

ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial period ended March 31, 2025

Together With Limited Review REPORT

Contents	Page
<i>Limited Review report</i>	1
<i>Separate statement of financial position</i>	2
<i>Separate statement of income</i>	3
<i>Separate statement of comprehensive income</i>	4
<i>Separate statement of changes in equity</i>	5
<i>Separate statement of cash flows</i>	6
<i>Notes to the Separate financial statements</i>	7 -29

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

87 Ramsis Street, Cairo.
Egypt

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

T: +2 2574 48 10

T: +2 2577 07 85

info@bakertillyeg.com

www.bakertillyeg.com

Translation from Arabic

Limited Review Report

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

Introductory

We have reviewed the accompanying separate financial position of Oriental Weavers Company for Carpets "S.A.E" at March 31, 2025 and the separate statement of income, separate statement of comprehensive income, separate statement of changes in equity and separate cash flow statement for the three months then ended, and a summary of significant accounting policies and other explanatory notes. These separate financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these separate financial statements based on our review.

Scope of limited review

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

Conclusion

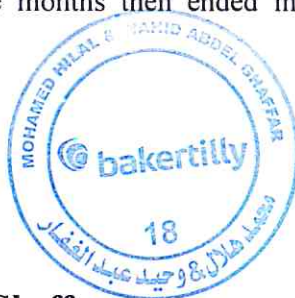
Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view for the separate financial position of the Company as of March 31, 2025 and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

Cairo: May 15, 2025

Auditor


Amr Wahid Abdel Ghaffar

B.T. Mohamed Hilal & Wahid Abdel Ghaffar.



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of financial position as of March 31, 2025

(All amounts are in Egyptian Pounds)

	Note №	31/3/2025	31/12/2024
<u>Non current assets</u>			
Fixed assets	(5)	977 954 198	1 009 434 477
Projects in progress	(8)	114 949 889	73 160 799
Right of use assets	(9)	369 346 650	382 853 115
Investments in subsidiaries	(6)	1 348 416 085	1 348 416 085
Investments at fair value through other comprehensive income	(7)	51 172 255	51 172 255
Total non current assets		2 861 839 077	2 865 036 731
<u>Current assets</u>			
Inventory	(10)	2 005 863 286	2 015 423 951
Trades and notes receivable	(11)	1 739 662 830	1 454 453 109
Debtors and other debit accounts	(12)	2 391 502 033	605 798 519
Treasury bills	(13)	1 918 445 717	1 648 803 076
Cash at banks and on hand	(14)	582 266 130	340 316 989
Total current assets		8 637 739 996	6 064 795 644
Total assets		11 499 579 073	8 929 832 375
<u>Equity</u>			
Issued and paid up capital	(16)	665 107 268	665 107 268
Reserves	(17)	1 155 578 228	1 155 578 228
Retained earnings		3 434 016 205	1 502 283 469
Net profit for the period/year		1 764 303 658	1 931 732 736
Total equity		7 019 005 359	5 254 701 701
<u>Non current liabilities</u>			
lease contracts liabilities	(19)	332 909 279	343 136 269
Deferred tax liabilities	(20)	96 841 134	99 589 170
Total non current liabilities		429 750 413	442 725 439
<u>Current liabilities</u>			
Provisions	(21)	160 000 000	143 468 224
Banks-Credit accounts	(22)	426 056 005	291 494 867
Lease contracts liabilities - current portion	(19)	108 019 698	106 899 544
Trades and notes payable	(23)	2 700 710 932	2 110 054 745
Long term liabilities - current portion	(18)	107 507 278	133 557 411
Dividends payable		274 837	3 551 794
Creditors and other credit accounts	(24)	398 145 515	344 036 951
Tax payable		150 109 036	99 341 699
Total current liabilities		4 050 823 301	3 232 405 235
Total liabilities		4 480 573 714	3 675 130 674
Total equity and liabilities		11 499 579 073	8 929 832 375

The accompanying notes from №.(1) to №. (34) form an integral part of these separate financial statements.
limited reiew attached.

