

ORIENTAL WEAVERS CARPETS COMPANY
(An Egyptian Joint Stock Company)
Consolidated Financial Statements
For The Financial year ended December 31, 2024
Together With AUDITOR'S REPORT

Contents	Page
<i>Auditor's report</i>	1-2
<i>Consolidated statement of financial position</i>	3
<i>Consolidated statement of income</i>	4
<i>Consolidated statement of comprehensive income</i>	5
<i>Consolidated statement of changes in equity</i>	6
<i>Consolidated statement of cash flows</i>	7
<i>Notes to the consolidated financial statements</i>	8 -32

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

AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
ORIENTAL WEAVERS CARPETS COMPANY

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Oriental Weavers Carpets Company (S.A.E) which comprise of the consolidated statement of financial position as of December 31, 2024 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Auditing Standards and in the light of prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oriental Weavers Carpets Company (S.A.E) as of December 31, 2024 and of its consolidated financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in compliance with related Egyptian laws and regulations.

Cairo : February 26, 2025

Tarek Salah

B.T. Mohamed Hilal & Wahid Abdel Ghaffar
Public Accountants & Consultants



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Consolidated statement of financial position as of December 31, 2024

(All amounts are in Egyptian Pounds)

	Note №	31/12/2024	31/12/2023
<u>Non current assets</u>			
Fixed assets	(6)	8 898 631 092	6 374 016 607
Projects in progress	(7)	364 395 705	269 337 810
Right of use assets	(8)	540 749 442	455 071 409
Deferred tax assets	(23)	57 080 859	--
Investments at fair value through other comprehensive income	(9)	1 061 481 664	649 105 349
Total non current assets		10 922 338 762	7 747 531 175
<u>Current assets</u>			
Inventory	(10)	11 460 683 769	6 927 440 585
Trades and notes receivable	(11)	4 993 106 186	3 162 570 053
Debtors and other debit accounts	(12)	1 246 108 062	714 653 249
Treasury bills	(13)	1 784 491 840	2 127 279 974
Financial assets at amortized cost	(14)	397 440 655	628 791 306
Cash at banks and on hand	(15)	4 093 643 341	1 799 725 616
		23 975 473 853	15 360 460 783
Non-current assets held for sale	(16)	6 753 971	--
Total current assets		23 982 227 824	15 360 460 783
Total assets		34 904 566 586	23 107 991 958
<u>Equity</u>			
Issued and paid up capital	(18)	665 107 268	665 107 268
Reserves	(19)	2 068 060 678	1 794 626 861
Retained earnings		1 171 033 377	704 841 104
Net profit for the year		2 192 283 305	1 740 203 598
Exchange differences arising on translation of financial statements		12 810 841 902	7 904 577 917
Total equity attributable to the parent company		18 907 326 530	12 809 356 748
Non controlling interest	(20)	2 134 004 061	1 361 533 283
Total equity		21 041 330 591	14 170 890 031
<u>Non current liabilities</u>			
Long term loans	(21)	129 447 949	246 047 654
lease contracts liabilities	(22)	464 844 105	398 927 103
Deferred tax liabilities	(23)	--	149 355 442
Total non current liabilities		594 292 054	794 330 199
<u>Current liabilities</u>			
Provisions	(24)	325 910 581	225 516 257
Banks-Credit accounts	(25)	6 949 328 786	4 190 742 160
Lease contracts liabilities - current portion	(22)	159 721 246	114 568 544
Long term liabilities - current portion	(21)	348 674 461	240 204 176
Trades and notes payable	(26)	3 430 377 678	2 161 616 663
Dividends payable		170 680 629	56 816 046
Creditors and other credit accounts	(27)	1 573 371 698	974 651 595
Tax payable		310 878 862	178 656 287
Total current liabilities		13 268 943 941	8 142 771 728
Total liabilities		13 863 235 995	8 937 101 927
Total equity and liabilities		34 904 566 586	23 107 991 958

The accompanying notes from №.(1) to №. (34) 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 year ended December 31, 2024

(All amounts are in Egyptian Pounds)

