

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

**LIMITED REVIEW REPORT AND SEPARATE INTERIM  
CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2018**

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

**Separate interim condensed financial statements  
For the three months period ended 31 March 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 interim condensed statement of financial position of Middle East Glass Manufacturing Company (S.A.E.) as of 31 March 2018 and the related separate condensed statements of profits or losses, comprehensive income, changes in equity and cash flows for the three 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 separate interim 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 May 2018  
Cairo

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

Separate interim condensed statement of financial position - At 31 March 2018

(All amounts in Egyptian Pounds)

	Note	2018	2017
<b><u>Non-current assets</u></b>			
Property, plant and equipment	4	113,502,298	120,094,846
Intangible assets		5,380,337	5,606,253
Investment in subsidiaries		198,907,815	198,907,815
Deferred tax assets		4,362,514	139,856
<b>Total non-current assets</b>		<b>322,152,964</b>	<b>324,748,770</b>
<b><u>Current assets</u></b>			
Inventories		145,333,000	146,328,798
Trade receivables		53,304,155	34,214,629
Prepaid expenses and other receivables		59,973,470	47,412,079
Due from tax authority		20,342,740	12,379,879
Due from related parties		704,629,472	685,263,774
Cash at banks and on hand		29,015,571	18,926,848
Assets classified as held-for-sale	5	64,870,663	64,870,663
<b>Total current assets</b>		<b>1,077,469,071</b>	<b>1,009,396,670</b>
<b>Total assets</b>		<b>1,399,622,035</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		11,810,732	10,602,100
<b>Total owners' equity</b>		<b>705,465,743</b>	<b>704,257,111</b>
<b><u>Non-current liabilities</u></b>			
Term loans	6	187,538,371	198,493,971
Retirement benefits obligations		7,450,440	7,017,888
<b>Total non-current liabilities</b>		<b>194,988,811</b>	<b>205,511,859</b>
<b><u>Current liabilities</u></b>			
Provisions		15,866,629	16,108,451
Current portion of term loans	6	57,168,800	45,955,600
Bank overdrafts		125,767,026	125,523,436
Trade and notes payables		98,482,671	132,967,951
Accrued expenses and other payables		60,273,007	52,116,702
Due to related parties		112,223,348	36,472,610
Due to tax authority		29,386,000	15,231,720
<b>Total current liabilities</b>		<b>499,167,481</b>	<b>424,376,470</b>
<b>Total owner's equity and liabilities</b>		<b>1,399,622,035</b>	<b>1,334,145,440</b>

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

Limited review report attached



Mr. Mohamed Khalifa  
Chief Financial Officer



Mr. Peter Carpenter  
Board Member



Mr. Abdul Galil Beshar  
Chairman

13 May 2018

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

**Separate interim condensed statement of profit or loss - For the three months ended 31 March 2018**

(All amounts in Egyptian Pounds)

	Notes	Three months ended 31 March	
		2018	2017
Sales		146,479,006	124,589,494
Cost of sales		<u>(114,903,707)</u>	<u>(91,643,378)</u>
<b>Gross profit</b>		<b>31,575,299</b>	<b>32,946,116</b>
Selling and marketing expenses		(7,462,070)	(6,975,739)
General and administrative expenses		(7,566,684)	(7,568,237)
Other operating expense		-	(14,622)
Other operating income		<u>1,503,832</u>	<u>1,854,699</u>
<b>Profit from operations</b>		<b>18,050,377</b>	<b>20,242,217</b>
Finance costs - net		<u>(21,064,403)</u>	<u>(27,243,622)</u>
<b>Net loss for the period before tax</b>		<b>(3,014,026)</b>	<b>(7,001,405)</b>
Income tax		<u>4,222,658</u>	<u>432,658</u>
<b>Net profit / (loss) for the period</b>		<b><u>1,208,632</u></b>	<b><u>(6,568,747)</u></b>
<b>Profit / (loss) per share (basic / diluted)</b>	7	<b><u>0.02</u></b>	<b><u>(0.13)</u></b>

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

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

**Separate interim condensed statement of comprehensive income - For the three months ended 31 March**

**(All amounts in Egyptian Pounds)**

	<b>Three months ended 31 March</b>	
	<b>2018</b>	<b>2017</b>
Net profit / (loss) for the period	<u>1,208,632</u>	<u>(6,568,747)</u>
<b>Total comprehensive income</b>	<b><u>1,208,632</u></b>	<b><u>(6,568,747)</u></b>

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

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

**Separate interim condensed statement of changes in owners' equity - For the three months ended 31 March 2018**

(All amounts in Egyptian Pounds)

	Issued and paid up capital	Payment under increase in capital	Special reserve	Other reserve	Legal reserve	Retained earnings	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
Total comprehensive loss for the period	-	-	-	-	-	(6,568,747)	(6,568,747)
<b>Balance at 31 March 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>15,264,034</b>	<b>276,094,043</b>
<b>Balance at 1 January 2018</b>	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	10,602,100	704,257,111
Total comprehensive loss for the period	-	-	-	-	-	1,208,632	1,208,632
<b>Balance at 31 March 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>11,810,732</b>	<b>705,465,743</b>

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

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

Separate interim condensed statement of cash flows - For the three months ended 31 March 2018

(All amounts in Egyptian Pounds)

