ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial year ended December 31, 2023

Together With AUDITOR'S REPORT

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bakertilly
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Translation from Arabic

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ORIENTAL WEAVERS CARPETS COMPANY

Report on the Separate financial statements

We have audited the accompanying Separate financial statements of Oriental Weavers Carpets Company (S.A.E) which comprise of the Separate statement of financial position as of December 31, 2023 and the Separate 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 Separate financial statements

Management is responsible for the preparation and fair presentation of these Separate 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 Separate 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 Separate 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 Separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate financial statements.The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate 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 Separate 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 Separate 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 Separate financial statements referred to above present fairly, in all material respects, the Separate financial position of Oriental Weavers Carpets Company (S.A.E) as of December 31, 2023 and of its Separate 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.

Report on the legal requirements and other regulations

The company keeps proper records which include all that is required by law and the statutes of the Company, and the accompanying Separate financial statements are in agreement therewith. The Company also maintains costing records that meet the purposes thereof and the inventory counts were performed by the Company's management in accordance with methods in practice.

The financial information contained in the report of Board of Directors prepared in conformity with Law № 159 of 1981 and its executive regulations is in agreement with the company's accounting records within the limits that such information is recorded therein.

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)
Separate 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	(5)	1 017 165 015	1 036 910 007
Projects in progress	(8)	75 374 143	48 951 121
Right of use assets	(9)	344 228 207	269 232 310
Investments in subsidiaries	(6)	1 348 416 085	1 348 416 085
Investments at fair value through other comprehensive income	(7)	33 203 860	19 382 102
Total non current assets		**2 818 387 310**	**2 722 891 625**
Current assets			
Inventory	(10)	1 322 437 198	1 109 673 967
Trades and notes receivable	(11)	1 109 393 263	1 078 076 328
Debtors and other debit accounts	(12)	348 823 562	230 928 451
Treasury bills	(13)	1 963 986 647	1 017 579 727
Cash at banks and on hand	(14)	507 958 557	395 964 650
		5 252 599 227	**3 832 223 123**
Non-current assets held for sale	(16)	--	1
Total current assets		**5 252 599 227**	**3 832 223 124**
Total assets		**8 070 986 537**	**6 555 114 749**
Equity			
Issued and paid up capital	(17)	665 107 268	665 107 268
Reserves	(18)	1 134 546 415	1 117 584 059
Retained earnings		1 283 864 893	315 986 594
Net profit for the period/year		1 145 108 967	1 461 193 154
Total equity		**4 228 627 543**	**3 559 871 075**
Non current liabilities			
Long term loans	(19)	83 043 133	154 213 085
lease contracts liabilities	(20)	304 695 208	229 928 367
Deferred tax liabilities	(21)	94 152 633	88 266 508
Total non current liabilities		**481 890 974**	**472 407 960**
Current liabilities			
Provisions	(22)	124 757 517	90 237 823
Banks-Credit accounts	(23)	447 200 560	556 365 070
Lease contracts liabilities - current portion	(20)	87 167 084	71 663 800
Trades and notes payable	(24)	2 142 964 954	1 346 136 119
Long term liabilities - current portion	(19)	109 243 385	111 118 837
Dividends payable		9 523 916	5 878 555
Creditors and other credit accounts	(25)	346 286 205	233 869 495
Tax payable		93 324 399	107 566 015
Total current liabilities		**3 360 468 020**	**2 522 835 714**
Total liabilities		**3 842 358 994**	**2 995 243 674**
Total equity and liabilities		**8 070 986 537**	**6 555 114 749**

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

Separate 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	(26)	7 108 186 105	5 642 212 860
Less:			
Cost of sales		6 429 091 820	4 992 305 047
Gross profit		**679 094 285**	**649 907 813**
Add / (less):			
Financial investments income	(27)	942 339 387	1 328 523 389
Gain from the sale of assets held for sale	(16)	34 761 620	--
Reverse of impairment of assets held for sale	(16)	25 067 999	--
Capital gain		7 106 306	6 250 494
Other revenues		27 151 454	123 268 591
Treasury bills returns		202 370 351	59 927 400
Interest income		43 713 294	23 961 276
Distribution expenses		(148 823 030)	(123 486 091)
General and administrative expenses	(28)	(198 914 129)	(160 764 719)
Expected credit loss	(15)	(40 263 157)	(4 605 123)
Formed provisions and impairment		(40 500 000)	(75 000 000)
Finance expenses	(29)	(86 543 935)	(95 130 418)
Foreign exchange differences		(156 577 864)	(133 835 705)
Net profit for the year before income tax		**1 289 982 581**	**1 599 016 907**
(Less)\ Add:			
Current income tax	(30)	(142 097 385)	(124 235 304)
Deferred tax	(21)	(2 776 229)	(13 588 449)
Income tax for the year		**(144 873 614)**	**(137 823 753)**
Net profit for the year after income tax		**1 145 108 967**	**1 461 193 154**
Basic earnings per share	(31)	**1.59**	**2.06**

