

**MIDDLE EAST GLASS MANUFACTURING COMPANY  
(S.A.E.)**

**LIMITED REVIEW REPORT AND SEPARATE INTERIM  
CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED  
30 SEPTEMBER 2018**

**MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)**

**Separate interim condensed financial statements  
For the nine months period ended 30 September 2018**

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## Limited review report on the separate interim condensed financial statements

To: The Board of Directors of Middle East Glass Manufacturing Company (S.A.E.)

### Introduction

We have reviewed the accompanying separate condensed statement of financial position of Middle East Glass Manufacturing Company (S.A.E.) as of 30 September 2018 and the related separate condensed statements of profit or loss, separate condensed comprehensive income, separate condensed changes in equity and separate condensed cash flows for the nine months period then ended. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these separate interim condensed financial statements based on our review.

### Scope of limited review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim condensed financial statements is not prepared, in all material respects, in accordance with Egyptian Accounting Standards.

Mohamed Ahmed Fouad, CPA  
R.A.A. 11595  
F.R.A. 235  
Mansour & Co. PricewaterhouseCoopers  
Public Accountants & Consultants



13 November 2018  
Cairo

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate interim condensed statement of financial position - At 30 September 2018

(All amounts in Egyptian Pounds)	Note	30 September 2018	31 December 2017
<b><u>Non-current assets</u></b>			
Property, plant and equipment	4	104,061,831	120,094,846
Intangible assets		3,435,179	5,606,253
Investment in subsidiaries		198,907,815	198,907,815
Deferred tax assets		1,801,964	139,856
<b>Total non-current assets</b>		<b>308,206,789</b>	<b>324,748,770</b>
<b><u>Current assets</u></b>			
Inventories		137,149,189	146,328,798
Trade receivables		93,412,677	34,214,629
Prepaid expenses and other receivables		86,416,153	47,412,079
Due from tax authority		41,129,643	12,379,879
Due from related parties		678,139,013	685,263,774
Cash at banks and on hand		37,380,733	18,926,848
Assets classified as held-for-sale	5	64,870,663	64,870,663
<b>Total current assets</b>		<b>1,138,498,071</b>	<b>1,009,396,670</b>
<b>Total assets</b>		<b>1,446,704,860</b>	<b>1,334,145,440</b>
<b><u>Owners' equity</u></b>			
Issued and paid up capital		50,322,580	50,322,580
Share premium reserve		172,217,162	172,217,162
Other reserves		13,129,007	13,129,007
Legal reserve		25,161,260	25,161,260
Payments under increase in capital		432,825,002	432,825,002
Retained earnings		9,789,138	10,602,100
<b>Total owners' equity</b>		<b>703,444,149</b>	<b>704,257,111</b>
<b><u>Non-current liabilities</u></b>			
Term loans	6	172,538,371	198,493,971
Retirement benefits obligations		8,087,995	7,017,888
<b>Total non-current liabilities</b>		<b>180,626,366</b>	<b>205,511,859</b>
<b><u>Current liabilities</u></b>			
Provisions		15,166,919	16,108,451
Current portion of term loans	6	71,648,000	45,955,600
Bank overdrafts		105,427,298	125,523,436
Trade and notes payables		82,492,167	132,967,951
Accrued expenses and other payables		100,988,031	52,116,702
Due to related parties		137,462,590	36,472,610
Due to tax authority		49,449,340	15,231,720
<b>Total current liabilities</b>		<b>562,634,345</b>	<b>424,376,470</b>
<b>Total owner's equity and liabilities</b>		<b>1,446,704,860</b>	<b>1,334,145,440</b>

- The accompanying notes on pages 7 - 14 form an integral part of these separate interim financial statements.

