ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

For The Financial period ended June 30, 2024

Together With Limited Review Report

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bakertilly
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Translation from Arabic

Limited Review Report

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

Introductory

We have reviewed the accompanying consolidated financial position of Oriental Weavers Company for Carpets "S.A.E" at June 30, 2024 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six months then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

Scope of limited review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view for the consolidated financial position of the Company as of June 30, 2024 and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

Cairo: August 13, 2024

Auditor

Tarek Salah

B.T. Mohamed Hilal & Wahid Abdel Ghaffar

ADVISORY • ASSURANCE • TAX

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Consolidated statement of financial position as of June 30, 2024

(All amounts are in Egyptian Pounds)

	Note №	30/6/2024	31/12/2023
Non current assets			
Fixed assets	(6)	8 540 795 060	6 374 016 607
Projects in progress	(7)	507 746 156	269 337 810
Right of use assets	(8)	562 941 345	455 071 409
Investments at fair value through other comprehensive income	(9)	989 011 140	649 105 349
Total non current assets		**10 600 493 701**	**7 747 531 175**
Current assets			
Inventory	(10)	9 972 048 871	6 927 440 585
Trades and notes receivable	(11)	4 477 982 964	3 162 570 053
Debtors and other debit accounts	(12)	1 249 533 017	714 653 249
Treasury bills	(13)	2 215 299 321	2 127 279 974
Financial assets at amortized cost	(14)	376 974 081	628 791 306
Cash at banks and on hand	(15)	2 797 436 403	1 799 725 616
Total current assets		**21 089 274 657**	**15 360 460 783**
Total assets		**31 689 768 358**	**23 107 991 958**
Equity			
Issued and paid up capital	(17)	665 107 268	665 107 268
Reserves	(18)	2 042 472 870	1 794 626 861
Retained earnings		1 171 033 377	704 841 104
Net profit for the period / year		1 248 181 574	1 740 203 598
Exchange differences arising on translation of financial statements		12 098 771 098	7 904 577 917
Total equity attributable to the parent company		**17 225 566 187**	**12 809 356 748**
Non controlling interest	(19)	1 938 205 260	1 361 533 283
Total equity		**19 163 771 447**	**14 170 890 031**
Non current liabilities			
Long term loans	(20)	212 681 999	246 047 654
lease contracts liabilities	(21)	493 242 028	398 927 103
Deferred tax liabilities	(22)	120 344 510	149 355 442
Total non current liabilities		**826 268 537**	**794 330 199**
Current liabilities			
Provisions	(23)	294 859 122	225 516 257
Banks-Credit accounts	(24)	6 134 906 155	4 190 742 160
Lease contracts liabilities - current portion	(21)	138 178 584	114 568 544
Long term liabilities - current portion	(20)	368 931 401	240 204 176
Trades and notes payable	(25)	3 010 150 328	2 161 616 663
Dividends payable		202 685 268	56 816 046
Creditors and other credit accounts	(26)	1 278 999 130	974 651 595
Tax payable		271 018 386	178 656 287
Total current liabilities		**11 699 728 374**	**8 142 771 728**
Total liabilities		**12 525 996 911**	**8 937 101 927**
Total equity and liabilities		**31 689 768 358**	**23 107 991 958**

The accompanying notes from №.(1) to №. (33) form an integral part of these consolidated financial statements.
Auditor's Report attached.

Chairman	**CEO**	**Group CFO**	**CFO**
Yasmin Mohamed Farid Khamis	**Hazem shawki Al-Zafzaf**	**Hanee afia**	**Shehta Farouk Imam**

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of income for the financial period ended June 30, 2024

(All amounts are in Egyptian Pounds)

