ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial period ended September 30, 2024

Together With Limited Review Report

Contents **Page**

bakertilly
MOHAMED HILAL & WAHID ABDEL GHAFFAR

Degla view building -Ring road,
Katameya,Cairo, Egypt

C61, Plot# 11, 10th Sector,
Zahraa El Maadi, Cairo.

87 Ramsis Street, Cairo.
Egypt

T: +2 2725 10 04
T: +2 2725 10 08
T: +2 2725 10 09

T: +2 2310 10 31,32,33,34,35

T: +2 2574 48 10
T: +2 2577 07 85

info@bakertillyeg.com
www.bakertillyeg.com

Translation from Arabic

Limited Review Report

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

Introductory

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

Scope of limited review

We conducted our review in accordance with the Egyptian Standard on Review Engagements 2410 "Review of Interim Financial Statements Performed by the Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Cairo: November 14, 2024

Auditor

Tarek Salah

Tarek Salah

B.T. Mohamed Hilal & Wahid Abdel Ghaffar.

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

(All amounts are in Egyptian Pounds)

	Note №	30/9/2024	31/12/2023
Non current assets			
Fixed assets	(5)	974 095 612	1 017 165 015
Projects in progress	(8)	107 762 050	75 374 143
Right of use assets	(9)	380 479 953	344 228 207
Investments in subsidiaries	(6)	1 348 416 085	1 348 416 085
Investments at fair value through other comprehensive income	(7)	33 203 859	33 203 860
Total non current assets		**2 843 957 559**	**2 818 387 310**
Current assets			
Inventory	(10)	1 926 945 072	1 322 437 198
Trades and notes receivable	(11)	1 334 843 090	1 109 393 263
Debtors and other debit accounts	(12)	500 298 057	348 823 562
Treasury bills	(13)	2 497 257 356	1 963 986 647
Cash at banks and on hand	(14)	391 848 649	507 958 557
Total current assets		**6 651 192 224**	**5 252 599 227**
Total assets		**9 495 149 783**	**8 070 986 537**
Equity			
Issued and paid up capital	(16)	665 107 268	665 107 268
Reserves	(17)	1 141 652 721	1 134 546 415
Retained earnings		1 502 283 469	1 283 864 893
Net profit for the period/year		1 897 900 003	1 145 108 967
Total equity		**5 206 943 461**	**4 228 627 543**
Non current liabilities			
Medium term loans	(18)	18 673 712	83 043 133
lease contracts liabilities	(19)	341 403 583	304 695 208
Deferred tax liabilities	(20)	89 855 544	94 152 633
Total non current liabilities		**449 932 839**	**481 890 974**
Current liabilities			
Provisions	(21)	134 955 197	124 757 517
Banks-Credit accounts	(22)	272 696 733	447 200 560
Lease contracts liabilities - current portion	(19)	100 955 590	87 167 084
Trades and notes payable	(23)	2 671 909 464	2 142 964 954
Long term liabilities - current portion	(18)	171 585 332	109 243 385
Dividends payable		6 313 731	9 523 916
Creditors and other credit accounts	(24)	339 462 224	346 286 205
Tax payable		140 395 212	93 324 399
Total current liabilities		**3 838 273 483**	**3 360 468 020**
Total liabilities		**4 288 206 322**	**3 842 358 994**
Total equity and liabilities		**9 495 149 783**	**8 070 986 537**

The accompanying notes from №.(1) to №. (35) form an integral part of these separate financial statements.
-Limited Review Report attached.

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of income for the financial period ended Spetmeber 30, 2024

(All amounts are in Egyptian Pounds)

