
Currency exchange differences*	--	(450 817)	--	--	--	--	--	--	(450 817)
Cost as of 30/9/2023	137 538 790	429 222 950	830 604 718	30 788 688	45 892 139	144 388 105	61 717 838	54 150 053	1 734 303 281
Accumulated depreciation and impairment as of 31/12/2021	--	136 714 397	246 458 675	25 243 159	25 577 667	90 658 998	35 896 472	31 940 024	592 489 392
Depreciation of year	--	15 142 874	46 262 597	936 549	3 726 879	14 961 417	3 253 047	4 235 510	88 518 873
Disposals of accumulated depreciation	--	(667 943)	--	(124 625)	--	(4 901 051)	--	--	(5 693 619)
Accumulated depreciation and impairment as of 31/12/2022	--	151 189 328	292 721 272	26 055 083	29 304 546	100 719 364	39 149 519	36 175 534	675 314 646
Depreciation of period	--	11 450 903	54 512 333	788 646	3 266 835	10 387 226	2 397 148	5 200 008	88 003 099
Disposals of accumulated depreciation		(164 749)	--	--	--	--	--	--	(164 749)
Accumulated depreciation and impairment as of 30/9/2023	--	162 475 482	347 233 605	26 843 729	32 571 381	111 106 590	41 546 667	41 375 542	763 152 996
Net book value as of 30/9/2023	137 538 790	266 747 468	483 371 113	3 944 959	13 320 758	33 281 515	20 171 171	12 774 511	971 150 285
Net book value as of 31/12/2022	137 538 790	278 484 439	537 619 366	4 733 605	12 039 649	30 434 385	20 384 911	15 674 862	1 036 910 007

6- Investments in subsidiaries

	Country of Origin	Ownership %	Acquisition Cost	Accumulated Impairment	30/9/2023	31/12/2022
Oriental Weavers - USA *	USA	82.68	127 127 706	(4 305 383)	122 822 323	122 822 323
Oriental Weavers International	Egypt	99.01	728 049 443	(51 258 912)	676 790 531	676 790 531
Oriental Weavers Textile	Egypt	37.13	39 605 000	--	39 605 000	39 605 000
Egyptian Fibers Co. EFCO	Egypt	67.87	109 175 358	—	109 175 358	109 175 358
Mac Carpet Mills	Egypt	58.29	750 697 752	(350 674 879)	400 022 873	400 022 873
			1 754 655 259	**(406 239 174)**	**1 348 416 085**	**1 348 416 085**

* In addition to the direct investment in Oriental Weavers Textile the company has owned also 34.31% indirectly through some of its subsidiaries.

7- Investments at fair value through other comprehensive income

	30/9/2023	31/12/2022
Alahli Bank of Kuwait- Egypt	30 353 890	19 382 098
Trading for Development Export	1	1
Egyptian for Trade and Marketing	1	1
10th of Ramadan for Spinning Industries (under liquidation)	1	1
Modern Spinning Company (under liquidation)	1	1
	30 353 894	**19 382 102**

8- PROJECTS IN PROGRESS

	30/9/2023	31/12/2022
Machinery & Equipment under installation	16 268 491	116 043
Buildings under Construction	83 924 119	43 142 636
Advance payment for purchasing of Fixed assets	20 239 797	5 692 442
	120 432 407	**48 951 121**

9- RIGHT USE OF ASSETS

	Showroom rent	Total
Cost at 1/1/2023	372 047 121	372 047 121
Additions	101 378 223	101 378 223
Disposals	(5 627 179)	(5 627 179)
Cost at 30/9/2023	**467 798 165**	**467 798 165**
Accumulated depreciation at 1/1/2023	**102 814 811**	**102 814 811**
Depreciation of period	48 954 473	48 954 473
Disposals of accumulated depreciation	(5 627 179)	(5 627 179)
Accumulated depreciation at 30/9/2023	**146 142 105**	**146 142 105**
Net book value at 30/9/2023	**321 656 060**	**321 656 060**
Net book value at 31/12/2022	**269 232 310**	**269 232 310**

