النساجون الشرقيون
ORIENTAL WEAVERS

SAILING THROUGH TURBULANCE

ANNUAL REPORT 2023

CONTENTS

04 FOREWORD

06 TIMELINE

08 INVESTMENT CASE

10 AT A GLANCE

17 HIGHLIGHTS

21 MD&A

27 LINES OF BUSINESS

41 SUSTAINABLE ACTION

53 CORPORATE GOVERNANCE

63 FINANCIAL STATEMENTS

SAILING THROUGH **TURBULANCE**

Oriental Weavers' business model has enabled the company to withstand unprecedented market challenges both locally and globally.

FOREWORD



To our employees, Your efforts are appreciated and we hope that you are as excited as we are about our future.

Dear Clients, Shareholders, Partners, and Colleagues,

Reflecting on the dynamic landscape of 2023, it was a year marked by excitement, intensity, and challenges at Oriental Weavers. Amidst shifting markets and changing customer needs, our company navigated through geopolitical conflicts, economic fluctuations, and inflation. Despite these hurdles, we remained resilient and achieved strong results.

I am proud of our accomplishments in 2023 and the strides we have taken as a company. We experienced net profit growth across all key segments: woven, tufted, and non-woven. Furthermore, we have outlined strategic action plans to bolster market share in core markets and drive volume improvements in the years to come.

Looking forward, we have initiated an internal paradigm shift, anticipating sustained growth for Oriental Weavers. Our unwavering commitment lies in executing our strategy, backed by investments in our brand and our people. We are confident in our strategic direction to foster profitable growth and deliver value to our shareholders.

In closing, I extend heartfelt gratitude to our employees throughout the Group for their dedication and hard work. Your efforts are appreciated and we hope that you are as excited as we are about our future.

Warm regards,

Yasmine Khamis

TIMELINE



1979

Oriental Weavers - Egypt

1980

In House Design Team Egypt



1981

Mac Carpets - Egypt

1987

EFCO - Egypt

1988



First showroom in the USA

1991

Sphinx (USA Distribution Arm in Atlanta)



1992

OW's largest showroom in Atlanta - USA

1993

OWUSA Rug Manufacturing (Manufacturing facility in USA)

1997

Oriental Weavers Listed in Egyptian Stock Exchange (EGX)

1999

Oriental Weavers International - Egypt

2001

Introduced World's first 1 Million Point Rug

Oriental Weavers Tianjin (Co) Ltd (Manufacturing facility in China)

2002

Oriental Weavers Textiles - Egypt

2005

Introduced World's first 2 Million Point Rug

2006

Patent rights for 100% Acrylic Rugs

2009

World's First 3 Million & 4 Million Point Rug with exclusivity

2012

King TUT – Egypt (Yarn Plant)

OW Hospitality in London

New Showroom in New York - USA

2013

Tommy Bahama License

2014

Partnering with Pantone



2018

Fully Automated Warehouse - Egypt

Alignment with the UN's Sustainable Development Goals (SDGs)

2022

Nefertari Facility Inagurated

2023



Domotex Green award

INVESTMENT CASE

Oriental Weavers stands as a leading global manufacturer of global machine-made carpets and rugs, recognized for its excellence in craftsmanship. As a local champion, it distinguishes itself by exporting 64% of its revenues, a notable achievement in Egypt's business landscape. With an extensive local presence, Oriental Weavers boasts a network of over 260 showrooms across Egypt, further solidifying its stronghold in both local and international markets.



Vertically Integrated Operations

The production process commences with fiber extrusion, sourcing raw wool and polypropylene granules from suppliers in Egypt, Saudi Arabia, New Zealand, and the UK. These materials are transformed into fibers and spun into yarn. Subsequently, the yarn is transferred to weaving and tufting processes at Oriental Weavers' facilities spanning Egypt and the US. Utilizing a vast selection of over 4 million copyrighted designs, the company ensures quality and diversity in its product offerings. Finally, rugs are distributed locally through an extensive network of showrooms across Egypt and internationally through a roster of prominent agents.



Market Leadership

Oriental Weavers commands a dominant market share in Egypt, catering to diverse segments with products spanning various price points. Moreover, on a global scale, Oriental Weavers has firmly established its presence, particularly in its B2B operations, earning recognition from prominent industry players.



Export Oriented Business

With 64% of our total revenue stemming from our international business, Oriental Weavers enjoys a steady and dependable foreign currency influx. Our extensive reach spans across approximately 130 countries worldwide, showcasing our commitment to global expansion and market diversification. Among our major markets, the United States, Europe, and the GCC region stand out as pivotal pillars of our international business strategy. With a strong presence in these regions, we have established enduring relationships with customers and partners, further solidifying our foothold in the global marketplace.



Innovation

Management's unwavering focus lies in innovation, driving continuous improvement and enhancement within the industry. Our commitment to pushing boundaries is exemplified by our latest venture into the realm of hand-made look rugs, a testament to our dedication to craftsmanship and quality. Through meticulous attention to detail and a passion for excellence, we aim to redefine traditional practices and set new standards of excellence in the industry.

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AT A GLANCE

AT A GLANCE



About Oriental Weavers

Oriental Weavers has upheld its status as a global industry leader, demonstrating creativity and insightful expertise throughout its operations. The company strategically enhances its capabilities to meet the continually increasing demand for rugs and carpets in both Egypt and global markets.

Established in 1979 by the late industrialist and entrepreneur Mohamed Farid Khamis, Oriental Weavers stands as the premier manufacturer of rugs and carpets in the region. Over its decades of operation, the company has risen to become the world's largest producer of machine-woven carpets and a global leader in tufted and jet-printed rugs and carpets. Oriented towards customer satisfaction, Oriental Weavers consistently broadens its product range, aiming to provide the finest textile products at competitive prices. Today, the company is renowned for its impeccable designs, top-notch quality, and innovative offerings, solidifying its position as a global exporter and a key player in the Egyptian textiles industry.

1 st Global producer by volume

130 Markets

260+ Showrooms in Egypt

5 Export Continents

3 Distribution offices

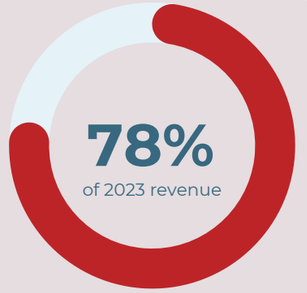
A. Oriental Weavers' Subsidiaries

Oriental Weavers employs a vertically integrated business model, initiating the production process from yarn extrusion and concluding with the display of carpets in various distribution channels such as wholesale or within the company's 260 showrooms dispersed throughout Egypt. Currently, Oriental Weavers oversees a portfolio of six subsidiaries, extending its operational reach across local, regional, and international markets. These six companies specialize in the production of three types of carpets: Woven, Tufted, and Non-Woven.



I. The Woven Segment

Within Oriental Weavers' woven segment, there are three grades of machine-woven rugs and carpets. In this production method, surface yarn is inserted and interwoven with backing yarn, consisting of jute weft threads and warp threads. Within this domain, four subsidiaries of Oriental Weavers are involved in the manufacturing of woven textile products. Among them, three operate in Egypt, and one facility operates and serves the US market. Notably, within this segment, there are two free zone entities that enjoy tax-free treatment.



Oriental Weavers International

Founded in 1998 as an export-oriented free zone enterprise, Oriental Weavers International (OWI) focuses its production facilities on tasks such as synthetic fiber extrusion, wool dyeing and spinning, and the finishing of woven carpets and rugs. OWI exports a diverse range of commercial and residential carpets, rugs, and upholstery to prominent markets in North and South America, Europe, the Middle East, Asia, and Australia. The company encompasses seven carpet production facilities and six fiber production facilities.

Oriental Weavers Textiles

Oriental Weavers Textiles was established in 2005 as another export-centric subsidiary to Oriental Weavers' portfolio. Situated in a free zone area with a large parcel of land, the company is perfectly positioned to allocate its resources to lucratively serve Oriental Weavers' future expansion plans in the woven textiles segment. With an eye to bolstering its operational efficiency and production volumes, OWT includes two carpet production facilities.

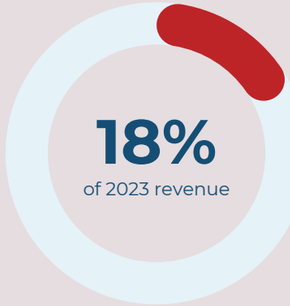
Oriental Weavers USA

Located in Dalton, Georgia, Oriental Weavers USA was established in 1993 as the U.S. subsidiary of Oriental Weavers. Specializing in the manufacturing, marketing, and distribution of woven carpets and rugs, Oriental Weavers USA caters to retailers and department stores. Additionally, the company has a strong online presence, featuring its products on digital platforms such as Target, Kohl's, Amazon, Wayfair, and Rugs Direct.



II. The Tufted Segment

In the tufting manufacturing process, fibers such as yarn are first inserted and pulled through the primary backing fabric, holding the fibers in place. After the carpets' design and printing are done, an anchor coating of adhesive is applied to further hold the tufts in place, and a secondary backing cloth is then added. There are two subsidiaries that operate in the tufted segment in Oriental Weavers' local market of Egypt, MAC Carpet, and its private free zone subsidiary, New MAC.



MAC Carpet

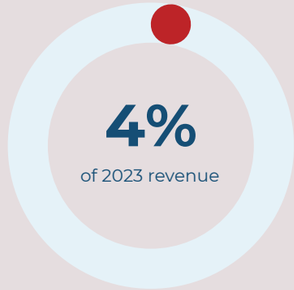
Founded in 1981, MAC Carpet serves as Oriental Weavers' division specializing in the tufted carpeting sector. As a prominent Egyptian exporter, the company reaches over 100 countries and supplies various major retailers globally. Operating from four manufacturing sites in Egypt, MAC Carpet offers a diverse portfolio, including wall-to-wall carpeting, door and kitchen rugs, rubber-backed bathroom mats, multilevel textured mats, car mats, children's rugs, and more. Additionally, MAC Carpet manufactures carpet tiles, runners, and artificial turf designed for both indoor and outdoor applications.

The company owns a 98% stake in its subsidiary, "New MAC", a tufted manufacturing facility operating in a free-zone area in Egypt.



II. The Non-Woven Segment

Manufacturing carpets from non-woven materials involves employing chemical and thermal treatments to effectively bond fibers together. Currently, The Egyptian Fibers Company (EFCO) stands as the exclusive manufacturer of non-woven carpets and rugs within the Group. EFCO has established itself as a prominent producer in its operational markets.



Egyptian Fibers Company (EFCO)

Founded in 1978 as an integral component of the Oriental Weavers Group, the Egyptian Fibers Company (EFCO) extends its product exports to more than 67 countries worldwide. Adhering to the highest environmental and quality management standards, EFCO utilizes state-of-the-art machinery for manufacturing master batches, polypropylene staple fiber, and needle-felt carpets. This encompasses the production of wall-to-wall carpets with customized widths and various weights, indoor and outdoor rugs, patterned, printed, engraved, and embossed mats, underlay rolls and rug pads, car mats, as well as bathmats.

B. Our Geographical Footprint

Alongside strengthening its leading position in the Egyptian market, Oriental Weavers continues to expand its regional and global presence. At present, Oriental Weavers exports approximately 64% of its production to over 130 countries worldwide.

C. Our Production Facilities

Leveraging its robust vertically integrated business model, the Group possesses extensive production capabilities that facilitate swift and effective adaptation to varying market conditions. This, in turn, enhances operational efficiency throughout its operational footprint. Oriental Weavers, with manufacturing facilities and warehouses in Egypt and the US, collectively generates over 4 million copyrighted designs. The company's ability to manage and control the entire production process contributes to this impressive output.

26 production facilities

112 mm2 exported volumes in 2023

240+ manufacturing looms

19k+ employees

Our Purpose

Oriental Weavers' comprehensive suite of innovative and affordable offerings has cemented the company's leading position in the machine-made area rugs industry on a global scale. The company strongly focuses on ensuring that clients are provided with products of unmatched quality, prompt delivery, and competitive prices.

Our Mission

To continuously innovate, and offer a diverse range of carpets and rugs, providing exceptional value for our customers worldwide

Our Dream

To be the world's trendsetter in the carpet and rug industry

Our People

1. People are our most valuable asset. Our best people are consistently result driven, hungry to learn and eager to grow.

2. We believe in meritocracy; we reward performance not status, achievement not age, contribution not position, and talent not credentials

OWAY

OUR PRINCIPLES

OUR VALUES

ONE PROUD FAMILY

We are ONE PROUD FAMILY. This is our company, and we act like owners. We are proud of our achievements. We take full responsibility of our decisions, actions and results, and we lead by example. We are stronger together as a family; we appreciate each other, take care of each other, and empower one another. We are a community of almost 20,000 families

INTEGRITY

INTEGRITY, quality and hard work are the building blocks our company was built on, and what our reputation rests upon. We are honest, open, ethical and fair. We are committed, we deliver on our promises, and we encourage an atmosphere of mutual trust and respect.

CUSTOMERS FIRST

We place our CUSTOMERS FIRST and value their business. We consider our customers our partners and we aim to understand their needs and deliver to the end user. We are service oriented. We take pride in delivering quality, innovation and value for money everyday

INNOVATION

We encourage creativity and INNOVATION. We act with boldness and courage, challenging the status quo and finding new ways to grow our company and create value for our stakeholders. Innovation is the lifeline of our organization.

AGILITY

We value AGILITY; speed, efficiency, and change. We think and act fast. We rethink, react, and reinvent. We are bold and entrepreneurial in spirit and actions and adapt quickly in response to a rapidly-changing, uncertain, and volatile world.

SUSTAINABILITY

SUSTAINABILITY guides our actions. We are responsible, caring, transparent, and accountable. We support and positively contribute to the communities we work and live in. We are concerned about the environment and operate our business responsibly. We work hard to ensure a better tomorrow

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2023 HIGHLIGHTS

2023 HIGHLIGHS



Oriental Weavers achieved an unprecedented milestone with record-breaking revenues reaching EGP 17.6 million. This achievement is attributed to outstanding performance in both international and domestic markets



Oriental Weavers proudly received "The Green Collection Award 2023" at Domotex Hannover Germany, the world's leading floor covering exhibition, in recognition of its sustainability collection



Oriental Weavers takes pride in implementing, supplying, and furnishing the third-largest mosque in the Middle East with cutting-edge designs



Oriental Weavers was honored as the “Best Producer of Hotel Carpets & Rugs” by the Lux Hospitality Awards, solidifying its reputation as a leader in the industry



Oriental Weavers started Strategic Brand Building activities, launching its first thematic advertising campaign in over a decade. The campaign was aimed at building brand image, raising overall brand awareness levels, & supporting the achievement of sales targets by increasing B2C & B2B showrooms’ footfall



Oriental Weavers was honored with the "Outstanding Performance" Award by “Nitori” in Japan. Nitori is Japan's largest chain of furniture and home furnishings, with Oriental Weavers being their primary supplier in the mechanical carpets sector



With a strong emphasis on product development and innovation, Oriental Weavers fostered internal competition to drive forward-thinking product innovations. Moreover, the company collaborated with renowned artists to create distinctive carpet designs, enriching its product offerings with unique artistic flair

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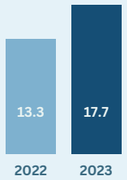
MANAGMENT DISCUSSION AND ANALYSIS



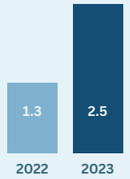
MANAGEMENT DISCUSSION AND ANALYSIS

Oriental Weavers achieved robust top-line growth during the year, with revenues climbing to EGP 17.6 billion

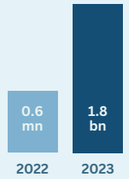
Overall Financial Performance



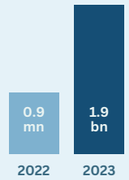
Revenue (EGP bn)
y-o-y change: 33%



Gross Profit (EGP bn)
y-o-y change: 103%



Operating Profit (EGP bn)
y-o-y change: 182%

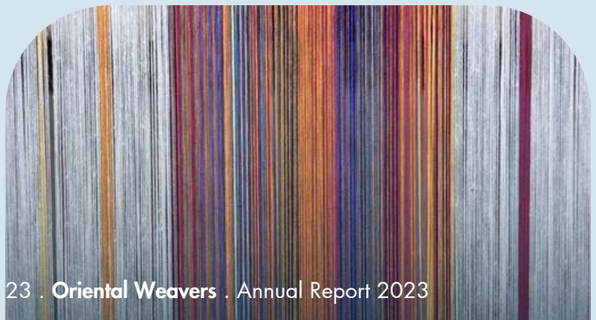


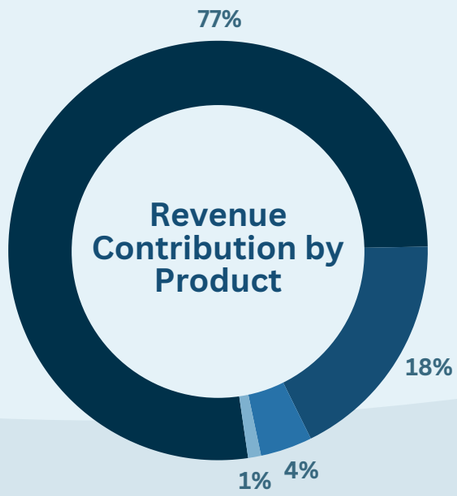
Net Profit (EGP bn)
y-o-y change: 100%

All-Time High-Top Line Figure

Throughout the fiscal year, Oriental Weavers achieved revenue growth, soaring to an unprecedented EGP 17.6 billion from EGP 13.3 billion, marking an impressive 33% increase. This outstanding performance was underpinned by several key factors, including robust demand in the Egyptian market, favorable effects of local currency devaluation, strategic price optimizations, and the expansion of its global presence.

