ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

For The Financial year ended December 31, 2023

Together With AUDITOR'S REPORT

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Translation from Arabic

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ORIENTAL WEAVERS CARPETS COMPANY

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Oriental Weavers Carpets Company (S.A.E) which comprise of the consolidated statement of financial position as of December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

Opinion

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oriental Weavers Carpets Company (S.A.E) as of December 31, 2023 and of its consolidated financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in compliance with related Egyptian laws and regulations.

Cairo : February 27, 2024

Tarek Salah

Tarek Salah

B.T. Mohamed Hilal & Wahid Abdel Ghaffar

Public Accountants & Consultants

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Consolidated statement of financial position as of December 31, 2023

(All amounts are in Egyptian Pounds)

	Note №	31/12/2023	31/12/2022
Non current assets			
Fixed assets	(6)	6 374 016 607	5 584 443 999
Projects in progress	(7)	269 337 810	354 803 673
Right of use assets	(8)	455 071 409	371 454 730
Investments at fair value through other comprehensive income	(9)	649 105 349	644 580 582
Total non current assets		**7 747 531 175**	**6 955 282 984**
Current assets			
Inventory	(10)	6 927 440 585	6 030 835 914
Trades and notes receivable	(11)	3 162 570 053	2 427 736 573
Debtors and other debit accounts	(12)	714 653 249	482 457 718
Treasury bills	(13)	2 127 279 974	1 813 065 128
Financial assets at amortized cost	(14)	628 791 306	--
Cash at banks and on hand	(15)	1 799 725 616	1 419 848 056
		15 360 460 783	**12 173 943 389**
Non-current assets held for sale	(16)	--	45 907 154
Total current assets		**15 360 460 783**	**12 219 850 543**
Total assets		**23 107 991 958**	**19 175 133 527**
Equity			
Issued and paid up capital	(18)	665 107 268	665 107 268
Reserves	(19)	1 794 626 861	1 871 386 892
Retained earnings		704 841 104	453 330 882
Net profit for the year		1 740 203 598	842 885 161
Exchange differences arising on translation of financial statements		7 904 577 917	6 258 366 013
Total equity attributable to the parent company		**12 809 356 748**	**10 091 076 216**
Non controlling interest	(20)	1 361 533 283	1 164 176 233
Total equity		**14 170 890 031**	**11 255 252 449**
Non current liabilities			
Long term loans	(21)	246 047 654	391 648 532
lease contracts liabilities	(22)	398 927 103	302 929 010
Deferred tax liabilities	(23)	149 355 442	155 601 708
Total non current liabilities		**794 330 199**	**850 179 250**
Current liabilities			
Provisions	(24)	225 516 257	156 594 190
Banks-Credit accounts	(25)	4 190 742 160	4 610 032 366
Lease contracts liabilities - current portion	(22)	114 568 544	111 125 401
Long term liabilities - current portion	(21)	240 204 176	275 547 046
Trades and notes payable	(26)	2 161 616 663	1 016 636 587
Dividends payable		56 816 046	31 767 583
Creditors and other credit accounts	(27)	974 651 595	672 877 095
Tax payable		178 656 287	171 024 704
		8 142 771 728	**7 045 604 972**
Liabilities directly associated with non-current assets held for sale	(16)	--	24 096 856
Total current liabilities		**8 142 771 728**	**7 069 701 828**
Total liabilities		**8 937 101 927**	**7 919 881 078**
Total equity and liabilities		**23 107 991 958**	**19 175 133 527**

The accompanying notes from №.(1) to №. (34) form an integral part of these consolidated financial statements.
Auditor's Report attached.

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

Translation from Arabic

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of income for the financial year ended December 31, 2023

(All amounts are in Egyptian Pounds)

	Note №	31/12/2023	31/12/2022
Net sales		17 658 543 016	13 255 653 997
Less:			
Cost of sales		15 108 838 958	11 999 575 090
Gross profit		**2 549 704 058**	**1 256 078 907**
Add / (less):			
Financial investments income		51 753 278	28 420 729
Capital gain		24 368 149	12 394 893
Reverse of impairment of assets held for sale	(16)	252 358 760	--
Gain from the sale of assets held for sale	(16)	34 761 620	--
Other revenues		329 050 807	800 119 891
Treasury bills returns		240 967 663	150 599 414
Financilal Assests at amortized cost	(14)	15 012 317	--
Interest income		101 662 197	47 965 991
Distribution expenses		(208 574 673)	(171 885 363)
General and administrative expenses		(513 145 476)	(436 874 114)
Expected credit loss	(17)	(68 304 458)	(49 010 753)
Formed provisions and impairment		(98 471 317)	(118 373 625)
Finance expenses	(28)	(459 366 283)	(304 052 060)
Foreign exchange differences		(166 163 055)	(72 646 826)
Net profit for the year before income tax		**2 085 613 587**	**1 142 737 084**
(Less)\ Add:			
Current income tax		(234 454 961)	(200 171 492)
Deferred tax		40 823 397	1 607 913
Income tax for the year		**(193 631 564)**	**(198 563 579)**
Net profit for the year after income tax		**1 891 982 023**	**944 173 505**
Attributable to:			
The parent company		1 740 203 598	842 885 161
Non controlling interest		151 778 425	101 288 344
		1 891 982 023	**944 173 505**
Basic earnings per share in the separate financial statements	(29)	**1.59**	**2.06**