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 year ended December 31, 2023

(All amounts are in Egyptian Pounds)

	31/12/2023	31/12/2022
Net profit for the year	**1 145 108 967**	**1 461 193 154**
Other comprehensive income		
Changes in fair value of investments at FVTOCI	13 821 758	6 742 280
Deferred tax related to other comprehensive income items	(3 109 896)	(1 618 829)
Total other comprehensive income after tax	**10 711 862**	**5 123 451**
Total comprehensive income for the year	**1 155 820 829**	**1 466 316 605**

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

Translation from Arabic

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate 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	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 year	--	5 123 451	--	1 461 193 154	**1 466 316 605**
Balance at 31/12/2022	**665 107 268**	**1 117 584 059**	**315 986 594**	**1 461 193 154**	**3 559 871 075**
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 year	--	10 711 862	--	1 145 108 967	**1 155 820 829**
Balance at 31/12/2023	**665 107 268**	**1 134 546 415**	**1 283 864 893**	**1 145 108 967**	**4 228 627 543**

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

Translation from Arabic

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate 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 year before income tax		1 289 982 581	1 599 016 907
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		119 588 245	88 518 873
Depreciation of right of use assets		67 791 472	57 129 659
Expected credit loss		40 263 157	4 605 123
Finance expenses		86 543 935	95 130 418
Interest income		(43 713 294)	(23 961 276)
Formed provisions and impairment		40 500 000	75 000 000
Financial investments revenues		(942 339 387)	(1 328 523 389)
Treasury bills returns		(202 370 351)	(59 927 400)
Capital (gain)		(7 106 306)	(6 250 494)
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		**389 310 433**	**500 738 421**
Change in :			
Inventory		(212 763 231)	(397 996 539)
Trades and notes receivable		(72 715 349)	(249 112 838)
Debtors and other debit accounts		(171 386 930)	(137 187 257)
Trades and notes payable		796 828 835	408 801 854
Creditors and other credit accounts		106 436 406	42 381 003
Cash flows provided by operating activities		**835 710 164**	**167 624 644**
Finance expenses paid		(86 543 935)	(95 130 418)
Proceeds from interest income		43 713 294	23 961 276
Income tax paid		(103 170 508)	(49 258 774)
Net cash flows provided by operating activities		**689 709 015**	**47 196 728**
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(128 512 531)	(114 053 952)
(Payments) to treasury bills due more than three months		(3 794 785 360)	(1 142 723 666)
Proceeds from sale of fixed assets		9 352 562	8 716 148
Proceeds from treasury bills due more than three months		3 361 634 812	875 279 586
Proceeds from sale of assets held for the sale		59 829 619	--
Proceeds from investments income		942 339 387	1 328 523 389
Net cash flows provided by investing activities		**449 858 489**	**955 741 505**
Cash flows from financing activities			
(Payment) to banks-credit accounts		(109 164 510)	40 673 524
Lease contracts liabilities paid		(52 517 244)	(42 085 871)
(Payment) Proceeds from long term loans		(73 045 404)	1 375 630
Dividends paid		(483 419 000)	(731 428 715)
Net cash flows (used in) financing activities		**(718 146 158)**	**(731 465 432)**
Net change in cash and cash equivalents during the year		**421 421 346**	**271 472 801**
Cash and cash equivalents at the beginning of the year		396 103 831	124 631 030
Cash and cash equivalents at end of the year represents in:	(14)	**817 525 177**	**396 103 831**
Cash and cash equivalents	(14)	509 179 564	396 103 831
Treasury bills	(13)	1 963 986 647	1 020 120 135
Treasury bills due more than three months		(1 655 641 034)	(1 020 120 135)
Cash and cash equivalents		**817 525 177**	**396 103 831**

Non cash Transactions

An amounts of LE 53 168 494 of with holding tax has been eliminated against the same amount of the income tax paid.