	Note		
	Nº	31/12/2024	31/12/2023
Net sales		24 288 877 875	17 658 543 016
Less:			
Cost of sales		21 185 701 953	15 108 838 958
Gross profit		3 103 175 922	2 549 704 058
Add / (less):			
Financial investments income		177 096 014	51 753 278
Capital gain		42 177 712	24 368 149
Reverse of impairment of assets held for sale		--	252 358 760
Gain from the sale of assets held for sale		--	34 761 620
Other revenues		594 252 959	329 050 807
Treasury bills returns		579 166 115	240 967 663
Financial Assests at amortized cost - returns		50 722 790	15 012 317
Interest income		216 179 494	101 662 197
Distribution expenses		(254 754 592)	(208 574 673)
General and administrative expenses		(630 066 477)	(513 145 476)
Expected credit loss	(17)	(24 331 700)	(68 304 458)
Formed provisions and impairment		(145 206 693)	(98 471 317)
Finance expenses	(28)	(552 552 323)	(459 366 283)
Foreign exchange differences		(351 533 473)	(166 163 055)
Net profit for the year before income tax		2 804 325 748	2 085 613 587
(Less)\ Add:			
Current income tax		(426 367 543)	(234 454 961)
Deferred tax		163 723 612	40 823 397
Income tax for the year		(262 643 931)	(193 631 564)
Net profit for the year after income tax		2 541 681 817	1 891 982 023
Attributable to:			
The parent company		2 192 283 305	1 740 203 598
Non controlling interest		349 398 512	151 778 425
		2 541 681 817	1 891 982 023
Basic earnings per share in the separate financial statements	(29)	2.72	1.59

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

Chairman

CEO

Group CFO

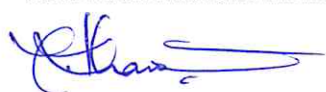
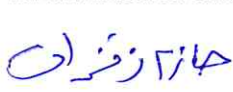
CFO

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 comprehensive income for the financial year ended December 31, 2024

(All amounts are in Egyptian Pounds)

	<u>31/12/2024</u>	<u>31/12/2023</u>
Net profit for the year	2 541 681 817	1 891 982 023
Other comprehensive income		
Changes in fair value of investments at FVTOCI	106 197 058	(150 793 397)
Translation exchange differences	5 413 584 477	2 054 095 040
Deferred tax related to other comprehensive income items	(3 787 997)	(43 161 594)
Total other comprehensive income after tax	5 515 993 538	1 860 140 049
Total comprehensive income for the year	8 057 675 355	3 752 122 072
<u>Attributable to:</u>		
The parent company	7 200 840 473	3 456 386 094
Non controlling interest	856 834 882	295 735 978
	8 057 675 355	3 752 122 072

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the financial year ended December 31, 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	453 330 882	842 885 161	6 258 366 013	10 091 076 216	1 164 176 233	11 255 252 449
Transferred to reserves	--	49 317 873	--	(49 317 873)	--	--	--	--
Transferred to retained earnings	--	--	793 567 288	(793 567 288)	--	--	--	--
Dividends	--	--	(613 045 927)	--	--	(613 045 927)	(98 466 315)	(711 512 242)
Adjustments related to consolidated statements	--	(651 379)	70 988 861	--	(195 397 117)	(125 059 635)	87 387	(124 972 248)
Total Comprehensive income for the year	--	(125 426 525)	--	1 740 203 598	1 841 609 021	3 456 386 094	295 735 978	3 752 122 072
Balance at 31/12/2023	665 107 268	1 794 626 861	704 841 104	1 740 203 598	7 904 577 917	12 809 356 748	1 361 533 283	14 170 890 031
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 year	--	102 293 183	--	2 192 283 305	4 906 263 985	7 200 840 473	856 834 882	8 057 675 355
Balance at 31/12/2024	665 107 268	2 068 060 678	1 171 033 377	2 192 283 305	12 810 841 902	18 907 326 530	2 134 004 061	21 041 330 591

The accompanying notes from No. (1) to No. (34) 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 year ended December 31, 2024

(All amounts are in Egyptian Pounds)