The substantial surge in revenues reflects Oriental Weavers' adeptness in navigating challenging market dynamics. By strategically pivoting its geographic focus and capitalizing on heightened demand for various product lines, the company seized opportunities for growth and maintained its competitive edge amidst evolving market landscapes.





Woven	77%
Tufted	18%
Non-woven	4%
Other	1%

Profitability Margins

Gross Profit

The consolidated gross profit for the fiscal year reached a substantial EGP 1.5 billion, showcasing a 103% year-on-year increase from the previous year's EGP 1.3 billion in 2022. This impressive growth trajectory can be attributed to a multifaceted approach that included strategic pricing adjustments, diligent efforts to enhance operational efficiency across the production process, and favorable effects of the EGP devaluation, particularly bolstering international sales. The synergy of these strategic initiatives not only propelled revenue growth but also significantly strengthened the company's gross profit margin. Margin expanded by an impressive 496 basis points in 2023, reaching 14.4% from 9.5% in 2022.

Operating Profit

Oriental Weavers' operating profit reached EGP 1.8 billion by the close of 2023, marking a 182% increase from the previous year's EGP 647 million in 2022. This growth can be attributed to a combination of strategic factors, including reduced raw material costs (denominated in USD), streamlined SG&A expenses as a percentage of sales, and heightened gross profitability. The concerted efforts to optimize raw material procurement, coupled with favorable currency dynamics, contributed to a notable reduction in raw material costs, thereby bolstering operating profit margins. Additionally, disciplined cost management practices led to lower SG&A expenses relative to sales, further amplifying the company's operational efficiency.

Net Interest Expense

Interest income for the group increased 80% y-o-y to reach EGP 358 million by year-end 2023, up from EGP 199 million in 2022. Interest expenses incurred increased at a slower pace reaching EGP 459 million in 2023, a 51% increase from EGP 304 million in 2022. Consequently, net interest expense reached EGP 102 million during the year compared to EGP 105 million in 2022.This positive shift is a result of cash management and improvement in the working capital.

Net Profit

On a bottom-line basis, the company’s net income for the year recorded an all-time high of EGP 1,892 million, increasing by a 100% from EGP 944 million recorded in 2022. On a margin basis, Oriental



Performance in Egypt

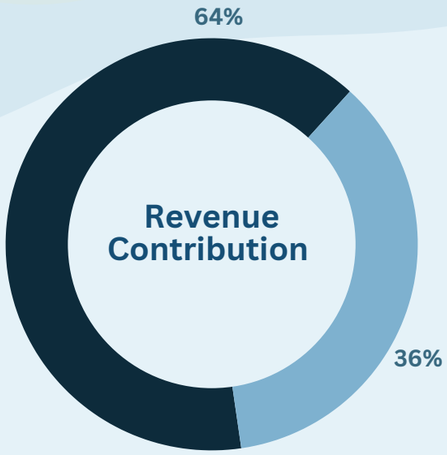
Oriental Weavers showcased growth within its domestic market, achieving a 31% y-o-y increase in total local revenues, reaching EGP 6.4 billion in 2023, up from EGP 4.9 billion in the preceding year. This growth trajectory was propelled by a diverse array of growth catalysts, encompassing increases in both DTC and S&D revenues. Furthermore, the successful execution of strategic pricing initiatives, coupled with a relentless focus on product innovation and development, significantly contributed to this robust performance.

A. Direct to Consumer Segment (DTC):

The direct to consumer (DTC) segment, driven by OW showrooms scattered across Egypt, constitute 53% of Egypt's total sales, showcased a 28% y-o-y increase. This notable increase can be attributed to a blend of price adaptations, the efficacy of OW's marketing endeavors, and the execution of a comprehensive showroom strategy. Alongside the wide showroom network, OW effectively launched 10 new showrooms in 2023, strategically positioned in specific and underserved regions, with the objective of broadening our customer base further

B. Sales & Distribution Segment (S&D):

Meanwhile, S&D, which are revenues through OW wholesale clients, accounting for 43% of Egypt sales in 2023, registered an impressive 35% y-o-y growth. This surge was bolstered by heightened wholesale demand as they anticipated further price increases.



Egypt Rev.	36%
International Rev.	64%



C. E-commerce in Egypt

While E-commerce is still in its infancy stage, but it is experiencing growth. In 2023, E-commerce sales reached LE 13.8 million, marking an impressive 79% increase from LE 7.7 million in the same period last year. Furthermore, the number of available SKUs doubled, reflecting a growing variety of OW products online. Our OW team has been actively expanding our presence on various platforms, including Amazon, Homzmart, and Noon, in addition to our own Oriental Weavers' platform. We are continuously enhancing our online website to ensure a superior and seamless user experience for our customers.

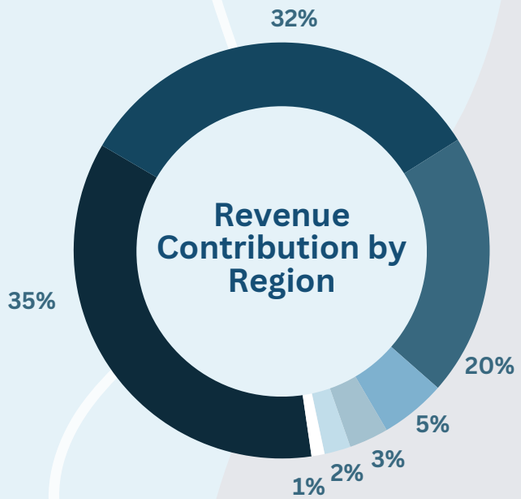
International Performance

Oriental Weavers adeptly navigated its operations to achieve a 34% year-on-year growth in international revenues, reaching EGP 11.2 billion in 2023 compared to EGP 8.3 billion in 2022, even amidst a volatile global market. The group effectively expanded its revenue streams across its geographic presence.

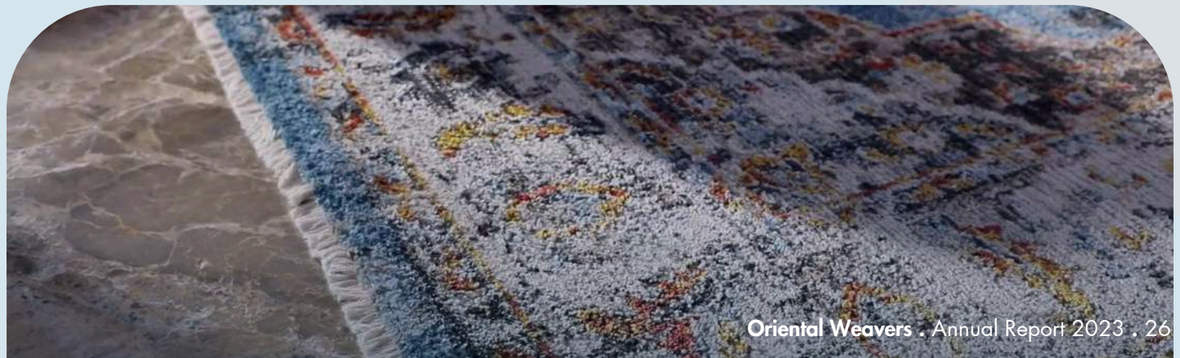
Revenues stemming from the US region, through the wholly-owned subsidiary Oriental Weavers USA, alongside direct exports from Egypt, collectively accounted for 32% of the group's overall revenue. Despite inflationary challenges impacting consumer spending, revenues surged by 30% to EGP 5.6 billion, underscoring the group's resilience. This was achieved through an expanded client base and the favorable impact of a weaker local currency, translating USD income into stronger EGP terms.

The European region emerged as the second-largest contributor to Oriental Weaver's international revenues in 2023, comprising 20% of the total. Despite economic pressures prevalent across major European countries, sales in the region demonstrated resilience, surging by 49% year-on-year to reach EGP 3.5 billion, a notable increase from EGP 2.4 billion in 2022.

Revenue from Oriental Weavers' third-largest region, the GCC Region, primarily comprising Saudi Arabia and the UAE, accounted for 5% of export revenues. However, revenues experienced a modest 3% increase, reaching EGP 938 million from EGP 912 million in 2022. This muted growth was primarily attributed to overstocking in the Saudi market and the introduction of new import regulations in Saudi Arabia during the second quarter of 2023, causing delays in shipments.



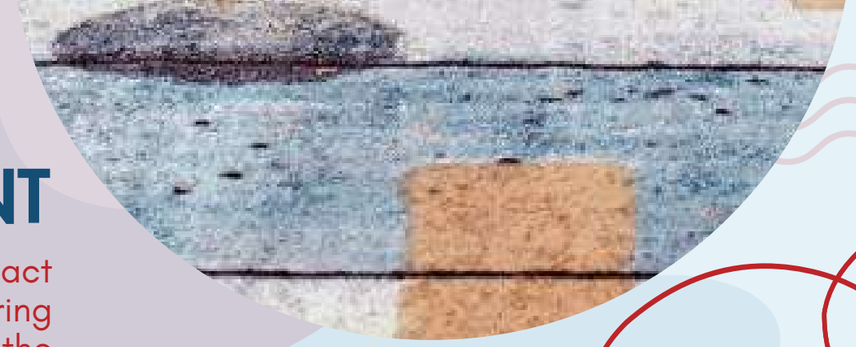
Egypt	35%
America	32%
Europe	20%
GCC Region	5%
Projects & Hospitality	3%
Africa	2%
Asia	1%



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LINES OF BUSINESS



WOVEN SEGMENT

The woven segment continued to act as the major driver of growth during the year, contributing 77% of the Group's total revenues

Oriental Weavers' woven division manufactures and sells machine-made area rugs domestically and internationally through state-of-the-art facilities located in Egypt and the US. The Group's woven products come in grades A, B, and C.

A Grade

B Grade

C Grade

45 Dedicated designers

500 local industrial designs and yarn patents

>2.5M Designs

54% Turnover exported

2023 Performance Overview

Oriental Weaver's woven division was able to achieve successful revenue growth in the face of challenges in the local and international market. Demand in Egypt was resilient and in the international market OW gained around 66 new active clients across the globe

Revenues from the woven segment grew 29% y-o-y to EGP 13.5 billion, with a contribution of 77% to the Group's total revenues.

Financial and Operational Highlights

Oriental Weaver's woven division led the Group's rise in revenues both locally and globally during 2023 across its range of products. Although volumes were down during the year, Oriental Weavers maintained the profitability of its sales through strategic price adjustments and local currency devaluation, which supported revenue growth.

13.5 EGP BN
Total revenues in 2023 (+29% y-o-y)

Woven - International Sales

International sales in the woven segment increased by 34%, supported by local currency devaluation and enhanced sales performance in key markets. Notably, Europe, the United States, and Africa emerged as the main markets driving this growth. Furthermore, the uptick in sales was particularly pronounced during the latter half of the year.

11.2 EGP BN
Total revenues in 2023 (+34% y-o-y)

Woven - Egypt Sales

Sales in the woven segment in Egypt experienced a robust increase of 32%, reaching EGP 5.2 billion from EGP 3.9 billion in 2022, despite a marginal volume decline of 3%. This growth was reinforced by a price increase in the local market, showcasing sustained demand and pricing power. The success in Egypt can be attributed to a combination of factors, including our expansive showroom network and the effectiveness of our wholesalers' sales channels.

Furthermore, OW's commitment to expanding its market presence in Egypt remained unwavering, with the addition of 10 new showrooms in 2023. This strategic expansion contributed significantly to broadening our consumer reach and reinforcing our brand's visibility and accessibility in the Egyptian market.

5.2 EGP BN
Total revenues in 2023 (+32% y-o-y)



Oriental Weavers USA

Oriental Weavers USA distributes woven carpets and rugs to mass market merchants, retailers, and megastores in the United States. In 2023, the revenues generated by Oriental Weavers USA within its market segment accounted for a significant 16% of Oriental Weavers' total sales. The US market experienced a general slowdown during the first half of 2023 due to the drop in consumer discretionary spending and widespread inflationary pressures. However, signs of recovery emerged in the latter half of the year, indicating a positive gradual turnaround. Additionally, the income generated in USD was particularly advantageous when translated into EGP terms, owing to the favorable currency devaluation during this period

2.8 EGP BN

Total revenues in 2023 (+31% y-o-y)

Financial Highlights

Oriental Weavers USA recorded a 32% rise in revenues in 2023 to EGP 2.8 billion from EGP 2.2 billion in 2022. Strategic price adjustments managed to counteract an 15% decline in volumes for the year to 10.0 million sqm, down from the 11.8 million sqm recorded in 2022.

Forward Looking Strategy

The woven division is poised to enter the new year with a clear strategic vision and ambitious goals for expansion. Oriental Weavers is committed to broadening its market presence and enhancing its global footprint. Our primary focus will be on key markets such as the US, Germany, and Saudi Arabia, where we aim to penetrate and capitalize on emerging opportunities for growth. Leveraging Egypt's robust trade and commerce partnerships in these regions will be instrumental in our efforts to unlock value and maximize our market share.

Moreover, we anticipate a surge in e-commerce activity throughout the year, and we are prepared to capitalize on this trend by optimizing our online platforms and digital marketing strategies. By aligning our initiatives with evolving market dynamics and leveraging strategic partnerships, we are confident in our ability to achieve sustainable growth and solidify our position as a leader in the woven segment.





TUFTED SEGMENT

2023 saw sales turnover largely stabilizing, with MAC delivering on its growth plan with upgraded machinery

Oriental Weavers' tufted division manufactures and distributes a diversified product mix, ranging from wall-to-wall and area carpets and rugs, to doormats, kitchen rugs, bathroom mats, children's rugs, carpet tiles and artificial turf. Throughout the years, the segment has grown to become a primary constituent of the company's overall success through MAC, Oriental Weavers' sole tufted arm.