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

Translation from Arabic

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Statement of profit appropriation (proposed) for the financial year ended December 31, 2023

(All amounts are in USD)

	2023	2022
Net profit for the year	1 145 108 967	1 461 193 154
Capital gain transferred to capital reserve	(7 106 306)	(6 250 494)
Net profit available for Distribution	**1 138 002 661**	**1454 942 660**
Retained earnings from the previous year	1 283 864 893	315 986 594
	2 421 867 554	**1770 929 254**
Distributed as follows :-		
Shareholders' dividends	831 384 085	399 064 361
Employees' share	85 000 000	80 000 000
Board of directors remuneration	3 200 000	8 000 000
Retained earnings carried forward	1 502 283 469	1 283 864 893
	2 421 867 554	**1 770 929 254**

The accompanying notes from №.(1) to №. (36) form an integral part of these 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 February 27, 2024.

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.

(All amounts in Egyptian Pounds unless otherwise stated)

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	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 **<u>on or after</u>** **<u>January 1, 2023,</u>** **<u>retrospectively</u>**, 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"	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 **<u>on or after</u>** **<u>January 1, 2023</u>** **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. (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.	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	There is no effect on the company financial statements	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after**

(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
	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".		**<u>July 1, 2024</u>**, 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.

4-15 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.

4-16 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.

4-17 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.

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 year.

(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	--	680 600	19 373 775	218 400	10 498 485	51 249 536	15 399 491	4 669 222	**102 089 509**
Disposals	--	(3 143 867)	--	--	--	--	--	--	**(3 143 867)**
Cost as of 31/12/2023	**137 538 790**	**427 210 500**	**849 714 413**	**31 007 088**	**51 842 680**	**182 403 285**	**74 933 921**	**56 519 618**	**1 811 170 295**
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 year **	--	15 295 650	72 560 090	1 030 415	4 510 756	15 742 642	3 327 106	7 121 586	**119 588 245**
Disposals of accumulated depreciation	--	(897 611)	--	--	--	--	--	--	**(897 611)**
Accumulated depreciation and impairment as of 31/12/2023	--	**165 587 367**	**365 281 362**	**27 085 498**	**33 815 302**	**116 462 006**	**42 476 625**	**43 297 120**	**794 005 280**
Net book value as of 31/12/2023	**137 538 790**	**261 623 133**	**484 433 051**	**3 921 590**	**18 027 378**	**65 941 279**	**32 457 296**	**13 222 498**	**1 017 165 015**
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**

* There are no restrictions on title as of december 31,2023

** the Depreciation of the year is allocated as follows:

	31/12/2023
Industrial expenses	85 217 933
Distribution expenses	29 621 212
General and administrative expenses	4 749 100
	119 588 245

(All amounts in Egyptian Pounds unless otherwise stated)

6- Investments in subsidiaries

	Country of Origin	Ownership %	Acquisition Cost	Accumulated Impairment	31/12/2023	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

	31/12/2023	31/12/2022
Alahli Bank of Kuwait– Egypt	33 203 856	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
	33 203 860	**19 382 102**

(All amounts in Egyptian Pounds unless otherwise stated)

8- PROJECTS IN PROGRESS

	31/12/2023	31/12/2022
Machinery & Equipment under installation	358 707	116 043
Buildings under Construction	56 623 445	43 142 636
Advance payment	18 391 991	5 692 442
	75 374 143	**48 951 121**

9- RIGHT USE OF ASSETS

	Showroom rent	Total
Cost at 1/1/2023	372 047 121	372 047 121
Additions	144 343 910	144 343 910
Disposals	(10 536 263)	(10 536 263)
Cost at 31/12/2023	**505 854 768**	**505 854 768**
Accumulated depreciation at 1/1/2023	**102 814 811**	**102 814 811**
Depreciation of year	67 791 472	67 791 472
Disposals of accumulated depreciation	(8 979 722)	(8 979 722)
Accumulated depreciation at 31/12/2023	**161 626 561**	**161 626 561**
Net book value at 31/12/2023	**344 228 207**	**344 228 207**
Net book value at 31/12/2022	**269 232 310**	**269 232 310**

10- INVENTORY

	31/12/2023	31/12/2022
Raw materials	332 708 760	340 370 628
Spare parts & materials	68 660 640	42 094 113
Work in process	28 500 711	27 969 015
Finished products	870 988 204	686 483 165
Letter of credit for purchasing of raw materials	21 578 883	12 757 046
	1 322 437 198	**1 109 673 967**