	Note No	31/12/2024	31/12/2023
<u>Cash flows from operating activities</u>			
Net profit for the year before income tax		2 804 325 748	2 085 613 587
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		1 159 905 573	786 336 437
Depreciation of right of use assets		135 886 499	114 863 874
Formed provisions and impairment		145 206 693	98 471 317
Expected credit loss		24 331 700	68 304 458
Interest income		(216 179 494)	(101 662 197)
Reverse of impairment of assets held for sale		--	(252 358 760)
Gain from the sale of assets held for sale		--	(34 761 620)
Finance expenses		552 552 323	459 366 283
Treasury bills returns		(579 166 115)	(240 967 663)
Financial investments revenues		(177 096 014)	(51 753 278)
Capital (gain)		(42 177 712)	(24 368 149)
Operating profits before changes in working capital		3 807 589 201	2 907 084 289
<u>Change in :</u>			
Inventory		(1 587 995 320)	163 388 851
Trades and notes receivable and debit accounts		531 137 283	(292 147 426)
Trades and notes payable and credit accounts		(210 104 009)	878 031 508
Cash flows provided by operating activities		2 540 627 155	3 656 357 222
Proceeds from interest income		216 179 494	101 662 197
Finance expenses paid		(552 552 323)	(459 366 283)
Income tax paid		(294 144 968)	(164 353 176)
Net cash flows provided by operating activities		1 910 109 358	3 134 299 960
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(786 456 390)	(452 552 060)
Proceeds from financial investments		177 096 014	51 753 278
Proceeds from sale of fixed assets		203 228 221	38 633 657
(Payments) for purchase of treasury bills		(3 400 940 400)	(1 844 722 870)
Proceeds from treasury bills		3 986 944 473	1 606 646 795
Proceeds from financial assets at amortized cost		585 917 957	(634 587 933)
Proceeds from sale of assets held for the sale		--	306 205 531
Net cash flows provided by (used in) investing activities		765 789 875	(928 623 602)
<u>Cash flows from financing activities</u>			
Proceeds (Payment) from banks-credit accounts		1 010 700 401	(1 169 498 579)
Dividends paid and payments for non controlling interest		(1 073 370 212)	(686 490 455)
Lease contracts liabilities paid		(112 105 018)	(114 916 403)
Exchange differences arising from translation of financial statements		(903 662 644)	(31 408 628)
(Payment) for long term loans		(197 547 166)	(277 177 381)
Net cash flows (used in) financing activities		(1 275 984 639)	(2 279 491 446)
Net change in cash and cash equivalents during the year		1 399 914 594	(73 815 088)
Cash and cash equivalents at the beginning of the year		2 273 365 237	2 195 234 848
Translation exchange differences related to cash and cash equivalents		559 495 763	151 945 477
Cash and cash equivalents at end of the year represents in:		4 232 775 594	2 273 365 237
Cash and cash equivalents	(15)	4 097 086 830	1 801 726 297
Treasury bills	(13)	1 784 491 840	2 127 279 974
Treasury bills due more than three months		(1 648 803 076)	(1 655 641 034)
Cash and cash equivalents		4 232 775 594	2 273 365 237

The amounts of LE (4 392 248 828) of the working capital items, LE (3 923 608 824) of the investment activities, LE 2 492 680 524 of the financing activities has been eliminated against the amount of LE 5 823 177 128 of the translation differences.

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

1 - BACKGROUND INFORMATION

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

1-2 Commercial Register

Commercial Register No 44139 dated November 16, 1981.

1-3 Company's objective

- Production of machine – made carpets and semi hand-woven carpets (Hand-Tuft), marketing and selling them domestically, export and import the machinery and equipment and raw materials necessary for the production.
- Toll manufacturing for other parties and at other parties.
- Supplying, installing and maintaining of all types of woven carpets and carpets, and purchasing, importing and supplying all installation and maintenance supplies.
- Importing all types of carpets, woven and non-woven semi-finished materials from the country or abroad, complete their production, processing, and then re-market and sell them domestically and abroad.
- 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 - 3 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.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	<p>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.</p> <p>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.</p>	There is no impact on the company's' financial statements	<p>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:</p> <ul style="list-style-type: none"> 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

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			<div>the date of initial application.</div> <div>• 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.</div>
Egyptian Accounting Standard No. (51) Financial Statements in Hyperinflationary Economies Issued on October 23, 2024	This standard requires that financial statements prepared in the currency of a hyperinflationary economy be adjusted, with the aim of providing useful information about the entity's financial position, performance, and changes in financial position to a wide range of users to make economic decisions based on a fair presentation of the financial statements. Comparative figures for the prior period and any information relating to prior periods should be presented in the measurement unit current at the end of the reporting period.	There is no impact on the company's' financial statements as of December 31, 2024.	The Prime Minister or their delegate determines the beginning and the ending dates of the financial period or periods for applying the standard.