The accompanying notes from №.(1) to №. (34) form an integral part of these consolidated 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)

Consolidated statement of comprehensive income for the financial year ended December 31, 2023

(All amounts are in Egyptian Pounds)

	31/12/2023	31/12/2022
Net profit for the year	1 891 982 023	944 173 505
Other comprehensive income		
Changes in fair value of investments at FVTOCI	(150 793 397)	180 926 786
Translation exchange differences	2 054 095 040	2 978 546 812
Foreign exchange differences resulting from liberalization the exchange rate	--	(130 478 551)
Deferred tax related to other comprehensive income items	(43 161 594)	(1 529 990)
Total other comprehensive income after tax	**1 860 140 049**	**3 027 465 057**
Total comprehensive income for the year	**3 752 122 072**	**3 971 638 562**
Attributable to:		
The parent company	3 456 386 094	3 646 828 293
Non controlling interest	295 735 978	324 810 269
	3 752 122 072	**3 971 638 562**

The accompanying notes from №.(1) to №. (34) form an integral part of these consolidated financial statements.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the financial year ended December 31, 2023

(All amounts are in Egyptian Pounds)

	Issued and paid up capital	Reserves	Retained earnings	Net profit	Translation differences	Equity holders of the parent	Non controlling interest	Total equity
Balance at 1/1/2022	665 107 268	1 626 905 765	397 583 842	1 085 407 428	3 541 296 155	7 316 300 458	940 682 319	8 256 982 777
Transferred to reserves	--	64 390 233	--	(64 390 233)	--	--	--	--
Transferred to retained earnings	--	--	1 021 017 195	(1 021 017 195)	--	--	--	--
Dividends	--	--	(872 052 535)	--	--	(872 052 535)	(101 316 355)	(973 368 890)
Total Comprehensive income for the year	--	180 090 894	(93 217 620)	842 885 161	2 717 069 858	3 646 828 293	324 810 269	3 971 638 562
Balance at 31/12/2022	665 107 268	1 871 386 892	453 330 882	842 885 161	6 258 366 013	10 091 076 216	1 164 176 233	11 255 252 449
Balance at 1/1/2023	665 107 268	1 871 386 892	453 330 882	842 885 161	6 258 366 013	10 091 076 216	1 164 176 233	11 255 252 449
Transferred to reserves	--	49 317 873	--	(49 317 873)	--	--	--	--
Transferred to retained earning	--	--	793 567 288	(793 567 288)	--	--	--	--
Dividends	--	--	(613 045 927)	--	--	(613 045 927)	(98 466 315)	(711 512 242)
Adjustments related to consolidated statements	--	(651 379)	70 988 861	--	(195 397 117)	(125 059 635)	87 387	(124 972 248)
Total Comprehensive income for the year	--	(125 426 525)	--	1 740 203 598	1 841 609 021	3 456 386 094	295 735 978	3 752 122 072
Balance at 31/12/2023	665 107 268	1 794 626 861	704 841 104	1 740 203 598	7 904 577 917	12 809 356 748	1 361 533 283	14 170 890 031

The accompanying notes from №.(1) to №. (34) form an integral part of these consolidated financial statements.

Translation from Arabic

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of cash flow for the financial year ended December 31, 2023

(All amounts are in Egyptian Pounds)