11- TRADES & NOTES RECEIVABLE

	31/12/2023	31/12/2022
Trades receivables – Export	387 862 684	513 356 221
Trades receivables - Local	311 992 099	266 822 403
	699 854 783	**780 178 624**
Notes receivables	464 928 632	311 889 442
	1 164 783 415	**1 092 068 066**
(Less): Expected credit loss – Note No (15)	(55 390 152)	(13 991 738)
	1 109 393 263	**1 078 076 328**

Trades & Notes Receivable include amount of 126 054 222 due from related parties at December 31, 2023 results from sales of carpets

(All amounts in Egyptian Pounds unless otherwise stated)

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	31/12/2023	31/12/2022
Letter of guarantee & letter of credit – cash margin	200 000	706 985
Tax authority – withholding	67 200 077	53 168 494
Tax authority – VAT	250 035 554	141 473 130
Petty cash & advance to employees	6 549 457	5 953 321
Suppliers – advance payment	702 529	1 767 688
Prepaid expenses	10 252 595	16 094 718
Deposits with others	7 245 865	4 499 504
Other debit accounts	7 100 138	7 403 939
	349 286 215	**231 067 779**
(Less): Expected credit loss – Note No (15)	(462 653)	(139 328)
	348 823 562	**230 928 451**

13- TREASURY BILLS

	31/12/2023	31/12/2022
Treasury bills (mature of 90 days)	319 000 000	---
Treasury bills (mature in more than 90 days)	1 755 000 000	1 071 650 000
	2 074 000 000	**1 071 650 000**
Less:		
Unearned returns	(110 013 353)	(51 529 865)
	1 963 986 647	**1 020 120 135**
(Less): Expected credit loss – Note No (15)	---	(2 540 408)
	1 963 986 647	**1 017 579 727**

14- CASH AND CASH EQUIVALENTS

	31/12/2023	31/12/2022
Banks – Current accounts	507 629 868	395 251 896
Cash on hand	1 549 696	851 935
Cash at banks and on hand	**509 179 564**	**396 103 831**
Less:		
(Less): Expected credit loss – Note No (15)	(1 221 007)	(139 181)
	507 958 557	**395 964 650**

Cash and cash equivalents for cash flows statement purposes		
Cash in banks and the fund before the expected credit loss	509 179 564	396 103 831
Treasury bills	1 963 986 647	1 020 120 135
Treasury bills with maturity of more than 90 days	(1 655 641 034)	(1 020 120 135)
Cash and cash equivalents for cash flows statement Purposes	**177 525 817**	**396 103 831**

(All amounts in Egyptian Pounds unless otherwise stated)

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	41 398 414	323 325	(2 540 408)	1 081 826	40 263 157
Provision balance at 31/12/2023	**55 390 152**	**462 653**	--	**1 221 007**	**57 073 812**

16- Non-current assets-held for sale

	31/12/2023	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 year ended December 31, 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

	31/12/2023	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	16 286 938	5 575 076
	1 134 546 415	**1 117 584 059**

(All amounts in Egyptian Pounds unless otherwise stated)

19-Medium TERM LOANS

	31/12/2023	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.	75 862 062	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.	116 424 456	146 469 255
	192 286 518	**265 331 922**
Less:		
Current portion due in one year	(109 243 385)	(111 118 837)
	83 043 133	**154 213 085**

20-LEASE CONTRACTS LIABILITY

	Due within one year	Due more than one year	Balance at 31/12/2023
Exhibitions rent	87 167 084	304 695 208	391 862 292
	87 167 084	**304 695 208**	**391 862 292**

21-DEFERRED TAX LIABILITIES

-Recognized Deferred tax Assets and Liabilities

	31/12/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Fixed assets	--	(89 423 908)	--	(86 647 679)
Fair value reserve of investment at FVOCI	--	(4 728 725)	--	(1 618 829)
Total deferred tax assets / (liabilities)	--	**(94 152 633)**	--	**(88 266 508)**
Net deferred tax (liabilities)	--	**(94 152 633)**	--	**(88 266 508)**

(All amounts in Egyptian Pounds unless otherwise stated)

-The movement of deferred tax liabilities is shown below:

	31/12/2023	31/12/2022
	(Liabilities)	(Liabilities)
Beginning balance	(88 266 508)	(73 059 230)
Fixed assets	(2 776 229)	(13 588 449)
Fair value reserve of investment at FVOCI	(3 109 896)	(1 618 829)
Ending balance	**(94 152 633)**	**(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.