- 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

- 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.

- 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.

- 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: -

	<u>Percentage of participations</u> <u>31/12/2024</u>	<u>Percentage of participations</u> <u>31/12/2023</u>
<u>Subsidiary name</u>	<u>%</u>	<u>%</u>
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

5-1 Basis of consolidation

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:

<u>Description</u>	<u>Estimated useful life (Year)</u>
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.

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

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 are 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 from 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	--	138 443 615	459 897 015	8 060 291	46 012 464	62 358 713	35 310 734	50 996 405	801 079 237
Disposals	(18 923 622)	(8 729 689)	(896 672 108)	(6 208 177)	(195 282)	(2 085 819)	(20 271)	--	(932 834 968)
Reclassification of assets held for sale (16)	--	--	(537 876 604)	--	--	--	--	--	(537 876 604)
Translation exchange differences	540 851 554	2 447 398 239	9 238 588 897	268 211 496	106 068 126	1 424 356	100 189 955	245 225 021	12 947 957 644
Cost as of 31/12/2024	1 658 038 678	7 281 240 923	24 967 611 576	750 590 082	418 520 815	265 421 413	378 788 859	754 094 874	36 474 307 220
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 year	--	265 793 539	776 480 039	19 555 669	23 351 335	33 505 060	15 061 501	26 158 430	1 159 905 573
Disposals of accumulated depreciation	--	(4 437 277)	(760 119 101)	(4 934 102)	(195 282)	(2 078 610)	(20 087)	--	(771 784 459)
Reclassification of assets held for sale (16)	--	--	(531 122 633)	--	--	--	--	--	(531 122 633)
Translation exchange differences	--	1 394 602 900	7 845 088 586	241 386 407	90 375 653	1 428 594	86 771 300	237 058 903	9 896 712 343
Accumulated depreciation and impairment as of 31/12/2024	--	4 224 524 457	21 196 450 434	690 099 412	318 705 274	167 505 566	289 828 878	688 562 107	27 575 676 128
Net book value as of 31/12/2024	1 658 038 678	3 056 716 466	3 771 161 142	60 490 670	99 815 541	97 915 847	88 959 981	65 532 767	8 898 631 092
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

7- PROJECTS IN PROGRESS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Buildings under Construction	168 447 257	170 172 475
Machinery & Equipment under installation	109 883 582	38 950 358
Computer systems	14 865 904	3 849 848
Advance payment for purchasing of Fixed assets	71 198 962	56 365 129
	<u>364 395 705</u>	<u>269 337 810</u>

8- RIGHT USE OF ASSETS

	<u>Showroom</u>	<u>Oriental</u>	
	<u>rent</u>	<u>weavers</u>	
	<u>USA - rental</u>	<u>Total</u>	
Cost at 1/1/2024	598 952 630	247 275 502	846 228 132
Additions	152 866 535	46 539 037	199 405 572
Disposals	(42 176 309)	--	(42 176 309)
Translation differences	--	159 332 977	159 332 977
Cost at 31/12/2024	709 642 856	453 147 516	1 162 790 372
Accumulated depreciation at 1/1/2024	190 104 392	201 052 331	391 156 723
Depreciation of year	99 624 496	36 262 003	135 886 499
Disposals of accumulated depreciation	(34 551 180)	--	(34 551 180)
Translation differences	--	129 548 888	129 548 888
Accumulated depreciation at 31/12/2024	255 177 708	366 863 222	622 040 930
Net book value at 31/12/2024	454 465 148	86 284 294	540 749 442
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

	<u>Balance as</u>	<u>Balance as</u>
	<u>of</u>	<u>of</u>
	<u>31/12/2024</u>	<u>31/12/2023</u>
Egyptian Propylene & Polypropylene Company "E.P.P"*	1 005 498 889	612 174 585
Alahli Bank of Kuwait- Egypt	51 172 252	33 203 856
Oriental for Industrial Projects	2 422 800	2 422 800
Prudential company – U.S. A	2 383 970	1 300 354
Cambridge Weavers (under liquidation)	3 750	3 750
Trading for Development Export	1	1
10 th of Ramadan for Spinning Industries (under liquidation)	1	1
Modern Spinning Company (under liquidation) **	--	1
Egyptian for Trade and Marketing	1	1
	<u>1 061 481 664</u>	<u>649 105 349</u>