	Note №	31/12/2023	31/12/2022
Cash flows from operating activities			
Net profit for the period before income tax		2 085 613 587	1 142 737 084
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		786 336 437	719 274 575
Depreciation of right of use assets		114 863 874	104 461 057
Formed provisions and impairment		98 471 317	118 373 625
Expected credit loss		68 304 458	49 010 753
Interest income		(101 662 197)	(47 965 991)
Reverse of impairment of assets held for sale		(252 358 760)	--
Gain from the sale of assets held for sale		(34 761 620)	--
Finance expenses		459 366 283	304 052 060
Treasury bills returns		(240 967 663)	(150 599 414)
Financial investments revenues		(51 753 278)	(28 420 729)
Capital (gain)		(24 368 149)	(12 394 893)
Operating profits before changes in working capital		**2 907 084 289**	**2 198 528 127**
Change in :			
Inventory		163 388 851	(227 111 344)
Trades and notes receivable and debit accounts		(292 147 426)	653 034 587
Trades and notes payable and credit accounts		878 031 508	(1 035 338 663)
Cash flows provided by (used in) operating activities		**3 656 357 222**	**1 589 112 707**
Proceeds from interest income		101 662 197	47 965 991
Finance expenses paid		(459 366 283)	(304 052 060)
Income tax paid		(164 353 176)	(100 709 644)
Net cash flows provided by operating activities		**3 134 299 960**	**1 232 316 994**
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(452 552 060)	(744 132 182)
Proceeds from financial investments		51 753 278	--
Proceeds from sale of fixed assets		38 633 657	28 420 729
(Payments) for purchase of treasury bills		(1 844 722 870)	20 713 400
Proceeds from treasury bills		1 606 646 795	(1 203 808 147)
(Payments) for financial assets at amortized cost		(634 587 933)	1 611 388 542
Proceeds from sale of assets held for the sale		306 205 531	--
Net cash flows (used in) investing activities		**(928 623 602)**	**(287 417 658)**
Cash flows from financing activities			
(Payment) Proceeds from banks-credit accounts		(1 169 498 579)	750 918 197
Dividends paid and payments for non controlling interest		(686 490 455)	(957 503 968)
Lease contracts liabilities paid		(114 916 403)	(159 156 629)
Exchange differences arising from translation of financial statements		(31 408 628)	20 329 095
(Payment) Proceeds from long term loans		(277 177 381)	66 867 779
Net cash flows (used in) financing activities		**(2 279 491 446)**	**(278 545 526)**
Net change in cash and cash equivalents during the period		**(73 815 088)**	**666 353 810**
Cash and cash equivalents at the beginning of the period		2 195 234 848	1 368 737 567
Translation exchange differences related to cash and cash equivalents		151 945 477	160 143 471
Cash and cash equivalents at end of the period represents in:		**2 273 365 237**	**2 195 234 848**
Cash and cash equivalents	(15)	1 801 726 297	1 422 843 459
Treasury bills	(13)	2 127 279 974	1 813 065 128
Treasury bills due more than three months		(1 655 641 034)	(1 040 673 739)
Cash and cash equivalents		**2 273 365 237**	**2 195 234 848**

The amounts of LE (1 470 606 601) of the working capital items, LE (305 611 233) of the investment activities, LE 997 739 017 of the financing activities has been eliminated against the amount of LE 778 478 807 of the translation differences.

The accompanying notes from №.(1) to №. (34) form an integral part of these consolidated 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.

2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2-1 Statement of compliance

- The consolidated 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 consolidated 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:

(All amounts in Egyptian Pounds unless otherwise stated)

New or reissued standards	Summary of the most significant amendments	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"	There is no effect on the financial statements as the, company followed the cost model	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" – Egyptian Accounting Standard No. (30) "Interim Financial Reporting " – Egyptian Accounting Standard No. (31) "Impairment of Assets"	There is no effect on the company financial statements	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.**

(All amounts in Egyptian Pounds unless otherwise stated)

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	– 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.	There is no effect on the company financial statements	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).	There is no effect on the company financial statements	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) "Insurance Contracts".	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	There is no effect on the company financial statements	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

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	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".		period, the company should disclose that fact.

3 - USE OF JUDGMENTS AND ESTIMATES

- The preparation of consolidated 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. (5) 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.

(All amounts in Egyptian Pounds unless otherwise stated)

- 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 - SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

- Consolidated Financial Statements include companies in which Oriental Weavers Carpets Company participates in their capitals and has control thereon.
- Subsidiaries included in the consolidated financial statements are as follows: -

Subsidiary name	Percentage of participations 31/12/2023 %	Percentage of participations 31/12/2022 %
Oriental Weavers Co. U.S.A.	82.68	82.68
Oriental Weavers International Co.	99.99	99.99
MAC Carpet Mills	58.29	58.29
Egyptian Fibers Co. EFCO	67.87	67.87
Oriental Weavers Co.- China*	--	99.63
New Mac	52.02	52.02
Oriental Weavers Textile	71.44	71.44

- 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 30 September 2023, the entire share of the company and its subsidiary in Oriental Weavers China Company was sold – Note (16).

5 - SIGNIFICANT ACCOUNTING POLICIES

5-1 Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

A- Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

B- Non-controlling interest

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

C- Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss, any interest retained in the former subsidiary is measured at fair value when control is lost.

D- Transactions eliminated in consolidation

- Consolidated current financial position are prepared by combining similar items of assets, liabilities, equity, revenues and expenses stated in the financial statements of the holding company and its subsidiaries.
- The carrying amount of the holding company's investment in each subsidiary and the holding company's portion in the equity of each subsidiary are eliminated.
- All inter-company balances, transactions, and material unrealized gains are eliminated.

5-2 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 consolidated 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 consolidated income statement for the period.

c- Translation of Financial Statements of Foreign Companies

Some of the subsidiaries maintain their books of accounts in foreign currency other than Egyptian Pounds. Monetary assets and liabilities of these companies are translated into Egyptian Pound at the Foreign exchange rate at the date of consolidated financial position. Shareholders' equity items are translated at the foreign exchange rate prevailing at the consolidation date. Consolidated income statement items are translated at the average foreign exchange rate of the reporting period.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

5-3 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.