	Note №	From1/1/2024 Till 30/9/2024	From1/1/2023 Till 30/9/2023	From1/7/2024 Till 30/9/2024	From1/7/2023 Till 30/9/2023
Net sales	(25)	6 167 373 354	5 122 716 935	2 002 716 407	1 674 338 202
Less:					
Cost of sales		5 515 311 253	4 637 930 544	1 838 039 019	1 493 018 656
Gross profit		**652 062 101**	**484 786 391**	**164 677 388**	**181 319 546**
Add / (less):					
Financial investments income	(26)	1 580 754 091	942 339 387	8 218 700	346 645 629
Gain from the sale of assets held for sale		--	34 761 620	--	--
Reverse of impairment of assets held for sale		--	25 067 999	--	--
Capital gain		2 990 618	2 502 823	--	2 502 823
Other revenues		164 254 086	26 537 060	--	26 537 060
Treasury bills returns		393 452 828	114 224 441	138 137 684	34 787 054
Interest income		60 970 913	29 225 996	21 558 229	15 679 426
Distribution expenses		(140 690 706)	(102 918 158)	(52 768 511)	(38 755 499)
General and administrative expenses	(27)	(162 969 376)	(158 178 880)	(48 924 119)	(53 848 428)
Expected credit loss	(15)	(6 372 632)	(35 743 703)	(3 757 227)	(21 122 862)
Formed provisions and impairment	(21)	(19 000 000)	(10 500 000)	(1 600 000)	(4 100 000)
Finance expenses	(28)	(74 462 140)	(62 466 229)	(21 613 430)	(21 200 303)
Foreign exchange differences		(355 861 975)	(148 434 680)	(23 174 579)	4 037 708
Net profit for the period before income tax		**2 095 127 808**	**1 141 204 067**	**180 754 135**	**472 482 154**
(Less)\ Add:					
Current income tax	(29)	(201 524 894)	(96 848 390)	(16 594 303)	(45 581 173)
Deferred tax	(20)	4 297 089	1 814 469	844 409	920 370
Income tax for the period		**(197 227 805)**	**(95 033 921)**	**(15 749 894)**	**(44 660 803)**
Net profit for the period after income tax		**1 897 900 003**	**1 046 170 146**	**165 004 241**	**427 821 351**
Basic earnings per share	(30)	**2.85**	**1.57**	**0.25**	**0.64**

The accompanying notes from №.(1) to №. (35) form an integral part of these separate financial statements.

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of comprehensive income for the financial period ended Spetmeber 30, 2024

(All amounts are in Egyptian Pounds)

	From1/1/2024 Till 30/9/2024	From1/1/2023 Till 30/9/2023	From1/7/2024 Till 30/9/2024	From1/7/2023 Till 30/9/2023
Net profit for the period	**1 897 900 003**	**1 046 170 146**	**165 004 241**	**427 821 351**
Other comprehensive income				
Changes in fair value of investments at FVTOCI	--	10 971 792	--	--
Deferred tax related to other comprehensive income items	--	(2 468 653)	--	--
Total other comprehensive income after tax	--	**8 503 139**	--	--
Total comprehensive income for the period	**1 897 900 003**	**1 054 673 285**	**165 004 241**	**427 821 351**

The accompanying notes from №.(1) to №. (35) 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 Period ended Spetmeber 30, 2024

(All amounts are in Egyptian Pounds)

	Issued and paid up capital	Reserves	Retained earnings	Net profit	Total equity
Balance at 1/1/2023	**665 107 268**	**1 117 584 059**	**315 986 594**	**1 461 193 154**	**3 559 871 075**
Transferred to capital reserve	--	6 250 494	--	(6 250 494)	--
Dividends	--	--	--	(487 064 361)	**(487 064 361)**
Transferred to retained earning	--	--	967 878 299	(967 878 299)	--
Total Comprehensive income for the period	--	8 503 139	--	1 046 170 146	**1 054 673 285**
Balance at 30/9/2023	**665 107 268**	**1 132 337 692**	**1 283 864 893**	**1 046 170 146**	**4 127 479 999**
Balance at 1/1/2024	**665 107 268**	**1 134 546 415**	**1 283 864 893**	**1 145 108 967**	**4 228 627 543**
Transferred to capital reserve	--	7 106 306	--	(7 106 306)	--
Dividends	--	--	--	(919 584 085)	**(919 584 085)**
Transferred to retained earning	--	--	218 418 576	(218 418 576)	--
Total Comprehensive income for the period	--	--	--	1 897 900 003	**1 897 900 003**
Balance at 30/9/2024	**665 107 268**	**1 141 652 721**	**1 502 283 469**	**1 897 900 003**	**5 206 943 461**

The accompanying notes from №.(1) to №. (35) 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 period ended Spetmeber 30, 2024

(All amounts are in Egyptian Pounds)