*According to the Board of Directors decision on May 24, 2023 of Oriental Weavers International - Subsidiary 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

10- INVENTORY

	<u>31/12/2024</u>	<u>31/12/2023</u>
Raw materials	5 049 917 889	2 911 531 320
Spare parts & materials	972 058 964	589 316 035
Work in process	421 352 899	184 698 902
Finished products	4 942 987 349	3 182 474 678
Letter of credit for purchasing of raw materials	162 556 603	82 110 856
	11 548 873 704	6 950 131 791
Less: Impairment in inventory	(88 189 935)	(22 691 206)
	11 460 683 769	6 927 440 585

11- TRADES & NOTES RECEIVABLE

	<u>31/12/2024</u>	<u>31/12/2023</u>
Trades receivables	5 009 504 342	2 760 353 465
Notes receivables	521 770 094	750 772 731
	5 531 274 436	3 511 126 196
(Less): Expected credit loss – Note No (17)	(538 168 250)	(348 556 143)
	4 993 106 186	3 162 570 053

– Trades & Notes Receivable include amount of LE due 8 311 366 from related parties at December 31, 2024 results from sales of carpets.

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Prepaid expenses	65 181 996	51 643 638
Tax authority – debit accounts	804 126 394	490 306 518
Deposits with others	77 602 162	60 858 607
Accrued revenues	14 333 907	10 064 471
Letter of guarantee & letter of credit – cash margin	25 700 993	12 322 657
Petty cash & advance to employees	28 569 988	11 534 768
Suppliers – advance payment	197 469 909	59 395 727
Other debit accounts	39 567 082	25 413 637
	1 252 552 431	721 540 023
(Less):		
(Less): Expected credit loss – Note No (17)	(6 444 369)	(6 886 774)
	1 246 108 062	714 653 249

13- TREASURY BILLS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Treasury bills (mature in 90 days)	146 050 000	490 450 000
Treasury bills (mature in more than 90 days)	1 880 000 000	1 755 000 000
	2 026 050 000	2 245 450 000
Less:		
Unrealized returns	(241 558 160)	(118 170 026)
	1 784 491 840	2 127 279 974

14- FINANCIAL ASSETS AT AMORTIZED COST

	31/12/2024	31/12/2023
Treasury bonds - Eurobond	423 138 153	643 948 002
(Less): discount	(21 206 542)	(9 268 801)
	401 931 611	634 679 201
(Less): Expected credit loss – Note No (17)	(4 490 956)	(5 887 895)
	397 440 655	628 791 306

15- CASH AND CASH EQUIVALENTS

	31/12/2024	31/12/2023
Banks – Time deposits	1 121 361 076	499 906 735
Banks – Current accounts	2 971 364 851	1 297 290 569
Cash on hand	4 398 477	4 566 567
Cash at banks and on hand	4 097 124 404	1 801 763 871
Less:	(3 481 063)	(2 038 255)
(Less): Expected credit loss – Note No (17)	4 093 643 341	1 799 725 616
Cash and cash equivalents for cash flows statement purposes		
Cash in banks and the fund before the expected credit loss	4 097 124 404	1 801 763 871
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(37 574)
Cash and cash equivalents	4 097 086 830	1 801 726 297
Add: Treasury bills with maturity of 90 days	135 688 764	471 638 940
Cash and cash equivalents for cash flows statement Purposes	4 232 775 594	2 273 365 237

16- Non-current assets held for sale

	31/12/2024	31/12/2023
Machinery & equipment- Oriental Weavers Co. U.S.A.	6 753 971	--
	6 753 971	--

17- Expected credit loss

	Trade	Debtors &	Financial	Cash &	
	receivables	other debit	Assets at	cash	
		balances	Amortized	equivalent	Total
			Cost		
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	29 868 346	(2 043 395)	(4 260 841)	767 590	24 331 700
Translation differences	159 743 761	1 600 990	2 863 902	675 218	164 883 871
Provision balance at 31/12/2024	538 168 250	6 444 369	4 490 956	3 481 063	552 584 638

18- Issued and paid-up capital

- 18-1** The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).
- 18-2** The Issued and paid-up capital is determined to be LE 665 107 268 (only six hundred sixty-five million and one hundred seven thousand and two hundred sixty-eight Egyptian pounds) distributed over 665 107 268 shares at a value of LE 1 each.
- 18-3** The company's shares are centrally kept at Misr for Central Clearing, Depositary and Registry Co. and those shares are traded in Egyptian exchange.