Chairman


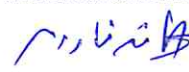
CEO & MD

CFO

Yasmin Mohamed Farid Khamis

Hazem shawki AlZifzaf

Shehta Farouk Imam

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of income for the financial period ended March 31, 2025

(All amounts are in Egyptian Pounds)

	Note	31/3/2025	31/3/2024
	№		
Net sales	(25)	2 334 526 774	2 148 832 878
Less:			
Cost of sales		2 207 345 315	1 840 884 079
Gross profit		127 181 459	307 948 799
Add / (less):			
Financial investments income	(26)	1 716 061 260	1 469 341 888
Capital gain		1 842 189	2 990 618
Other revenues		5 731 171	223 499
Treasury bills returns		125 570 852	124 349 271
Interest income		14 531 696	21 543 497
Distribution expenses		(54 475 527)	(45 036 465)
General and administrative expenses	(27)	(62 915 589)	(67 676 741)
Expected credit loss	(15)	(1 954 304)	5 493 970
Formed provisions and impairment		(16 531 776)	(13 800 000)
Finance expenses	(28)	(21 693 801)	(28 432 184)
Foreign exchange differences		21 869 961	(305 842 240)
Net profit for the period before income tax		1 855 217 591	1 471 103 912
(Less)\ Add:			
Current income tax	(29)	(93 661 969)	(97 333 080)
Deferred tax	(20)	2 748 036	3 249 444
Income tax for the period		(90 913 933)	(94 083 636)
Net profit for the period after income tax		1 764 303 658	1 377 020 276
Basic earnings per share	(30)	2.65	2.07

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

Chairman

CEO

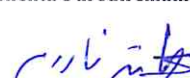
CFO

Yasmin Mohamed Farid Khamis

Hazem shawki AlZifzaf

Shehta Farouk Imam





Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of comprehensive income for the financial period ended March 31, 2025

(All amounts are in Egyptian Pounds)

	<u>31/3/2025</u>	<u>31/3/2024</u>
Net profit for the period	1 764 303 658	1 377 020 276
Other comprehensive income	--	--
Total other comprehensive income after tax	--	--
Total comprehensive income for the period	<u>1 764 303 658</u>	<u>1 377 020 276</u>

The accompanying notes from №.(1) to №. (34) 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 period ended March 31, 2025

(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 1/1/2024	665 107 268	1 134 546 415	1 283 864 893	1 145 108 967	4 228 627 543
Transferred to retained earning	--	--	1 145 108 967	(1 145 108 967)	--
Total Comprehensive income for the period	--	--	--	1 377 020 276	1 377 020 276
Balance at 31/3/2024	665 107 268	1 134 546 415	2 428 973 860	1 377 020 276	5 605 647 819
Balance at 1/1/2025	665 107 268	1 155 578 228	1 502 283 469	1 931 732 736	5 254 701 701
Transferred to retained earning	--	--	1 931 732 736	(1 931 732 736)	--
Total Comprehensive income for the period	--	--	--	1 764 303 658	1 764 303 658
Balance at 31/3/2025	665 107 268	1 155 578 228	3 434 016 205	1 764 303 658	7 019 005 359

*The proposed profit distribution plan was approved by the company's Ordinary General Assembly held on April 7, 2025

The accompanying notes from №.(1) to №. (34) 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 period ended March 31, 2025

(All amounts are in Egyptian Pounds)