- Limited review report attached



Mr. Mohamed Khalifa  
Chief Financial Officer



Mr. Peter Carpenter  
Board Member



Mr. Abdul Galil Beshar  
Chairman

13/11/2018

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate interim statement of profits or losses  
For the nine months ended 30 September 2018

(All amounts in Egyptian Pounds)

	Note	Nine months ended 30 September		Three months ended 30 September	
		2018	2017	2018	2017
Net sales		521,540,145	317,636,844	191,455,138	93,592,254
Cost of sales		(417,346,336)	(234,814,750)	(154,610,183)	(69,673,827)
<b>Gross profit</b>		<b>104,193,809</b>	<b>82,822,094</b>	<b>36,844,955</b>	<b>23,918,427</b>
Selling and marketing expenses		(23,507,641)	(22,186,283)	(5,769,406)	(7,104,712)
General and administrative expenses		(26,413,516)	(26,131,450)	(8,988,468)	(7,945,516)
Other operating expense		-	(26,958)	-	(13,295)
Other operating income		8,118,666	5,214,649	3,854,584	2,651,022
<b>Profit from operations</b>		<b>62,391,318</b>	<b>39,692,052</b>	<b>25,941,665</b>	<b>11,505,926</b>
Finance costs - net		(61,865,879)	(62,456,413)	(20,425,093)	(17,653,675)
<b>Net profit / (loss) for the period before tax</b>		<b>525,439</b>	<b>(22,764,361)</b>	<b>5,516,572</b>	<b>(6,147,749)</b>
Income tax		1,662,108	2,999,672	1,031,802	1,208,143
<b>Net profit / (loss) for the period</b>		<b>2,187,547</b>	<b>(19,764,689)</b>	<b>6,548,374</b>	<b>(4,939,606)</b>
Basic and diluted <b>Earning / (Loss) per share</b>	7	<b>0.04</b>	<b>(0.39)</b>	<b>0.13</b>	<b>(0.10)</b>

- The accompanying notes on pages 7 - 14 form an integral part of these separate interim financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate interim statement of comprehensive income  
For the nine months ended 30 September 2018

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(All amounts in Egyptian Pounds)

Note	Nine months ended 30 September		Three months ended 30 September	
	2018	2017	2018	2017
Net profit / (loss) for the period	<u>2,187,547</u>	<u>(19,764,689)</u>	<u>6,548,374</u>	<u>(4,939,606)</u>
<b>Total comprehensive income / (loss)</b>	<u><b>2,187,547</b></u>	<u><b>(19,764,689)</b></u>	<u><b>6,548,374</b></u>	<u><b>(4,939,606)</b></u>

- The accompanying notes on pages 7 - 14 form an integral part of these separate interim financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate interim statement of change in equity  
For the nine months ended 30 September 2018

(All amounts in Egyptian Pounds)

	Issued and paid up capital	Payment under increase in capital	Special reserve	Other reserve	Legal reserve	Retained earnings / (Accumulated losses)	Total
<b>Balance at 1 January 2017</b>	50,322,580	-	172,217,162	13,129,007	25,161,260	21,832,781	282,662,790
Dividends distribution	-	-	-	-	-	(10,746,292)	(10,746,292)
Total comprehensive loss	-	-	-	-	-	(19,764,689)	(19,764,689)
<b>Balance at 30 September 2017</b>	<b>50,322,580</b>	<b>-</b>	<b>172,217,162</b>	<b>13,129,007</b>	<b>25,161,260</b>	<b>(8,678,200)</b>	<b>252,151,809</b>
<b>Balance at 1 January 2018</b>	<b>50,322,580</b>	<b>432,825,002</b>	<b>172,217,162</b>	<b>13,129,007</b>	<b>25,161,260</b>	<b>10,602,100</b>	<b>704,257,111</b>
Total comprehensive income	-	-	-	-	-	2,187,547	2,187,547
Dividends distribution	-	-	-	-	-	(3,000,509)	(3,000,509)
<b>Balance at 30 September 2018</b>	<b>50,322,580</b>	<b>432,825,002</b>	<b>172,217,162</b>	<b>13,129,007</b>	<b>25,161,260</b>	<b>9,789,138</b>	<b>703,444,149</b>

- The accompanying notes on pages 7 - 14 form an integral part of these separate interim financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate interim statement of cash flows  
For the nine months ended 30 September 2018

(All amounts in Egyptian Pounds)