19- Reserves

	<u>31/12/2024</u>	<u>31/12/2023</u>
Legal reserve	1 363 947 293	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	257 354 657	155 061 476
	<u>2 068 060 678</u>	<u>1 794 626 861</u>

20- Non-Controlling interest

	<u>Non-controlling interest in Equity</u>	<u>Non- controlling interest in comprehensive income</u>	<u>Balance as of 31/12/2024</u>	<u>Balance as of 31/12/2023</u>
Oriental Weavers international Co (O.W.I)	331 015	288 302	619 317	413 055
MAC Carpet Mills	410 003 914	271 850 752	681 854 666	442 229 187
Egyptian Fibres Co. EFCO	183 150 280	159 379 889	342 530 169	221 196 906
New MAC	4 351 730	6 151 302	10 503 032	7 003 457
Oriental Weavers Textile	468 414 153	405 753 191	874 167 344	479 734 871
Oriental Weavers Co. U.S.A.	210 918 087	13 411 446	224 329 533	210 955 807
	<u>1 277 169 179</u>	<u>856 834 882</u>	<u>2 134 004 061</u>	<u>1 361 533 283</u>

21- Long term loans

<u>BANK</u>	<u>Loan Currency</u>	<u>Principal of the loan in original Currency</u>	<u>Balance of the loan as of 31/12/2024</u>	<u>Balance as of 31/12/2024 current portion due in one year</u>	<u>long term installments</u>	<u>Balance as of 31/12/2023 current portion due in one year</u>	<u>long term installments</u>	<u>Terms of Payment</u>
Emirates NBD Egypt bank	USD	8 000 000	101 813 800	101 813 800	--	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	54 559 571	6 819 946	47 739 625	--	--	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	46 351 547	30 901 048	15 450 499	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	110 429 691	44 171 866	66 257 825	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	82 047 012	82 047 012	--	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	51 510 399	51 510 399	--	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.
E Bank	USD	2 170 000	31 410 390	31 410 390	--	--	--	The principal of the loan shall be settled over 12 quarterly installments , the interest and commission shall be computed and paid upon its due date.
			<u>478 122 410</u>	<u>348 674 461</u>	<u>129 447 949</u>	<u>240 204 176</u>	<u>246 047 654</u>	

22- LEASE CONTRACTS LIABILITY

	<u>Due within one year</u>	<u>Due more than one year</u>	<u>Balance at 31/12/2024</u>
Oriental Weavers Co. U.S.A.	40 135 000	50 065 867	90 200 867
Showroom	119 586 246	414 778 238	534 364 484
	<u>159 721 246</u>	<u>464 844 105</u>	<u>624 565 351</u>

23- DEFERRED TAX LIABILITIES

-Deferred tax Assets and liabilities

	<u>31/12/2024</u>		<u>31/12/2023</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Fixed assets	--	(211 422 454)	--	(186 386 498)
Temporary tax differences – O.W. (USA)	315 452 904	--	80 192 650	--
Fair value reserve of investment at FVOCI	--	(46 949 591)	--	(43 161 594)
Total deferred tax assets / (liabilities)	315 452 904	(258 372 045)	80 192 650	(229 548 092)
Net deferred tax (liabilities)	57 080 859	--	--	(149 355 442)

-The movement of deferred tax liabilities is shown below:

	<u>31/12/2024</u>		<u>31/12/2023</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Beginning balance	80 192 650	(229 548 092)	31 542 110	(187 143 818)
Fair value reserve of investment at FVOCI	--	(3 787 997)	--	(43 161 594)
Charged to the statement of income	163 074 759	648 853	40 066 077	757 320
Translation Difference	72 185 495	(25 684 809)	8 584 463	--
Ending balance	315 452 904	(258 372 045)	80 192 650	(229 548 092)

24- Provisions

	<u>Balance as of 1/1/2024</u>	<u>Formed during the year</u>	<u>Used During the year</u>	<u>Translation differences</u>	<u>Balance as of 31/12/2024</u>
Provisions for claims	225 516 257	87 871 544	(15 175 714)	27 698 494	325 910 581
	<u>225 516 257</u>	<u>87 871 544</u>	<u>(15 175 714)</u>	<u>27 698 494</u>	<u>325 910 581</u>

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.

25- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 6 949 328 786 as of December 31, 2024 represents short term facilities granted by banks.certain facilities are secured by notes receivables deposited at these banks for collection.

26- TRADES & NOTES PAYABLE

	<u>31/12/2024</u>	<u>31/12/2023</u>
Trades payable	2 900 934 818	1 585 062 948
Notes Payable	529 442 860	576 553 715
	<u>3 430 377 678</u>	<u>2 161 616 663</u>

-Trades & Notes Payable include amount of LE 476 169 due to related parties at December 31, 2024, results from purchase and operate of raw material.

27- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Accrued expenses	537 117 386	274 538 079
Tax authority	46 396 168	28 964 528
Social insurance authority	31 492 864	25 679 311
Trade receivable – advance payment	558 780 063	340 419 600
Creditors – purchases of fixed assets	285 883	759 514
Credit balances - related parties	6 419 964	8 613 896
Deposits from others	335 026 643	246 721 834
Other credit accounts	57 852 727	48 954 833
	<u>1 573 371 698</u>	<u>974 651 595</u>

28- FINANCE EXPENSES

	<u>31/12/2024</u>	<u>31/12/2023</u>
Bank interest	512 612 563	422 780 672
Interest of lease contracts liabilities	39 939 760	36 585 611
	<u>552 552 323</u>	<u>459 366 283</u>

29- Basic earnings per share in the separate financial statements

The basic earnings per share are determined as follows: -

	<u>31/12/2024</u>	<u>31/12/2023</u>
Net profit for the year	1 931 732 736	1 145 108 967
<u>Less:</u>		
Proposed employees share in distributions	118 241 292	85 000 000
Proposed Board members remuneration	3 200 000	3 200 000
	<u>1 810 291 444</u>	<u>056 908 967</u>
		1
Average of shares number available during the year	665 107 268	665 107 268
	<u>2,72</u>	<u>1,59</u>

30- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of December 31, 2024 amounted to L.E 145 178 807 he contingent liabilities from letter of credit in that date amounted to L.E 1 450 810 633.

31- CAPITAL COMMITMENTS

The capital commitments as of December 31, 2024 amounted to L.E 72 451 372 represents the value of new extension related to showrooms and completion of construction in progress.

32- TAX POSITION

32-1 Oriental Weavers Carpet

Corporate Tax

- The company has been inspected till December 31, 2019.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax

- The company was inspected and the tax has been settled till December 31, 2022.
- The company submits its tax return on the legal dates.

Sales Tax

- The company was inspected and the tax has been settled till December 31, 2022.
- 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, 2022.
- The company submits the tax return on the legal dates.

Real estate Tax

- The tax has been assessed and paid till December 31, 2024.

32-2 Oriental Weavers International

Corporate Tax

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

Salaries & Wages Tax

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

32-3 Oriental Weavers Textile

Corporate Tax

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

Salaries & Wages Tax

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

Stamp Duty Tax

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

Real estate Tax

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

32-4 Mac Carpet

Corporate tax

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

Salaries & Wages Tax

- The company was inspected for the period from the beginning of its activity up till December 31, 2019 and the assessed tax difference was paid.
- The years 2020: 2023 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: 2023 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: 2023 have not been inspected.

Withholding tax

- The company was inspected up to 2022 and the assessed tax difference was paid.
- The years 2023 have not been inspected.

32-5 Egyptian Fibers Company – EFCO

Corporate Tax

- The company has been inspected for the years from 1987 till 2019 and the assessed tax were paid.
- The years 2020:2022 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, 2022 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, 2023 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, 2023 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.
- The payment has been made to the Commercial Department in Cairo and the company's exhibition in the 10th of Ramadan City until the year 2024.

33- FINANCIAL INSTRUMENTS AND RISK MANAGMENT

A- Credit Risk

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

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

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

	Note		
	No	31/12/2024	31/12/2023
Trades and notes receivable	(11)	4 993 106 186	3 162 570 053
Debtors and other debit accounts	(12)	1 246 108 062	714 653 249
		6 239 214 248	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.

34- 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.