	31/12/2023		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	12 841 607	--	3 781 397	--
	104 556 498	--	**101 136 588**	--

22- Provisions

	Balance as of 1/1/2023	Formed During the year	Used during the year	Balance as of 31/12/2023
Provisions for claims	90 237 823	40 500 000	(5 980 306)	**124 757 517**
	90 237 823	**40 500 000**	**(5 980 306)**	124 757 517

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 447 200 560 as of December 31, 2023 represents short term facilities granted by banks at relatively fixed interest rate.

24-TRADES & NOTES PAYABLE

	31/12/2023	31/12/2022
Trades payable – local	1 596 043 534	1 102 792 087
Trades payable – abroad	226 004 817	115 601 073
	1 822 048 351	**1 218 393 160**
Notes Payable	320 916 603	127 742 959
	2 142 964 954	**1 346 136 119**

-Trades & Notes Payable include amount of LE 1 811 815 551due to related parties at December 31, 2023, results from purchase and operate of raw material

(All amounts in Egyptian Pounds unless otherwise stated)

25-CREDITORS AND OTHER CREDIT ACCOUNTS

	31/12/2023	31/12/2022
Accrued expenses	67 479 563	44 877 633
Tax authority	13 169 537	12 020 563
Social insurance authority	7 267 860	6 244 968
Credit balances - related parties	8 613 896	7 201 924
Creditors – purchases of fixed assets	659 920	3 876 960
Deposits from others	36 915 081	20 998 755
Trade receivable – advance payment	205 128 221	132 614 331
Other credit accounts	7 052 127	6 034 361
	346 286 205	**233 869 495**

26- Sales (net)

	31/12/2023	31/12/2022
Local sales	5 180 960 661	3 939 536 520
Export sales	1 859 938 214	1 654 571 507
	7 040 898 875	**5 594 108 027**
Production scrap sales	67 287 230	48 104 833
	7 108 186 105	**5 642 212 860**

– Sales include amount of LE 993 704 068 represents carpet sales to related parties.

27- Financial investments income

	31/12/2023	31/12/2022
Oriental Weavers International	802 838 335	1 213 403 707
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	--
	942 339 387	**1 328 523 389**

28- General and administrative expenses

	31/12/2023	31/12/2022
Salaries & wages	127 353 899	96 573 460
Social insurance	5 043 710	4 807 204
	132 397 609	**101 380 664**
Other administrative expenses	66 516 520	59 384 055
	198 914 129	**160 764 719**

(All amounts in Egyptian Pounds unless otherwise stated)

29- FINANCE EXPENSES

	31/12/2023	31/12/2022
Bank interest	58 628 132	70 646 138
Interest of lease contracts liabilities	1 212 144	2 169 584
Financing cost of purchase of land in the new administrative capital	26 703 659	22 314 696
	86 543 935	**95 130 418**

30- Income tax

	31/12/2023	31/12/2022
Current income tax	93 324 399	107 566 015
Dividends income tax	5 605 651	9 130 571
Treasury bills tax	43 167 335	7 538 718
Income tax at statement of income	**142 097 385**	**124 235 304**

30-1 Effective tax rate

	31/12/2023	31/12/2022
Profit before tax	1 289 982 581	1 599 016 907
Tax rate	%22.5	%22.5
Tax at the domestic rate of 22.5%	**290 246 081**	**359 778 804**
Depreciation	(2 568 417)	(13 427 468)
Tax exempt	(212 026 362)	(298 917 763)
Provisions	12 531 410	17 911 153
Capital gain	302 943	245 659
Non-deductible expenses	4 838 744	41 975 630
Current income tax	**93 324 399**	**107 566 015**
Effective tax rate	**% 7.23**	**% 6.73**

31- Basic earnings per share

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**

(All amounts in Egyptian Pounds unless otherwise stated)

32- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company to third parties as of December 31, 2023 amounted to L.E 113 356 152

33- CAPITAL COMMITMENTS

The capital commitments as of December 31, 2023 amounted to L.E 23 759 850 represents the value of new extension related to showrooms.

34- TAX POSITION

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.

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 №	31/12/2023	31/12/2022
Trades and notes receivable	(11)	1 109 393 263	1 078 076 328
Debtors and other debit accounts	(12)	348 823 562	230 928 451
		1 458 216 825	**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.

(All amounts in Egyptian Pounds unless otherwise stated)

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 615 967 294 and L.E 1 618 163 166 respectively.

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

Foreign currencies	(Deficit)
USD	(28 207 139)
Euro	(3 440 450)
GBP	(289 373)

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.