10- INVENTORY

	30/9/2023	31/12/2022
Raw materials	371 401 886	340 370 628
Spare parts & materials	61 710 300	42 094 113
Work in process	35 240 722	27 969 015
Finished products	970 609 477	686 483 165
Letter of credit for purchasing of raw materials	33 565 146	12 757 046
	1 472 527 531	**1 109 673 967**

11- TRADES & NOTES RECEIVABLE

	30/9/2023	31/12/2022
Trades receivables – Export	650 170 985	513 356 221
Trades receivables - Local	267 475 970	266 822 403
	917 646 955	**780 178 624**
Notes receivables	415 029 720	311 889 442
	1 332 676 675	**1 092 068 066**
(Less): Expected credit loss – Note No (15)	(45 114 720)	(13 991 738)
	1 287 561 955	**1 078 076 328**

Trades & Notes Receivable include amount of 322 454 080 due from related parties at September 30, 2023 results from sales of carpets

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	30/9/2023	31/12/2022
Letter of guarantee & letter of credit – cash margin	200 000	706 985
Tax authority – withholding	49 731 321	53 168 494
Tax authority – VAT	256 784 265	141 473 130
Petty cash & advance to employees	4 917 918	5 953 321
Suppliers – advance payment	238 828	1 767 688
Prepaid expenses	19 494 651	16 094 718
Deposits with others	6 491 929	4 499 504
Other debit accounts	7 358 751	7 403 939
	345 217 663	**231 067 779**
(Less): Expected credit loss – Note No (15)	(344 886)	(139 328)
	344 872 777	**230 928 451**

13- TREASURY BILLS

	30/9/2023	31/12/2022
Treasury bills (mature in more than 90 days)	1 321 500 000	1 071 650 000
Less:		
Unrealized returns	(74 221 754)	(51 529 865)
	1 247 278 246	**1 020 120 135**
(Less): Expected credit loss – Note No (15)	(5 908 434)	(2 540 408)
	1 241 369 812	**1 017 579 727**

14- CASH AND CASH EQUIVALENTS

	30/9/2023	31/12/2022
Banks – Current accounts	392 623 652	395 251 896
Cash on hand	1 460 148	851 935
Cash at banks and on hand	**394 083 800**	**396 103 831**
Less:		
(Less): Expected credit loss – Note No (15)	(1 186 318)	(139 181)
	392 897 482	**395 964 650**
Cash and cash equivalents for cash flows statement purposes		
Cash in banks and the fund before the expected credit loss	394 083 800	396 103 831
Treasury bills	1 247 278 246	1 020 120 135
Treasury bills with maturity of more than 90 days	--	(1 020 120 135)
Cash and cash equivalents for cash flows statement purposes	**1 641 362 046**	**396 103 831**

15- Expected credit loss

	Trade receivables	Debtors & other debit balances	Treasury Bills	Cash & cash equivalent	Total
Balance as at 1/1/2023	13 991 738	139 328	2 540 408	139 181	16 810 655
Charge to statement of income	31 122 982	205 558	3 368 026	1 047 137	35 743 703
Provision balance at 30/9/2023	**45 114 720**	**344 886**	**5 908 434**	**1 186 318**	**52 554 358**

16- Non-current assets-held for sale

	30/9/2023	31/12/2022
Oriental Weavers - China	--	25 068 000
(Less): Accumulated impairment	--	(25 067 999)
	--	**1**

According to the decision of the Board of Directors on August 9, 2022, it was approved for the company to exit from its existing investments in China and accept the offer submitted to the company to sell its entire share in the Oriental Weavers Company – China.