5-4 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.

5-5 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.

5-6 Financial instruments

5-6-1 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.

5-6-2 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.

5-6-3 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

5-6-4 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.

equity interest in the acquire in a business combination achieved in stages over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is reviewed on regular basis; an impairment loss of goodwill is recognized if the carrying amount of the asset or its cash generating unit is exceeds its recoverable amount.

5-8 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.

5-9 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.

5-10 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.

5-11 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.

5-12 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.

5-13 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.

5-14 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.

5-15 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.

5-16 Legal reserve

According to the company's statutes the Company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual net profit until it reaches 50% of the issued share capital.

5-17 Treasury shares

Treasury shares are stated at cost, and shall be deducted from equity. No gain or loss shall be recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Gain or loss on the dispose of the shares shall be recognized directly in equity.

5-18 Impairment

A- Financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by EAS 47, which requires expected lifetime losses to be recognized over the expected life of a financial instrument.

B- Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non- financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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 CGU s. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

- 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 recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- An impairment loss in respect of goodwill is not reversed. 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 amortisation, if no impairment loss had been recognised.

5-19 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 consolidated 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 consolidated 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.

5-20 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.

5-21 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.

5-22 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.

5-23 Cash flow statement

Consolidated Cash flow statement is prepared using the indirect method.

For purpose of preparing the consolidated 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.

5-24 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)

6- Fixed assets

	Note	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
Cost as of 31/12/2021		722 743 075	2 823 352 736	8 778 317 688	273 411 269	144 594 414	132 468 600	141 818 065	253 931 045	**13 270 636 892**
Additions		82 542	34 884 866	669 958 496	6 570 069	11 297 507	22 861 248	9 365 569	7 022 934	**762 043 231**
Currency exchange differences		--	--	88 705 873	--	--	--	--	--	**88 705 873**
Disposals		--	(6 076 643)	(29 552 613)	(2 155 500)	(791 383)	(5 524 122)	(447 165)	(1 079 715)	**(45 627 141)**
Reclassification of assets held for sale		(1 455 955)	(75 667 942)	(16 794 503)	(1 669 154)	(820 205)	--	(254 436)	(805 863)	**(97 468 058)**
Translation exchange differences		242 558 700	1 059 459 060	4 055 295 387	119 178 032	43 139 609	643 093	43 434 942	107 572 397	**5 671 281 220**
Cost as of 31/12/2022		**963 928 362**	**3 835 952 077**	**13 545 930 328**	**395 334 716**	**197 419 942**	**150 448 819**	**193 916 975**	**366 640 798**	**19 649 572 017**
Additions		5 995 164	142 006 580	343 805 021	3 370 173	38 488 867	52 834 524	18 779 952	16 584 360	**621 864 641**
Disposals		--	(3 143 867)	(120 626 344)	(556 000)	--	--	--	--	**(124 326 211)**
Reclassification of assets held for sale	(15)									--
Translation exchange differences		166 187 220	729 313 968	2 934 565 371	82 377 583	30 726 698	440 820	30 611 514	74 648 290	**4 048 871 464**
Cost as of 31/12/2023		**1 136 110 746**	**4 704 128 758**	**16 703 674 376**	**480 526 472**	**266 635 507**	**203 724 163**	**243 308 441**	**457 873 448**	**24 195 981 911**
Accumulated depreciation and impairment as of 31/12/2021		--	1 341 835 353	7 023 005 728	237 733 462	120 002 572	100 846 917	110 048 054	213 694 849	**9 147 166 935**
Depreciation of year		--	144 063 114	494 024 646	12 161 723	10 004 443	19 355 554	7 761 831	31 903 264	**719 274 575**
Disposals of accumulated depreciation		--	(2 176 074)	(26 046 565)	(2 116 005)	(706 554)	(4 901 051)	(395 031)	(967 355)	**(37 308 635)**
Reclassification of assets held for sale		--	(38 886 901)	(15 115 052)	(1 502 241)	(690 993)	--	(228 165)	(619 320)	**(57 042 672)**
Translation exchange differences		--	550 272 413	3 471 628 034	102 036 689	36 746 429	475 133	36 157 136	95 721 981	**4 293 037 815**
Accumulated depreciation and impairment as of 31/12/2022		--	**1 995 107 905**	**10 947 496 791**	**348 313 628**	**165 355 897**	**115 776 553**	**153 343 825**	**339 733 419**	**14 065 128 018**
Depreciation of year		--	171 819 764	546 293 712	14 123 991	13 388 248	18 454 609	8 878 617	13 377 496	**786 336 437**
Disposals of accumulated depreciation		--	(897 611)	(108 607 092)	(556 000)	--	--	--	--	**(110 060 703)**
Translation exchange differences		--	402 535 237	2 480 940 132	72 209 819	26 429 423	419 360	25 793 722	72 233 859	**3 080 561 552**
Accumulated depreciation and impairment as of 31/12/2023		--	**2 568 565 295**	**13 866 123 543**	**434 091 438**	**205 173 568**	**134 650 522**	**188 016 164**	**425 344 774**	**17 821 965 304**
Net book value as of 31/12/2023		**1 136 110 746**	**2 135 563 463**	**2 837 550 833**	**46 435 034**	**61 461 939**	**69 073 641**	**55 292 277**	**32 528 674**	**6 374 016 607**
Net book value as of 31/12/2022		**963 928 362**	**1 840 844 172**	**2 598 433 537**	**47 021 088**	**32 064 045**	**34 672 266**	**40 573 150**	**26 907 379**	**5 584 443 999**