	Note		
	No	31/3/2025	31/3/2024
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		1 855 217 591	1 471 103 912
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		38 606 941	33 621 351
Depreciation of right of use assets		22 227 425	20 266 443
Expected credit loss		1 954 304	(5 493 970)
Finance expenses		21 693 801	28 432 184
Interest income		(14 531 696)	(21 543 497)
Formed provisions and impairment		16 531 776	13 800 000
Financial investments revenues		(1 716 061 260)	(1 469 341 888)
Treasury bills returns		(125 570 852)	(124 349 271)
Capital (gain)		(1 842 189)	(2 990 618)
Operating profits before changes in working capital		98 225 841	(56 495 354)
<u>Change in :</u>			
Inventory		9 560 665	(107 184 031)
Trades and notes receivable		(286 979 821)	(355 392 379)
Debtors and other debit accounts		(87 384 971)	(55 237 874)
Trades and notes payable		590 656 187	(627 896 127)
Creditors and other credit accounts		33 308 564	8 078 485
Cash flows (used in) provided by operating activities		357 386 465	(1 194 127 280)
Finance expenses paid		(21 693 801)	(28 432 184)
Proceeds from interest income		14 531 696	21 543 497
Income tax paid		(4 306 162)	(24 787 502)
Net cash flows (used in) provided by operating activities		345 918 198	(1 225 803 469)
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(49 893 606)	(21 168 604)
(Payments) to treasury bills due more than three months		(296 400 000)	(1 631 692 600)
Proceeds from sale of fixed assets		2 820 043	4 820 358
Proceeds from treasury bills due more than three months		274 842 374	1 768 563 887
Proceeds from sale of assets held for the sale		--	
Proceeds from investments income			1 469 341 888
Net cash flows provided by (used in) investing activities		(68 631 189)	1 589 864 929
<u>Cash flows from financing activities</u>			
(Payment) to banks-credit accounts		134 561 138	224 441 511
Lease contracts liabilities paid		(17 827 796)	(15 752 874)
Proceeds from long term loans		(26 050 133)	73 466 171
Dividends paid		(3 276 957)	(6 946 667)
Net cash flows financing activities		87 406 252	275 208 141
Net change in cash and cash equivalents during the period		364 693 261	639 269 601
Cash and cash equivalents at the beginning of the period		340 638 083	817 525 177
Cash and cash equivalents at end of the period represents in:	(14)	705 331 344	1 456 794 778
Cash and cash equivalents	(14)	582 817 181	550 178 478
Treasury bills	(13)	1 918 445 717	2 549 735 318
Treasury bills due more than three months	(13)	(1 795 931 554)	(1 643 119 018)
Cash and cash equivalents		705 331 344	1 456 794 778

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

1 - BACKGROUND INFORMATION

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

1-2 Commercial Register

Commercial Register No 44139 dated November 16, 1981.

1-3 Company's objective

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

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

1-5 The Company is listed in Egyptian exchange.

1-6 Company's Headquarter

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

1-7 The Financial Statements are approved for issue by the Board of Directors on May 15, 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 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 paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

4-6-4 Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets 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 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 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 31/12/2023	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
Additions	--	--	--	--	7 107 281	--	344 140	653 095	8 104 516
Disposals	--	(1 239 768)	--	(196 000)	--	(35 052)	--	--	(1 470 820)
Cost as of 31/3/2025	137 538 790	422 940 172	886 042 851	31 807 721	70 855 269	226 343 734	94 898 540	61 963 978	1 932 391 055
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
Depreciation of period **	--	3 726 187	20 611 183	359 096	1 796 355	8 661 058	1 634 920	1 818 142	38 606 941
Disposals of accumulated depreciation	--	(276 511)	--	(196 000)	--	(20 455)	--	--	(492 966)
Accumulated depreciation and impairment as of 31/3/2025	--	183 352 757	448 427 974	25 919 958	41 784 821	153 456 058	49 274 548	52 220 741	954 436 857
Net book value as of 31/3/2025	137 538 790	239 587 415	437 614 877	5 887 763	29 070 448	72 887 676	45 623 992	9 743 237	977 954 198
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

* There are no restrictions on title as of March 31,2025

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

	<u>31/3/2025</u>
Industrial expenses	23 260 981
Distribution expenses	13 893 256
General and administrative expenses	1 452 704
	<u>38 606 941</u>

-6 Investments in subsidiaries

	Country of Origin	Ownership %	Acquisition Cost	Accumulated Impairment	31/3/2025	31/3/2024
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

	31/3/2025	31/12/2024
Alahli Bank of Kuwait- Egypt	51 172 252	51 172 252
Trading for Development Export	1	1
Egyptian for Trade and Marketing	1	1
10th of Ramadan for Spinning Industries (under liquidation)	1	1
	<u>51 172 255</u>	<u>51 172 255</u>

8-PROJECTS IN PROGRESS

	<u>31/3/2025</u>	<u>31/12/2024</u>
Machinery & Equipment under installation	37 664 330	21 586 230
Buildings under Construction	51 669 939	47 903 237
Computer systems	2 841 895	2 841 895
Advance payment	22 773 725	829 437
	<u>114 949 889</u>	<u>73 160 799</u>