During the financial period ended September 30, 2023, the company's share in Oriental Weavers China was sold for an amount of USD 1 979 016, equivalent to EGP 59 829 620 resulting in reverse of impairment amounted to EGP 25 067 999 and profits from the sale of assets held for sale amounted to EGP 34 761 620 which was recorded in the income statement.

17- Issued and paid-up capital

17-1 The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).

17-2 The Issued and paid-up capital is determined to be LE 665 107 268 (only six hundred sixty-five million and one hundred seven thousand and two hundred sixty-eight Egyptian pounds) distributed over 665 107 268 shares at a value of LE 1 each.

17-3 The company's shares are centrally kept at Misr for Central Clearing, Depositary and Registry Co. and those shares are traded in Egyptian exchange.

18- Reserves

	30/9/2023	31/12/2022
Legal reserve	957 499 475	957 499 475
Special reserve	59 973 828	59 973 828
Capital reserve	100 786 174	94 535 680
Unrealized gain from financial investments at FVTOCI	14 078 215	5 575 076
	1 132 337 692	**1 117 584 059**

19-LONG TERM LOANS

	30/9/2023	31/12/2022
Qatar National Bank Alahli		
Medium term loan of Euro 3,6 million to finance the purchase of carpet looms or equipment. The principal of the loan shall be settled over 7 equal half annually starting from 31/1/2020 till 31/7/2023.	--	27 354 603
Attijari wafa bank		
Medium term loan of Euro 5 million to finance the purchase of machinery and equipment. The principal of the loan shall be settled over 8 equal half annually starting from 30/6/2022 till 30/12/2025.	92 956 677	91 508 064
Emirates NBD Egypt bank		
Medium term loan of USD 7 million to finance the purchase of machinery and equipment. The principal of the loan shall be settled after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.	133 056 521	146 469 255
	226 013 198	**265 331 922**
Less:		
Current portion due in one year	(107 370 384)	(111 118 837)
	118 642 814	**154 213 085**

20-LEASE CONTRACTS LIABILITY

	Due within one year	Due more than one year	Balance at 30/9/2023
Exhibitions	90 538 915	274 348 184	364 887 099
	90 538 915	**274 348 184**	**364 887 099**

21-DEFERRED TAX LIABILITIES

-Recognized Deferred tax Assets and Liabilities

	30/9/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Fixed assets	--	(84 833 210)	--	(86 647 679)
Fair value reserve of investment at FVOCI	--	(4 087 482)	--	(1 618 829)
Total deferred tax assets / (liabilities)	--	**(88 920 692)**	--	**(88 266 508)**
Net deferred tax (liabilities)	--	**(88 920 692)**	--	**(88 266 508)**

-The movement of deferred tax liabilities is shown below:

	30/9/2023	31/12/2022
	(Liabilities)	(Liabilities)
Beginning balance	(88 266 508)	(73 059 230)
Fixed assets	1 814 469	(13 588 449)
Fair value reserve of investment at FVOCI	(2 468 653)	(1 618 829)
Ending balance	**88 920 692**	**(88 266 508)**

-Unrecognized Deferred tax Assets and Liabilities

The company has deferred tax assets that have not been recognized because there is not probable that benefits will be used in the future.

	30/9/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Impairment in subsidiaries	91 403 814	--	97 044 114	--
Impairment in financial investments	311 077	--	311 077	--
Expected credit losses	11 824 731	--	3 781 397	--
	103 539 622	--	**101 136 588**	--

22- Provisions

	Balance as of 1/1/2023	Formed during the period	Used during the period	Balance as of 30/9/2023
Provisions for claims	90 237 823	10 500 000	(5 980 306)	94 757 517
	90 237 823	10 500 000	(5 980 306)	94 757 517

The provision for claims represents an expected claims from certain entities related to the Company's activities. Details about the provisions have not been disclosed in accordance with the Egyptian Accounting Standards, as the management believes that disclosure of some or all of the information can affect seriously the position of the entity in the dispute with other parties on the subject matter of the provision. Provisions are reviewed at the end of each reporting period and adjusted according to the latest updates, negotiation and agreements with those entities.