MAC is a regional leading printed carpets and rugs manufacturer. Boasting a track-record of over 40 years, the company produces a wide range of tufted products, exporting more than 85% of its turnover to over 130 countries around the world. 50% contribution from the US market

2023 Performance Overview

MAC has continued its trajectory of improvement, particularly following a management change that successfully delivered on its targets despite enduring global market challenges. Notably, MAC strategically invested in its artificial grass and turf products by installing new machinery over the past couple of years. This investment reflects the company's commitment to meeting the rising demand for eco-friendly solutions and the growing need to minimize production cost. In line with this, MAC is strategically focusing on expanding its range of eco-friendly products to cater to the increasing global demand for sustainable alternatives.

16
Dedicated designers

85%
of turnover exported

Financial and Operational Highlights

MAC's total revenues increased by 55% to EGP 3.2 billion in 2023, while volumes remained flat. The company implemented strategic pricing adjustments that helped achieve these solid results. The US market, which constitutes around 50% of the tufted export segment revenues. The tufted segment maintained its position as the second highest contributor to the Group's total revenues for the year at 18%.

3.2 EGP BN
Total revenues in 2023 (55% y-o-y)

MAC - International Segment

International revenues for MAC's tufted products surged to EGP 2.4 billion in 2023, marking an impressive 69% increase from EGP 1.4 billion in 2022. This substantial growth emphasizes the resilience of the business amid global market downturns. The increase was not only attributed to the impact of devaluation but also accompanied by a significant volume increase, with total volumes reaching 25 million square meters, representing an 8% uptick over the previous year. These robust figures highlight MAC's ability to navigate challenging market conditions while continuing to expand its market share and deliver exceptional value to its customers.

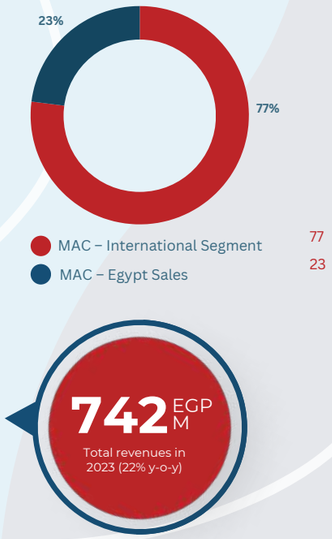
2.4 EGP BN
Total revenues in 2023 (+69% y-o-y)

MAC - Egypt Sales

In Egypt, revenues for MAC's tufted segment experienced a 22% increase in 2023, climbing to EGP 742 million from EGP 610 million in 2022. Despite a 21% year-on-year drop in volumes to 6.8 million square meters from 8.7 million square meters in 2022, strategic pricing measures helped mitigate the impact and supported revenue growth.

MAC's wall-to-wall segment demonstrated strong performance in the local market, with revenues surging by 34% year-on-year to EGP 268 million, up from EGP 199 million in 2022. Similarly, the pieces segment witnessed an increase of 15%, reaching EGP 474 million in 2023 compared to EGP 410 million in 2022.

742 EGP M
Total revenues in 2023 (22% y-o-y)



Forward Looking Strategy

As part of MAC's strategic initiatives, the company aims to enhance the efficiency of its production facilities. Additionally, there are plans to transition towards more sustainable materials, introducing a variety of new recyclable and traceable products catering to a broad global clientele. In 2024, MAC's primary focus is on solidifying its presence in key markets such as the USA and Europe, while also exploring potential opportunities in other promising markets.



NON-WOVEN SEGMENT



Oriental Weavers' non-woven segment comprises felt products, including carpets used for automotive applications, exhibition halls, and home purposes. The Group's non-woven products are manufactured through the company's arm, and Egypt's leading manufacturer of needled punch and recycled polyester products, the Egyptian Fibers Company (EFCO).

Currently, 95% of all of EFCO's raw materials are made from recycled polyester instead of polypropylene. EFCO sells approximately 50% of its wide array of products domestically and exports the remaining turnover to a multitude of countries across the world.

67 Export Markets

2 Printing Lines

2 polyester & polypropylene production lines

4 Preparation Lines

53% International Sales

2023 Performance Overview

Oriental Weaver's non-woven division demonstrated resilience, achieving significant revenue growth despite challenges encountered in both local and international markets. Notably, strong demand within Egypt contributed to this success, while international market sales benefited from favorable conditions resulting from local currency devaluation

Financial and Operational Highlights

In 2023, EFCO witnessed a 34% surge in revenues, reaching EGP 742 million, compared to EGP 555 million in 2022. This impressive growth was chiefly propelled by strategic price adjustments, a refined product portfolio, and the integration of recycled polyester. Despite encountering a 3% decline in volumes, totaling 16.2 million sqm compared to 16.7 million sqm in 2022, meticulous enhancements in production and sales effectively countered this downturn. By the close of 2023, the non-woven segment's contribution to Oriental Weavers' overall consolidated revenues stood at 4%.

742 EGP M
Total revenues in 2023 (+34% y-o-y)

EFCO - International Sales

International revenues increased by 28% y-o-y, totaling EGP 395 million compared to EGP 310 million in 2022. This notable growth was achieved despite encountering an 8% decline in export volumes, which amounted to 6.8 million sqm, down from 7.3 million sqm in the preceding year. Notably, export sales accounted for 53% of the total revenues generated by the non-woven segment by the end of 2023.

395 EGP M
Total revenues in 2023 (+28% y-o-y)

EFCO - Egypt Sales

In EFCO's local market, revenues grew 41% in 2023 to reach EGP 347 million, up from EGP 245 million recorded at year-end 2022. The sales increase was mostly due to effective strategy implementation, while volumes were flat, recording 9.4 million sqm in 2023. Revenues from the Egyptian market represented 47% of total non-woven sales in 2023.

347 EGP M
Total revenues in 2023 (+41% y-o-y)

Forward Looking Strategy

Looking ahead, EFCO is committed to furthering its sustainability initiatives and cost-efficiency measures to align with the most stringent international manufacturing standards. To this end, the company will pursue a dual-focused strategy in the coming year. Firstly, it aims to bolster its domestic market presence and value proposition. Secondly, it intends to broaden its global footprint and product range. In 2024, market expansion initiatives will primarily concentrate on high-growth regions such as the GCC countries, notably Saudi Arabia, as well as select nations in South America. Through these strategic endeavors, EFCO aims to fortify its position in the market while ensuring sustainable growth and resilience against external challenges.



ORIENTAL WEAVERS PROJECTS & HOSPITALITY



Established in 2012, Oriental Weavers Hospitality stands as the hospitality-focused carpeting arm of the Group. Specializing in the production of premium axminster woven carpets, the company has cultivated a diverse clientele comprising both local and international hotels, as well as prestigious governmental projects

OW Hospitality sets itself apart by employing cutting-edge, high-speed axminster looms, alongside top-tier wool processing, dyeing, and finishing equipment, complemented by comprehensive installation services. The company's commitment to excellence is underscored by numerous accolades, including being named the number one supplier by the global chain Hilton Hotels.

In recognition of its outstanding contributions, OW Hospitality was honored with the "Best Producer of Hotel Carpets & Rugs 2023" award at the Lux Hospitality Awards in 2023.

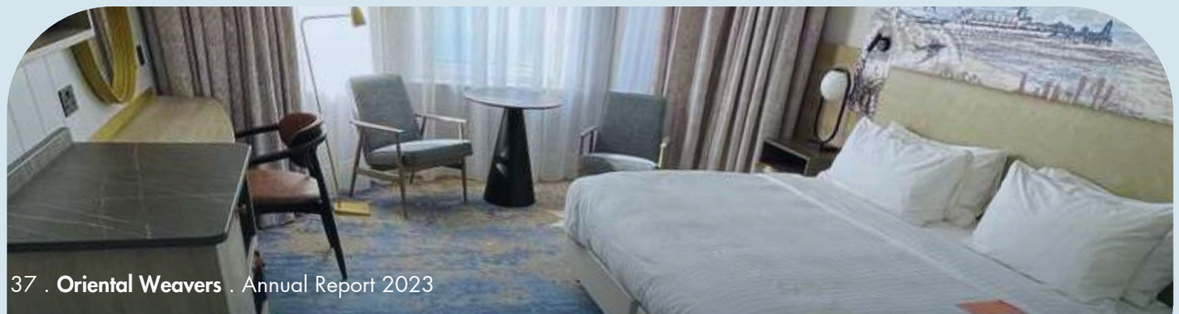


395
International projects in 2023

244
Local projects in 2023

2023 Performance Overview

The past year marked an exceptional period for OW Hospitality, witnessing the successful execution of extensive projects in both international and local markets. Throughout the year, the company solidified its standing as the preferred supplier for luxury hotels globally, benefiting from an increased momentum in operations fueled by the widespread recovery of tourism and leisure activities. Notably, OW Hospitality remained committed to innovation by continually adopting new sustainable production methods.



International Markets

In 2023, OW Hospitality's export segment witnessed success, securing and flawlessly executed significant contracts, playing a pivotal role in fully carpeting prominent hotels worldwide. Among the notable projects, the completion of the Wasl Tower in Dubai, acclaimed as the tallest sustainable tower globally, stands as a testament to our commitment to excellence.

International hospitality revenues increased 38% year-on-year, reaching EGP 345 million from EGP 250 million in 2022. The company successfully expanded its project scope worldwide, with a major emphasis on the UK, USA, and KSA markets.

345 EGP M
Total revenues in 2023 (+38% y-o-y)



Top International Projects in 2023

USA
- Hilton Nashville airport
- Intercontinental San Antonio
- Sheraton Stonebriar
- Westen Frisco
- Marriott San Ramon
- Fairmont Royal York

KSA
- Sofitel Riyadh
- Movenpick Madinah

UAE
- Sofitel Riyadh
- Movenpick Madinah

UK
- Hilton Park Lane

Switzerland
- Hilton Vienna

Jordan
- Hilton Aqaba

Kuwait
- Millennium

The Egyptian Market

In the local market, OW Hospitality saw a rise in projects, ranging in size, carried out across Egypt. Revenues grew 142% in 2023 to EGP 253million compared to 178 million in 2022, due to an increase in project scope on the back of higher market activity levels resulting from the tourism rebound, which led the company to secure major hotel and governmental deals.

253 EGP M
Total revenues in 2023 (+142% y-o-y)

Top Local Projects in 2023

Four Seasons Nile Plaza Hotel	Amr Ibn Elaass Mosque
H9 -Vida Marrassi Hotel	Egyptian Space Agency
House Of Air Defense Forces In The New Administrative Capital	Mall Of Egypt Cinemas
Fairmont Nile City	Intercontinental Citystars Hotel

Forward Looking Strategy

Emerging from a strong performance in 2023, OW Hospitality looks ahead with optimism for its operational and financial outlook in the coming year. The company is poised to skillfully execute ongoing projects and actively pursue additional high-profile deals throughout 2024. Aligned with the strategic vision of its sister companies, OW Hospitality aims to broaden its global presence, with a particular focus on expanding into promising markets, notably in Saudi Arabia and Latin America.



النساجون الشرقيون
ORIENTAL WEAVERS



SUSTAINABILITY

ENVIRONMENTAL INVESTMENTS



Oriental Weavers continually refines its approaches to sustainable production and consumption reduction across the entire group, in adherence to leading global practices. This dedication plays a vital role on all OW stakeholders.

Oriental Weavers is ISO 14001 and ISO 50001 certified and GRS certified

13 CLIMATE ACTION

Oriental Weavers sets annual energy targets that directly impact climate change concerns, such as greenhouse gas emissions and tree planting to offset carbon dioxide emissions

15 LIFE ON LAND

Oriental Weavers sets annual energy targets that directly impact climate change concerns, such as greenhouse gas emissions and tree planting to offset carbon dioxide emissions

6 CLEAN WATER AND SANITATION

Oriental Weavers sets annual energy targets that directly impact climate change concerns, such as greenhouse gas emissions and tree planting to offset carbon dioxide emissions

7 AFFORDABLE AND CLEAN ENERGY

Oriental Weavers began its shift to clean energy by installing a solar power plant at one of its mega show rooms, and has started rolling out outdoor solar lights in its production facilities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Oriental Weavers works towards a zero-waste environment through an effective waste management system

In order to ensure the utmost legal conformance to environmental laws and regulations, Oriental Weavers carries out an Environmental Impact Assessment on an annual basis. Through this assessment, The Group is able to effectively monitor, assess, and specify potential risks and opportunities related to climate change, and consistently work towards environmental risk mitigation. Oriental Weavers' environmental efforts include the investment in new environmentally friendly technologies and equipment, recycling processes, and staff awareness.

A Longstanding Commitment to Sustainability

As a leading global manufacturer of carpets and rugs, Oriental Weavers carries a significant responsibility to minimize the adverse effects that its manufacturing processes may have on the environment. Consequently, the Group produces its goods in accordance with the highest local and international standards, implementing an environmental management system that aligns with Egyptian laws and regulations and holds ISO 14001 and ISO 50001 certifications.

Oriental Weavers and its subsidiaries adhere to robust frameworks that enable them to efficiently decrease the environmental impact of manufacturing activities and enhance operational excellence through a sustainability perspective. Through these initiatives, the Group has successfully achieved substantial reductions in water and energy consumption, incorporated recycled materials into new products, and diminished greenhouse gas and carbon emissions throughout its operations.

The green aspect of Oriental Weavers' sustainable development strategy revolves around four main pillars: energy efficiency, water conservation, waste management, and tree planting. These elements fall in line with five of the United Nations' Sustainable Development Goals (SDGs).



Energy Efficiency

Oriental Weavers consistently oversees its energy usage with the aim of identifying and implementing practices that mitigate any adverse environmental impact resulting from its operations. The company's initiatives to decrease its carbon footprint, lower greenhouse gas emissions, and transition to cleaner energy sources have significantly enhanced energy efficiency throughout the Group's production facilities.

At the cornerstone of its energy conservation initiatives, Oriental Weavers and its subsidiary companies are dedicated to achieving the target set in 2020 of reducing greenhouse gas and carbon emissions by 30% over the span of five years, through the implementation of a highly efficient energy management system. In order to achieve this goal

Oriental Weavers has invested a total of USD 3 million across energy saving projects that have generated up to 9K MWh in electricity savings, and reduced over 3k tons in CO_2 emissions in 2023. Throughout the year, the Group implemented a new energy management system to streamline energy efficiency. This included compressed air system optimization, the installation of a chilled water networks with power management systems, and several upgrades to the steam system.

9K MWh
total energy saved in 2023

3K TONS
reduction in carbon emissions in 2023

3M USD
invested across energy saving projects in 2023

30%
reduction in GHG and carbon emissions by 2025

Renewable Energy

Oriental Weavers has embraced the utilization of renewable energy resources to reduce emissions and achieve its sustainability objectives. In March 2022, the Group marked a significant milestone by inaugurating its inaugural solar power plant at the Alexandria Showroom. This cutting-edge facility generates an impressive 430,000 KWh of energy annually, resulting in a substantial reduction of 442 tons of CO2 emissions per year.

Oriental Weavers aims to continue investing in more solar power stations in the next 5 years, eyeing capacities of up to 20 MW.



Water Conservation

In its commitment to minimize water consumption, Oriental Weavers is actively investing in cutting-edge, water-efficient technologies to reduce its substantial reliance on this vital resource. The Group's comprehensive five-year water conservation strategy aims to achieve a 20% reduction in total water consumption by implementing advanced Zero Liquid Discharge (ZLD) engineering treatment processes. Additionally, Oriental Weavers has initiated investments in revolutionary water-free textile dyeing technologies, targeting a 50% reduction in water usage for dyeing purposes.
In the year 2023, Oriental Weavers achieved notable progress in its water conservation efforts, successfully reducing water consumption by 10,000 cubic meters and recycling over 22,000 cubic meters of water.

20%
reduction in water consumption by 2025

10k M^3
decrease in water consumption in 2023

22k M^3
water recycled in 2023

International Renewable Energy Certificates IRECs:

In alignment with our core corporate values and steadfast commitment to long-term sustainability objectives, we firmly believe that actively engaging in the renewable energy market is pivotal. Not only does it allow us to champion environmental stewardship, but it also positions us to reap the economic benefits inherent in clean energy investments. Recognizing the pressing need for a transition towards cleaner, more sustainable energy sources to combat climate change and curtail our carbon footprint, we are cognizant of the challenges posed by implementation constraints.