9-RIGHT USE OF ASSETS

	<u>Showroom</u>	
	<u>rent</u>	<u>Total</u>
Cost at 1/1/2025	596 869 338	596 869 338
Additions	8 720 960	8 720 960
Disposals	(3 352 002)	(3 352 002)
Cost at 31/3/2025	<u>602 238 296</u>	<u>602 238 296</u>
Accumulated depreciation at 1/1/2025	214 016 223	214 016 223
Depreciation of period	22 227 425	22 227 425
Disposals of accumulated depreciation	(3 352 002)	(3 352 002)
Accumulated depreciation at 31/3/2025	<u>232 891 646</u>	<u>232 891 646</u>
Net book value at 31/3/2025	<u>369 346 650</u>	<u>369 346 650</u>
Net book value at 31/12/2024	<u>382 853 115</u>	<u>382 853 115</u>

10-INVENTORY

	<u>31/3/2025</u>	<u>31/12/2024</u>
Raw materials	595 765 049	581 399 173
Spare parts & materials	127 752 022	110 114 686
Work in process	80 437 865	53 633 708
Finished products	1 237 479 167	1 303 470 317
Letter of credit for purchasing of raw materials	14 212 306	16 589 190
	<u>2 055 646 409</u>	<u>2 065 207 074</u>
(Less): Impairment in inventory	(49 783 123)	(49 783 123)
	<u>2 005 863 286</u>	<u>2 015 423 951</u>

11-TRADES & NOTES RECEIVABLE

	<u>31/3/2025</u>	<u>31/12/2024</u>
Trades receivables – Export	1 033 507 616	783 315 737
Trades receivables – Local	389 763 290	239 247 290
	<u>1 423 270 906</u>	<u>1 022 563 027</u>
Notes receivables	379 418 734	493 146 792
	<u>1 802 689 640</u>	<u>1 515 709 819</u>
(Less): Expected credit loss – Note No (15)	(63 026 810)	(61 256 710)
	<u>1 739 662 830</u>	<u>1 454 453 109</u>

Trades & Notes Receivable include amount of LE 321 034 335 due from related parties at March 31, 2025 results from sales of carpets

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	31/3/2025	31/12/2024
Letter of guarantee & letter of credit – cash margin	200 000	200 000
Tax authority – withholding	108 977 303	87 271 123
Tax authority – VAT	496 508 936	441 249 800
Petty cash & advance to employees	10 928 253	12 869 933
Suppliers – advance payment	7 931 327	13 517 777
Prepaid expenses	37 413 596	23 562 075
Deposits with others	9 939 551	9 939 551
Accrued revenue	1 698 272 790	--
Other debit accounts	21 739 437	17 643 173
	2 391 911 193	606 253 432
(Less): Expected credit loss – Note No (15)	(409 160)	(454 913)
	2 391 502 033	605 798 519

13- TREASURY BILLS

	31/3/2025	31/12/2024
Treasury bills (mature of 90 days)	128 700 000	--
Treasury bills (mature in more than 90 days)	1 927 700 000	1 880 000 000
	2 056 400 000	1 880 000 000
Less: Unearned returns	(137 954 283)	(231 196 924)
	1 918 445 717	1 648 803 076

14- CASH AND CASH EQUIVALENTS

	31/3/2025	31/12/2024
Banks – Current accounts	581 200 089	338 661 852
Cash on hand	1 617 092	1 976 231
Cash at banks and on hand	582 817 181	340 638 083
Less:		
(Less): Expected credit loss – Note No (15)	(551 051)	(321 094)
	582 266 130	340 316 989

Cash and cash equivalents for cash flows statement purposes

Cash in banks and the fund before the expected credit loss	582 817 181	340 638 083
Treasury bills	1 918 445 717	1 648 803 076
Treasury bills with maturity of more than 90 days	(1 795 931 554)	(1 648 803 076)
Cash and cash equivalents for cash flows statement Purposes	705 331 344	340 638 083