	Note	30 September 2018	30 September 2017
<b><u>Cash flows from operating activities</u></b>			
Profit / (loss) for the period before tax		525,439	(22,764,361)
<b><u>Adjusted by:</u></b>			
Depreciation	4	25,111,556	28,989,660
Amortization		926,512	509,127
Loss on sale of property, plant and equipment		976,824	26,958
Retirement benefits provision		1,070,107	976,359
Finance cost		62,081,222	50,456,113
Foreign currency exchange losses		(263,200)	584,619
Finance income		-	(5,971)
<b>Operation profit before changes in working capital</b>		<b>90,428,460</b>	<b>58,772,504</b>
<b>Changes in working capital</b>			
Decrease / (Increase) in inventories		9,179,609	(11,266,755)
Increase in trade receivables		(59,198,048)	(56,713,054)
Increase in prepaid expenses and other receivables		(42,004,583)	(14,179,714)
Increase in due from tax authority		(28,749,764)	(10,322,299)
Decrease / (Increase) in due from related parties		8,609,243	(24,498,272)
(Decrease) / Increase in trade payables		(50,475,784)	84,641,132
Increase in accrued expenses and other payables		1,466,993	21,879,297
Increase in due to tax authority		34,217,620	11,269,242
Increase in due to related parties		100,989,980	31,950,086
Provisions used		(941,532)	(2,298,867)
Payment of retirement employee benefits		-	(1,638,894)
<b>Net cash flow generated from operations</b>		<b>63,522,194</b>	<b>87,594,406</b>
Interest paid		(14,676,886)	(48,948,397)
<b>Net cash flows generated from operating activities</b>		<b>48,845,308</b>	<b>38,646,009</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of property, plant and equipment	4	(10,055,365)	(21,375,095)
Proceeds from sale of property, plant and equipment	4	-	18,094
Purchase of intangible assets		(239,920)	(1,613,679)
Interest income received		-	5,971
<b>Net cash flows used in investing activities</b>		<b>(10,295,285)</b>	<b>(22,964,709)</b>
<b><u>Cash flows from financing activities</u></b>			
Repayments of borrowings		-	(2,694,206)
Bank overdrafts		(20,096,138)	(9,954,659)
<b>Net cash flows used in financing activities</b>		<b>(20,096,138)</b>	<b>(12,648,865)</b>
<b>Net increase in cash and cash equivalents during the period</b>		<b>18,453,885</b>	<b>3,032,435</b>
Cash and cash equivalents at beginning of the period		18,926,848	22,081,742
<b>Cash and cash equivalents at end of the period</b>		<b>37,380,733</b>	<b>25,114,177</b>

- The accompanying notes on pages 7 - 14 form an integral part of these separate interim financial statements.



## **MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)**

### **Notes to the separate interim condensed financial statements For the nine months period ended 30 September 2018**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

#### **1. General information**

Middle East Glass Manufacturing Company S.A.E. (the “Company”) was established in 1979 as an Egyptian joint stock company under the provisions of Law No. 43 of 1974 as amended by Law No. 230 of 1989 as amended by Law No. 8 of 1997, and is registered in the commercial register under number 193770 Cairo. The address of the company’s registered office is Nasr City, 6th District, Industrial Zone, Cairo – Arab Republic of Egypt.

The company is listed on the Egyptian Stock Exchange.

The company’s principal activities are the manufacture, sale and export of glass containers used for the packaging of food and beverages. The company has manufacturing operations in the Arab Republic of Egypt and operates internationally.

The ultimate parent is Deram Holding Inc.

On 9 July 2018, MAC Investment “the Parent Company with 51.4% ownership” sold 100% of its shares in the Company to Mina Glass Holding which is contracted by the same parent Deram Holding.

These separate financial statements have been approved for issuance by the Chairman of the Company on 13 November 2018.

#### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these condensed interim financial statements are the same as included in the annual financial statements for the year ended 31 December 2017 financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### **A. Basis of preparation**

These interim condensed separate financial statements have been prepared in accordance with the Egyptian Accounting standards (EASs) and relevant Egyptian laws and regulation.

These interim condensed separate financial statements as at 30 September 2018 have been prepared in accordance with EAS 30 “Interim financial reporting”. As permitted by EAS 30, the Company has opted to prepare a condensed version as compared to the year end separate financial statements.

These interim condensed separate financial statements do not include all of the information and disclosure required for a complete set of separate financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2017.

The company has prepared these separate financial statements in accordance with local regulations. The company will prepare its consolidated financial statement within maximum 60 days from financial position date in accordance with the disclosure standards that has been set by the Egyptian Financial Regulatory Agency (FRA).

## MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

### Notes to the separate interim condensed financial statements For the nine months period ended 30 September 2018

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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#### **B. Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level of inputs that is significant to the fair value measurement as a whole:

- Level 1: Inputs of quoted (unadjusted) market prices in active markets for identical assets or liabilities; which the Company can have access to at the date of measurement.
- Level 2: Inputs others than quoted prices included within level1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs of the asset or the liability.

Financial assets and liabilities have been disclosed in Note 8.

#### **C. Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company limits its liquidity risk by ensuring adequate bank facilities are available and by maintaining adequate reserves, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities. Trade payables are normally settled within 90 days of the date of purchase.

## MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

### Notes to the separate interim condensed financial statements For the nine months period ended 30 September 2018

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

#### Liquidity risk management (continued)

The table below summarises the maturities of the Company's undiscounted financial liabilities at 30 September 2018, based on contractual payment dates and current market interest rates.

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
<b>30 September 2018</b>				
Trade and notes payable	82,492,167	-	-	-
Accrued expenses and other credit balances	99,755,865	-	-	-
Due to related parties	-	137,462,590	-	-
Bank overdraft	105,427,298	-	-	-
Term loans	56,648,000	15,000,000	37,000,000	135,538,371
Future interest payments	18,916,691	17,530,343	30,024,956	39,441,250
<b>Total</b>	<b>363,240,021</b>	<b>169,992,933</b>	<b>67,024,956</b>	<b>174,979,621</b>
	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
<b>31 December 2017</b>				
Trade and notes payable	132,967,951	-	-	-
Accrued expenses and other credit balances	51,578,741	-	-	-
Due to related parties	-	36,472,610	-	-
Bank overdraft	125,523,436	-	-	-
Term loans	25,645,000	20,310,600	32,991,473	165,502,498
Future interest payments	38,515,033	37,234,161	37,584,222	74,402,724
<b>Total</b>	<b>374,230,161</b>	<b>94,017,371</b>	<b>70,575,695</b>	<b>239,905,222</b>

### 3. Critical accounting estimates and judgments

#### (1) Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, not equal the related actual results and the following are the critical estimates and assumptions that the company uses.

#### Employee benefits

The determines employee benefit liabilities using an independent actuarial expert and it revises the sufficiency of these liabilities on an annual basis.

#### (2) Critical judgment in applying the accounting policies

In general applying the company's accounting policies does not require judgments.

**MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)**

**Notes to the separate interim condensed financial statements  
For the nine months period ended 30 September 2018**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