	Note №	From1/1/2024 Till 30/6/2024	From1/1/2023 Till 30/6/2023	From1/4/2024 Till 30/6/2024	From1/4/2023 Till 30/6/2023
Net sales		10 779 527 658	8 398 796 555	5 741 476 264	4 256 496 611
Less:					
Cost of sales		9 113 954 364	7 243 286 981	5 037 382 076	3 662 656 192
Gross profit		**1 665 573 294**	**1 155 509 574**	**704 094 188**	**593 840 419**
Add / (less):					
Financial investments income		362 300	113 520	362 300	--
Gain from financial investments through profit or loss		144 892 802	--	13 335 256	--
Capital gain		22 339 441	12 056 634	18 165 155	2 957 816
Reverse of impairment of assets held for sale		--	248 480 470	--	6 295 872
Gain from the sale of assets held for sale		--	34 761 620	--	--
Other revenues		528 157 983	6 922 557	524 835 665	3 707 517
Treasury bills returns		273 272 535	105 542 971	139 446 965	45 712 469
Financial Assests at amortized cost - returns		31 869 565	--	15 164 604	--
Interest income		82 201 961	38 462 584	47 483 007	20 600 207
Distribution expenses		(127 388 181)	(92 863 084)	(60 255 751)	(45 597 969)
General and administrative expenses		(302 988 849)	(250 477 324)	(140 095 371)	(100 188 553)
Expected credit loss	(16)	(8 919 629)	(26 301 088)	550 837	(37 149 826)
Formed provisions and impairment	(23)	(46 297 546)	(22 029 387)	(16 278 674)	(10 512 662)
Finance expenses	(27)	(274 874 778)	(211 106 451)	(137 760 257)	(106 916 375)
Foreign exchange differences		(191 384 977)	(168 570 077)	(33 748 490)	623 651
Net profit for the period before income tax		**1 796 815 921**	**830 502 519**	**1 075 299 434**	**373 372 566**
(Less)\ Add:					
Current income tax		(331 286 707)	(100 764 938)	(162 430 762)	(45 797 414)
Deferred tax		6 662 672	3 660 768	1 736 430	2 299 340
Income tax for the period		**(324 624 035)**	**(97 104 170)**	**(160 694 332)**	**(43 498 074)**
Net profit for the period after income tax		**1 472 191 886**	**733 398 349**	**914 605 102**	**329 874 492**
Attributable to:					
The parent company		1 248 181 574	700 445 517	820 763 587	289 831 689
Non controlling interest		224 010 312	32 952 832	93 841 515	40 042 803
		1 472 191 886	**733 398 349**	**914 605 102**	**329 874 492**
Basic earnings per share in the separate financial statements	(28)	**2.61**	**0.93**	**0.54**	**0.10**

The accompanying notes from №.(1) to №. (33) form an integral part of these consolidated financial statements.

Chairman	CEO	CFO	CFO
Yasmin Mohamed Farid Khamis	Hazem shawki Al-Zafzaf	Hanee afia	Shahata Farouk Imam

حازم زفزاف

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial period ended June 30, 2024

(All amounts are in Egyptian Pounds)

	From1/1/2024 Till 30/6/2024	From1/1/2023 Till 30/6/2023	From1/4/2024 Till 30/6/2024	From1/4/2023 Till 30/6/2023
Net profit for the period	**1 472 191 886**	**733 398 349**	**914 605 102**	**329 874 492**
Other comprehensive income				
Changes in fair value of investments at FVTOCI	76 813 575	(118 662 869)	3 645 609	(187 183 890)
Translation exchange differences	4 631 110 750	1 862 039 839	79 194 662	37 525 333
Deferred tax related to other comprehensive income items	--	(50 390 954)	--	(50 390 954)
Total other comprehensive income after tax	**4 707 924 325**	**1 692 986 016**	**82 840 271**	**(200 049 511)**
Total comprehensive income for the period	**6 180 116 211**	**2 426 384 365**	**997 445 373**	**129 824 981**
Attributable to:				
The parent company	5 519 080 130	2 250 522 597	924 193 614	92 063 480
Non controlling interest	661 036 081	175 861 768	73 251 759	37 761 501
	6 180 116 211	**2 426 384 365**	**997 445 373**	**129 824 981**

The accompanying notes from №.(1) to №. (33) 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 period ended June 30, 2024