(All amounts in Egyptian Pounds unless otherwise stated)

7- PROJECTS IN PROGRESS

	31/12/2023	31/12/2022
Buildings under Construction	170 172 475	136 114 698
Machinery & Equipment under installation	38 950 358	92 347 908
Computer systems	3 849 848	585 872
Handling	--	999 406
Letters of credit for purchasing of assets	--	30 016 568
Advance payment for purchasing of Fixed assets	56 365 129	94 739 221
	269 337 810	**354 803 673**

8- RIGHT USE OF ASSETS

	Showroom rent	Oriental weavers USA - rental	Total
Cost at 1/1/2023	432 805 069	191 467 174	624 272 243
Additions	178 342 621	8 116 509	186 459 130
Disposals	(12 195 060)	--	(12 195 060)
Translation differences	--	47 691 819	47 691 819
Cost at 31/12/2023	**598 952 630**	**247 275 502**	**846 228 132**
Accumulated depreciation at 1/1/2023	119 332 170	133 485 343	252 817 513
Depreciation of period	80 546 235	34 317 639	114 863 874
Disposals of accumulated depreciation	(9 774 013)	--	(9 774 013)
Translation differences	--	33 249 349	33 249 349
Accumulated depreciation at 31/12/2023	**190 104 392**	**201 052 331**	**391 156 723**
Net book value at 31/12/2023	**408 848 238**	**46 223 171**	**455 071 409**
Net book value at 31/12/2022	**313 472 899**	**57 981 831**	**371 454 730**

9- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Balance as of 31/12/2023	Balance as of 31/12/2022
Egyptian Propylene & Polypropylene Company "E.P. P"*	612 174 585	621 773 565
Alahli Bank of Kuwait- Egypt	33 203 856	19 382 098
Orientals for Industrial Projects	2 422 800	2 422 800
Prudential company – U.S. A	1 300 354	998 365
Cambridge Weavers (under liquidation)	3 750	3 750
Trading for Development Export	1	1
10^{th} of Ramadan for Spinning Industries (under liquidation)	1	1
Modern Spinning Company (under liquidation)	1	1
Egyptian for Trade and Marketing	1	1
	649 105 349	**582 580 644**

*According to the Board of Directors decision on May 24, 2023 of Oriental Weavers International - Subsidiay Company - the board approved to sell the owned shares by Oriental Weavers International in EGYPTIAN PROPYLENE & POLYPROPYLENE COMPANY "E.P.P."

(All amounts in Egyptian Pounds unless otherwise stated)

10- INVENTORY

	31/12/2023	31/12/2022
Raw materials	2 911 531 320	2 597 090 214
Spare parts & materials	589 316 035	444 213 588
Work in process	184 698 902	212 990 417
Finished products	3 182 474 678	2 768 154 084
Letter of credit for purchasing of raw materials	82 110 856	29 527 916
	6 950 131 791	**6 051 976 219**
Less: Impairment in inventory	(22 691 206)	(21 140 305)
	6 927 440 585	**6 030 835 914**

11- TRADES & NOTES RECEIVABLE

	31/12/2023	31/12/2022
Trades receivables	2 760 353 465	2 293 211 194
Notes receivables	750 772 731	409 078 431
	3 511 126 196	**2 702 289 625**
(Less): Expected credit loss – Note No (17)	(348 556 143)	(274 553 052)
	3 162 570 053	**2 427 736 573**

- Trades & Notes Receivable include amount of LE 5 054 487 due from related parties at December 31, 2023 results from sales of carpets.