**4. Property, plant and equipment**

<b>30 September 2018</b>	<b>Land</b>	<b>Buildings</b>	<b>Machinery, equipment &amp; molds</b>	<b>Vehicles and transportation</b>	<b>Furniture and office equipment</b>	<b>Computers</b>	<b>Projects under construction</b>	<b>Total</b>
<b>Cost</b>								
Balance at beginning of the period	9,968,571	46,969,222	418,299,023	3,867,413	1,654,354	6,366,944	3,926,972	491,052,499
Additions	-	-	8,585,585	404,465	-	179,676	885,639	10,055,365
Disposals	-	-	-	-	-	-	(976,824)	(976,824)
Transfers from projects under construction	-	-	563,782	-	-	109,531	(673,313)	-
<b>Balance at the end of the period</b>	<b>9,968,571</b>	<b>46,969,222</b>	<b>427,448,390</b>	<b>4,271,878</b>	<b>1,654,354</b>	<b>6,656,151</b>	<b>3,162,474</b>	<b>500,131,040</b>
<b>Accumulated depreciation</b>								
Balance at beginning of the period	-	(29,081,912)	(333,093,283)	(2,557,006)	(1,203,097)	(5,022,355)	-	(370,957,653)
Depreciation expense	-	(1,213,697)	(23,046,915)	(388,324)	(82,624)	(379,996)	-	(25,111,556)
<b>Balance at the end of the period</b>	<b>-</b>	<b>(30,295,609)</b>	<b>(356,140,198)</b>	<b>(2,945,330)</b>	<b>(1,285,721)</b>	<b>(5,402,351)</b>	<b>-</b>	<b>(396,069,209)</b>
<b>Net book value at the end of the period</b>	<b>9,968,571</b>	<b>16,673,613</b>	<b>71,308,192</b>	<b>1,326,548</b>	<b>368,633</b>	<b>1,253,800</b>	<b>3,162,474</b>	<b>104,061,831</b>
<b>31 December 2017</b>								
<b>Cost</b>								
Balance at beginning of the year	9,968,571	46,404,121	397,389,595	3,423,511	1,581,455	5,984,295	1,404,181	466,155,729
Additions	-	59,900	20,889,827	443,902	72,899	699,309	3,047,593	25,213,430
Disposals	-	-	-	-	-	(316,660)	-	(316,660)
Transfers from projects under construction	-	505,201	19,601	-	-	-	(524,802)	-
<b>Balance at the end of the year</b>	<b>9,968,571</b>	<b>46,969,222</b>	<b>418,299,023</b>	<b>3,867,413</b>	<b>1,654,354</b>	<b>6,366,944</b>	<b>3,926,972</b>	<b>491,052,499</b>
<b>Accumulated depreciation</b>								
Balance at beginning of the year	-	(27,471,702)	(297,902,940)	(2,172,547)	(1,076,344)	(4,916,006)	-	(333,539,539)
Depreciation expense	-	(1,610,210)	(35,190,343)	(384,459)	(126,753)	(377,960)	-	(37,689,725)
Disposals depreciation	-	-	-	-	-	271,611	-	271,611
<b>Balance at the end of the year</b>	<b>-</b>	<b>(29,081,912)</b>	<b>(333,093,283)</b>	<b>(2,557,006)</b>	<b>(1,203,097)</b>	<b>(5,022,355)</b>	<b>-</b>	<b>(370,957,653)</b>
<b>Net book value at the end of the year</b>	<b>9,968,571</b>	<b>17,887,310</b>	<b>85,205,740</b>	<b>1,310,407</b>	<b>451,257</b>	<b>1,344,589</b>	<b>3,926,972</b>	<b>120,094,846</b>

## MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

### Notes to the separate interim condensed financial statements For the nine months period ended 30 September 2018

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

#### Property, plant and equipment (continued)

Depreciation expense is classified as follows:

	<u>30 September 2018</u>	<u>31 December 2017</u>
Cost of production	23,075,490	35,573,125
General and administrative expenses	1,653,835	1,620,123
Selling and marketing expenses	382,231	496,477
	<u>25,111,556</u>	<u>37,689,725</u>

- All the machinery, equipment and production lines are subject to commercial pledges, as collateral in the first degree against bank borrowings.

Projects under construction are as follows:

	<u>Balance at 1 January 2018</u>	<u>Additions during the year</u>	<u>Disposal</u>	<u>Transfer to fixed assets</u>	<u>Balance at 30 September 2018</u>
Others	3,926,972	885,639	(976,824)	(673,313)	3,162,474
	<u>3,926,972</u>	<u>885,639</u>	<u>(976,824)</u>	<u>(673,313)</u>	<u>3,162,474</u>

#### 5. Assets classified as held-for-sale

	<u>30 September 2018</u>	<u>31 December 2017</u>
Investment in subsidiary	64,870,663	64,870,663
	<u>64,870,663</u>	<u>64,870,663</u>

In October 2017, the Company's management decided to dispose 74% of its investment in "Medco Plast for Packing and Packaging System S.A.E." which represent a controlling interest. On 18 July 2018, the Company's Board of directors approved the selling of 74% of its investment in "Medco Plast for Packing and Packaging System S.A.E." to an investor. The deal should be finalized after obtaining all the required approvals.

Investment in subsidiary classified as held for sale during the year was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the investment in subsidiary was determined using the discounted cash flows projection approach, this is a level 3 measurement as per the fair value hierarchy.

**MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)**

**Notes to the separate interim condensed financial statements  
For the nine months period ended 30 September 2018**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

**6. Bank borrowings**

	Original loan facility	30 September 2018			31 December 2017		
		Current portion	Medium-term portion	Total bank borrowing	Current portion	Medium -term portion	Total bank borrowing
Loan 1	108,500,000	13,000,000	23,166,670	36,166,670	7,000,000	29,166,670	36,166,670
Loan 2	39,038,580	3,000,000	6,771,356	9,771,356	2,000,000	7,771,356	9,771,356
Loan 3	64,000,000	9,000,000	16,600,000	25,600,000	6,000,000	19,600,000	25,600,000
Loan 4	172,547,345	35,000,000	126,000,345	161,000,345	25,000,000	136,000,345	161,000,345
Loan 5	13,650,000	11,648,000	-	11,648,000	5,955,600	5,955,600	11,911,200
		<b>71,648,000</b>	<b>172,538,371</b>	<b>244,186,371</b>	<b>45,955,600</b>	<b>198,493,971</b>	<b>244,449,571</b>

All loans are secured against the following guarantees and pledges:

- (1) First degree commercial pledge against all machineries, equipment and production lines.
- (2) First degree pledge of the Company's shares in "Medco Plast for Packing and Packaging System".
- (3) First degree pledge of the Company's shares in "Middle East Glass Containers Sadat S.A.E (previously Wadi Glass Containers S.A.E)".

Bank facilities extended to group companies are subject to security arrangements as follows:

- Portion of the contracts signed with the customers.
- Restrictions over selling the Company's shares in its subsidiaries.
- Commercial pledges over equipment and machinery.
- Non-cancellable personal guarantee issued by the minority shareholder of a subsidiary.
- Insurance on assets acquired in favor of the banks.
- Cross corporate guarantee.

The average interest rate on loans is 2.75% over Central Bank of Egypt corridor rate for loans in Egyptian Pounds and 4.75% over Euribor for loans in Euro.

**MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)**

**Notes to the separate interim condensed financial statements  
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**7. Earning / (loss) per share**

Basic profit / (loss) per share is calculated by dividing net loss weighted average by the number of ordinary issued share, without any consideration for employees future dividends related to the period ended 30 September 2018, based on the proposal of the dividends distribution made by the Board of Directors.

Loss per share were set out as below:

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net profit / (loss) available for distribution	2,187,547	(19,764,689)	6,548,374	(4,939,606)
Number of ordinary and issued shares	50322580	50322580	50322580	50322580
<b>Earning / (Loss) per share</b>	<b>0.04</b>	<b>(0.39)</b>	<b>0.13</b>	<b>(0.10)</b>

The diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As of 30 September 2018 and 31 December 2017, the company does not have dilutive potential shares and therefore, diluted earning (loss) per share equal to basic loss per share.

**8. Financial instruments by category**

	<b>Loans &amp; receivables</b>	
	<b>30 September 2018</b>	<b>31 December 2017</b>
<b>Assets as per statement of financial position</b>		
Trade and other receivables*	129,256,133	60,545,654
Cash and cash equivalents	37,380,733	18,926,848
Due from related parties	678,139,013	685,263,774
<b>Financial liabilities</b>		
<b>Liabilities as per statement of financial position</b>		
Borrowings	244,186,371	244,449,571
Trade and other payables**	182,248,032	184,546,692
Bank overdraft	105,427,298	125,523,436
Due to related parties	137,462,590	36,472,610

\* Trade and other receivables excludes prepaid expenses and advances to suppliers.

\*\* Trade and other payables excludes advances from customers and social insurance.

## MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

### Notes to the separate interim condensed financial statements For the nine months period ended 30 September 2018

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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#### 9. Share split

On 14 September 2017, the Extraordinary General Assembly Meeting approved a ten-for-one share split of its ordinary share, accordingly the shares par value has become 1 EGP instead of EGP 10 per share before split and the number of issued shares became 5032258 instead of 5032258. The share split has been approved in the commercial register on 31 January 2018. Earning per share information have been retrospectively adjusted to reflect new number of shares and par value.

#### 10. Non-cash transactions

For cash flows statement preparation purposes, the Company posted non-cash transaction which is not presented in the statement of cash flows as follows:

	<b>30 September 2018</b>
Unsettled finance cost	47,404,336
Dividends distribution approved by the General Assembly Meeting deducted from the advances paid to employees	3,000,509
Sale of intangible assets to related parties	1,484,482

#### 11. Segment reporting

The Company did not prepare the segment reporting disclosure, all the Company's activities are represented in the sale of glass products. And this is in accordance with the presentation to the Board of Directors.