

ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial year ended December 31, 2024

Together With AUDITOR'S REPORT

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Translation from Arabic

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

Report on the Separate financial statements

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

Management responsibility for the Separate financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Report on the legal requirements and other regulations

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

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

Cairo : February 26, 2025

Tarek Salah




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


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

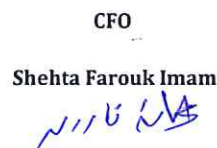
(All amounts are in Egyptian Pounds)

	Note №	31/12/2024	31/12/2023
<u>Non current assets</u>			
Fixed assets	(5)	1 009 434 477	1 017 165 015
Projects in progress	(8)	73 160 799	75 374 143
Right of use assets	(9)	382 853 115	344 228 207
Investments in subsidiaries	(6)	1 348 416 085	1 348 416 085
Investments at fair value through other comprehensive income	(7)	51 172 255	33 203 860
Total non current assets		2 865 036 731	2 818 387 310
<u>Current assets</u>			
Inventory	(10)	2015423951	1 322 437 198
Trades and notes receivable	(11)	1 454 453 109	1 109 393 263
Debtors and other debit accounts	(12)	605 798 519	348 823 562
Treasury bills	(13)	1 648 803 076	1 963 986 647
Cash at banks and on hand	(14)	340 316 989	507 958 557
Total current assets		6 064 795 644	5 252 599 227
Total assets		8 929 832 375	8 070 986 537
<u>Equity</u>			
Issued and paid up capital	(16)	665 107 268	665 107 268
Reserves	(17)	1 155 578 228	1 134 546 415
Retained earnings		1 502 283 469	1 283 864 893
Net profit for the year		1 931 732 736	1 145 108 967
Total equity		5 254 701 701	4 228 627 543
<u>Non current liabilities</u>			
Medium term loans	(18)	--	83 043 133
lease contracts liabilities	(19)	343 136 269	304 695 208
Deferred tax liabilities	(20)	99 589 170	94 152 633
Total non current liabilities		442 725 439	481 890 974
<u>Current liabilities</u>			
Provisions	(21)	143 468 224	124 757 517
Banks-Credit accounts	(22)	291 494 867	447 200 560
Lease contracts liabilities - current portion	(19)	106 899 544	87 167 084
Trades and notes payable	(23)	2 110 054 745	2 142 964 954
Long term liabilities - current portion	(18)	133 557 411	109 243 385
Dividends payable		3 551 794	9 523 916
Creditors and other credit accounts	(24)	344 036 951	346 286 205
Tax payable		99 341 699	93 324 399
Total current liabilities		3 232 405 235	3 360 468 020
Total liabilities		3 675 130 674	3 842 358 994
Total equity and liabilities		8 929 832 375	8 070 986 537

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


Chairman
Yasmin Mohamed Farid Khamis


CEO
Hazem shawki Al-Zafzaf


CFO
Shehta Farouk Imam

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of income for the financial year ended December 31, 2024

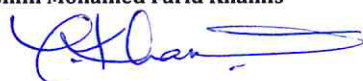
(All amounts are in Egyptian Pounds)

	Note	31/12/2024	31/12/2023
	№		
Net sales	(25)	8 426 272 901	7 108 186 105
Less:			
Cost of sales		7 695 125 972	6 429 091 820
Gross profit		731 146 929	679 094 285
Add / (less):			
Financial investments income	(26)	1 580 754 091	942 339 387
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		15 587 221	7 106 306
Other revenues		167 833 187	27 151 454
Treasury bills returns		548 880 547	202 370 351
Interest income		75 984 578	43 713 294
Distribution expenses		(198 003 565)	(148 823 030)
General and administrative expenses	(27)	(214 811 373)	(198 914 129)
Expected credit loss	(15)	(4 958 905)	(40 263 157)
Formed provisions and impairment		(78 783 123)	(40 500 000)
Finance expenses	(28)	(98 611 910)	(86 543 935)
Foreign exchange differences		(383 300 637)	(156 577 864)
Net profit for the year before income tax		2 141 717 040	1 289 982 581
(Less)\ Add:			
Current income tax	(29)	(208 590 655)	(142 097 385)
Deferred tax	(20)	(1 393 649)	(2 776 229)
Income tax for the year		(209 984 304)	(144 873 614)
Net profit for the year after income tax		1 931 732 736	1 145 108 967
Basic earnings per share	(30)	2.72	1.59