	Note №	30/9/2024	30/9/2023
Cash flows from operating activities		2 095 127 808	1 141 204 067
Net profit for the period before income tax			
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		104 254 644	88 003 099
Depreciation of right of use assets		62 099 246	48 954 473
Expected credit loss		6 372 632	35 743 703
Finance expenses		74 462 140	62 466 229
Interest income		(60 970 913)	(29 225 996)
Formed provisions and impairment		19 000 000	10 500 000
Financial investments revenues		(1 580 754 091)	(942 339 387)
Treasury bills returns		(393 452 828)	(114 224 441)
Capital (gain)		(2 990 618)	(2 502 823)
Reverse of impairment of assets held for sale		--	(25 067 999)
Gain from the sale of assets held for sale		--	(34 761 620)
Operating profits before changes in working capital		**323 148 020**	**238 749 305**
Change in :			
Inventory		(604 507 874)	(362 853 564)
Trades and notes receivable		(231 787 239)	(240 608 609)
Debtors and other debit accounts		(219 000 041)	(167 318 378)
Trades and notes payable		528 944 510	634 006 365
Creditors and other credit accounts		(15 626 301)	7 598 421
Cash flows (used in) operating activities		**(218 828 925)**	**109 573 540**
Finance expenses paid		(74 462 140)	(62 466 229)
Proceeds from interest income		60 970 913	29 225 996
Income tax paid		(87 254 004)	(87 691 338)
Net cash flows (used in) operating activities		**(319 574 156)**	**(11 358 031)**
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(95 402 888)	(94 010 731)
(Payments) to treasury bills due more than three months		(5 198 817 882)	(1 844 722 870)
Proceeds from sale of fixed assets		4 820 358	2 788 891
Proceeds from treasury bills due more than three months		5 157 013 442	2 979 067 446
Proceeds from sale of assets held for the sale		---	59 829 619
Proceeds from investments income		1 580 754 091	942 339 387
Net cash flows provided by investing activities		**1 448 367 121**	**2 045 291 742**
Cash flows from financing activities			
(Payment) to banks-credit accounts		(174 503 827)	(229 508 248)
Lease contracts liabilities paid		(47 854 111)	(38 083 291)
Proceeds from long term loans		(2 027 474)	(39 318 724)
Dividends paid		(922 794 270)	(481 765 233)
Net cash flows (used in) financing activities		**(1 147 179 682)**	**(788 675 496)**
Net change in cash and cash equivalents during the period		**(18 386 717)**	**1 245 258 215**
Cash and cash equivalents at the beginning of the period		817 525 177	396 103 831
Cash and cash equivalents at end of the period represents in:	(14)	**799 138 460**	**1 641 362 046**
Cash and cash equivalents	(14)	392 779 407	394 083 800
Treasury bills	(13)	2 497 257 356	1 247 278 246
Treasury bills due more than three months		(2 090 898 303)	--
Cash and cash equivalents		**799 138 460**	**1 641 362 046**

Non cash Transactions

An amount of EGP 67 200 077 representing withholding taxes, has been eliminated from Debtors and Other Receivables and Income Tax Liabilities

The accompanying notes from №.(1) to №. (35) form an integral part of these separate financial statements.

1 - BACKGROUND INFORMATION

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

1-2 **Commercial Register**

Commercial Register No 44139 dated November 16, 1981.

1-3 **Company's objective**

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

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

1-5 The Company is listed in Egyptian exchange.

1-6 **Company's Headquarter**

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

1-7 The Financial Statements are approved for issue by the Board of Directors on ……………….

.

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.

(All amounts in Egyptian Pounds unless otherwise stated)

2- 2 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

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.

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.	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 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.

2-3 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.

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:

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

(B) 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:

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

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

(C) 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.

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.

4-18 Income tax

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

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

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

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

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

4-19 Employees' pension

A- Social Insurance and pension

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

B- Employees' profit share

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

4-20 Contingent liabilities and commitments

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

4-21 Related parties' transactions

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

4-22 Cash flow statement

Separate Cash flow statement is prepared using the indirect method.