23-BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 326 856 822 as of September 30, 2023 represents short term facilities granted by banks at relatively fixed interest rate.

24-TRADES & NOTES PAYABLE

	30/9/2023	31/12/2022
Trades payable – local	1 376 984 738	1 102 792 087
Trades payable – abroad	266 868 692	115 601 073
	1 643 853 430	**1 218 393 160**
Notes Payable	336 289 054	127 742 959
	1 980 142 484	**1 346 136 119**

-Trades & Notes Payable include amount of LE 1 610 751 588 due to related parties at September 30, 2023.

25-CREDITORS AND OTHER CREDIT ACCOUNTS

	30/9/2023	31/12/2022
Accrued expenses	35 066 740	44 877 633
Tax authority	11 807 804	12 020 563
Social insurance authority	7 230 335	6 244 968
Credit balances - related parties	8 497 663	7 201 924
Creditors – purchases of fixed assets	9 157	3 876 960
Deposits from others	11 508 543	20 998 755
Trade receivable – advance payment	163 825 801	132 614 331
Other credit accounts	9 502 177	6 034 361
	247 448 220	**233 869 495**

26- Sales (net)

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Local sales	3 607 937 057	2 683 848 445	1 277 984 884	935 236 793
Export sales	1 469 807 989	1 339 666 025	379 664 105	371 860 850
	5 077 745 046	**4 023 514 470**	**1 657 648 989**	**1 307 097 643**
Production scrap sales	44 971 889	33 280 056	16 689 213	12 181 053
	5 122 716 935	**4 056 794 526**	**1 674 338 202**	**1 319 278 696**

- Sales include amount of LE 762 747 946 represents carpet sales to related parties.

27- Financial investments income

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Oriental Weavers International	802 838 335	797 416 222	346 582 455	247 724 266
Oriental Weavers Textile	83 334 579	23 805 506	--	--
Egyptian Company Fiber - EFCO	55 989 780	50 221 136	--	--
Mac Carpet Mills	--	41 093 040	--	--
Egyptian for Trade and Marketing	176 693	--	63 174	--
	942 339 387	**912 535 904**	**346 645 629**	**247 724 266**

28- General and administrative expenses

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Salaries & wages	96 088 240	70 685 958	34 260 428	24 824 613
Social insurance	3 874 307	3 627 047	1 265 615	1 205 821
	99 962 547	**74 313 005**	**35 526 043**	**26 030 434**
Other administrative expenses	58 216 333	46 498 139	18 322 385	11 468 735
	158 178 880	**120 811 144**	**53 848 428**	**37 499 169**

29- FINANCE EXPENSES

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Bank interest	42 379 038	47 227 615	14 063 608	16 230 164
Interest of lease contracts liabilities	19 138 345	16 158 855	6 873 397	5 727 911
Other financing cost	948 846	2 369 684	263 298	789 895
	62 466 229	**65 756 154**	**21 200 303**	**22 747 970**

30- Income tax

	30/9/2023	30/9/2022
Current income tax	63 554 574	63 776 676
Dividends income tax	5 605 652	7 076 342
Treasury bills tax	27 688 164	5 292 531
Income tax at statement of income	**96 848 390**	**76 145 549**

30-1 Effective tax rate

	30/9/2023	30/9/2022
Profit before tax	**1 141 204 067**	**1 126 090 654**
Tax rate	%22.5	%22.5
Tax at the domestic rate of 22.5%	**256 770 915**	**253 370 397**
Depreciation	1 856 159	(240 893)
Tax exempt	(212 026 362)	(212 124 457)
Provisions	3 418 964	--
Capital gain	--	(524 373)
Non-deductible expenses	13 534 898	23 296 002
Current income tax	**63 554 574**	**63 776 676**
Effective tax rate	**%5.57**	**%5.66**

31- Basic earnings per share

The basic earnings per share are determined as follows: -

	From 1/1/2023 To 30/9/2023	From 1/1/2022 To 30/9/2022	From 1/7/2023 To 30/9/2023	From 1/7/2022 To 30/9/2022
Net profit for the period	**1 046 170 146**	**1 049 447 035**	**427 821 351**	**301 427 228**
Average of shares number available during the period	665 107 268	665 107 268	665 107 268	665 107 268
	1.57	**1.58**	**0.64**	**0.45**

32- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of September 30, 2023 amounted to L.E 104 369 663.