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

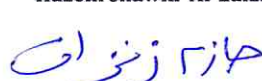
Chairman

Yasmin Mohamed Farid Khamis



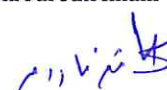
CEO

Hazem shawki Al-Zafzaf



CFO

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate 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	1 931 732 736	1 145 108 967
Other comprehensive income		
Changes in fair value of investments at FVTOCI	17 968 395	13 821 758
Deferred tax related to other comprehensive income items	(4 042 888)	(3 109 896)
Total other comprehensive income after tax	<u>13 925 507</u>	<u>10 711 862</u>
Total comprehensive income for the year	<u><u>1 945 658 243</u></u>	<u><u>1 155 820 829</u></u>

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of changes in equity for the financial year ended December 31, 2024

(All amounts are in Egyptian Pounds)

	<u>Issued and paid up capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Net profit</u>	<u>Total equity</u>
Balance at 1/1/2023	665 107 268	1 117 584 059	315 986 594	1 461 193 154	3 559 871 075
Transferred to capital reserve	--	6 250 494	--	(6 250 494)	--
Dividends	--	--	--	(487 064 361)	(487 064 361)
Transferred to retained earning	--	--	967 878 299	(967 878 299)	--
Total Comprehensive income for the year	--	10 711 862	--	1 145 108 967	1 155 820 829
Balance at 31/12/2023	<u>665 107 268</u>	<u>1 134 546 415</u>	<u>1 283 864 893</u>	<u>1 145 108 967</u>	<u>4 228 627 543</u>
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 year	--	13 925 507	--	1 931 732 736	1 945 658 243
Balance at 31/12/2024	<u>665 107 268</u>	<u>1 155 578 228</u>	<u>1 502 283 469</u>	<u>1 931 732 736</u>	<u>5 254 701 701</u>

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of cash flow for the financial year ended December 31, 2024

(All amounts are in Egyptian Pounds)

	Note	<u>31/12/2024</u>	<u>31/12/2023</u>
	№		
<u>Cash flows from operating activities</u>			
Net profit for the year before income tax		2 141 717 040	1 289 982 581
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		141 790 444	119 588 245
Depreciation of right of use assets		83 346 918	67 791 472
Expected credit loss		4 958 905	40 263 157
Finance expenses		98 611 910	86 543 935
Interest income		(75 984 578)	(43 713 294)
Formed provisions and impairment		78 783 123	40 500 000
Financial investments revenues		(1 580 754 091)	(942 339 387)
Treasury bills returns		(548 880 547)	(202 370 351)
Capital (gain)		(15 587 221)	(7 106 306)
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		328 001 903	389 310 433
<u>Change in :</u>			
Inventory		(742 769 876)	(212 763 231)
Trades and notes receivable		(350 926 404)	(72 715 349)
Debtors and other debit accounts		(324 167 294)	(171 386 930)
Trades and notes payable		(32 910 209)	796 828 835
Creditors and other credit accounts		(12 538 547)	106 436 406
Cash flows (used in) provided by operating activities		(1 135 310 427)	835 710 164
Finance expenses paid		(98 611 910)	(86 543 935)
Proceeds from interest income		75 984 578	43 713 294
Income tax paid		(135 373 278)	(103 170 508)
Net cash flows (used in) provided by operating activities		(1 293 311 037)	689 709 015
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(135 803 805)	(128 512 531)
(Payments) to treasury bills due more than three months		(3 400 940 400)	(3 794 785 360)
Proceeds from sale of fixed assets		19 544 464	9 352 562
Proceeds from treasury bills due more than three months		3 956 658 905	3 361 634 812
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		2 020 213 255	449 858 489
<u>Cash flows from financing activities</u>			
(Payment) to banks-credit accounts		(155 705 693)	(109 164 510)
Lease contracts liabilities paid		(63 798 305)	(52 517 244)
Proceeds from long term loans		(58 729 107)	(73 045 404)
Dividends paid		(925 556 207)	(483 419 000)
Net cash flows (used in) financing activities		(1 203 789 312)	(718 146 158)
Net change in cash and cash equivalents during the year		(476 887 094)	421 421 346
Cash and cash equivalents at the beginning of the year		817 525 177	396 103 831
Cash and cash equivalents at end of the period represents in:		340 638 083	817 525 177
Cash and cash equivalents	(14)	340 638 083	509 179 564
Treasury bills	(13)	1 648 803 076	1 963 986 647
Treasury bills due more than three months	(13)	(1 648 803 076)	(1 655 641 034)
Cash and cash equivalents		340 638 083	817 525 177