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

4-23 Comparative Figures

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

(All amounts in Egyptian Pounds unless otherwise stated)

5- Fixed assets*

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
Cost as of 31/12/2022	**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**
Additions	--	---	25 441 556	---	8 317 273	15 753 574	10 249 897	3 252 681	**63 014 981**
Disposals	--	---	(15 755 642)	---	(195 282)	(2 085 819)	(20 271)	---	**(18 057 014)**
Cost as of 30/9/2024	**137 538 790**	**427 210 500**	**859 400 327**	**31 007 088**	**59 964 671**	**196 071 040**	**85 163 547**	**59 772 299**	**1 856 128 262**
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**
Depreciation of Period **	--	11 400 789	56 729 118	738 299	4 515 896	21 915 079	3 729 653	5 225 810	**104 254 644**
Disposals of accumulated depreciation	--	---	(13 933 295)	---	(195 282)	(2 078 610)	(20 087)	---	**(16 227 274)**
Accumulated depreciation and impairment as of 30/9/2024	--	**176 988 156**	**408 077 185**	**27 823 797**	**38 135 916**	**136 298 475**	**46 186 191**	**48 522 930**	**882 032 650**
Net book value as of 30/9/2024	**137 538 790**	**250 222 344**	**451 323 142**	**3 183 291**	**21 828 755**	**59 772 565**	**38 977 356**	**11 249 369**	**974 095 612**
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**

* There are no restrictions on title as of June 30,2024

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

	30/9/2024
Industrial expenses	65 462 387
Distribution expenses	34 560 662
General and administrative expenses	4 231 595
	104 254 644

(All amounts in Egyptian Pounds unless otherwise stated)

6- Investments in subsidiaries

	Country of Origin	Ownership %	Acquisition Cost	Accumulated Impairment	30/9/2024	31/12/2023
Oriental Weavers – USA	USA	82.68	127 127 706	(4 305 383)	122 822 323	122 822 323
Oriental Weavers International	Egypt	99.01	728 049 443	(51 258 912)	676 790 531	676 790 531
Oriental Weavers Textile•	Egypt	37.13	39 605 000	---	39 605 000	39 605 000
Egyptian Fibers Co. EFCO	Egypt	67.87	109 175 358	---	109 175 358	109 175 358
Mac Carpet Mills	Egypt	58.29	750 697 752	(350 674 879)	400 022 873	400 022 873
			1 754 655 259	**(406 239 174)**	**1 348 416 085**	**1 348 416 085**

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

7- Investments at fair value through other comprehensive income

	30/9/2024	31/12/2023
Alahli Bank of Kuwait– Egypt	33 203 856	33 203 856
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
	33 203 859	**33 203 860**

•On march 27,2024 the company has been liquidated and removed from the commercial register

(All amounts in Egyptian Pounds unless otherwise stated)

8-PROJECTS IN PROGRESS

	30/9/2024	31/12/2023
Machinery & Equipment under installation	15 232 278	358 707
Buildings under Construction	79 982 651	56 623 445
Advance payment	12 547 121	18 391 991
	107 762 050	**75 374 143**

9-RIGHT USE OF ASSETS

	Showroom rent	Total
Cost at 1/1/2024	**505 854 768**	**505 854 768**
Additions	100 028 725	100 028 725
Disposals	(27 269 620)	(27 269 620)
Cost at 30/9/2024	**578 613 873**	**578 613 873**
Accumulated depreciation at 1/1/2024	**161 626 561**	**161 626 561**
Depreciation of period	62 099 246	62 099 246
Disposals of accumulated depreciation	(25 591 887)	(25 591 887)
Accumulated depreciation at 30/9/2024	**198 133 920**	**198 133 920**
Net book value at 30/9/2024	**380 479 953**	**380 479 953**
Net book value at 31/12/2023	**344 228 207**	**344 228 207**

10- INVENTORY

	30/9/2024	31/12/2023
Raw materials	563 065 939	332 708 760
Spare parts & materials	101 928 853	68 660 640
Work in process	34 028 774	28 500 711
Finished products	1 203 756 929	870 988 204
Letter of credit for purchasing of raw materials	24 164 577	21 578 883
	1 926 945 072	**1 322 437 198**