33- CAPITAL COMMITMENTS

The capital commitments as of September 30, 2023 amounted to L.E 29 847 486 represents the value of new extension related to showrooms.

34- TAX POSITION

Corporate Tax

- The company has been inspected till December 31, 2016 and the assessed tax differences were paid.
- Years from 2017 till 2019, the company has been inspected and the tax under settlement.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax

- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

Sales Tax

- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The company submits the monthly tax return on the legal dates.

Stamp Duty Tax

- The company was inspected and the tax has been settled till December 31, 2020.
- The company submits the tax return on the legal dates.

Real estate Tax

- The tax has been assessed and paid till December 31, 2021.

35- FINANCIAL INSTRUMENTS AND RISK MANAGMENT

A- Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers and all kind of receivables.

The company's management has established a credit policy under which each customer is analysed individually for creditworthiness and these limits are reviewed on an on-going basis.

The maximum exposure to credit risk at the date of the Separate financial statements as follows:

	Note №	30/9/2023	31/12/2022
Trades and notes receivable	(11)	1 287 561 955	1 078 076 328
Debtors and other debit accounts	(12)	344 872 777	230 928 451
		1 632 434 732	**1 309 004 779**

B- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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 confirmed it is acquired enough amount of cash to meet operating expenses. In addition, the company to preserve the credit facility granted to it by banks.

C- Market risk

The risk of market price changes that arise from changes in exchange rates and interest rates of securities that may affect the Group's income or the cost of retaining financial instruments - if any.

Exchange rate risk

This risk is in the fluctuations in the value of financial instruments as a result of fluctuations in foreign currency exchange rates and that of financial assets and liabilities denominated in foreign currencies resident.

This risk is considered acceptable because of the assets in foreign currency correspond to the company's obligations in foreign currencies.

The monetary assets and liabilities at the financial position date are equivalent to L.E 845 301 042 and L.E 1 691 633 001 respectively.

At the Separate financial position date, the net balances of foreign currencies as follows: -

Foreign currencies	(Deficit)
USD	(23 280 942)
Euro	(3 508 552)
GBP	(289 364)

As explained in Note 4-1 "Foreign currency translation", the balances of assets and liabilities of a monetary nature denominated in foreign currencies described above have been assessed using the exchange rates declared by the banks with which the Company deals at the reporting date.

Interest rate risk

Interest rate risk is the risk resulting from changes in interest rate on the banks facility granted to the company. The Company obtains the best available conditions in the banking market for the credit facilities and reviews the prevailing interest rate in the banking market on an on-going-basis which minimizes the risk of changes in interest rates.

D - Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders and other beneficiaries who are using the financial statements through the optimal use of equity. Management seeks the best alternatives to maintain a better capital structure for the group through either dividend payment to shareholders, capital reduction, issuance of new shares, and or debt settlement.

36- SIGNIFICANT EVENTS

During February 2022, and due to the political events, that led to the outbreak of war between Russia and Ukraine, which led to potential repercussions on the global economy from slowing growth and increasing the speed of inflation, which will lead to a rise in the prices of primary commodities such as food and energy, which are among the basic components of many industries.

On October 27, 2022, the Central Bank of Egypt decided to liberalize the exchange rate of foreign currencies against the Egyptian pound, which resulted in a significant increase in the exchange rates of foreign currencies against the Egyptian pound.