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.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Statement of profit appropriation (proposed) for the financial year ended December 31, 2024

(All amounts are in USD)

	<u>2024</u>	<u>2023</u>
Net profit for the year	1 931 732 736	1 145 108 967
Capital gain transferred to capital reserve	(15 587 221)	(7 106 306)
Net profit available for Distribution	<u>1 916 145 515</u>	<u>1 138 002 661</u>
Retained earnings from the previous year	1 502 283 469	1 283 864 893
	<u><u>3 418 428 984</u></u>	<u><u>2 421 867 554</u></u>
 <u>Distributed as follows :-</u>		
Shareholders' dividends	1 064 171 629	831 384 085
Employees' share	118 241 292	85 000 000
Board of directors remuneration	3 200 000	3 200 000
Retained earnings carried forward	2 232 816 063	1 502 283 469
	<u><u>3 418 428 984</u></u>	<u><u>2 421 867 554</u></u>

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

1 - BACKGROUND INFORMATION

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

1-2 Commercial Register

Commercial Register No 44139 dated November 16, 1981.

1-3 Company's objective

- Production of machine – made carpets and semi hand-woven carpets (Hand-Tuft), marketing and selling them domestically, export and import the machinery and equipment and raw materials necessary for the production.
- Toll manufacturing for other parties and at other parties.
- Supplying, installing and maintaining of all types of woven carpets and carpets, and purchasing, importing and supplying all installation and maintenance supplies.
- Importing all types of carpets, woven and non-woven semi-finished materials from the country or abroad, complete their production, processing, and then re-market and sell them domestically and 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.

1-7 The Financial Statements are approved for issue by the Board of Directors on February 26, 2025.

2 - BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

2-1 Statement of compliance

- The Separate financial statements have been prepared in accordance with Egyptian Accounting Standards and in the light of Egyptian laws and regulations.
- The Egyptian Accounting Standards requires refer to the International Financial Reporting Standards when no Egyptian accounting standard or legal requirements illustrate how to treat specific balances or transaction.

2- 2 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.
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: <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

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
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.	<p>retained earnings/losses on the date of initial application.</p> <ul style="list-style-type: none"> 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. <p>The Prime Minister or their delegate determines the beginning and the ending dates of the financial period or periods for applying the standard.</p>

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:

<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.

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 amount, 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 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.

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 CGUs. 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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

- Impairment losses are recognized 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 amortization, if no impairment loss had been recognized.

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***

	<u>Land</u>	<u>Buildings & Constructions</u>	<u>Machinery & equipment</u>	<u>Vehicles</u>	<u>Tools & Supplies</u>	<u>Showrooms Fixture</u>	<u>Furniture & office equipment</u>	<u>Computers</u>	<u>Total</u>
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	--	--	52 084 080	3 339 144	12 100 590	46 061 320	19 640 750	4 791 265	138 017 149
Disposals	--	(3 030 560)	(15 755 642)	(2 342 511)	(195 282)	(2 085 819)	(20 271)	--	(23 430 085)
Cost as of 31/12/2024	137 538 790	424 179 940	886 042 851	32 003 721	63 747 988	226 378 786	94 554 400	61 310 883	1 925 757 359
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 year **	--	15 218 779	76 468 724	1 013 867	6 368 446	30 432 059	5 183 090	7 105 479	141 790 444
Disposals of accumulated depreciation	--	(903 065)	(13 933 295)	(2 342 503)	(195 282)	(2 078 610)	(20 087)	--	(19 472 842)
Accumulated depreciation and impairment as of 31/12/2024	--	179 903 081	427 816 791	25 756 862	39 988 466	144 815 455	47 639 628	50 402 599	916 322 882
Net book value as of 31/12/2024	137 538 790	244 276 859	458 226 060	6 246 859	23 759 522	81 563 331	46 914 772	10 908 284	1 009 434 477
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 December 31,2024

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

	<u>31/12/2024</u>
Industrial expenses	88 454 285
Distribution expenses	47 601 309
General and administrative expenses	5 734 850
	141 790 444