11- TRADES & NOTES RECEIVABLE

	30/9/2024	31/12/2023
Trades receivables – Export	608 959 203	387 862 684
Trades receivables – Local	349 498 091	311 992 099
	958 457 294	**699 854 783**
Notes receivables	438 113 360	464 928 632
	1 396 570 654	**1 164 783 415**
(Less): Expected credit loss – Note No (15)	(61 727 564)	(55 390 152)
	1 334 843 090	**1 109 393 263**

Trades & Notes Receivable include amount of LE 176 526 814 due from related parties at September 30, 2024 results from sales of carpets

(All amounts in Egyptian Pounds unless otherwise stated)

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	30/9/2024	31/12/2023
Letter of guarantee & letter of credit – cash margin	200 000	200 000
Tax authority – withholding	61 936 438	67 200 077
Tax authority – VAT	351 943 295	250 035 554
Petty cash & advance to employees	5 660 076	6 549 457
Suppliers – advance payment	2 169 648	702 529
Prepaid expenses	14 607 214	10 252 595
Deposits with others	8 978 373	7 245 865
Other debit accounts	55 591 135	7 100 138
	501 086 179	**349 286 215**
(Less): Expected credit loss – Note No (15)	(788 122)	(462 653)
	500 298 057	**348 823 562**

13- TREASURY BILLS

	30/9/2024	31/12/2023
Treasury bills (mature of 90 days)	422 700 000	319 000 000
Treasury bills (mature in more than 90 days)	2 200 000 000	1 755 000 000
	2 622 700 000	**2 074 000 000**
Less: Unearned returns	(125 442 644)	(110 013 353)
	2 497 257 356	**1 963 986 647**

14- CASH AND CASH EQUIVALENTS

	30/9/2024	31/12/2023
Banks – Current accounts	390 819 417	507 629 868
Cash on hand	1 959 990	1 549 696
Cash at banks and on hand	**392 779 407**	**509 179 564**
Less:		
(Less): Expected credit loss – Note No (15)	(930 758)	(1 221 007)
	391 848 649	**507 958 557**

Cash and cash equivalents for cash flows statement purposes

Cash in banks and the fund before the expected credit loss	392 779 407	509 179 564
Treasury bills	2 497 257 356	1 963 986 647
Treasury bills with maturity of more than 90 days	(2 090 898 303)	(1 655 641 034)
Cash and cash equivalents for cash flows statement Purposes	**799 138 460**	**817 525 177**

15- Expected credit loss

	Trade & Notes receivables	Debtors & other debit balances	Cash & cash equivalent	Total
Balance as at 1/1/2024	**55 390 152**	**462 653**	**1 221 007**	**57 073 812**
Charge to statement of income	6 337 412	325 469	(290 249)	6 372 632
Provision balance at 30/9/2024	**61 727 564**	**788 122**	**930 758**	**63 446 444**

(All amounts in Egyptian Pounds unless otherwise stated)

16- Issued and paid-up capital

16-1 The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).

16-2 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.

16-3 The company's shares are centrally kept at Misr for Central Clearing, Depositary and Registry Co. and those shares are traded in Egyptian exchange.

17- Reserves

	30/9/2024	31/12/2023
Legal reserve	957 499 475	957 499 475
Special reserve	59 973 828	59 973 828
Capital reserve	107 892 480	100 786 174
Unrealized gain from financial investments at FVTOCI	16 286 938	16 286 938
	1 141 652 721	**1 134 546 415**

18- Medium TERM LOANS

	30/9/2024	31/12/2023
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.	86 332 087	75 862 062
Emirates NBD Egypt bank		
Medium term loan of USD 7 million to finance the purchase of machinery and equipment. The loan shall be settled over 12 quarterly installments 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.	103 926 957	116 424 456
	190 259 044	**192 286 518**
Less:		
Current portion due in one year	(171 585 332)	(109 243 385)
	18 673 712	**83 043 133**

(All amounts in Egyptian Pounds unless otherwise stated)

19- LEASE CONTRACTS LIABILITY

	Due within one year	Due more than one year	Balance at 30/9/2024
Showroom rental	100 955 590	341 403 583	442 359 173
	100 955 590	**341 403 583**	**442 359 173**