(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 1/1/2023	**665 107 268**	**1 871 386 892**	**453 330 880**	**842 885 161**	**6 258 366 013**	**10 091 076 214**	**1 164 176 240**	**11 255 252 454**
Transferred to reserves	--	49 317 873	---	(49 317 873)	---	--	--	--
Transferred to retained earnings	--	--	793 567 288	(793 567 288)	---	--	--	--
Dividends	--	--	(613 045 927)	---	---	**(613 045 927)**	(98 454 337)	**(711 500 264)**
Adjustments related to consolidated statements	--	(651 379)	71 789 952	---	---	**71 138 573**	265 804	**71 404 377**
Total Comprehensive income for the period	--	(100 698 255)	--	700 445 517	1 650 775 335	**2 250 522 597**	175 861 768	**2 426 384 365**
Balance at 30/6/2023	**665 107 268**	**1 819 355 131**	**705 642 193**	**700 445 517**	**7 909 141 348**	**11 799 691 457**	**1 241 849 475**	**13 041 540 932**
Balance at 1/1/2024	**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**
Transferred to reserves	---	171 140 634	---	(171 140 634)	---	---	---	---
Transferred to retained earning	---	---	1 569 062 964	(1 569 062 964)	---	---	---	---
Dividends	---	---	(1 102 870 691)	---	---	(1 102 870 691)	(84 364 104)	**(1 187 234 795)**
Total Comprehensive income for the period	---	76 705 375	---	1 248 181 574	4 194 193 181	5 519 080 130	661 036 081	**6 180 116 211**
Balance at 30/6/2024	**665 107 268**	**2 042 472 870**	**1 171 033 377**	**1 248 181 574**	**12 098 771 098**	**17 225 566 187**	**1 938 205 260**	**19 163 771 447**

The accompanying notes from №.(1) to №. (33) form an integral part of these consolidated financial statements.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of cash flow for the financial period ended June 30, 2024

(All amounts are in Egyptian Pounds)

	Note №	30/6/2024	30/6/2023
Cash flows from operating activities			
Net profit for the period before income tax		1 796 815 921	830 502 519
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		550 968 395	408 595 371
Depreciation of right of use assets		64 363 317	56 275 313
Formed provisions and impairment		46 297 546	22 029 387
Expected credit loss		8 919 629	26 301 088
Interest income		(82 201 961)	(38 462 584)
Reverse of impairment of assets held for sale		--	(248 480 470)
Gain from the sale of assets held for sale		--	(34 761 620)
Finance expenses		274 874 778	211 106 451
Treasury bills returns		(273 272 535)	(105 542 971)
Financial investments revenues		(362 300)	(113 520)
Gain from financial investments through profit or loss		(144 892 802)	--
Capital (gain)		(22 339 441)	(12 056 634)
Operating profits before changes in working capital		**2 219 170 547**	**1 115 392 330**
Change in :			
Inventory		(513 782 517)	(252 841 302)
Trades and notes receivable and debit accounts		641 725 647	(200 976 266)
Trades and notes payable and credit accounts		(570 817 365)	718 901 099
Cash flows provided by operating activities		**1 776 296 312**	**1 380 475 861**
Proceeds from interest income		82 201 961	38 462 584
Finance expenses paid		(274 874 778)	(211 106 451)
Income tax paid		(238 924 608)	(133 571 617)
Net cash flows provided by operating activities		**1 344 698 887**	**1 074 260 377**
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(404 994 003)	(230 303 394)
Proceeds from financial investments		362 300	113 520
Proceeds from Gain from financial investments through profit or loss		144 892 802	--
Proceeds from sale of fixed assets		61 500 717	22 385 592
(Payments) for purchase of treasury bills		(4 648 071 450)	(600 618 780)
Proceeds from treasury bills		4 768 611 779	1 248 392 055
Proceeds for financial assets at amortized cost		560 147 653	--
Proceeds from sale of assets held for the sale		--	296 031 369
Net cash flows provided by investing activities		**482 449 798**	**736 000 362**
Cash flows from financing activities			
Proceeds (Payment) from banks-credit accounts		442 220 625	(1 079 907 581)
Dividends paid and payments for non controlling interest		(1 041 434 802)	(652 143 726)
Lease contracts liabilities paid		(55 894 244)	(51 836 497)
Exchange differences arising from translation of financial statements		(653 453 534)	(2 032 270)
Proceeds (Payment) from long term loans		(67 403 446)	(122 827 407)
Net cash flows (used in) financing activities		**(1 375 965 401)**	**(1 908 747 481)**
Net change in cash and cash equivalents during the period		**451 183 284**	**(98 486 742)**
Cash and cash equivalents at the beginning of the period		2 273 365 237	2 195 234 848
Translation exchange differences related to cash and cash equivalents		480 416 382	151 963 476
Cash and cash equivalents at end of the period represents in:		**3 204 964 903**	**2 248 711 582**
Cash and cash equivalents	(15)	2 798 038 822	2 110 350 742
Treasury bills	(13)	2 215 299 321	772 747 942
Treasury bills due more than three months		(1 808 373 240)	(634 387 102)
Cash and cash equivalents		**3 204 964 903**	**2 248 711 582**

The amounts of LE (3 774 221 062) of the working capital items, LE (679 278 782) of the investment activities, LE 2 165 405 184 of the financing activities has been eliminated against the amount of LE 2 288 094 660 of the translation differences.