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Notes to the separate financial statements for the financial year ended December 31, 2024
 (All amounts in Egyptian Pounds unless otherwise stated)

6- Investments in subsidiaries

	Country of <u>Origin</u>	Ownership <u>%</u>	<u>Acquisition Cost</u>	<u>Accumulated Impairment</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
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
			<u>1 754 655 259</u>	<u>(406 239 174)</u>	<u>1 348 416 085</u>	<u>1 348 416 085</u>

- * 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

	<u>31/12/2024</u>	<u>31/12/2023</u>
Alahli Bank of Kuwait– Egypt	51 172 252	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
	<u>51 172 255</u>	<u>33 203 860</u>

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

8- PROJECTS IN PROGRESS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Machinery & Equipment under installation	21 586 230	358 707
Buildings under Construction	47 903 237	56 623 445
Computer systems	2 841 895	--
Advance payment	829 437	18 391 991
	<u>73 160 799</u>	<u>75 374 143</u>

9- RIGHT USE OF ASSETS

	<u>Showroom</u> <u>rent</u>	<u>Total</u>
Cost at 1/1/2024	505 854 768	505 854 768
Additions	124 151 402	124 151 402
Disposals	(33 136 832)	(33 136 832)
Cost at 31/12/2024	<u>596 869 338</u>	<u>596 869 338</u>
Accumulated depreciation at 1/1/2024	161 626 561	161 626 561
Depreciation of period	83 346 918	83 346 918
Disposals of accumulated depreciation	(30 957 256)	(30 957 256)
Accumulated depreciation at 31/12/2024	<u>214 016 223</u>	<u>214 016 223</u>
Net book value at 31/12/2024	<u>382 853 115</u>	<u>382 853 115</u>
Net book value at 31/12/2023	<u>344 228 207</u>	<u>344 228 207</u>

10- INVENTORY

	<u>31/12/2024</u>	<u>31/12/2023</u>
Raw materials	581 399 173	332 708 760
Spare parts & materials	110 114 686	68 660 640
Work in process	53 633 708	28 500 711
Finished products	1 303 470 317	870 988 204
Letter of credit for purchasing of raw materials	16 589 190	21 578 883
	<u>2 065 207 074</u>	<u>1 322 437 198</u>
(Less): Impairment in inventory	(49 783 123)	--
	<u>2 015 423 951</u>	<u>1 322 437 198</u>

11- TRADES & NOTES RECEIVABLE

	<u>31/12/2024</u>	<u>31/12/2023</u>
Trades receivables – Export	783 315 737	387 862 684
Trades receivables – Local	239 247 290	311 992 099
	<u>1 022 563 027</u>	<u>699 854 783</u>
Notes receivables	493 146 792	464 928 632
	<u>1 515 709 819</u>	<u>1 164 783 415</u>
(Less): Expected credit loss – Note No (15)	(61 256 710)	(55 390 152)
	<u>1 454 453 109</u>	<u>1 109 393 263</u>

Trades & Notes Receivable include amount of LE 228 858 280 due from related parties at December31, 2024 results from sales of carpets

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Letter of guarantee & letter of credit – cash margin	200 000	200 000
Tax authority – withholding	87 271 123	67 200 077
Tax authority – VAT	441 249 800	250 035 554
Petty cash & advance to employees	12 869 933	6 549 457
Suppliers – advance payment	13 517 777	702 529
Prepaid expenses	23 562 075	10 252 595
Deposits with others	9 939 551	7 245 865
Other debit accounts	17 643 173	7 100 138
	606 253 432	349 286 215
(Less): Expected credit loss – Note No (15)	(454 913)	(462 653)
	605 798 519	348 823 562

13- TREASURY BILLS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Treasury bills (mature of 90 days)	--	319 000 000
Treasury bills (mature in more than 90 days)	1 880 000 000	1 755 000 000
	1 880 000 000	2 074 000 000
<u>Less:</u> Unearned returns	(231 196 924)	(110 013 353)
	1 648 803 076	1 963 986 647

14- CASH AND CASH EQUIVALENTS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Banks – Current accounts	338 661 852	507 629 868
Cash on hand	1 976 231	1 549 696
Cash at banks and on hand	340 638 083	509 179 564
<u>Less:</u>		
(Less): Expected credit loss – Note No (15)	(321 094)	(1 221 007)
	340 316 989	507 958 557