Nevertheless, guided by our dedication to environmental responsibility, the company has made a strategic decision to invest in International Renewable Energy Certificates (IRECs). This investment signifies our unwavering support for renewable energy projects and underscores our contribution to the global imperative of fostering clean energy generation. By committing to 12,200 MWh of IRECs, we anticipate a reduction of 6000 tons of CO2 emissions, a tangible step towards our overarching sustainability goals and our collective endeavor to build a greener, more sustainable future

In our plan for decarbonization, Oriental Weavers measure its carbon footprint throughout industrial facilities and showrooms. The reason behind this is to monitor and compare to similar industries and to set the decarbonization plan based on the outcome figures. The first carbon footprint study includes the scopes of Oriental Weavers Carpet “OWC” with all its industrial facilities and showrooms. The study includes Scope 1,2 and the plan is to include scope 3 in 2025. As per the results, OWC is responsible for 11,500-ton CO2eq/year. Comparing the carbon intensity per unit of production with similar industries around the word, OWC performance is less than others as per the study.



Waste Management

Oriental Weavers consistently generates around 3,000 tons of solid waste through its synthetic fiber and carpet manufacturing processes. To optimize operational efficiency, the Group has implemented policies focused on waste reduction, resource reuse, and product recycling. Currently, Oriental Weavers internally recycles approximately 30% of polypropylene, polyester, polyethylene, and wooden waste that is generated.

In addition to its internal recycling efforts, Oriental Weavers takes a proactive approach by selling solid waste, including carpet, carton, and yarn, to its subsidiaries and sister companies. This waste serves as valuable raw material for their production processes. Going above and beyond waste management, the Group employs a lean manufacturing system across its production facilities. This robust business model is designed to minimize product defects and eliminate non-value-added activities, resulting in the delivery of high-quality products at lower costs and enhanced efficiency levels.

Oriental Weavers holds certification from the Global Recycled Standard (GRS) for its comprehensive approach to recycling. This certification encompasses both the internal recycling of generated waste and the utilization of recycled materials obtained from external sources. The GRS, a voluntary product standard, is instrumental in tracking and verifying the recycled content in the final product. It covers the entire supply chain, addressing traceability, environmental principles, social requirements, chemical content, and labeling.

Through its GRS certification, Oriental Weavers reaffirms its commitment to fostering a circular economy. By effectively recycling waste and incorporating recycled materials, the company actively contributes to the creation of new products while reducing the overall environmental impact through sustainable practices.

Oriental Weavers has demonstrated its commitment to sustainability through investments in both post-consumer recycled materials and post-industrial recycling processes. Utilizing post-consumer recycled materials constitutes an integral aspect of our sustainability strategy, with usage typically ranging from 2% to 5% depending on availability.
Moreover, our dedication to waste management is exemplified by our substantial investments in recycling infrastructure. Oriental Weavers has strategically allocated resources to establish recycling lines for polyethylene, polypropylene, and polyester. These investments underscore our proactive approach towards reducing environmental impact and promoting a circular economy ethos within our operations.

Recycled material	Recycled Quantity (Ton)	% of total waste
Polyethylene PE	180	20
Polypropylene PP	577	50
Master patch PP	44	50
Polyester	62	74

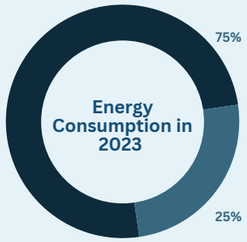
Tree Planting

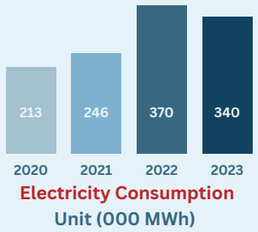
A fundamental component of Oriental Weavers' sustainable development strategy involves the proactive initiative of tree planting. Through this effort, the Group strives to make a meaningful contribution to the global fight against climate change. Trees, being vital in absorbing carbon dioxide and releasing oxygen into the atmosphere, play a crucial role in environmental balance. As of 2023, Oriental Weavers has achieved the successful planting of approximately 556,000 trees, reflecting its commitment to environmental responsibility and sustainable practices

556k
trees planted

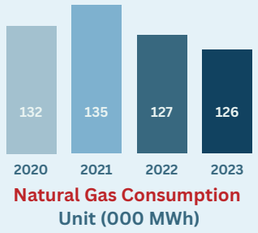
Oriental Weavers Hospitality arm has actively participated in advancing the Group's tree planting strategy by becoming a part of the UK-based initiative, More Trees. This unique program provides customers the chance to contribute to environmental conservation by planting a tree for every meter of carpet they purchase. In 2023 alone, through this collaborative initiative, the Group facilitated the planting of an impressive 12,000 trees, underscoring its commitment to sustainability and ecological stewardship.

1 Million
trees targeted by 2025

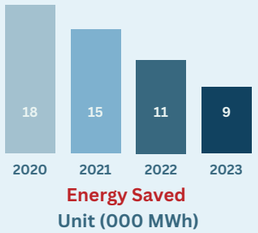




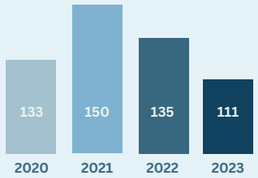
Electricity Consumption
Unit (000 MWh)



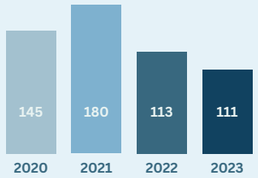
Natural Gas Consumption
Unit (000 MWh)



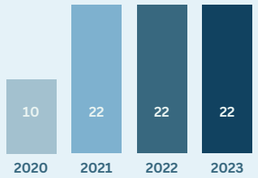
Energy Saved
Unit (000 MWh)



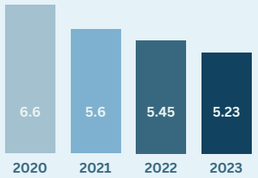
Carbon Emissions
Unit (000 tons)



Total Water Consumption
Unit (000 m3)



Total Water Recycled
Unit (000 m3)



Total Water Recycled
Unit (MWh/m2)

Sustainability Across the Group

It has become progressively more vital for Oriental Weavers and its subsidiaries to prioritize the broader influences of their operations on the environment. The need to demonstrate ethical behavior and responsible investing continues to grow, as consumers become more in touch with the connection between the products and services they purchase and use, and the impact they have on the environment. Investor sentiment also continues to shift, as investors become more concerned about how much a business integrates sustainability into its operations.



MAC Carpet

MAC, Oriental Weavers' foothold in the tufted carpeting segment, has been integrating sustainability into the fabric of its operations since 2010. As an industrial pioneer, the Group's significant responsibility towards the environment and society shapes its core values and principles. MAC's environmental development strategy aims to reduce overall energy consumption, such as natural gas, electricity, and water.

As part of its commitment to reduce carbon and greenhouse gas emissions, and to use cleaner energy sources, MAC uses renewable energy sources and other effective methods to reduce electricity consumption and to generate power for its plants. Additionally, the Group strongly focuses on reducing the consumption of water in its manufacturing processes, and has successfully reduced consumption from 25 liters per sqm in 2010, to less than 12 liters per sqm in 2023. MAC additionally implements a waste management system across its operations, installing water treatment plants that reuse and recycle industrial wastewater for manufacturing purposes. The Group has been certified by global, multistakeholder organization, Zero Discharge of Hazardous Chemicals (ZDHC), that works collectively with companies to eliminate harmful chemicals from the global supply chain, paving the way towards cleaner and more sustainable chemical management in the textile industry.

In 2023, the sustainability team at MAC achieved a notable success by repurposing waste from carpet backing material as a substitute for bridge separators, replacing previously utilized exported material. This innovative approach has earned certification from the Petroleum Research Center, validating the environmental and resource-efficient practices employed by MAC's sustainability initiatives.

With its operations in line with the best international standards and practices, MAC takes pride in being recognized by some of the most prominent and influential organizations across the globe. The Group is ISO 9001, ISO 14001, and ISO 50001 certified, as it continues to provide sustainable products and services that live up to both customer and regulatory requirements. Additionally, MAC conforms to the BRC GLOBAL standards for safe and risk-free consumer products, and has successfully obtained the BRC issue edition 4. MAC was awarded the UNIDO Chemical Leasing Award in 2021, in recognition of the Group's effective operations with chemicals in its production processes. All in all, these diligent efforts have successfully contributed to the Group's strategy of working towards the long-term goal of a zero-waste environment, and paving the way for a sustainable future.

EFCO

The ethical responsibility of The Egyptian Fibers Company (EFCO) toward the environment revolves around producing products that prioritize safety, sustainability, and environmental friendliness. To uphold these principles, EFCO adheres to a set of regulations that unequivocally prohibit the use of hazardous materials at any stage of the production process. The company is committed to utilizing raw materials that are free from harmful chemicals and pose no hazards, ensuring that its manufacturing processes align with environmentally conscious practices.



Oriental Weavers received the Green Collection Award at the Domotex exhibition in Hanover, Germany for its eco-friendly machine woven collection, made with recycled polyester yarn and cotton fibers.

In 2023, EFCO achieved a significant milestone by being awarded the Sustainable Textile Production "STeP" certificate. This certification serves as a testament to EFCO's commitment to ensuring the social, environmental, and quality aspects of its products. The STeP certificate underscores the company's dedication to sustainable practices and verifies that its textile production processes adhere to high standards across social responsibility, environmental impact, and product quality.
In 2023, EFCO took a significant step towards environmental responsibility by transitioning from air conditioning Ferron R22 to the more environmentally friendly R410 variant. This initiative began with the replacement of air conditioning units in its facilities, marking the initial phase of a comprehensive plan to fully transition to Ferron R410 over the next five years. This strategic move aligns with EFCO's commitment to adopting eco-friendly technologies and minimizing its ecological impact.
In line with this commitment, EFCO has initiated the incorporation of recycled polyester into its manufacturing processes, with a notable 95% of its products now being manufactured using recycled polyester instead of the previously employed polypropylene. In a concerted effort to mitigate environmental impact, the Group has strategically substituted materials with negative effects, opting for more biodegradable and cost-effective alternatives. In a noteworthy move, EFCO has significantly reduced the use of gel foam, replacing it with thermal plastic rubber or anti-skidding hot melt materials in over 65% of its products. Additionally, the company has eliminated the use of latex for lamination, opting for heat techniques as a more sustainable alternative. These measures reflect EFCO's dedication to adopting eco-friendly practices and continually improving its environmental footprint.
In addition to sustainable raw materials, EFCO also strongly focuses on using biodegradable and sustainable packaging. As such, the Group packages its products using recycled plastics and carton. On the waste management and water consumption front, EFCO uses boilers to reuse and recycle water for its manufacturing processes. The Group has successfully built three water treatment units that are large enough to cover all extensions, working at full capacity to purify contaminated water.
EFCO's efforts towards sustainable development were commemorated through numerous awards and accolades throughout the years. The Group's products carry the OEKO-TEX Standard 100 label, indicating that all materials used in EFCO's production process are 100% free from harmful substances. EFCO was also awarded the Control Union certification, verifying the recycled content of the Group's products in compliance with the Global Recycled Standard (GRS). It is also worthy to mention that EFCO is ISO 14001 and ISO 45001 certified, in line with the Environmental Management System standards and requirements.

SOCIAL INVESTMENTS



Maximizing Our Social Impact

Oriental Weavers creates social value and leaves a positive impact on its surrounding communities. The group contributes to the development of key drivers of social progress, such as education and healthcare, through an ever-growing number of initiatives and programs it deploys through its expansive footprint.

In 2023, Oriental Weavers' social responsibility initiatives centered mainly around three initiatives: youth empowerment, health, wellness, and art and innovation. These pillars fall in line with four of the 17 UNSDGs.

Good Health and Well-being

Oriental Weavers diligently works to ensure people receive equitable access to quality healthcare through Mohamed Farid Khamis hospital, investing in medical equipment, making healthcare donations, and sponsoring patients through their medical journeys.

Quality Education

Oriental Weavers consistently empowers youth and nurtures their excellence by providing sufficient support to university students, in addition to providing the necessary equipment to disabled students to ensure equality of academic access.

Decent Work and Economic Growth

Oriental Weavers aims to protect the rights of its personnel and promote an inclusive, safe, and healthy working environment for all its employees. The group offers world-class specialized training courses that unlock a multitude of career prospects for its employees by equipping them with the market skills needed to enhance employability.

Partnerships for the Goals:

As the world becomes more interconnected, Oriental Weavers continues to form inclusive cross-sector partnerships and collaborations with prominent local and global organization, working together to achieve the shared vision of sustainable growth and development

Learning and Development Initiatives

Top 100 Students

In 2023, the group sponsored "Top 100 students" program, sponsored by Farid Khamis for Development Foundation (FK Foundation) and in collaboration with the Ministry of Education & Technical Education. The program aims to support and nurture excellence and to bolster the education and development of the community's youth by supporting their higher education journey by sponsoring the highest-ranking secondary school graduates all over Egypt for their university education and the highest-ranking elementary school graduates for their secondary school. The education program has been active for 20 years, providing students with a comprehensive suite of financial and moral support services ranging from university fees and allowances to books, equipment, accommodation, and training courses.

4009
beneficiaries from the "Top 100 Students" program to date

39 EGP M
expenditure on "Top 100 Students" program to date







Mobility Sponsorship

Every year, Oriental Weavers funds the transportation fees for 4000 students. This funding facilitates their trips to and from university through sponsored buses. This project is managed by Khamis for Development Foundation.

4k
-students per year under the Mobility Sponsorship

2 EGP M
-expenditure on Student Mobility program in 2023

Student Internships and On-Site Training

Oriental Weavers is dedicated to fostering educational partnerships, teaming up with Ain Shams University, USAID, and other esteemed collaborators to offer internships and a wide array of training initiatives for students. As a cornerstone of our holistic learning strategy, we provide on-site training to aspiring professionals from multiple Egyptian universities. Lasting three weeks, this immersive program offers invaluable insights into our diverse departments and facilities, equipping students for prosperous careers. Notably, this year, we proudly introduce a new internship collaboration with Zagazig University, specifically targeting engineering students. This extended program spans two months, providing an even deeper dive into industry-relevant experiences and skill development.

15
students granted internships in 2023

4.2%
employee turnover

Healthcare and Wellness Initiatives

Oriental Weavers continues to support a myriad of nonprofit organizations in the Egyptian healthcare sector, such as Non-Governmental Organizations (NGOs) and state-owned hospitals, in efforts to ensure equal access to healthcare across the country. The group additionally participates in various development initiatives to safekeep the wellbeing of local communities.

Mohamed Farid Khamis Specialized Hospital

Mohamed Farid Khamis Specialized Hospital exemplifies its commitment to social responsibility by allocating half of its profits to support charitable causes, aiding approximately 210 patients in need. In parallel, Oriental Weavers extends this noble mission by sponsoring patients from diverse medical backgrounds, embodying its dedication to community welfare. Moreover, Oriental Weavers focuses on enhancing healthcare accessibility by addressing speech delay and human development. This includes sponsoring specialized classes for children facing speech challenges and supporting children with disabilities, underscoring the company's holistic approach to healthcare. Furthermore, in a strategic partnership, the Khamis Foundation and the 10th of Ramadan Investors Association have forged an agreement to deliver comprehensive medical services to residents of 10th of Ramadan City, symbolizing a collaborative effort to uplift healthcare standards in the region.

50% of the hospital's revenues are allocated to charitable causes

210 sponsored cases in 2023



Hayah Karima and Tahya Misr

Oriental Weavers partnered with the Hayah Karima initiative to provide wall-to-wall covering to several mosques and family homes across the country. The group also joined forces with Tahya Misr, a government-led charity, on several initiatives to help the underprivileged and underserved segments of the population.