The accompanying notes from №.(1) to №. (33) 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 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments

(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. (34) amended 2024 "Investment Property "	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	There is no impact on the company's' financial statements	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after **January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	There is no impact on the company's' financial statements	The amendments shall apply to financial periods commencing on or after **January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the	There is no impact on the company's' financial statements	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after **January 1, 2024** with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	required treatments in case of non-exchangeability.		information and instead should: • When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application. • When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.

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.

(All amounts in Egyptian Pounds unless otherwise stated)

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 - 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 30/6/2024 %	Percentage of participations 31/12/2023 %
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	69.26	69.26
New Mac	57.12	57.12
Oriental Weavers Textile	71.44	71.44

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.
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.

5-6-5 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.

5-6-6 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.

5-6-7 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.

5-7 Goodwill

Goodwill is measured as the excess of the consideration transferred and the amount of any non-controlling interest in the acquire and the acquisition date fair value of the acquirer's previously held 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.

According to the FRA decision No. 222 of 2023 the company has excluded governmental debt instruments in local currency, current account and term deposit in local currency at local Banks registered with the central Bank of Egypt and due within of one month from the date of the financial statement form the recognition and measurement of expected credit losses.

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

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
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)**
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**
Additions	---	4 349 106	48 877 532	3 352 647	8 714 466	15 246 544	15 871 198	37 987 292	**134 398 785**
Disposals	(17 880 213)	---	(309 055 216)	(1 890 843)	(446 472)	(2 085 819)	(20 271)	---	**(331 378 834)**
Translation exchange differences	464 749 020	2 103 027 947	7 938 638 743	230 471 789	91 143 430	1 223 963	86 471 347	210 340 714	**11 126 066 953**
Cost as of 30/6/2024	**1 582 979 553**	**6 811 505 811**	**24 382 135 435**	**712 460 065**	**366 046 931**	**218 108 851**	**345 630 715**	**706 201 454**	**35 125 068 815**
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**
Depreciation of period	---	128 441 082	369 914 888	9 652 249	10 184 109	14 711 963	6 947 796	11 116 308	**550 968 395**
Disposals of accumulated depreciation	---	---	(287 781 546)	(1 890 843)	(446 472)	(2 078 610)	(20 087)	---	**(292 217 558)**
Translation exchange differences	---	1 197 790 862	6 741 255 661	207 416 624	77 610 234	1 222 357	74 560 049	203 701 827	**8 503 557 614**
Accumulated depreciation and impairment as of 30/6/2024	---	**3 894 797 239**	**20 689 512 546**	**649 269 468**	**292 521 439**	**148 506 232**	**269 503 922**	**640 162 909**	**26 584 273 755**
Net book value as of 30/6/2024	**1 582 979 553**	**2 916 708 572**	**3 692 622 889**	**63 190 597**	**73 525 492**	**69 602 619**	**76 126 793**	**66 038 545**	**8 540 795 060**
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**

(All amounts in Egyptian Pounds unless otherwise stated)

7- PROJECTS IN PROGRESS

	30/6/2024	31/12/2023
Buildings under Construction	314 214 600	170 172 475
Machinery & Equipment under installation	134 163 444	38 950 358
Computer systems	3 869 848	3 849 848
Advance payment for purchasing of Fixed assets	55 498 264	56 365 129
	507 746 156	**269 337 810**

8- RIGHT USE OF ASSETS

	Showroom rent	Oriental weavers USA - rental	Total
Cost at 1/1/2024	**598 952 630**	**247 275 502**	**846 228 132**
Additions	103 472 447	47 394 084	150 866 531
Disposals	(24 020 792)	--	(24 020 792)
Translation differences	--	136 913 436	136 913 436
Cost at 30/6/2024	**678 404 285**	**431 583 022**	**1 109 987 307**
Accumulated depreciation at 1/1/2024	**190 104 392**	**201 052 331**	**391 156 723**
Depreciation of period	48 652 510	15 710 807	64 363 317
Disposals of accumulated depreciation	(19 794 306)	--	(19 794 306)
Translation differences	--	111 320 228	111 320 228
Accumulated depreciation at 30/6/2024	**218 962 596**	**328 083 366**	**547 045 962**
Net book value at 30/6/2024	**459 441 689**	**103 499 656**	**562 941 345**
Net book value at 31/12/2023	**408 848 238**	**46 223 171**	**455 071 409**

9- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Balance as of 30/6/2024	Balance as of 31/12/2023
Egyptian Propylene & Polypropylene Company "E.P.P"*	951 128 201	612 174 585
Alahli Bank of Kuwait- Egypt	33 203 856	33 203 856
Orientals for Industrial Projects	2 422 800	2 422 800
Prudential company – U.S. A	2 252 530	1 300 354
Cambridge Weavers (under liquidation)	3 750	3 750
Trading for Development Export	1	1
10th of Ramadan for Spinning Industries (under liquidation)	1	1
Modern Spinning Company (under liquidation) **	--	1
Egyptian for Trade and Marketing	1	1
	989 011 140	**649 105 349**

*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."
**On march 27,2024 the company has been liquidated and removed from the commercial register

(All amounts in Egyptian Pounds unless otherwise stated)

10- INVENTORY

	30/6/2024	31/12/2023
Raw materials	4 375 723 486	2 911 531 320
Spare parts & materials	884 638 210	589 316 035
Work in process	407 596 174	184 698 902
Finished products	4 001 034 001	3 182 474 678
Letter of credit for purchasing of raw materials	330 054 383	82 110 856
	9 999 046 254	**6 950 131 791**
Less: Impairment in inventory	(26 997 383)	(22 691 206)
	9 972 048 871	**6 927 440 585**

11- TRADES & NOTES RECEIVABLE

	30/6/2024	31/12/2023
Trades receivables	3 984 530 298	2 760 353 465
Notes receivables	1 001 892 873	750 772 731
	4 986 423 171	**3 511 126 196**
(Less): Expected credit loss – Note No (16)	(508 440 207)	(348 556 143)
	4 477 982 964	**3 162 570 053**

- Trades & Notes Receivable include amount of LE 7 853 095 due from related parties at june 30, 2024 results from sales of carpets.

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	30/6/2024	31/12/2023
Prepaid expenses	115 694 203	51 643 638
Tax authority – debit accounts	547 382 583	490 306 518
Deposits with others	74 119 271	60 858 607
Accrued revenues	10 262 808	10 064 471
Letter of guarantee & letter of credit – cash margin	33 715 048	12 322 657
Petty cash & advance to employees	29 560 352	11 534 768
Suppliers – advance payment	373 875 952	59 395 727
Other debit accounts	85 845 313	25 413 637
	1 270 455 530	**721 540 023**
(Less):		
(Less): Expected credit loss – Note No (16)	(4 826 249)	(6 886 774)
	1 249 533 017	**714 653 249**

13- TREASURY BILLS

	30/6/2024	31/12/2023
Treasury bills (mature in 90 days)	412 000 000	490 450 000
Treasury bills (mature in more than 90 days)	2 020 000 000	1 755 000 000
Less:	**2 432 000 000**	**2 245 450 000**
Unrealized returns	(216 700 679)	(118 170 026)
	2 215 299 321	**2 127 279 974**

(All amounts in Egyptian Pounds unless otherwise stated)

14- FINANCIAL ASSETS AT AMORTIZED COST

	30/6/2024	31/12/2023
Treasury bonds - Eurobond	399 807 200	643 948 002
(Less): Discount	(22 414 360)	(9 268 801)
	377 392 840	**634 679 201**
(Less): Expected credit loss – Note No (16)	(418 759)	(5 887 895)
	376 974 081	**628 791 306**

15- CASH AND CASH EQUIVALENTS

	30/6/2024	31/12/2023
Banks – Time deposits	929 542 151	499 906 735
Banks – Current accounts	1 860 372 999	1 297 290 569
Cash on hand	8 161 246	4 566 567
Cash at banks and on hand	**2 798 076 396**	**1 801 736 871**
Less:		
(Less): Expected credit loss – Note No (16)	(639 993)	(2 038 255)
	2 797 436 403	**1 799 725 616**