Cash and cash equivalents for cash flows statement purposes

Cash in banks and the fund before the expected credit loss	340 638 083	509 179 564
Treasury bills	1 648 803 076	1 963 986 647
Treasury bills with maturity of more than 90 days	(1 648 803 076)	(1 655 641 034)
Cash and cash equivalents for cash flows statement Purposes	340 638 083	817 525 177

15- Expected credit loss

	<u>Trade & Notes receivables</u>	<u>Debtors & other debit balances</u>	<u>Cash & cash equivalent</u>	<u>Total</u>
Balance as at 1/1/2024	55 390 152	462 653	1 221 007	57 073 812
Charge to statement of income	5 866 558	(7 740)	(899 913)	4 958 905
Provision balance at 31/12/2024	61 256 710	454 913	321 094	62 032 717

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, Depository and Registry Co. and those shares are traded in Egyptian exchange.

17- Reserves

	<u>31/12/2024</u>	<u>31/12/2023</u>
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	30 212 445	16 286 938
	<u>1 155 578 228</u>	<u>1 134 546 415</u>

18- Medium TERM LOANS

	<u>31/12/2024</u>	<u>31/12/2023</u>
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.	51 510 399	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.	82 047 012	116 424 456
	<u>133 557 411</u>	<u>192 286 518</u>
Less:		
Current portion due in one year	<u>(133 557 411)</u>	<u>(109 243 385)</u>
	<u>--</u>	<u>83 043 133</u>

19- LEASE CONTRACTS LIABILITY

	<u>Due within</u> <u>one year</u>	<u>Due more</u> <u>than one year</u>	<u>Balance at</u> <u>31/12/2024</u>
Showroom rental	106 899 544	343 136 269	450 035 813
	<u>106 899 544</u>	<u>343 136 269</u>	<u>450 035 813</u>

20- DEFERRED TAX LIABILITIES

-Recognized 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	--	(90 817 557)	--	(89 423 908)
Fair value reserve of investment at FVOCI	--	(8 771 613)	--	(4 728 725)
Total deferred tax assets / (liabilities)	<u>--</u>	<u>(99 589 170)</u>	<u>--</u>	<u>(94 152 633)</u>
Net deferred tax (liabilities)	<u>--</u>	<u>(99 589 170)</u>	<u>--</u>	<u>(94 152 633)</u>

-The movement of deferred tax liabilities is shown below:

	<u>31/12/2024</u> <u>(Liabilities)</u>	<u>31/12/2023</u> <u>(Liabilities)</u>
Beginning balance	(94 152 633)	(88 266 508)
Fixed assets	(1 393 649)	(2 776 229)
Fair value reserve of investment at FVOCI	(4 042 888)	(3 109 896)
Ending balance	<u>(99 589 170)</u>	<u>(94 152 633)</u>

-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.

	<u>31/12/2024</u>		<u>31/12/2023</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Impairment in subsidiaries	91 403 814	--	91 403 814	--
Impairment in financial investments	122 709	--	311 077	--
Expected credit losses	13 957 361	--	12 841 607	--
	<u>105 483 884</u>	<u>--</u>	<u>104 556 498</u>	<u>--</u>

21- Provisions

	<u>Balance as of</u> <u>1/1/2024</u>	<u>Formed</u> <u>During</u> <u>the period</u>	<u>Used</u> <u>During</u> <u>the period</u>	<u>Balance as of</u> <u>31/12/2024</u>
Provisions for claims	124 757 517	29 000 000	(10 289 293)	143 468 224
	<u>124 757 517</u>	<u>29 000 000</u>	<u>(10 289 293)</u>	<u>143 468 224</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.

22- BANKS – CREDIT ACCOUNTS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Bank of Alexandria	14 588 605	143 708 276
QNB ALHLI	59 101 817	39 655 493
Export Development Bank	34 098 046	35 069 501
Arab Bank	68 843 292	117 850 485
Attijariwafa Bank	95 584 103	110 916 805
Emirates NBD Egypt bank	19 279 004	--
	<u>291 494 867</u>	<u>447 200 560</u>

23- TRADES & NOTES PAYABLE

	<u>31/12/2024</u>	<u>31/12/2023</u>
Trades payable – local	1 374 651 770	1 596 043 534
Trades payable – abroad	225 886 961	226 004 817
	<u>1 600 538 731</u>	<u>1 822 048 351</u>
Notes Payable	509 516 014	320 916 603
	<u>2 110 054 745</u>	<u>2 142 964 954</u>