15- Expected credit loss

	Trade & Notes receivables	Debtors & other debit balances	Cash & cash equivalent	Total
Balance as at 1/1/2025	61 256 710	454 913	321 094	62 032 717
Charge to statement of income	1 770 100	(45 753)	229 957	1 954 304
Provision balance at 31/3/2025	63 026 810	409 160	551 051	63 987 021

16- Issued and paid-up capital

- 16-1** The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).
- 16-2** The Issued and paid-up capital is determined to be LE 665 107 268 (only six hundred sixty-five million and one hundred seven thousand and two hundred sixty-eight Egyptian pounds) distributed over 665 107 268 shares at a value of LE 1 each.
- 16-3** The company's shares are centrally kept at Misr for Central Clearing, Depositary and Registry Co. and those shares are traded in Egyptian exchange.

17- Reserves

	<u>31/3/2025</u>	<u>31/12/2024</u>
Legal reserve	957 499 475	957 499 475
Special reserve	59 973 828	59 973 828
Capital reserve	107 892 480	107 892 480
Unrealized gain from financial investments at FVTOCI	30 212 445	30 212 445
	<u>1 155 578 228</u>	<u>1 155 578 228</u>

18- Medium TERM LOANS

	<u>31/3/2025</u>	<u>31/12/2024</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.	53 081 004	51 510 399
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.	54 426 274	82 047 012
	<u>107 507 278</u>	<u>133 557 411</u>
<u>Less:</u>		
Current portion due in one year	<u>(107 507 278)</u>	<u>(133 557 411)</u>
	<u>--</u>	<u>--</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>31/3/2025</u>
Showroom rental	108 019 698	332 909 279	440 928 977
	<u>108 019 698</u>	<u>332 909 279</u>	<u>440 928 977</u>

20- DEFERRED TAX LIABILITIES

-Recognized Deferred tax Assets and Liabilities

	<u>31/3/2025</u>		<u>31/12/2024</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Fixed assets	--	(88 069 521)	--	(90 817 557)
Fair value reserve of investment at FVOCI	--	(8 771 613)	--	(8 771 613)
Total deferred tax assets / (liabilities)	<u>--</u>	<u>(96 841 134)</u>	<u>--</u>	<u>(99 589 170)</u>
Net deferred tax (liabilities)	<u>--</u>	<u>(96 841 134)</u>	<u>--</u>	<u>(99 589 170)</u>

-The movement of deferred tax liabilities is shown below:

	<u>31/3/2025</u> <u>(Liabilities)</u>	<u>31/12/2024</u> <u>(Liabilities)</u>
Beginning balance	(99 589 170)	(94 152 633)
Fixed assets	2 748 036	(1 393 649)
Fair value reserve of investment at FVOCI	--	(4 042 888)
Ending balance	<u>(96 841 134)</u>	<u>(99 589 170)</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>31/3/2025</u>		<u>31/12/2024</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	--	122 709	--
Expected credit losses	14 397 080	--	13 932 713	--
	<u>105 923 603</u>	<u>--</u>	<u>105 459 236</u>	<u>--</u>

21- Provisions

	<u>Balance as of</u> <u>1/1/2025</u>	<u>Formed</u> <u>During</u> <u>the period</u>	<u>Balance as of</u> <u>31/3/2025</u>
Provisions for claims	143 468 224	16 531 776	160 000 000
	<u>143 468 224</u>	<u>16 531 776</u>	<u>160 000 000</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>31/3/2025</u>	<u>31/12/2024</u>
Bank of Alexandria	129 431 454	14 588 605
QNB ALHLI	35 014 570	59 101 817
Export Development Bank	86 668 522	34 098 046
Arab Bank	129 164 792	68 843 292
Attijariwafa Bank	44 298 400	95 584 103
Emirates NBD Egypt bank	1 478 267	19 279 004
	<u>426 056 005</u>	<u>291 494 867</u>

23- TRADES & NOTES PAYABLE

	<u>31/3/2025</u>	<u>31/12/2024</u>
Trades payable – local	1 954 390 941	1 374 651 770
Trades payable – abroad	182 933 693	225 886 961
	<u>2 137 324 634</u>	<u>1 600 538 731</u>
Notes Payable	563 386 298	509 516 014
	<u>2 700 710 932</u>	<u>2 110 054 745</u>