Cash and cash equivalents for cash flows statement purposes

	30/6/2024	31/12/2023
Cash in banks and the fund before the expected credit loss	2 798 076 396	1 801 763 871
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(37 574)
Cash at banks and on hand	**2 798 038 822**	**1 801 726 297**
Add: Treasury bills with maturity of 90 days	406 926 081	471 638 940
Cash and cash equivalents for cash flows statement purposes	**3 204 964 903**	**2 273 365 237**

16- Expected credit loss

	Trade receivables	Debtors & other debit balances	Financial Assets at Amortized Cost	Cash & cash equivalent	Total
Balance as at 1/1/2024	**348 556 143**	**6 886 774**	**5 887 895**	**2 038 255**	**363 369 067**
Charge to statement of income	21 342 023	(3 410 786)	(7 315 141)	(1 696 467)	8 919 629
Translation differences	138 542 041	1 350 261	1 846 005	298 205	142 036 512
Provision balance at 30/6/2024	**508 440 207**	**4 826 249**	**418 759**	**639 993**	**514 325 208**

(All amounts in Egyptian Pounds unless otherwise stated)

17- Issued and paid-up capital

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

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

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

18- Reserves

	30/6/2024	31/12/2023
Legal reserve	1 363 947 292	1 267 256 203
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	246 528 905	172 079 359
Unrealized gain from financial investments at FVTOCI	231 766 850	155 061 476
	2 042 472 870	**1 794 626 861**

19- Non-Controlling interest

	Non-controlling interest in Equity	Non-controlling interest in comprehensive income	Balance as of 30/6/2024	Balance as of 31/12/2023
Orientals Weavers international Co (O.W.I)	331 015	217 321	548 336	413 055
MAC Carpet Mills	410 003 914	205 796 465	615 800 379	442 229 187
Egyptian Fibres Co. EFCO	183 150 280	96 086 120	279 236 400	221 196 906
New MAC	4 351 730	5 098 472	9 450 202	7 003 457
Oriental Weavers Textile	468 414 153	302 204 507	770 618 660	479 734 871
Oriental Weavers Co. U.S.A.	210 918 087	51 633 196	262 551 283	210 955 807
	1 277 169 179	**661 036 081**	**1 938 205 260**	**1 361 533 283**

(All amounts in Egyptian Pounds unless otherwise stated)

20- Long term loans

BANK	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 30/6/2024	Balance as of 30/6/2024 current portion due in one year	Balance as of 30/6/2024 long term installments	Balance as of 31/12/2023 current portion due in one year	Balance as of 31/12/2023 long term installments	Terms of Payment
Emirates NBD Egypt bank	USD	8 000 000	160 333 318	128 266 683	32 066 635	82 556 277	61 917 200	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.
Qatar National Bank Al Ahli	EURO	3 000 000	21 158 324	--	21 158 324	--	--	The principal of the loan shall be settled over 8 equal half annually installments starting after the end of the grace period that ends no later than 6 months from the date of the first withdrawal.
Alex bank	EURO	1 800 000	60 043 422	30 021 711	30 021 711	19 923 964	29 885 946	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	128 744 846	42 914 965	85 829 881	28 480 550	71 201 375	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	129 205 186	103 364 167	25 841 019	66 528 260	49 896 196	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	82 128 304	64 363 875	17 764 429	42 715 125	33 146 937	The principal of the loan shall be settled over 8 equal half annually installments starting from 30/6/2022 till 30/12/2025, the interest and commission shall be computed and paid upon its due date.
			581 613 400	368 931 401	212 681 999	240 204 176	246 047 654	

(All amounts in Egyptian Pounds unless otherwise stated)

21- LEASE CONTRACTS LIABILITY

	Due within one year	Due more than one year	Balance at 30/6/2024
Oriental Weavers Co. U.S.A.	27 261 685	77 808 821	105 070 506
Showroom	110 916 899	415 433 207	526 350 106
	138 178 584	**493 242 028**	**631 420 612**