-Trades & Notes Payable include amount of LE 1 760 467 057 due to related parties at December31, 2024 results from purchase and operate of raw material

24- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/12/2024</u>	<u>31/12/2023</u>
Accrued expenses	67 403 518	67 479 563
Tax authority	16 961 060	13 169 537
Social insurance authority	8 521 429	7 267 860
Credit balances - related parties	6 419 964	8 613 896
Creditors – purchases of fixed assets	175 110	659 920
Deposits from others	22 242 694	36 915 081
Trade receivable – advance payment	207 250 618	205 128 221
Other credit accounts	15 062 558	7 052 127
	<u>344 036 951</u>	<u>346 286 205</u>

25- Sales (net)

	<u>31/12/2024</u>	<u>31/12/2023</u>
Local sales	6 391 308 158	5 180 960 661
Export sales	1 919 898 958	1 859 938 214
	<u>8 311 207 116</u>	<u>7 040 898 875</u>
Production scrap sales	115 065 785	67 287 230
	<u>8 426 272 901</u>	<u>7 108 186 105</u>

-Sales include amount of LE 711 564 325 represents carpet sales to related parties at December31, 2024.

26- Financial investments income

	<u>31/12/2024</u>	<u>31/12/2023</u>
Oriental Weavers International	1 469 341 888	802 838 335
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
mac company	8 218 700	--
	<u>1 580 754 091</u>	<u>942 339 387</u>

27- General and administrative expenses

	<u>31/12/2024</u>	<u>31/12/2023</u>
Salaries & wages	139 734 328	127 353 899
Social insurance	5 043 558	5 043 710
	144 777 886	132 397 609
Other administrative expenses	70 033 487	66 516 520
	214 811 373	198 914 129

28- FINANCE EXPENSES

	<u>31/12/2024</u>	<u>31/12/2023</u>
Bank interest	61 140 454	58 628 132
Interest of lease contracts liabilities	1 015 890	1 212 144
Financing cost of purchase of land in the new administrative capital	36 455 566	26 703 659
	98 611 910	86 543 935

29- Income tax

	<u>31/12/2024</u>	<u>31/12/2023</u>
Current income tax	99 341 699	93 324 399
Dividend Income tax	7 608 510	5 605 651
Treasury bills tax	101 640 466	43 167 335
Income tax at statement of income	208 590 655	142 097 385

29-1 Effective tax rate

	<u>31/12/2024</u>	<u>31/12/2023</u>
Profit before tax	2 141 717 040	1 289 982 581
Tax rate	%22.5	%22.5
Tax at the domestic rate of 22.5%	481 886 334	290 246 081
Depreciation	(346 448)	(2 568 417)
Tax exempt	(355 669 670)	(212 026 362)
Provisions	18 507 387	12 531 410
Capital gain	(1 026 911)	302 943
Non-deductible expenses	(44 008 993)	4 838 744
Current income tax	99 341 699	93 324 399
Dividend Income tax	7 608 510	5 605 651
Treasury bills tax	101 640 446	43 167 335
	208 590 655	142 097 385
Effective tax rate	% 9.74	% 11.02

30- Basic earnings per share

- 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
Less:		
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>1 056 908 967</u>
Average of shares number available during the year	665 107 268	665 107 268
	<u>2,72</u>	<u>1,59</u>

31- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company to third parties as of December31, 2024 amounted to L.E 88 515 659

32- CAPITAL COMMITMENTS

The capital commitments as of December 31, 2024 amounted to L.E 9 263 095 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 was inspected and the tax has been settled till December 31, 2022.
- The company submits its tax return on the legal dates.

3-33 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.

4-33 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.

5-33 Real estate Tax

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

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.

(All amounts in Egyptian Pounds unless otherwise stated)

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

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

	Note	31/12/2024	31/12/2023
	<u>No</u>		
Trades and notes receivable	(11)	1 454 453 109	1 109 393 263
Debtors and other debit accounts	(12)	605 798 519	348 823 562
		<u>2 060 251 628</u>	<u>1 458 216 825</u>

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 932 462 200 and L.E 1 435 567 846 respectively.

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

<u>Foreign currencies</u>	<u>(Deficit)</u>
USD	(8 222 596)
Euro	1 596 841
GBP	1 131
AED	2 908

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.