20- DEFERRED TAX LIABILITIES

-Recognized Deferred tax Assets and Liabilities

	30/9/2024		31/12/2023	
	Assets	(Liabilities)	Assets	(Liabilities)
Fixed assets	--	(85 126 819)	--	(89 423 908)
Fair value reserve of investment at FVOCI	--	(4 728 725)	--	(4 728 725)
Total deferred tax assets / (liabilities)	--	**(89 855 544)**	--	**(94 152 633)**
Net deferred tax (liabilities)	--	**(89 855 544)**	--	**(94 152 633)**

-The movement of deferred tax liabilities is shown below:

	30/9/2024 (Liabilities)	31/12/2023 (Liabilities)
Beginning balance	(94 152 633)	(88 266 508)
Fixed assets	4 297 089	(2 776 229)
Fair value reserve of investment at FVOCI	---	(3 109 896)
Ending balance	**(89 855 544)**	**(94 152 633)**

-Unrecognized Deferred tax Assets and Liabilities

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

	30/9/2024		31/12/2023	
	Assets	(Liabilities)	Assets	(Liabilities)
Impairment in subsidiaries	91 403 814	--	91 403 814	--
Impairment in financial investments	122 709	--	311 077	--
Expected credit losses	12 275 449	--	12 841 607	--
	105 801 972	--	**104 556 498**	--

21- Provisions

	Balance as of 1/1/2024	Formed During the period	Used During the period	Balance as of 30/9/2024
Provisions for claims	124 757 517	19 000 000	(8 802 320)	134 955 197
	124 757 517	**19 000 000**	**(8 802 320)**	**134 955 197**

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.

(All amounts in Egyptian Pounds unless otherwise stated)

22- BANKS – CREDIT ACCOUNTS

	30/9/2024	31/12/2023
Bank of Alexandria	71 829 258	143 708 276
QNB ALHLI	30 489 960	39 655 493
Export Development Bank	52 968 310	35 069 501
Arab Bank	53 008 566	117 850 485
Attijariwafa Bank	48 547 947	110 916 805
Emirates NBD Egypt bank	15 852 692	--
	272 696 733	**447 200 560**

23- TRADES & NOTES PAYABLE

	30/9/2024	31/12/2023
Trades payable – local	2 005 469 822	1 596 043 534
Trades payable – abroad	236 003 499	226 004 817
	2 241 473 321	**1 822 048 351**
Notes Payable	430 436 143	320 916 603
	2 671 909 464	**2 142 964 954**

- Trades & Notes Payable include amount of LE 2 327 086 236 due to related parties at September 30, 2024, results from purchase and operate of raw material

24- CREDITORS AND OTHER CREDIT ACCOUNTS

	30/9/2024	31/12/2023
Accrued expenses	87 046 685	67 479 563
Tax authority	13 493 261	13 169 537
Social insurance authority	8 474 972	7 267 860
Credit balances - related parties	6 336 938	8 613 896
Creditors – purchases of fixed assets	1 321 150	659 920
Deposits from others	22 477 631	36 915 081
Trade receivable – advance payment	178 804 336	205 128 221
Other credit accounts	21 507 251	7 052 127
	339 462 224	**346 286 205**

25- Sales (net)

	From 1/1/2024 Till 30/9/2024	From 1/1/2023 Till 30/9/2023	From 1/7/2024 Till 30/9/2024	From 1/7/2023 Till 30/9/2023
Local sales	4 792 397 616	3 607 937 057	1 516 147 738	1 277 984 884
Export sales	1 296 667 831	1 469 807 989	455 726 485	379 664 105
	6 089 065 447	**5 077 745 046**	**1 971 874 223**	**1 657 648 989**
Production scrap sales	78 307 907	44 971 889	30 842 184	16 689 213
	6 167 373 354	**5 122 716 935**	**2 002 716 407**	**1 674 338 202**

- Sales include amount of LE 542 914 033 represents carpet sales to related parties.