HSE and Employee Rights

Oriental Weavers' Health, Safety and Environmental (HSE) policy aligns with the Egyptian Labor Law, the US' Occupational Safety & Health Administration (OSHA), and the International Labor Organization (ILO). As human capital has been the most crucial asset to the years of success the group has achieved and celebrated, Oriental Weavers adheres to the highest industrial standards that cover key aspects such as employment contracts, wages, benefits, policies, working hours, health and safety, training and development, gender equality, and anti-discrimination.

Health and Safety

Oriental Weavers is dedicated to the promotion of a healthy and secure work environment across the group. The group's health and safety programs foster a highly proactive approach to finding and preventing potential occupational hazards before they can cause injury or illness to employees. Oriental Weavers' health and safety programs leverage integral tools and procedures, such as firefighting, first aid, and employee emergency onsite training, to increase health and safety awareness and responsibility across the board. To further ensure the safe continuity of its operations, Oriental Weavers conducts periodic risk assessments across its production facilities to identify potential risks and take necessary preventative actions to mitigate them.

53k HSE training hours provided to personnel in 2023



Our People

18.7k employees

4.2% employee turnover

231 women employed

18.5k men employed

134k EGP average annual salary

2% women in entry/mid-level positions

98% men in entry/mid-level positions

2% women in senior/executive positions

98% men in senior/executive positions

2 women on the BOD

13 men on the BOD



Code of Professional and Ethical Conduct

Oriental Weavers has developed and implemented a code of conduct that aligns with Egyptian laws and regulations, and International best practices. To raise awareness and to ensure full compliance to the code of conduct, multiple seminars and awareness sessions have been conducted across the group's departments. Oriental Weavers updated its code of conduct in 2021, setting higher standards for the group and its stakeholders.

Child and Non-Consensual Labor

Oriental Weavers adheres to the International Declaration of Human Rights, with a strong belief that child labor poses significant harm on a child's physical and mental health, well-being, and educational development. Accordingly, the group maintains transparent HR policies and procedures for its management, employees, suppliers, and service providers that strictly forbid any form of forced or child labor. This includes hiring only those who are over 18 years of age, and making it adamantly clear to all entities within the group's value chain that they must adhere to the same labor standards and practices.

Violence and Sexual Harassment

As part of Oriental Weavers' long-term commitment to provide the safest environment for its employees, the group has a zero-tolerance policy for violence and sexual harassment. The group recognizes the right of all employees to a workplace free from harassment and sets clear frameworks to address and eliminate violence and harassment through an integrated and inclusive approach. All allegations and complaints are taken very seriously, and any person found to have engaged in violence or sexual harassment is to face disciplinary action, up to and including dismissal.

Anti-Discrimination

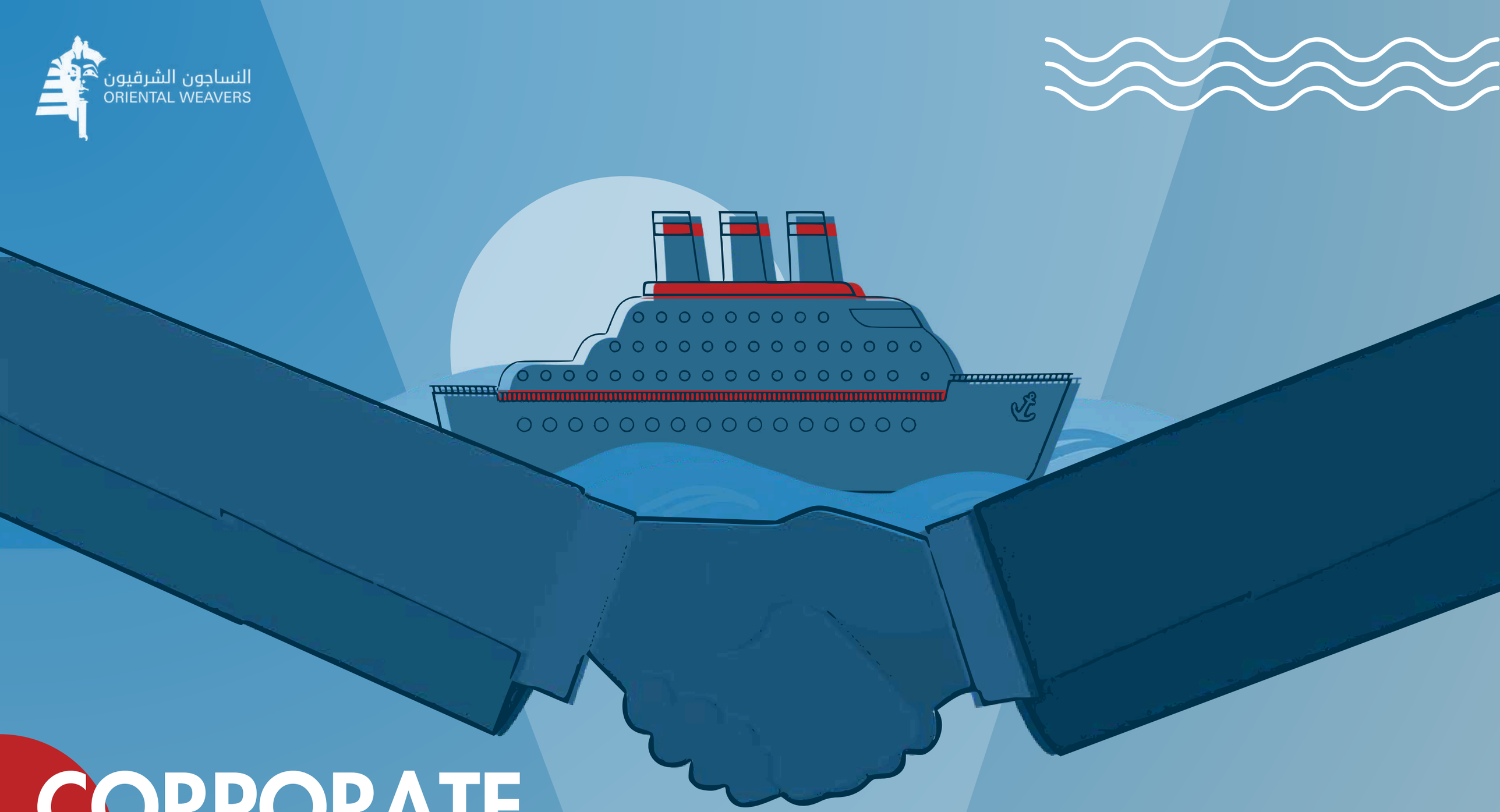
Oriental Weavers is dedicated to building and maintaining a workplace that does not tolerate any form of discrimination. The group's policies prohibit any discrimination between employees, whether on the basis of religion, ethnicity, body shape, gender, race, marital status, age, disability, or competencies. At Oriental Weavers, everyone is treated fairly and equally in terms of wages, salaries, benefits and working conditions. Additionally, the group's employment decisions, including recruitment, dismissals, and any other matters regarding terms and conditions of employment are also not exempt from anti-discrimination mandates.

Oriental Weavers completed UN Global Compact program, the Target Gender Equality accelerator. The initiative aims to create a more inclusive and diverse workforce by setting ambitious corporate targets for women's representation and empowerment. Oriental Weavers was recognized as a champion of the accelerator, going above and beyond with its dedication to gender equality in the workplace.

Anti-bribery and Anti-corruption

Oriental Weavers does not offer, directly or indirectly, any item to a third party, including any government agency, to unethically influence any business decision they should make or to gain an unfair advantage. The group has in place a whistleblowing mechanism, where all complaints are directly reported to the chairman. Investigations are implemented by an investigation committee to resolve any issue that should arise.

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ORIENTAL WEAVERS



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

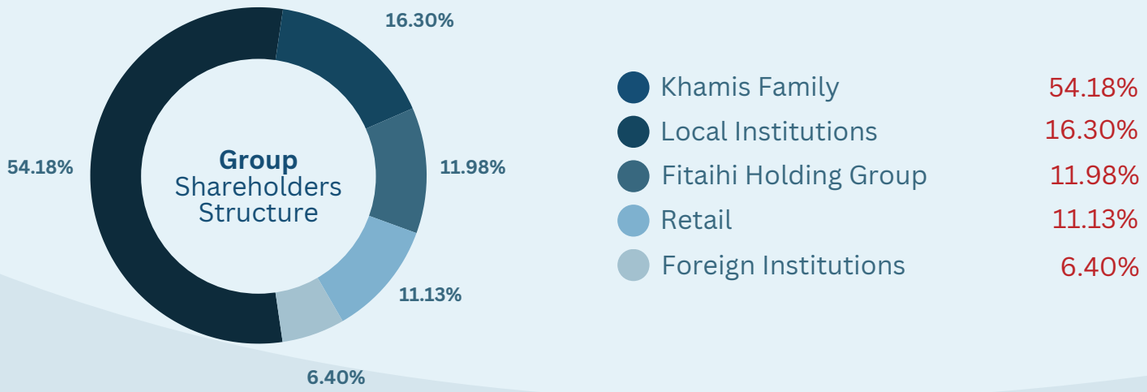


Oriental Weavers' robust corporate governance framework protects the interests of its shareholders and works to streamline its systems and processes across its global footprint.

Oriental Weavers follows principles of fairness, openness, and transparency across its operations. The company has an internal governance division that aims to ensure the utmost compliance to the best practices and standards. With a sound governance framework in place, Oriental Weavers continues to grow with confidence and integrity.

Group Structure

Shareholders Structure





Governance Structure



Board of Directors

Yasmine Mohamed Farid Khamis	Non-Executive Board Member, Chairwoman
Salah Abdel Aziz Abdel Motalab	Executive Board Member CEO & Managing Director
Farida Mohamed Farid Khamis	Non-Executive Board Member
Mohamed Mohamed Farid Khamis	Non-Executive Board Member
Mohamed Mahmoud Fawzy Khamis	Executive Board Member MD for Development Affairs
Amr Mahmoud Fawzy Khamis	Executive Board Member MD for Manufacturing
Yasser Yeihia	Non-Executive Board Member representing Fitahi Holding Group
Khaled El Said Ahmed Mohamed	Non-Executive Board Member representing Misr Insurance Holding Company
Seif El Din Awni	Non-Executive Board Member representing Misr Life Insurance
Dr. Khaled Abdel Aziz Hegazy	Independent Board Member
Ayman Ismail	Independent Board Member
Ashraf Bakry	Independent Board Member
Mohamed Katary Abdullah	Non-Executive Board Member
Medhat Hussein	Non-Executive Board Member
Hani Mahmoud Amin	Executive Board Member

BOARD OF DIRECTORS

15
Members

Oriental Weavers' Directors boast a wide spectrum of expertise, with a solid understanding of manufacturing, sales and distribution, finance and supply chain. The company's Board of Directors plays a proactive part in shaping the company's strategies, policies, and management team functions. Selected by a majority vote of the company's shareholders, the Board consists of independent Directors, executives, institutional investors, and shareholder representatives. The Board meets on a quarterly basis, with each member leveraging their extensive leadership experience in strategic planning, and to assess key performance indicators, collectively steering Oriental Weavers on the trajectory to sustainable success.

Board Responsibilities

The Board of Directors is tasked with setting Oriental Weavers' strategic goals, approving the general plans and policies governing the company's operations, and supervising the performance of the executive management. Additionally, the Board also ensures the efficiency of internal controls and risk management, determines the best ways for applying good governance, and endorses professional policies and procedures that enable the company's employees to bolster their performance.

To achieve this, the Board:

- Reviews, approves, and monitors the long-term strategic objectives and business plans of the management team.
- Assesses the major risks facing the company and the steps taken by the management to mitigate such risks.
- Oversees the accuracy of the company's financial statements, compliance with legal requirements, the qualifications and independence of the company's external auditors, and the performance of the company's internal audits.
- Continuously reviews and updates the company's Code of Business Conduct and Ethics to ensure compliance with applicable laws and regulations.

Moreover, the Board ensures that the company's management is fulfilling its duties by monitoring the effectiveness of managerial decisions, strategic plans, and policies. It has a periodical reporting system and convenes on a monthly basis to review the main performance indicators of the company such as sales, financials, inventory, and productivity, as well as to review capital expenditure needs and status.

The Board of Directors undergoes an annual self-evaluation, and the term of the Board is renewed every three years.

As part of Oriental Weavers' code of ethics policies and procedures, the Board follows all conflict of interest and insider trading principles. Board members submit an annual disclosure form detailing ownerships, in addition to any board membership in other companies. Members who may have any conflicts of interest concerning board decisions are not permitted to vote or attend discussion processes



Board Committees

The Board has three committees dedicated to fulfilling their diverse duties and tasks, with an eye for ensuring compliance and responsible behavior across the business.

Audit & Governance Committee

Dr. Khaled Hegazi
Chairman

Farida Khamis
Member

Ayman Ismail
Member

The Internal Audit and governance Committee is mandated to ensure that all required controls are established in place and correctly exercised.It oversees the accuracy of financial statements, compliance with laws and regulations in markets of operation, and the qualifications and independence of the company's internal audits and external auditor.

The Committee Is Held 4 Times Annually

The committee's main responsibilities include:

- Ensuring the integrity of the annual and quarterly financial statements.
- Ensuring the adequacy of the internal control system.
- Implementing and monitoring any other tasks assigned by the Board of Directors.
- Reviewing the audit plan of the auditor and providing feedback on it.
- Discussing and approving the annual plan for internal audit management, monitoring its effectiveness, and ensuring its comprehensive coverage of all company departments and activities.
- Reviewing internal audit reports, identifying deficiencies within the company, and monitoring corrective actions.
- Studying observations or violations from regulatory authorities and monitoring actions taken regarding them.
- Recommending to the Board of Directors the appointment of one or more auditors for the company, along with their qualifications, competence, and independence. The decision to appoint them and determine their fees falls within the competence of the company's Ordinary General Assembly.



Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for setting remuneration and nomination for all executive directors and the chair. It is also mandated to recommend and monitor the level and structure of remuneration for all senior management.

The Committee Is Held 4 Times Annually

The committee's main responsibilities include:

- Identifying a candidate list for membership of the Board of Directors based on predetermined criteria.
- Nominating candidates for vacant senior management positions.
- Annual review of the Board's performance.
- Evaluating the skills and experiences of executive management.
- Proposing a development and training plan for executive management in line with their entrusted objectives.
- Developing a monitoring plan for senior executives for the Board of Directors and executive management with the Chairman of the Board.
- The committee recommends nominations of independent directors for various auxiliary committees to the Board of Directors and identifies, evaluates, and selects candidates for the Board of Directors.
- Studying salaries and establishing a somewhat competitive salary structure for both executive and non-executive management of Oriental Weavers.
- The committee, in agreement with the company's Board of Directors, establishes a policy for salaries, bonuses, allowances for executive and non-executive board members, independent directors, senior management, and others, along with appropriate incentives to encourage and motivate performance in a fair and responsible manner for all employees of Oriental Weavers.
- Responsible for reviewing salaries and incentives for both board members and executive management to ensure that these benefits align with the institutional values and strategies of Oriental Weavers.
- Defining a policy and arrangements for retirement for each executive director and other senior executives

Strategic & Risk Committee

The Strategic Committee is responsible for the annual update of the goals and objectives of the company and the preparation of a three-year strategic plan.

The Committee Is Held 4 Times Annually

The committee's main responsibilities include:

- Supervising the development, implementation, and evaluation of the company's strategy · Leading the organizational transformation within the company
- Reviewing the company's investment projects, evaluating them, expressing opinions on their suitability for the company's expansion plan and strategy
- Supervising the preparation of annual business plans and reviewing them quarterly.
- Overseeing the preparation of the annual budget for various projects.
- Reviewing the company's investment policies.
- Supervising the optimal allocation of company assets.
- Studying and expressing opinions on matters affecting the company's performance



2023 Corporate Governance Highlights

Compliance

Oriental Weavers has in place a strategic priority to develop a compliance program. With this, the company aims to focus on the necessary actions to prevent areas of risk, ensure internal procedures are aligned with applicable laws and regulations and lead a firm commitment to embed rules that enhance an ethical culture.