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	31/12/2023	31/12/2022
Prepaid expenses	51 643 638	38 145 713
Tax authority – debit accounts	490 306 518	332 073 774
Deposits with others	60 858 607	44 031 852
Accrued revenues	10 064 471	9 015 333
Letter of guarantee & letter of credit – cash margin	12 322 657	8 263 099
Petty cash & advance to employees	11 534 768	11 553 414
Suppliers – advance payment	59 395 727	27 464 021
Other debit accounts	25 413 637	15 781 875
	721 540 023	**486 329 081**
(Less):		
(Less): Expected credit loss – Note No (17)	(6 886 774)	(3 871 363)
	714 653 249	**482 457 718**

(All amounts in Egyptian Pounds unless otherwise stated)

13- TREASURY BILLS

	31/12/2023	31/12/2022
Treasury bills (mature in 90 days)	490 450 000	792 941 670
Treasury bills (mature in more than 90 days)	1 755 000 000	1 093 250 000
Less:	2 245 450 000	**1 886 191 670**
Unrealized returns	(118 170 026)	(69 649 067)
	2 127 279 974	**1 816 542 603**
(Less): Expected credit loss – Note No (17)	--	(3 477 475)
	2 127 279 974	**1 813 065 128**

14- FINANCIAL ASSETS AT AMORTIZED COST

	31/12/2023	31/12/2022
Treasury bonds maturing May 29, 2024 Eurobond	643 948 002	--
(Less): Discount	(9 268 801)	--
	634 679 201	--
(Less): Expected credit loss – Note No (17)	(5 887 895)	--
	628 791 306	--

15- CASH AND CASH EQUIVALENTS

	31/12/2023	31/12/2022
Banks – Time deposits	499 906 735	335 711 438
Banks – Current accounts	1 297 290 569	1 080 544 739
Cash on hand	4 566 567	3 946 540
Cash at banks and on hand	**1 801 736 871**	**1 420 202 717**
Less:		
(Less): Expected credit loss – Note No (17)	(2 038 255)	(354 661)
	1 799 725 616	**1 419 848 056**

Cash and cash equivalents for cash flows statement purposes		
Cash in banks and the fund before the expected credit loss	1 801 763 871	1 420 202 717
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(84 405)
Cash and cash equivalents within assets held for sale-Note No (16)	--	2 725 147
Cash at banks and on hand	**1 801 726 297**	**1 422 843 459**
Add: Treasury bills with maturity of 90 days	471 638 940	772 391 389
Cash and cash equivalents for cash flows statement purposes	**2 273 365 237**	**2 195 234 848**

(All amounts in Egyptian Pounds unless otherwise stated)

16- Non-current assets-held for sale

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.

The following is the assets and liabilities of Oriental Weavers Company – China which classified as non-current assets held for sale:

Assets:	**31/12/2023**	**31/12/2022**
Fixed Assets	--	40 425 386
Projects in progress	--	877 988
Trades and notes receivables	--	1 359 356
Debtors and other debit accounts	--	519 277
Cash and cash equivalents	--	2 725 147
	--	**45 907 154**
Liabilities		
Creditors and other credit accounts	--	24 096 856
	--	**24 096 856**

During the financial period ended December 31, 2023, the company's share in Oriental Weavers China was sold for an amount of USD 10 171 433, equivalent to EGP 285 762 896 resulting in reverse of impairment amounted to EGP 252 358 760 and profits from the sale of assets held for sale amounted to EGP of 34 761 620 which was recorded in the income statement.

17- Expected credit loss

	Trade receivables	**Debtors & other debit balances**	**Treasury Bills**	**FINANCIAL ASSETS AT AMORTIZED COST**	**Cash & cash equivalent**	**Total**
alance as at 1/1/2023	274 553 052	3 871 363	3 477 475	--	354 661	282 256 551
Charge to statement of income	61 596 662	953 8572	(3 586 168)	5 769 627	1 639 384	68 304 458
sed during the year	(42 209 205)	--	--	--	--	(42 209 205)
Translation differences	54 615 634	458157	108 693	91 268	44 211	55 017 263
ovision balance at 31/12/2023	**348 556 143**	**6 886 774**	--	**5 887 895**	**2 038 255**	**363 369 067**

18- Issued and paid-up capital

18-1 The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).

18-2 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.

18-3 The company's shares are centrally kept at Misr for Central Clearing, Depositary and Registry Co. and those shares are traded in Egyptian exchange.

(All amounts in Egyptian Pounds unless otherwise stated)

19- Reserves

	31/12/2023	31/12/2022
Legal reserve	1 267 256 203	1 224 840 203
General reserve	74 488 537	74 488 537
Special reserve	59 973 828	59 973 828
Net assets revaluation reserve	65 767 458	65 767 458
Capital reserve	172 079 359	165 828 865
Unrealized gain from financial investments at FVTOCI	155 061 476	280 488 001
	1 794 626 861	**1 871 386 892**

20- Non-Controlling interest

	Non-controlling interest in Equity	Non-controlling interest in comprehensive income	Balance as of 31/12/2023	Balance as of 31/12/2022
Orientals Weavers international Co (O.W.I)	274 638	138 417	413 055	320 641
MAC Carpet Mills	348 395 627	93 833 560	442 229 187	368 729 048
Egyptian Fibres Co. EFCO	147 769 693	73 427 213	221 196 906	184 013 239
Oriental Weavers – China	--	--	--	(114 168)
New MAC	3 607 150	3 396 307	7 003 457	4 649 883
Oriental Weavers Textile	379 727 274	100 007 597	479 734 871	420 544 043
Oriental Weavers Co. U.S.A.	186 022 923	24 932 884	210 955 807	186 033 547
	1 065 797 305	**295 735 978**	**1 361 533 283**	**1 164 176 233**