26- Financial investments income

	From 1/1/2024 Till 30/9/2024	From 1/1/2023 Till 30/9/2023	From 1/7/2024 Till 30/9/2024	From 1/7/2023 Till 30/9/2023
Oriental Weavers International	1 469 341 888	802 838 335	--	346 582 455
Oriental Weavers Textile	35 115 529	83 334 579	--	--
Egyptian Company Fiber – EFCO	67 866 400	55 989 780	--	--
Modern Spinnins Company	211 574	--	--	--
Egyption for Trade and Marketins	--	176 693	--	63 174
New mac company	8 218 700	--	8 218 700	--
	1 580 574 091	**942 339 387**	**8 218 700**	**346 645 629**

(All amounts in Egyptian Pounds unless otherwise stated)

27- General and administrative expenses

	From 1/1/2024 Till 30/9/2024	From 1/1/2023 Till 30/9/2023	From 1/7/2024 Till 30/9/2024	From 1/7/2023 Till 30/9/2023
Salaries & wages	103 398 902	96 088 240	34 696 473	34 260 428
Social insurance	3 788 726	3 874 307	1 264 076	1 265 615
	107 187 628	**99 962 547**	**35 960 549**	**35 526 043**
Other administrative expenses	55 781 748	58 216 333	12 963 570	18 322 385
	162 969 376	**158 178 880**	**48 924 119**	**53 848 428**

28- FINANCE EXPENSES

	From 1/1/2024 Till 30/9/2024	From 1/1/2023 Till 30/9/2023	From 1/7/2024 Till 30/9/2024	From 1/7/2023 Till 30/9/2023
Bank interest	47 559 028	42 379 038	12 414 133	14 063 608
Interest of lease contracts liabilities	26 141 195	19 138 345	8 946 985	6 873 397
Financing cost of purchase of land in the new administrative capital	761 917	948 846	252 312	263 298
	74 462 140	**62 466 229**	**21 613 430**	**21 200 303**

29- Income tax

	30/9/2024	30/9/2023
Current income tax	140 395 212	63 554 574
Dividend Income tax	7 608 510	5 605 652
Treasury bills tax	53 521 172	27 688 164
Income tax at statement of income	**201 524 894**	**96 848 390**

29-1 Effective tax rate

	30/9/2024	30/9/2023
Profit before tax	2 095 127 808	1 141 204 067
Tax rate	%22.5	%22.5
Tax at the domestic rate of 22.5%	**471 403 757**	**256 770 915**
Depreciation	4 351 027	1 856 159
Tax exempt	(355 669 670)	(212 026 362)
Provisions	5 708 842	3 418 964
Capital gain	(672 889)	--
Non-deductible expenses	15 274 145	13 534 898
Current income tax	**140 395 212**	**63 554 574**
Effective tax rate	**7.6%**	**%5.57**

(All amounts in Egyptian Pounds unless otherwise stated)

30- Basic earnings per share

The basic earnings per share are determined as follows: -

	From 1/1/2024 Till 30/9/2024	From 1/1/2023 Till 30/9/2023	From 1/7/2024 Till 30/9/2024	From 1/7/2023 Till 30/9/2023
Net profit for the period	1 897 900 003	1 046 170 146	165 004 241	**427 821 351**
Average of shares number available during the period	665 107 268	665 107 268	665 107 268	665 107 268
	2.85	**1.57**	**0.25**	**0.64**

31- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company to third parties as of September 30, 2024 amounted to L.E 70 469 770

32- CAPITAL COMMITMENTS

The capital commitments as of September 30, 2024 amounted to L.E 6 729 352 represents the value of new extension related to showrooms.

33- TAX POSITION

1-33 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.

2-33 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.

3-33 Sales Tax

- The company has been inspected till December 31, 2022 and the assessed tax differences were paid.
- The company submits the monthly tax return on the legal dates.

4-33 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.

5-33 Real estate Tax

- The tax has been assessed and paid till December 31, 2023.

34- 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 Separate financial statements as follows:

	Note №	30/9/2024	31/12/2023
Trades and notes receivable	(11)	1 334 843 090	1 109 393 263
Debtors and other debit accounts	(12)	500 298 057	348 823 562
		1 835 141 147	**1 458 216 825**

B- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company confirmed it is acquired enough amount of cash to meet operating expenses. In addition, the company to preserve the credit facility granted to it by banks.

C- Market risk

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

Exchange rate risk

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

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

The monetary assets and liabilities at the financial position date are equivalent to L.E 809 477 178 and L.E 1 643 220 525 respectively.

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

Foreign currencies	(Deficit)
USD	(13 550 162)
Euro	(3 248 968)
GBP	(40 327)
AED	3 029

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.

35- 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.