As part of its compliance program, Oriental Weavers has adopted a code of conduct that details the company's procedures and systems. This ensures that the company's practices are in-line with international agreements, national laws, and regulations.

Alongside the code of conduct, Oriental Weavers has developed an employee awareness campaign. This campaign was launched to provide training on company procedures regarding key topics such as discrimination, conflicts of interest, insider trading, using business assets and information, fair dealings with employees, commercial partners, government authorities, and contact with the media and clients.

Additionally, and as a constituent element to the compliance program, employees at Oriental Weavers supply written compliance statements confirming their adherence to non-conflict and data privacy policies. They also complete compliance assessments to reaffirm a commitment to applicable laws and regulations. By doing so, this allows the early detection of any potential risks, and the necessary corrective measures to be taken to mitigate them.

Oriental Weavers' continued commitment to review its policies and procedures aims to safeguard clarity and efficiency across the company's functions and core operations as part of its compliance program. This additionally includes ensuring full compliance with the relevant laws governing its industry, including competition and protection laws.

Whistleblowing Policy

Oriental Weavers has in place a transparent, safe whistleblowing mechanism for its employees in order to facilitate the reporting of any misconduct, fraud, discrimination, or social and environmental violations, while ensuring the full protection and anonymity of the person who filed the complaint.

Investor Relations

Oriental Weavers' Investor Relations (IR) department is committed to building strong relationships with investors and other stakeholders by providing timely and accurate information about the company's performance, strategies, and future plans. To achieve this goal, the IR department works closely with senior management to develop a comprehensive communication strategy that integrates finance, marketing, and communication. This approach ensures that information is disseminated effectively and efficiently to all stakeholders, including individual and institutional investors, analysts, and the media.

The IR department uses various communication channels to provide investors with the information they need to make informed decisions. These channels include quarterly earnings conference calls, meetings with investors and analysts, press releases, presentations, and an updated IR website. In addition, the department produces an annual report that provides a detailed overview of the company's financial performance, strategy, and future plans.

One of the key objectives of the IR department is to maintain transparency and accessibility of information. To achieve this, the department is proactive in engaging with investors and responding to their inquiries in a timely manner. The IR department also closely monitors market trends and investor sentiment to ensure that the company's communication strategy is aligned with the changing needs of investors.

Stock Performance

Code: ORWE.CA
Share Listing: Cairo,Egypt
Currency: EGP
Shares Outstanding: 655,107,268
Par Value/Share: EGP 1

Since its listing on the Egyptian Exchange (EGX) in 1993, Oriental Weavers has established itself as a cornerstone of the Egyptian market. As of December 31st, 2023, the company's 665 million shares, each valued at EGP 16.91, culminating in a record-breaking market capitalization of approximately EGP 11.2 billion. Renowned for its consistent performance, Oriental Weavers garners attention from both domestic and international research entities, with nine esteemed institutions regularly issuing comprehensive reports on the company.

The year 2023 marked a remarkable chapter in Oriental Weavers' history, characterized by unparalleled stock performance. With a staggering 60% surge, the company witnessed its market capitalization soar to an unprecedented high of EGP 11.2 billion, while the shareholder base doubled in size. This meteoric rise was underpinned by record-breaking financial results, boasting a top-line revenue of EGP 17.6 billion and a net profit after minority interests of EGP 1.7 billion.

Several strategic initiatives contributed to this extraordinary success story. Notably, optimized raw material costs and improved margins, coupled with favorable local currency devaluation, bolstered profitability. Furthermore, the divestiture of the China facility, alongside robust cost rationalization and operational re-engineering efforts, further fortified Oriental Weavers' position in the market. Investors keen on capitalizing on currency devaluation trends found Oriental Weavers' stock particularly enticing, positioning it as a prime target for strategic investments.



النساجون الشرقيون
ORIENTAL WEAVERS

FINANCIAL STATEMENTS

AUDITOR'S REPORT

To the shareholders of oriental weavers carpets company

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Oriental Weavers Carpets Company (S.A.E) which comprise of the consolidated statement of financial position as of December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oriental Weavers Carpets Company (S.A.E) as of December 31, 2023 and of its consolidated financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in compliance with related Egyptian laws and regulations.

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oriental Weavers Carpets Company (S.A.E) as of December 31, 2023 and of its consolidated financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in compliance with related Egyptian laws and regulations.

Cairo : February 27, 2024

Tarek Salah

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

(All amounts are in Egyptian Pounds)

	Note No.	31/12/2023	31/12/2022
Non current assets			
Fixed assets	(6)	6 374 016 607	5 584 443 999
Projects in progress	(7)	269 337 810	354 803 673
Right of use assets	(8)	455 071 409	371 454 730
Investments at fair value through other comprehensive income	(9)	649 105 349	644 580 582
Total non current assets		**7 747 531 175**	**6 955 282 984**
Current assets			
Inventory	(10)	6 927 440 585	6 030 835 914
Trades and notes receivable	(11)	3 162 570 053	2 427 736 573
Debtors and other debit accounts	(12)	714 653 249	482 457 718
Treasury bills	(13)	2 127 279 974	1 813 065 128
Financial assets at amortized cost	(14)	628 791 306	--
Cash at banks and on hand	(15)	1 799 725 616	1 419 848 056
		15 360 460 783	**12 173 943 389**
Non-current assets held for sale	(16)	--	45 907 154
Total current assets		**15 360 460 783**	**12 219 850 543**
Total assets		**23 107 991 958**	**19 175 133 527**
Equity			
Issued and paid up capital	(18)	665 107 268	665 107 268
Reserves	(19)	1 794 626 861	1 871 386 892
Retained earnings		704 841 104	453 330 882
Net profit for the year		1 740 203 598	842 885 161
Exchange differences arising on translation of financial statements		7 904 577 917	6 258 366 013
Total equity attributable to the parent company		**12 809 356 748**	**10 091 076 216**
Non controlling interest	(20)	1 361 533 283	1 164 176 233
Total equity		**14 170 890 031**	**11 255 252 449**
Non current liabilities			
Long term loans	(21)	246 047 654	391 648 532
lease contracts liabilities	(22)	398 927 103	302 929 010
Deferred tax liabilities	(23)	149 355 442	155 601 708
Total non current liabilities		**794 330 199**	**850 179 250**
Current liabilities			
Provisions	(24)	225 516 257	156 594 190
Banks-Credit accounts	(25)	4 190 742 160	4 610 032 366
Lease contracts liabilities - current portion	(22)	114 568 544	111 125 401
Long term liabilities - current portion	(21)	240 204 176	275 547 046
Trades and notes payable	(26)	2 161 616 663	1 016 636 587
Dividends payable		56 816 046	31 767 583
Creditors and other credit accounts	(27)	974 651 595	672 877 095
Tax payable		178 656 287	171 024 704
		8 142 771 728	**7 045 604 972**
Liabilities directly associated with non-current assets held for sale	(16)	--	24 096 856
Total current liabilities		**8 142 771 728**	**7 069 701 828**
Total liabilities		**8 937 101 927**	**7 919 881 078**
Total equity and liabilities		**23 107 991 958**	**19 175 133 527**

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

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

CONSOLIDATED STATEMENT OF INCOME FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

(All amounts are in Egyptian Pounds)

		31/12/2023	31/12/2022
Net sales		17 658 543 016	13 255 653 997
Less:			
Cost of sales		15 108 838 958	11 999 575 090
Gross profit		**2 549 704 058**	**1 256 078 907**
Add/(less):			
Financial investments income		51 753 278	28 420 729
Capital gain		24 368 149	12 394 893
Reverse of impairment of assets held for sale	(16)	252 358 760	--
Gain from the sale of assets held for sale	(16)	34 761 620	--
Other revenues		329 050 807	800 119 891
Treasury bills returns		240 967 663	150 599 414
Financilal Assests at amortized cost	(14)	15 012 317	--
Interest income		101 662 197	47 965 991
Distribution expenses		(208 574 673)	(171 885 363)
Provisions no longer needed			
Expected credit loss	(17)	(68 304 458)	(49 010 753)
Formed provisions and impairment		(98 471 317)	(118 373 625)
Finance expenses	(28)	(459 366 283)	(304 052 060)
Foreign exchange differences		(166 163 055)	(72 646 826)
Net profit for the year before income tax		**2 085 613 587**	**1 142 737 084**
(Less)/ Add:			
Current income tax		(234 454 961)	(200 171 492)
Deferred tax		40 823 397	1 607 913
Income tax for the year		**(193 631 564)**	**(198 563 579)**
Net profit for the year after income tax		**1 891 982 023**	**944 173 505**
Attributable to:			
The parent company		1 740 203 598	842 885 161
Non controlling interest		151 778 425	101 288 344
		1 891 982 023	**944 173 505**
Basic earnings per share in the separate financial	(29)	**1.59**	**2.06**

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

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

(All amounts are in Egyptian Pounds)

	31/12/2023	31/12/2022
Net profit for the year	1 891 982 023	944 173 505
Other comprehensive income		
Changes in fair value of investments at FVTOCI	(150 793 397)	180 926 786
Translation exchange differences	2 054 095 040	2 978 546 812
Foreign exchange differences resulting from liberalization the exchange rate	--	(130 478 551)
Deferred tax related to other comprehensive income items	(43 161 594)	(1 529 990)
Total other comprehensive income after tax	**1 860 140 049**	**3 027 465 057**
Total comprehensive income for the year	**3 752 122 072**	**3 971 638 562**
Attributable to:		
The parent company	3 456 386 094	3 646 828 293
Non controlling interest	295 735 978	324 810 269
	3 752 122 072	**3 971 638 562**

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

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

(All amounts are in Egyptian Pounds)

	Issued and paid up capital	Reserves	Retained earnings	Net profit	Translation differences	Equity holders of the parent	Non controlling interest	Total Equity
Balance at 1/1/2022	**665 107 268**	**1 626 905 765**	**397 583 842**	**1 085 407 428**	**3 541 296 155**	**7 316 300 458**	**940 682 319**	**8 256 982 777**
Transferred to reserves	--	64 390 233	--	(64 390 233)	--	--	--	--
Transferred to retained earnings	--	--	1 021 017 195	(1 021 017 195)	--	--	--	--
Dividends	--	--	(872 052 535)	--	--	(872 052 535)	(101 316 355)	**(973 368 890)**
Total Comprehensive income for the year	--	180 090 894	(93 217 620)	842 885 161	2 717 069 858	3 646 828 293	324 810 269	**3 971 638 562**
Balance at 31/12/2022	**665 107 268**	**1 871 386 892**	**453 330 882**	**842 885 161**	**6 258 366 013**	**10 091 076 216**	**1 164 176 233**	**11 255 252 449**
Balance at 1/1/2023	**665 107 268**	**1 871 386 892**	**453 330 882**	**842 885 161**	**6 258 366 013**	**10 091 076 216**	**1 164 176 233**	**11 255 252 449**
Transferred to reserves	--	49 317 873	--	(49 317 873)	--	--	--	--
Transferred to retained earning	--	--	793 567 288	(793 567 288)	--	--	--	--
Dividends	--	--	(613 045 927)	--	--	(613 045 927)	(98 466 315)	**(711 512 242)**
Adjustments related to consolidated statements	--	(651 379)	70 988 861	--	(195 397 117)	(125 059 635)	87 387	**(124 972 248)**
Total Comprehensive income for the year	--	(125 426 525)	--	1 740 203 598	1 841 609 021	3 456 386 094	295 735 978	**3 752 122 072**
Balance at 31/12/2023	**665 107 268**	**1 794 626 861**	**704 841 104**	**1 740 203 598**	**7 904 577 917**	**12 809 356 748**	**1 361 533 283**	**14 170 890 031**

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

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

(All amounts are in Egyptian Pounds)

	Note No.	31/12/2023	31/12/2022
Cash flows from operating activities			
Net profit for the period before income tax		2 085 613 587	1 142 737 084
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		786 336 437	719 274 575
Depreciation of right of use assets		114 863 874	104 461 057
Formed provisions and impairment		98 471 317	118 373 625
Expected credit loss		68 304 458	49 010 753
Interest income		(101 662 197)	(47 965 991)
Reverse of impairment of assets held for sale		(252 358 760)	--
Gain from the sale of assets held for sale		(34 761 620)	--
Finance expenses		459 366 283	304 052 060
Treasury bills returns		(240 967 663)	(150 599 414)
Financial investments revenues		(51 753 278)	(28 420 729)
Capital (gain)		(24 368 149)	(12 394 893)
Operating profits before changes in working capital		**2 907 084 289**	**2 198 528 127**
Change in :			
Inventory		163 388 851	(227 111 344)
Trades and notes receivable and debit accounts		(292 147 426)	653 034 587
Trades and notes payable and credit accounts		878 031 508	(1 035 338 663)
Cash flows provided by (used in) operating activities		**3 656 357 222**	**1 589 112 707**
Proceeds from interest income		101 662 197	47 965 991
Finance expenses paid		(459 366 283)	(304 052 060)
Income tax paid		(164 353 176)	(100 709 644)
Net cash flows provided by operating activities		**3 134 299 960**	**1 232 316 994**
Cash flows from investing activities			
Proceeds from financial investments		51 753 278	--
Proceeds from sale of fixed assets		38 633 657	28 420 729
(Payments) for purchase of treasury bills		(1 844 722 870)	20 713 400
Proceeds from treasury bills		1 606 646 795	(1 203 808 147)
(Payments) for financial assets at amortized cost		(634 587 933)	1 611 388 542
Proceeds from sale of assets held for the sale		306 205 531	--
Net cash flows (used in) investing activities		**(928 623 602)**	**(287 417 658)**
Cash flows from financing activities			
(Payment) Proceeds from banks-credit accounts		(1 169 498 579)	750 918 197
Dividends paid and payments for non controlling interest		(686 490 455)	(957 503 968)
Lease contracts liabilities paid		(114 916 403)	(159 156 629)
Exchange differences arising from translation of financial statements		(31 408 628)	20 329 095
Capital increase of subsidiaries			
(Payment) Proceeds from long term loans		(277 177 381)	66 867 779
Net cash flows (used in) financing activities		**(2 279 491 446)**	**(278 545 526)**
Net change in cash and cash equivalents during the period		**(73 815 088)**	**666 353 810**
Cash and cash equivalents at the beginning of the period		2 195 234 848	1 368 737 567
Translation exchange differences related to cash and cash equivalents		151 945 477	160 143 471
Cash and cash equivalents at end of the period represents in:		**2 273 365 237**	**2 195 234 848**
Cash and cash equivalents	(15)	1 801 726 297	1 422 843 459
Treasury bills	(13)	2 127 279 974	1 813 065 128
Treasury bills due more than three months		(1 655 641 034)	(1 040 673 739)
Cash and cash equivalents		**2 273 365 237**	**2 195 234 848**

The amounts of LE (1 470 606 601) of the working capital items, LE (305 611 233) of the investment activities, LE 997 739 017 of the financing activities has been eliminated against the amount of LE 778 478 807 of the translation differences.

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

Chairman	CEO	CFO & Board Member	Financial Manager
Yasmin Mohamed Farid Khamis	Salah Abdel Aziz Abdel Moteleb	Mohamed Kattary Abdallah	Galal Abdel Mageed

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER31, 2023

(All amounts are in Egyptian Pounds)

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 Headquarters

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

2 . BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of compliance

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

2.2 Basis of measurement

- The consolidated financial statements have been prepared using historical cost, modified by the results of revaluation differences of financial assets and liabilities at fair value through profit and loss as shown in the accounting policies mentioned below.