22- DEFERRED TAX LIABILITIES

-Deferred tax Assets and liabilities

	30/6/2024		31/12/2023	
	Assets	(Liabilities)	Assets	(Liabilities)
Fixed assets	--	(179 723 826)	--	(186 386 498)
Temporary tax differences – O.W. (USA)	124 594 344	--	80 192 650	--
Fair value reserve of investment at FVOCI	--	(65 215 028)	--	(43 161 594)
Total deferred tax assets / (liabilities)	**124 594 344**	**(244 938 854)**	**80 192 650**	**(229 548 092)**
Net deferred tax (liabilities)	--	**(120 344 510)**	--	**(149 355 442)**

-The movement of deferred tax liabilities is shown below:

	30/6/2024		31/12/2023	
	Assets	(Liabilities)	Assets	(Liabilities)
Beginning balance	80 192 650	(229 548 092)	31 542 110	(187 143 818)
Fair value reserve of investment at FVOCI	--	--	--	(43 161 594)
Charged to the statement of income	--	6 662 672	40 066 077	757 320
Translation Difference	44 401 694	(22 053 434)	8 584 463	--
Ending balance	**124 594 344**	**(244 938 854)**	**80 192 650**	**(229 548 092)**

23- Provisions

	Balance as of 1/1/2024	Formed during the period	Used During the period	Translation differences	Balance as of 30/6/2024
Provisions for claims	225 516 257	46 297 546	(2 798 411)	25 843 730	294 859 122
	225 516 257	**46 297 546**	**(2 798 411)**	**25 843 730**	**294 859 122**

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.

24- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 6 134 906 155 as of June 30, 2024 represents short term facilities granted by banks.certain facilities are secured by notes receivables deposited at these banks for collection.

(All amounts in Egyptian Pounds unless otherwise stated)

25- TRADES & NOTES PAYABLE

	30/6/2024	31/12/2023
Trades payable	2 245 845 203	1 585 062 948
Notes Payable	764 305 125	576 553 715
	3 010 150 328	**2 161 616 663**

- Trades & Notes Payable include amount of LE 450 879 due to related parties at June 30, 2024, results from purchase and operate of raw material.

26- CREDITORS AND OTHER CREDIT ACCOUNTS

	30/6/2024	31/12/2023
Accrued expenses	396 980 572	274 538 079
Tax authority	34 318 457	28 964 528
Social insurance authority	31 555 240	25 679 311
Trade receivable – advance payment	471 187 235	340 419 600
Creditors – purchases of fixed assets	2 308 090	759 514
Credit balances - related parties	6 569 110	8 613 896
Deposits from others	285 068 321	246 721 834
Other credit accounts	51 012 105	48 954 833
	1 278 999 130	**974 651 595**

27- FINANCE EXPENSES

	30/6/2024	30/6/2023
Bank interest	255 611 169	194 711 450
Interest of lease contracts liabilities	19 263 609	16 395 001
	274 874 778	**211 106 451**

28- Basic earnings per share in the separate financial statements

The basic earnings per share are determined as follows: -

	30/6/2024	30/6/2023
Net profit for the period	1 732 895 762	618 348 795
Average of shares number available during the period	665 107 268	665 107 268
	2.61	**0.93**

29- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of June 30, 2024 amounted to L.E 136 824 392 The contingent liabilities from letter of credit in that date amounted to L.E 1 041 380 840 .

30- CAPITAL COMMITMENTS

The capital commitments as of June 30, 2024 amounted to L.E 70 230 556 represents the value of new extension related to showrooms and completion of construction in progress.

31- TAX POSITION

31-1 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 November 30, 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.

31-2 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.

31-3 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.

31-4 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.

31-5 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 years 2026,2017, 2018, 2019 has been inspected and the tax is under settlement.
- 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.

32- 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.

(All amounts in Egyptian Pounds unless otherwise stated)

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

	Note №	30/6/2024	31/12/2023
Trades and notes receivable	(11)	4 477 982 964	3 162 570 053
Debtors and other debit accounts	(12)	1 249 533 017	714 653 249
		5 727 515 981	**3 877 223 302**

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.

33- SIGNIFICANT EVENTS

On February 1, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the deposit and lending rates for overnight transactions, as well as the main operation rate of the central bank, by 200 basis points. Then, on March 6, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to further raise the deposit and lending rates for overnight transactions by 600 basis points, reaching 27.25% and 28.25%, respectively. Additionally, the credit and discount rates were also raised by 600 basis points to reach 27.75%. This decision allowed for the use of a flexible exchange rate determined according to market mechanisms, resulting in a significant increase in foreign currency exchange rates against the Egyptian pound.