–Trades & Notes Payable include amount of LE 2 425 387 563 due to related parties at March 31, 2025 results from purchase and operate of raw material

24- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/3/2025</u>	<u>31/12/2024</u>
Accrued expenses	49 796 917	67 403 518
Tax authority	37 315 527	16 961 060
Social insurance authority	10 771 335	8 521 429
Credit balances - related parties	6 205 946	6 419 964
Creditors – purchases of fixed assets	2 260 102	175 110
Deposits from others	20 544 268	22 242 694
Trade receivable – advance payment	257 743 628	207 250 618
Other credit accounts	13 507 792	15 062 558
	<u>398 145 515</u>	<u>344 036 951</u>

25- Sales (net)

	<u>31/3/2025</u>	<u>31/3/2024</u>
Local sales	1 671 871 393	1 668 061 997
Export sales	633 020 420	458 443 279
	<u>2 304 891 813</u>	<u>2 126 505 276</u>
Production scrap sales	29 634 961	22 327 602
	<u>2 334 526 774</u>	<u>2 148 832 878</u>

–Sales include amount of 172 163 926 represents carpet sales to related parties at March 31, 2025.

26- Financial investments income

	<u>31/3/2025</u>	<u>31/3/2024</u>
Oriental Weavers International	1 500 500 815	1 469 341 888
Oriental Weavers Textile	37 675 746	--
Egyptian Company Fiber – EFCO	169 666 000	--
mac company	8 218 700	--
	<u>1 716 061 260</u>	<u>1 469 341 888</u>

27- General and administrative expenses

	<u>31/3/2025</u>	<u>31/3/2024</u>
Salaries & wages	39 867 469	34 650 545
Social insurance	1 580 004	1 286 615
	41 447 473	35 937 160
Other administrative expenses	21 468 116	31 739 581
	62 915 589	67 676 741

28- FINANCE EXPENSES

	<u>31/3/2025</u>	<u>31/3/2024</u>
Bank interest	11 754 666	19 765 058
Interest of lease contracts liabilities	--	253 973
Financing cost of purchase of land in the new administrative capital	9 939 135	8 413 153
	21 693 801	28 432 184

29- Income tax

	<u>31/3/2025</u>	<u>31/3/2024</u>
Current income tax	50 767 337	72 545 578
Treasury bills tax	25 106 162	24 787 502
Dividend Income tax	17 788 470	--
Income tax at statement of income	93 661 969	97 333 080

29-1 Effective tax rate

	<u>31/3/2025</u>	<u>31/3/2024</u>
Profit before tax	1 855 217 591	1 471 103 912
Tax rate	%22.5	%22.5
Tax at the domestic rate of 22.5%	417 423 958	330 998 380
Depreciation	2 957 394	1 986 657
Tax exempt	(381 263 673)	(330 601 924)
Provisions	4 159 368	1 868 857
Capital gain	(119 157)	(672 889)
Non-deductible expenses	7 609 447	68 966 497
Current income tax	50 767 337	72 545 578
Dividend Income tax	17 788 470	--
Treasury bills tax	25 106 162	24 787 502
	93 661 969	97 333 080
Effective tax rate	% 5.05	% 6.61

30- Basic earnings per share

- The basic earnings per share are determined as follows: -

	<u>31/3/2025</u>	<u>31/3/2024</u>
Net profit for the period	1 764 303 658	1 377 020 276
Average of shares number available during the period	665 107 268	665 107 268
	<u>2.65</u>	<u>2.07</u>

31- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company to third parties as of March 31, 2025 amounted to L.E 103 623 484

32- CAPITAL COMMITMENTS

The capital commitments as of March 31, 2025 amounted to L.E 11 570 154 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.

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		
	No	<u>31/3/2025</u>	<u>31/12/2024</u>
Trades and notes receivable	(11)	1 739 662 830	1 454 453 109
Debtors and other debit accounts	(12)	2 391 502 033	605 798 519
		<u>4 131 164 863</u>	<u>2 060 251 628</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 1 333 157 358 and L.E 1 819 432 769 respectively.

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

<u>Foreign currencies</u>	<u>(Deficit)</u>
USD	(9 599 941)
Euro	(1 766 181)
GBP	1 131
AED	2 867

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.