2.3 New Editions and Amendments to Egyptian Accounting Standards:

- On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1-These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. • This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: 2-Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". • Egyptian Accounting Standard No. (24) "Income Taxes" • Egyptian Accounting Standard No. (30) "Interim Financial Reporting" • Egyptian Accounting Standard No. (31) "Impairment of Assets" • Egyptian Accounting Standard No. (49) "Leasing Contracts"	There is no effect on the financial statements as the, company followed the cost model	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively,** cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	1-This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: • Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" • Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". • Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" • Egyptian Accounting Standard No. (24) "Income Taxes" • Egyptian Accounting Standard No. (30) "Interim Financial Reporting " • Egyptian Accounting Standard No. (31) "Impairment of Assets" • -Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" • Egyptian Accounting Standard No. (49) "Leasing Contracts"	There is no effect on the company financial statements	The amendments of adding the option to use the fair value model are effective for financial periods starting on or after **January 1, 2023 retrospectively** , cumulative impact of the preliminary applying of the fair value model shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.**
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets	There is no effect on the company financial statements	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively.**

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	2-The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.		cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	There is no effect on the company financial statements	These amendments are effective for annual financial periods starting **on or after January 1, 2023 retrospectively,** cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**
Egyptian Accounting Standard No. (50) "Insurance Contracts".	1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3-Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: • Egyptian Accounting Standard No. (10) "Fixed Assets ". • Egyptian Accounting Standard No. (23) "Intangible Assets". • Egyptian Accounting Standard No. (34) " Investment property".	There is no effect on the company financial statements	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024,** and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

3 . USE OF JUDGMENTS AND ESTIMATES

- The preparation of consolidated financial statements according to the Egyptian Accounting Standard requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates. The note no. (5) From the notes of the financial statements indicates the items and the elements that have significant accounting estimates.

- Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Fair Value Measurement

- The fair value of the financial instruments is determined based on the quoted price for the financial instrument or similar instruments at the financial statement date. The financial assets value is determined based on current purchase price for these assets; while the financial liabilities value is determined based on current prices for which these liabilities settled.

- In the absence of an active market, the fair value is determined using various valuation techniques taking into consideration the transactions recent prices, current fair value for the other similar instruments substantially, discounted cash flows or any other valuation technique which resulting in reliable values.

- When using the discounted cash flow method as a valuation technique, the future cash flows are estimated based on management's best estimates. The discount rate used is determined in the light of the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

4 . SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

- Consolidated Financial Statements include companies in which Oriental Weavers Carpets Company participates in their capitals and has control thereon.

- Subsidiaries included in the consolidated financial statements are as follows:

Subsidiary name	Percentage of participations (%) 31/12/2023	Percentage of participations (%) 31/12/2022
Oriental Weavers Co. U.S.A.	82.68	82.68
Oriental Weavers International Co.	99.99	99.99
MAC Carpet Mills	58.29	58.29
Egyptian Fibers Co. EFCO	67.87	67.87
Oriental Weavers Co.- China*	---	67.87
New Mac	52.02	52.02
Oriental Weavers Textile	71.44	71.44

- According to the decision of the Board of Directors on August 9, 2022, it was approved for the company to exit from its existing investments in China and accept the offer submitted to the company to sell its entire share in the Oriental Weavers Company – China.

- During the financial period ended 30 September 2023, the entire share of the company and its subsidiary in Oriental Weavers China Company was sold – Note (16).

5 . SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

A. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

B. Non-controlling interest

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

C. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss, any interest retained in the former subsidiary is measured at fair value when control is lost.

D. Transactions eliminated in consolidation

- Consolidated current financial position are prepared by combining similar items of assets, liabilities, equity, revenues and expenses stated in the financial statements of the holding company and its subsidiaries.

- The carrying amount of the holding company's investment in each subsidiary and the holding company's portion in the equity of each subsidiary are eliminated.

- All inter-company balances, transactions, and material unrealized gains are eliminated.

5.2 Foreign currency Translation

a. Presentation and Transaction Currency

The Financial Statements are presented in Egyptian pound which represents the company presentation and transaction currency.

b. Transaction and Balances

Transactions denominated in foreign currencies are recorded at the prevailing exchange rates at the date of the transaction. At consolidated financial position date monetary assets and liabilities denominated in foreign currencies are revaluated at the exchange rates declared by the company's bank and its subsidiaries' bank at that date.

Assets and liabilities items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.
Non-monetary items that are measured at historical cost in a foreign currency shall be translated using the exchange rates at the date of transaction.

Generally, the exchange differences are recorded in the consolidated income statement for the period.

c. Translation of Financial Statements of Foreign Companies

Some of the subsidiaries maintain their books of accounts in foreign currency other than Egyptian Pounds. Monetary assets and liabilities of these companies are translated into Egyptian Pound at the Foreign exchange rate at the date of consolidated financial position. Shareholders' equity items are translated at the foreign exchange rate prevailing at the consolidation date. Consolidated income statement items are translated at the average foreign exchange rate of the reporting period.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

5.3 Fixed Assets and Depreciation

a. Recognition and Initial Measurement

Fixed assets are recognized initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses-if exist.

b. Subsequent Cost

The Company recognizes the carrying amount of Parts of some Items of Fixed assets may require replacement, the cost of replacing part of such an item is recognized when criteria are met and after de-recognition the carrying amount of those parts that are replaced and when replacement have probable future economic benefits and can be measured reliable, any other costs are recognize at income statement.

c. Depreciation

Depreciable value is determined based on fixed asset cost less its residual value. Residual value is representing the net value resulting from dispose-off the asset, if the asset were in its condition after its useful life.

Depreciation of assets is charged in the income statement on a straight-line basis over the estimated useful lives of each part of fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Description	Estimated useful life (Year)
Buildings & Constructions	25-50
Machinery & Equipment	10
Vehicles	5-8
Tools & Supplies	5
Show-room Fixture	3
Furniture & office equipment	5-10
Computers & programs	3

Useful lives, depreciation method and residual value of assets are reviewed annually, and amendments are applied if there is a significant change in the earning of the economic benefits generated from these assets.

5.4 Projects in Progress

Projects in progress are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use.

Projects in progress are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

5.5 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

5.6 Financial instruments

5.6.1Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI debt investment; FVOCI – equity 'investment; or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument- by- instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5.6.2 Financial assets — Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
- Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5.6.3 Financial assets — Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

Contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable- rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).
- A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

5.7 Goodwill

Goodwill is measured as the excess of the consideration transferred and the amount of any non-controlling interest in the acquire and the acquisition date fair value of the acquirer's previously held equity interest in the acquire in a business combination achieved in stages over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is reviewed on regular basis; an impairment loss of goodwill is recognized if the carrying amount of the asset or its cash generating unit is exceeds its recoverable amount.

5.8 Inventory

Inventory is valued at the end of the year at which is lower of cost or net realizable value according to the following basis:

- Raw materials, Spare parts, packaging materials, are determined using the moving average method.
- Cost of work in process is determined at industrial cost which include materials used in its production and direct wages in addition to its related direct and indirect industrial expenses up to the production stage that have been reached.
- Cost of finished products at which is lower of cost or net realizable value includes all the direct and indirect industrial expenses.

5.9 Leases

The Egyptian Standard "Lease Contracts" No. (49) sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

An entity shall determine the lease term as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non -lease components and account for the lease and non -lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right- of- use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
Fixed payments, including in - substance fixed payments;

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

Amounts expected to be payable under a residual value guarantee;

and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right- of- use asset or is recorded in profit or loss if the carrying amount of the right- of- use asset has been reduced to zero.

The Company presents right- of- use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

5.10 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset shall be capitalized. Capitalization of interest and commission should be ceased when the assets are substantially ready for intended use.

Other borrowing costs shall recognize as an expense in the period in which it incurs them in the finance expenses account using the effective interest rate method.

Capitalization of borrowing costs should be suspended during extended periods in which it suspends active development of a qualifying asset. Capitalization of borrowing costs should be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete

5.11 Debtors and other debit accounts

Debtors and other debit accounts are stated at amortization cost using the effective interest rate less impairment loss of any amounts expected to be uncollected, and are classified as current assets. Amounts that are expected to be collected after more than one year are classified as non-current assets.

5.12 Treasury Bills

Treasury Bills are recorded at face value, where the unearned revenue is recorded in the liabilities, accordingly the net treasury bills presented after deducting the unearned revenue.

5.13 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that an out flow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated, and if there is a significant effect of the monetary time value, the provisions are determined after deduction of future cash flow that are related to the obligation of payment by using the relevant deduction rate to take this effect into consideration. Provisions are reviewed at the financial position date and amended when necessary to reflect the best current estimate.

5.14 Revenue from contract with customers

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for such transfer.

The company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS (15) and is given below:

Step 1 - Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met;

Step 2 - Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer;

Step 3 - Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties;

Step 4 - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation;

Step 5 - Recognize revenue when (or as) the entity satisfies a performance obligation.

The company satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

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

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

The performance of the company does not create an asset with an alternative use for the company, and that the company has an enforceable right to payment for performance completed to date.
For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the company fulfils the performance obligation by providing the services that have been promised, this creates an asset based on a contract in exchange for consideration gained from performance. In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, a contract obligation may arise.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees. The company reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that revenue and costs, where applicable, can be measured reliably.

5.15 Dividends and interest income

- Income from investments is recognized when the cash distribution declared by the Investee Company and received.

- Interest income is recognized in the income statement using the effective interest method. The effective interest method is used for discounting the expected future cash flows and allocating the related interest income over the maturity period. The effective interest is calculated taking in consideration the contractual arrangements.

5.16 Legal reserve

According to the company's statutes the Company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual net profit until it reaches 50% of the issued share capital.

5.17 Treasury shares

Treasury shares are stated at cost, and shall be deducted from equity. No gain or loss shall be recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Gain or loss on the dispose of the shares shall be recognized directly in equity.

5.18 Impairment

A. Financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by EAS 47, which requires expected lifetime losses to be recognized over the expected life of a financial instrument.

B. Non-Financial assets

At each reporting date, the Company reviews the carrying amounts of its non- financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU s. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

- An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.19 Income tax

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

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

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

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

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

5.20 Employees' pension

A. Social Insurance and pension

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

B. Employees' profit share

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

5.21 Contingent liabilities and commitments

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

5.22 Related parties' transactions

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

5.23 Cash flow statement

Consolidated Cash flow statement is prepared using the indirect method.

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

5.24 Comparative Figures

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

6 . Fixed assets

Note No.	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
Cost as of 31/12/2021	722 743 075	2 823 352 736	8 778 317 688	273 411 269	144 594 414	132 468 600	141 818 065	253 931 045	13 270 636 892
Additions	82 542	34 884 866	669 958 496	6 570 069	11 297 507	22 861 248	9 365 569	7 022 934	762 043 231
Currency exchange differences	--	--	88 705 873	--	--	--	--	--	88 705 873
Disposals	--	(6 076 643)	(29 552 613)	(2 155 500)	(791 383)	(5 524 122)	(447 165)	(1 079 715)	(45 627 141)
Reclassification of assets held for sale	(1 455 955)	(75 667 942)	(16 794 503)	(1 669 154)	(820 205)	--	(254 436)	(805 863)	(97 468 058)
Translation exchange differences	242 558 700	1 059 459 060	4 055 295 387	119 178 032	43 139 609	643 093	43 434 942	107 572 397	5 671 281 220
Cost as of 31/12/2022	**963 928 362**	**3 835 952 077**	**13 545 930 328**	**395 334 716**	**197 419 942**	**150 448 819**	**193 916 975**	**366 640 798**	**19 649 572 017**
Additions	5 995 164	142 006 580	343 805 021	3 370 173	38 488 867	52 834 524	18 779 952	16 584 360	621 864 641
Disposals	--	(3 143 867)	(120 626 344)	(556 000)	--	--	--	--	(124 326 211)
Reclassification of assets held for sale	(15)								--
Translation exchange differences	166 187 220	729 313 968	2 934 565 371	82 377 583	30 726 698	440 820	30 611 514	74 648 290	4 048 871 464
Cost as of 31/12/2023	**1 136 110 746**	**4 704 128 758**	**16 703 674 376**	**480 526 472**	**266 635 507**	**203 724 163**	**243 308 441**	**457 873 448**	**24 195 981 911**
Accumulated depreciation and impairment as of 31/12/2021	--	1 341 835 353	7 023 005 728	237 733 462	120 002 572	100 846 917	110 048 054	213 694 849	9 147 166 935
Depreciation of year	--	144 063 114	494 024 646	12 161 723	10 004 443	19 355 554	7 761 831	31 903 264	719 274 575
Disposals of accumulated depreciation	--	(2 176 074)	(26 046 565)	(2 116 005)	(706 554)	(4 901 051)	(395 031)	(967 355)	(37 308 635)
Reclassification of assets held for sale	--	(38 886 901)	(15 115 052)	(1 502 241)	(690 993)	--	(228 165)	(619 320)	(57 042 672)
Translation exchange differences	--	550 272 413	3 471 628 034	102 036 689	36 746 429	475 133	36 157 136	95 721 981	4 293 037 815
Accumulated depreciation and impairment as of 31/12/2022	**--**	**1 995 107 905**	**10 947 496 791**	**348 313 628**	**165 355 897**	**115 776 553**	**153 343 825**	**339 733 419**	**14 065 128 018**
Depreciation of year	--	171 819 764	546 293 712	14 123 991	13 388 248	18 454 609	8 878 617	13 377 496	786 336 437
Disposals of accumulated depreciation	--	(897 611)	(108 607 092)	(556 000)	--	--	--	--	(110 060 703)
Translation exchange differences	--	402 535 237	2 480 940 132	72 209 819	26 429 423	419 360	25 793 722	72 233 859	3 080 561 552
Accumulated depreciation and impairment as of 31/12/2023	**--**	**2 568 565 295**	**13 866 123 543**	**434 091 438**	**205 173 568**	**134 650 522**	**188 016 164**	**425 344 774**	**17 821 965 304**
Net book value as of 31/12/2023	**1 136 110 746**	**2 135 563 463**	**2 837 550 833**	**46 435 034**	**61 461 939**	**69 073 641**	**55 292 277**	**32 528 674**	**6 374 016 607**
Net book value as of 31/12/2022	**963 928 362**	**1 840 844 172**	**2 598 433 537**	**47 021 088**	**32 064 045**	**34 672 266**	**40 573 150**	**26 907 379**	**5 584 443 999**

7 . PROJECTS IN PROGRESS

	31/12/2023	31/12/2022
Buildings under Construction	170 172 475	136 114 698
Machinery & Equipment under installation	38 950 358	92 347 908
Computer systems	3 849 848	585 872
Handling	--	999 406
Letters of credit for purchasing of assets	--	30 016 568
Advance payment for purchasing of Fixed assets	56 365 129	94 739 221
	269 337 810	**354 803 673**

8 . RIGHT USE OF ASSETS

	Showroom rent	Oriental weavers USA - rental	Total
Cost at 1/1/2023	432 805 069	191 467 174	624 272 243
Additions	178 342 621	8 116 509	186 459 130
Disposals	(12 195 060)	--	(12 195 060)
Translation differences	--	47 691 819	47 691 819
Cost at 31/12/2023	**598 952 630**	**247 275 502**	**846 228 132**
Accumulated depreciation at 1/1/2023	119 332 170	133 485 343	252 817 513
Depreciation of period	80 546 235	34 317 639	114 863 874
Disposals of accumulated depreciation	(9 774 013)	--	(9 774 013)
Translation differences	--	33 249 349	33 249 349
Accumulated depreciation at 31/12/2023	**190 104 392**	**201 052 331**	**391 156 723**
Net book value at 31/12/2023	**408 848 238**	**46 223 171**	**455 071 409**
Net book value at 31/12/2022	**313 472 899**	**57 981 831**	**371 454 730**

9 . INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Balance as of 31/12/2023	Balance as of 31/12/2022
Egyptian Propylene & Polypropylene Company "E.P. P"*	612 174 585	621 773 565
Alahli Bank of Kuwait- Egypt	33 203 856	19 382 098
Orientals for Industrial Projects	2 422 800	2 422 800
Prudential company – U.S. A	1 300 354	998 365
Cambridge Weavers (under liquidation)	3 750	3 750
Trading for Development Export	1	1
10th of Ramadan for Spinning Industries (under liquidation)	1	1
Modern Spinning Company (under liquidation)	1	1
Egyptian for Trade and Marketing	1	1
	649 105 349	**582 580 644**