(All amounts in Egyptian Pounds unless otherwise stated)

21- Long term loans

BANK	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 1231/2023	Balance as of 31/12/2023 current portion due in one year	Balance as of 31/12/2023 long term installments	Balance as of 31/12/2022 current portion due in one year	Balance as of 31/12/2022 long term installments	Terms of Payment
Qatar National Bank Alahli (1)	EURO	3 600 000	--	--	--	27 354 602	--	The principal of the loan shall be settled over 7 equal half annually starting from 31/1/2020 till 31/7/2023 the interest and commission shall be computed and paid upon its due date.
Qatar National Bank Alahli (2)	EURO	4 563 473	--	--	--	31 162 057	--	The principal of the loan shall be settled over 7 equal half annually starting from 31/1/2020 till 31/1/2023 the interest and commission shall be computed and paid upon its due date.
Qatar National Bank Alahli (3)	USD	5 000 000	--	--	--	15 516 852	--	The principal of the loan shall be settled over 5 equal half annually starting from 31/1/2021 till 31/1/2023 the interest and commission shall be computed and paid upon its due date.
Attijari wafa bank	USD	5 250 000	--	--	--	20 707 843	--	The principal of the loan shall be settled over 7 equal half annually installments starting from 31/1/2020 till 31/5/2023 , the interest and commission shall be computed and paid upon its due date.
Emirates NBD Egypt bank	USD	8 000 000	144 473 477	82 556 277	61 917 200	66 093 342	115 663 317	The principal of the loan shall be settled over 12 quarterly installments starting after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.
Alex bank	EURO	1 800 000	49 809 910	19 923 964	29 885 946	8 969 152	44 845 759	The principal of the loan shall be settled over 9 equal half annually installments starting from 17/2/2022 till 17/2/2026 , the interest and commission shall be computed and paid upon its due date.
Alex bank	EURO	5 500 000	99 681 925	28 480 550	71 201 375	21 978 963	76 926 372	The principal of the loan shall be settled over 9 equal half annually installments starting starting after the end of the grace period, the interest and commission shall be computed and paid upon its due date.
Emirates NBD Egypt bank	USD	7 000 000	116 424 456	66 528 260	49 896 196	53 261 547	93 207 708	The principal of the loan shall be settled over 12 quarterly installments starting after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.
Attijari wafa bank	EURO	5 000 000	75 862 062	42 715 125	33 146 937	30 502 688	61 005 376	The principal of the loan shall be settled over 8 equal half annually installments sta[illegible]ng from 30/6/2022 till 30/12/2025 , the interest and commission shall be computed and pa[illegible] upon its due date.
			486 251 830	240 204 176	246 047 654	275 547 046	391 648 532	

(All amounts in Egyptian Pounds unless otherwise stated)

22- LEASE CONTRACTS LIABILITY

	Due within one year	Due more than one year	Balance at 31/12/2023
Oriental Weavers Co. U.S.A.	18 734 101	30 353 421	49 087 522
Exhibitions	95 834 443	368 573 682	464 408 125
	114 568 544	**398 927 103**	**513 495 647**

23- DEFERRED TAX LIABILITIES

-Deferred tax Assets and liabilities

	31/12/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Fixed assets	--	(186 386 498)	--	(185 613 828)
Temporary tax differences – O.W. (USA)	80 192 650	--	31 542 110	--
Fair value reserve of investment at FVOCI	--	(43 161 594)	--	(1 529 990)
Total deferred tax assets / (liabilities)	**80 192 650**	**(229 548 092)**	**31 542 110**	**(187 143 818)**
Net deferred tax (liabilities)		**(149 355 442)**		**(155 601 708)**

-The movement of deferred tax liabilities is shown below:

	31/12/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Beginning balance	31 542 110	(187 143 818)	11 872 560	(177 126 413)
Fair value reserve of investment at FVOCI	--	(43 161 594)	--	(1 529 990)
Charged to the statement of income	40 066 077	757 320	10 095 328	(8 487 415)
Translation Difference	8 584 463	--	9 574 222	--
Ending balance	**80 192 650**	**(229 548 092)**	**31 542 110**	**(187 143 818)**

24- Provisions

	Balance as of 1/1/2023	Formed during the Year	Used During the Year	Translation differences	Balance as of 31/12/2023
Provisions for claims	156 594 190	98 471 317	(34 014 450)	4 465 200	225 516 257
	156 594 190	98 471 317	(34 014 450)	4 465 200	225 516 257

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 lates t updates, negotiation and agreements with those entities.

25- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 4 190 742 160 as of December 31, 2023 represents short term facilities granted by banks at relatively fixed interest rate, a part of facilities is guaranteed by notes receivable deposited at these banks for collection.

* On May 2, 2023, the credit facilities of Oriental Weavers USA were refinanced for a period of up to 3 years.