10 . INVENTORY

	31/12/2023	31/12/2022
Raw materials	2 911 531 320	2 597 090 214
Spare parts & materials	589 316 035	444 213 588
Work in process	184 698 902	212 990 417
Finished products	3 182 474 678	2 768 154 084
Letter of credit for purchasing of raw materials	82 110 856	29 527 916
	6 950 131 791	**6 051 976 219**
Less: Impairment in inventory	(22 691 206)	(21 140 305)
	6 927 440 585	**6 030 835 914**

11 . TRADES & NOTES RECEIVABLE

	31/12/2023	31/12/2022
Trades receivables	2 760 353 465	2 293 211 194
Notes receivables	750 772 731	409 078 431
	3 511 126 196	**2 702 289 625**
(Less): Expected credit loss – Note No (17)	(348 556 143)	(274 553 052)
	3 162 570 053	**2 427 736 573**

12 . DEBTORS AND OTHER DEBIT ACCOUNTS

	31/12/2023	31/12/2022
Prepaid expenses	51 643 638	38 145 713
Tax authority – debit accounts	490 306 518	332 073 774
Deposits with others	60 858 607	44 031 852
Accrued revenues	10 064 471	9 015 333
Letter of guarantee & letter of credit – cash margin	12 322 657	8 263 099
Petty cash & advance to employees	11 534 768	11 553 414
Suppliers – advance payment	59 395 727	27 464 021
Other debit accounts	25 413 637	15 781 875
	721 540 023	**486 329 081**
(Less):		
(Less): Expected credit loss – Note No (17)	(6 886 774)	(3 871 363)
	714 653 249	**482 457 718**

13 . TREASURY BILLS

	31/12/2023	31/12/2022
Treasury bills (mature in 90 days)	490 450 000	792 941 670
Treasury bills (mature in more than 90 days)	1 755 000 000	1 093 250 000
Less:	2 245 450 000	**1 886 191 670**
Unrealized returns	(118 170 026)	(69 649 067)
	2 127 279 974	**1 816 542 603**
(Less): Expected credit loss – Note No (17)	--	(3 477 475)
	2 127 279 974	**1 813 065 128**

14 . FINANCIAL ASSETS AT AMORTIZED COST

	31/12/2023	31/12/2022
Treasury bonds maturing May 29, 2024 Eurobond	643 948 002	--
(Less): Discount	(9 268 801)	--
	634 679 201	--
(17) (Less): Expected credit loss – Note No	(5 887 895)	--
	628 791 306	--

15 . CASH AND CASH EQUIVALENTS

	31/12/2023	31/12/2022
Banks – Time deposits	499 906 735	335 711 438
Banks – Current accounts	1 297 290 569	1 080 544 739
Cash on hand	4 566 567	3 946 540
Cash at banks and on hand	**1 801 736 871**	**1 420 202 717**
Less:		
(Less): Expected credit loss – Note No (17)	(2 038 255)	(354 661)
	1 799 725 616	**1 419 848 056**
Cash and cash equivalents for cash flows statement purposes		
Cash in banks and the fund before the expected credit loss	1 801 763 871	1 420 202 717
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(84 405)
Cash and cash equivalents within assets held for sale- Note No (16)	--	2 725 147
Cash at banks and on hand	**1 801 726 297**	**1 422 843 459**
Add: Treasury bills with maturity of 90 days	471 638 940	772 391 389
Cash and cash equivalents for cash flows statement purposes	**2 273 365 237**	**2 195 234 848**

16 . NON-CURRENT ASSETS-HELD FOR SALE

According to the decision of the Board of Directors on August 9, 2022, it was approved for the company to exit from its existing investments in China and accept the offer submitted to the company to sell its entire share in the Oriental Weavers Company – China.

The following is the assets and liabilities of Oriental Weavers Company – China which classified as non-current assets held for sale:

	31/12/2023	31/12/2022
Fixed Assets	--	40 425 386
Projects in progress	--	877 988
Trades and notes receivables	--	1 359 356
Debtors and other debit accounts	--	519 277
Cash and cash equivalents	--	2 725 147
	--	**45 907 154**
Liabilities		
Creditors and other credit accounts	--	24 096 856
	--	**24 096 856**

17 . EXPECTED CREDIT LOSS

	Trade receivables	Debtor & other debit balances	Treasury Bills	Financial Assist at Amortized cost	Cash & cash equivalent	Total
Balance as at 1/1/2023	274 553 052	3 871 363	3 477 475	--	354 661	282 256 551
Charge to statement of	61 596 662	953 8572	(3 586 168)	5 769 627	1 639 384	68 304 458
Used during the year	(42 209 205)	--	--	--	--	! 209 205)
Translation differences	54 615 634	458 157	108 693	91 268	44 211	55 017 263
Provision balance at 31/12/2023	**348 556 143**	**6 886 774**	--	**5 887 895**	**2 038 255**	**363 369 067**

18 . Issued and paid-up capital

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

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

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

19 . Reserves

	31/12/2023	31/12/2022
Legal reserve	1 267 256 203	1 224 840 203
General reserve	74 488 537	74 488 537
Special reserve	59 973 828	59 973 828
Net assets revaluation reserve	65 767 458	65 767 458
Capital reserve	172 079 359	165 828 865
Unrealized gain from financial investments at FVTOCI	155 061 476	280 488 001
	1 794 626 861	**1 871 386 892**

20 . Non-Controlling interest

	Non-controlling interest in Equity	Non-controlling interest in comprehensive income	Balance as of 31/12/2023	Balance as of 31/12/2022
Orientals Weavers international Co (O.W.I)	274 638	138 417	413 055	320 641
MAC Carpet Mills	348 395 627	93 833 560	442 229 187	368 729 048
Egyptian Fibres Co. EFCO	147 769 693	73 427 213	221 196 906	184 013 239
Oriental Weavers – China	--	--	--	(114 168)
New MAC	3 607 150	3 396 307	7 003 457	4 649 883
Oriental Weavers Textile	379 727 274	100 007 597	479 734 871	420 544 043
Oriental Weavers Co. U.S.A.	186 022 923	24 932 884	210 955 807	186 033 547
	1 065 797 305	**295 735 978**	**1 361 533 283**	**1 164 176 233**

21 . Long-term loans

	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 31/12/2023	Balance as of 31/12/2023		Balance as of 31/12/2022		Terms of payment
				current portion due in one year	long term installments	current portion due in one year	long term installments	
Qatar National Bank Alahli (1)	EURO	3 600 000	--	--	--	27 354 602	--	The principal of the loan shall be settled over 7 equal half annually starting from 31/1/2020 till 31/7/2023 the interest and commission shall be computed and paid upon its due date.
Qatar National Bank Alahli (2)	EURO	4 563 473	--	--	--	31 162 057	--	The principal of the loan shall be settled over 7 equal half annually starting from 31/1/2020 till 31/1/2023 the interest and commission shall be computed and paid upon its due date.
Qatar National Bank Alahli (3)	USD	5 000 000	--	--	--	15 516 852	--	The principal of the loan shall be settled over 5 equal half annually starting from 31/1/2021 till 31/1/2023 the interest and commission shall be computed and paid upon its due date.
Attijari wafa bank	USD	5 250 000	--	--	--	20 707 843	--	The principal of the loan shall be settled over 7 equal half annually installments starting from 31/1/2020 till 31/5/2023 , the interest and commission shall be computed and paid upon its due date.
Emirates NBD Egypt bank	USD	8 000 000	**144 473 477**	82 556 277	61 917 200	66 093 342	115 663 317	The principal of the loan shall be settled over 12 quarterly installments starting after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.
Alex bank	EURO	1 800 000	**49 809 910**	19 923 964	29 885 946	8 969 152	44 845 759	The principal of the loan shall be settled over 9 equal half annually installments starting from 17/2/2022 till 17/2/2026 , the interest and commission shall be computed and paid upon its due date.
Alex bank	EURO	5 500 000	**99 681 925**	28 480 550	71 201 375	21 978 963	76 926 372	The principal of the loan shall be settled over 9 equal half annually installments starting starting after the end of the grace period, the interest and commission shall be computed and paid upon its due date.
Emirates NBD Egypt bank	USD	7 000 000	**116 424 456**	66 528 260	49 896 196	53 261 547	93 207 708	The principal of the loan shall be settled over 12 quarterly installments starting after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.
Attijari wafa bank	EURO	5 000 000	**75 862 062**	42 715 125	33 146 937	30 502 688	61 005 376	The principal of the loan shall be settled over 8 equal half annually installments starting from 30/6/2022 till 30/12/2025, the interest and commission shall be computed and paid upon its due date.
			486 251 830	**240 204 176**	**246 047 654**	**275 547 046**	**391 648 532**	

22 . Lease contracts liability

	Due within one year	Due more than one year	Balance as of 31/12/2023
Oriental Weavers Co. U.S.A.	18 734 101	30 353 421	49 087 522
Exhibitions	95 834 443	368 573 682	464 408 125
	114 568 544	**398 927 103**	**513 495 647**

23 . Deferred tax liabilities

	31/12/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Fixed assets	--	(186 386 498)	--	(185 613 828)
Temporary tax differences – O.W. (USA)	80 192 650	--	31 542 110	--
Fair value reserve of investment at FVOCI	--	(43 161 594)	--	(1 529 990)
Total deferred tax assets / (liabilities)	80 192 650	(229 548 092)	31 542 110	(187 143 818)
Net deferred tax (liabilities)		**(149 355 442)**		**(155 601 708)**

–The movement of deferred tax liabilities is shown below:

	31/12/2023		31/12/2022	
	Assets	(Liabilities)	Assets	(Liabilities)
Beginning balance	31 542 110	(187 143 818)	11 872 560	(177 126 413)
Fair value reserve of investment at FVOCI	--	(43 161 594)	--	(1 529 990)
Charged to the statement of income	40 066 077	757 320	10 095 328	(8 487 415)
Translation Difference	8 584 463	--	9 574 222	--
Ending balance	**80 192 650**	**(229 548 092)**	**31 542 110**	**(187 143 818)**

24 . Provisions

	Balance as of 1/1/2023	Formed during the year	Used during the year	Translation differenced	Balance as of 12/21/2023
Provisions for claims	156 594 190	98 471 317	(34 014 450)	4 465 200	225 516 25
	156 594 190	**98 471 317**	**(34 014 450)**	**4 465 200**	**225 516 25**

25 . Banks - Credit accounts

Banks – credit accounts amounting to L.E 160 742 190 4 as of December 31, 2023 represents short term facilities granted by banks at relatively fixed interest rate, a part of facilities is guaranteed by notes receivable deposited at these banks for collection.

* On May 2, 2023, the credit facilities of Oriental Weavers USA were refinanced for a period of up to 3 years.

26 . Trades & Notes payable

	31/12/2023	31/12/2022
Trades payable	1 585 062 948	741 779 345
Notes Payable	576 553 715	274 857 242
	2 161 616 663	**1 016 636 587**

27 . Creditors and other credit accounts

	31/12/2023	31/12/2022
Accrued expenses	274 538 079	171 214 142
Tax authority	28 964 528	23 809 001
Social insurance authority	25 679 311	22 853 236
Trade receivable – advance payment	340 419 600	231 764 236
Creditors – purchases of fixed assets	759 514	9 134 255
Credit balances – related parties	8 613 896	7 201 924
Deposits from others	246 721 834	170 529 500
Other credit accounts	48 954 833	36 370 801
	974 651 595	**672 877 095**

28 . Finance expenses

	31/12/2023	31/12/2022
Bank interest	422 780 672	267 602 573
Interest of lease contracts liabilities	36 585 611	36 449 487
	459 366 283	**304 052 060**

29 . Basic earnings per share in the separate financial statements

	31/12/2023	31/12/2022
Net profit for the year	1 145 108 967	1 461 193 154
Less:		
Proposed employees share in distributions	85 000 000	80 000 000
Proposed Board members remuneration	3 200 000	8 000 000
	1 056 908 967	**1 373 193 154**
Average of shares number available during the year	665 107 268	665 107 268
	1.59	**2,06**

30 . Contingent liabilities

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of December 31, 2023 amounted to L.E 762 525 148 The contingent liabilities from letter of credit in that date amounted to L.E 861 569 932.

31 . Capital commitments

The capital commitments as of December 31, 2023 amounted to L.E 65 630 360 represents the value of new extension related to showrooms and completion of construction in progress.

32 . Tax Position

32.1 Oriental Weavers Carpet

Corporate Tax

- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax

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

Sales Tax
- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The company submits the monthly tax return on the legal dates.

Stamp Duty Tax
- The company was inspected and the tax has been settled till December 31, 2020.
- The company submits the tax return on the legal dates.

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

32.2 Oriental Weavers International

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

Salaries & Wages Tax
- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

32.3 Oriental Weavers Textiles

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

Salaries & Wages Tax
- The company has been inspected till December 31, 2020 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

Stamp Duty Tax
- The company was inspected and the tax has been settled till December 31, 2020.
- The company submits the tax return on the legal dates.

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

32.4 MAC Carpets

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

Salaries & Wages Tax
- The company was inspected for the period from the beginning of its activity up till December 31, 2019 and the assessed tax difference was paid.
- The years 2020: 2022 have not been inspected.

Value Add Tax
- The company was inspected up till December 31, 2020 and the assessed tax difference was paid.
- The years 2021: 2022 have not been inspected.
- The company submits the monthly tax return on due dates.

Stamp Duty Tax
- The company was inspected up to till December 31, 2018 and the assessed tax difference was paid.
- The years 2019: 2022 have not been inspected.

Withholding tax
- The company was inspected up to 2018 and the assessed tax difference was paid.
- The years 2019: 2022 have not been inspected.

32.5 Egyptian Fibers Company – EFCO

Corporate Tax
- The company has been inspected for the years from 1987 till 2019 and the assessed tax were paid.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax
- The company has been inspected till December 31, 2020 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

Value Add Tax
- The company has been inspected till December 31, 2020 and the assessed tax were paid.
- The company submits its monthly tax return regularly on legal dates.

Stamp Duty Tax
- The company was inspected up to till December 31, 2022 and the assessed tax difference was paid.

Real estate Tax
- The Company has notified by Form (3) and it was appealed and the tax settled until 2021.

33 . FINANCIAL INSTRUMENTS AND RISK MANAGMENT

A. Credit Risk

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

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

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

	31/12/2023	31/12/2022
Trades payable	1 585 062 948	741 779 345
Notes Payable	576 553 715	274 857 242
	2 161 616 663	**1 016 636 587**

B. Liquidity risk

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

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

C. Market risk

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

Exchange rate risk

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

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

Interest rate risk

Interest rate risk is the risk resulting from changes in interest rate on the banks facility granted to the company. The Company obtains the best available conditions in the banking market for the credit facilities and reviews the prevailing interest rate in the banking market on an on-going-basis which minimizes the risk of changes in interest rates.

D. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders and other beneficiaries who are using the financial statements through the optimal use of equity. Management seeks the best alternatives to maintain a better capital structure for the group through either dividend payment to shareholders, capital reduction, issuance of new shares, and or debt settlement.

34 . SIGNIFICANT EVENTS

During February 2022, and due to the political events, that led to the outbreak of war between Russia and Ukraine, which led to potential repercussions on the global economy from slowing growth and increasing the speed of inflation, which will lead to a rise in the prices of primary commodities such as food and energy, which are among the basic components of many industries.

On October 27, 2022, the Central Bank of Egypt decided to liberalize the exchange rate of foreign currencies against the Egyptian pound, which resulted in a significant increase in the exchange rates of foreign currencies against the Egyptian pound

النساجون الشرقيون
ORIENTAL WEAVERS

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