(All amounts in Egyptian Pounds unless otherwise stated)

26- TRADES & NOTES PAYABLE

	31/12/2023	31/12/2022
Trades payable	1 585 062 948	741 779 345
Notes Payable	576 553 715	274 857 242
	2 161 616 663	**1 016 636 587**

- Trades & Notes Payable include amount of LE 296 435 due to related parties at December 31, 2023, results from purchase and operate of raw material.

27- CREDITORS AND OTHER CREDIT ACCOUNTS

	31/12/2023	31/12/2022
Accrued expenses	274 538 079	171 214 142
Tax authority	28 964 528	23 809 001
Social insurance authority	25 679 311	22 853 236
Trade receivable – advance payment	340 419 600	231 764 236
Creditors – purchases of fixed assets	759 514	9 134 255
Credit balances - related parties	8 613 896	7 201 924
Deposits from others	246 721 834	170 529 500
Other credit accounts	48 954 833	36 370 801
	974 651 595	**672 877 095**

28- FINANCE EXPENSES

	31/12/2023	31/12/2022
Bank interest	422 780 672	267 602 573
Interest of lease contracts liabilities	36 585 611	36 449 487
	459 366 283	**304 052 060**

29- Basic earnings per share in the separate financial statements

The basic earnings per share are determined as follows: -

	31/12/2023	31/12/2022
Net profit for the year	1 145 108 967	1 461 193 154
Less:		
Proposed employees share in distributions	85 000 000	80 000 000
Proposed Board members remuneration	3 200 000	8 000 000
	1 056 908 967	**1 373 193 154**
Average of shares number available during the year	665 107 268	665 107 268
	1.59	**2,06**

30- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of December 31, 2023 amounted to L.E 148 525 762 The contingent liabilities from letter of credit in that date amounted to L.E 932 569 861.

31- CAPITAL COMMITMENTS

The capital commitments as of December 31, 2023 amounted to L.E 65 630 360 represents the value of new extension related to showrooms and completion of construction in progress.

32- TAX POSITION

32-1 Oriental Weavers Carpet

Corporate Tax

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

Salaries & Wages Tax

- The company has been inspected till December 31, 2020 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, 2023.

32-2 Oriental Weavers International

Corporate Tax

- The company is established in accordance with the Investment Guarantee and Incentives Law No. 8 of 1997 "Private free zone". According to the Company's tax card, it is exempted from taxes throughout the company life time.

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.

32-3 Oriental Weavers Textile

Corporate Tax

- The company is established in accordance with the Investment Guarantee and Incentives Law No. 8 of 1997 "Private free zone". According to the Company's tax card, it is exempted from taxes throughout the company life time.
- The company submits its tax return on the legal dates.

Salaries & Wages Tax

- The company has been inspected till December 31, 2020 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

Stamp Duty Tax

- The company has been inspected till December 31, 2020 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

Real estate Tax

- The estimated value of the real estate tax was appealed under No. 647 of 2015.
- The appeal was accepted and a decision was issued not to subject the company entirely to real estate tax.

32-4 Mac Carpet

Corporate tax

- Corporate tax was inspected and assessed from the beginning of the activity up till 2020.
- Year 2021/2022, the company has not been inspected yet.
- The company submits its tax return on the legal dates.

Salaries & Wages Tax

- The company was inspected for the period from the beginning of its activity up till December 31, 2019 and the assessed tax difference was paid.
- The years 2020: 2022 have not been inspected.

Value Add Tax

- The company was inspected up till December 31, 2020 and the assessed tax difference was paid.
- The years 2021: 2022 have not been inspected.
- The company submits the monthly tax return on due dates.

Stamp Duty Tax

- The company was inspected up to till December 31, 2018 and the assessed tax difference was paid.
- The years 2019: 2022 have not been inspected.

Withholding tax

- The company was inspected up to 2018 and the assessed tax difference was paid.
- The years 2019: 2022 have not been inspected.

32-5 Egyptian Fibers Company – EFCO

Corporate Tax

- The company has been inspected for the years from 1987 till 2019 and the assessed tax were paid.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax

- The company has been inspected till December 31, 2020 and the assessed tax were paid.
- The company submits its tax return regularly on legal dates.

Value Add Tax

- The company has been inspected till December 31, 2020 and the assessed tax were paid.
- The company submits its monthly tax return regularly on legal dates.

Stamp Duty Tax

- The company was inspected up to till December 31, 2022 and the assessed tax difference was paid.

Real estate Tax

- The Company has notified by Form (3) and it was appealed and the tax settled until 2021.

(All amounts in Egyptian Pounds unless otherwise stated)

33- 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 consolidated financial statements as follows:

	Note №	31/12/2023	31/12/2022
Trades and notes receivable	(11)	3 162 570 053	2 427 736 573
Debtors and other debit accounts	(12)	714 653 249	482 457 718
		3 877 223 302	**2 910 194 291**

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.

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.

34- 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