	Notes	31 March 2018	31 March 2017
<b><u>Cash flows from operating activities</u></b>			
Net loss for the period before tax		(3,014,026)	(7,001,405)
<b><u>Adjusted by:</u></b>			
Depreciation	4	8,899,311	10,558,516
Amortization		225,916	154,337
Loss on sale of property, plant and equipment		-	14,622
Retirement benefits obligation		432,552	250,000
Interest expense		20,661,363	18,370,089
Interest income		-	(614)
Unrealized foreign exchange losses		257,600	220,000
<b>Cash flow from operating activities before changes in working capital</b>		<b>27,462,716</b>	<b>22,565,545</b>
<b><u>Changes in working capital</u></b>			
Inventories		995,798	10,271,102
Trade and notes receivables		(19,089,526)	(38,512,128)
Prepaid expenses and other receivables		(12,561,391)	(3,927,665)
Due from tax authority		(7,962,861)	(2,307,010)
Due from related parties		(19,365,698)	(7,830,285)
Trade and notes payables		(34,485,280)	37,745,767
Accrued expenses and other payables		(909,620)	1,695,210
Due to tax authority		14,154,280	5,503,888
Due to related parties		75,750,738	(2,858,349)
Provisions used		(241,822)	(640,573)
Payment of retirement benefits obligations		-	(770,902)
<b>Cash flow generated from operations</b>		<b>23,747,334</b>	<b>20,934,600</b>
Interest paid		(11,595,438)	(11,901,867)
<b>Net cash inflow from operating activities</b>		<b>12,151,896</b>	<b>9,032,733</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of property, plant and equipment	4	(2,306,763)	(7,844,158)
Proceeds from sale of fixed assets		-	2,212
Interest income received		-	614
<b>Net cash outflow from investing activities</b>		<b>(2,306,763)</b>	<b>(7,841,332)</b>
<b><u>Cash flows from financing activities</u></b>			
Bank overdrafts		243,590	(3,148,172)
Repayment of loans		-	(2,694,206)
<b>Net cash flows (outflow) / inflow financing activities</b>		<b>243,590</b>	<b>(5,842,378)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>10,088,723</b>	<b>(4,650,977)</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>29,015,571</b>	<b>17,430,765</b>

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



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

### **Notes to the separate interim condensed financial statements For the three months period ended 31 March 2018**

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

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#### **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.

The parent of the company is MAC Investments S.A.E. with 51.43% ownership.

These separate financial statements have been approved for issuance by the Chairman of the Company on 13 May 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 2012 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 31 March 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 supervisory authority (EFSA).

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

### Notes to the separate interim condensed financial statements For the three months period ended 31 March 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: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Bank balances and cash, trade receivables, other financial assets, due from related parties, trade and other payables and due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Fair value of bank borrowings and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities and since such liabilities is variable interest bearing, so management was in view the fair value approximate its carrying value.

Fair value was determined using level 2 input within the fair value hierarchy.

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

**Notes to the separate interim condensed financial statements  
For the three months period ended 31 March 2018**

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

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**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 according to the accounting policy (2-Q). Note (23) shows the main assumptions used to determine the employee benefit liabilities.

**(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 three months period ended 31 March 2018**

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

**4. Property, plant and equipment**

<b>31 March 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	-	-	1,567,021	-	-	86,351	653,391	2,306,763
<b>Balance at the end of the period</b>	<b>9,968,571</b>	<b>46,969,222</b>	<b>419,866,044</b>	<b>3,867,413</b>	<b>1,654,354</b>	<b>6,453,295</b>	<b>4,580,363</b>	<b>493,359,262</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	-	(405,083)	(8,205,633)	(135,738)	(29,383)	(123,474)	-	(8,899,311)
<b>Balance at the end of the period</b>	<b>-</b>	<b>(29,486,995)</b>	<b>(341,298,916)</b>	<b>(2,692,744)</b>	<b>(1,232,480)</b>	<b>(5,145,829)</b>	<b>-</b>	<b>(379,856,964)</b>
<b>Net book value at the end of the period</b>	<b>9,968,571</b>	<b>17,482,227</b>	<b>78,567,128</b>	<b>1,174,669</b>	<b>421,874</b>	<b>1,307,466</b>	<b>4,580,363</b>	<b>113,502,298</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 financial statements - For the year ended 31 December 2017

(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>31 March 2018</u>	<u>31 December 2017</u>
Cost of production	8,299,195	35,573,125
General and administrative expenses	473,843	1,620,123
Selling and marketing expenses	126,273	496,477
	<u><b>8,899,311</b></u>	<u><b>37,689,725</b></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 31 March 2018</u>	<u>Additions during the year</u>	<u>Transfer to fixed assets</u>	<u>Balance at 31 March 2018</u>
Others	3,926,972	653,391	-	<u>4,580,363</u>
	<u><b>3,926,972</b></u>	<u><b>653,391</b></u>	<u><b>-</b></u>	<u><b>4,580,363</b></u>

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

	<u>31 March 2018</u>	<u>31 December 2017</u>
Investment in subsidiary	64,870,663	64,870,663
	<u><b>64,870,663</b></u>	<u><b>64,870,663</b></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. There are interested parties and the sale is expected to be completed before the end of the first half of 2018.

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 financial statements - For the year ended 31 December 2017

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

#### 6. Bank borrowings

	31 March 2018			31 December 2017			
	Loan principal	Current portion	Medium-term portion	Total	Current portion	Medium-term portion	Total
Loan 1	108,500,000	10,000,000	26,166,670	36,166,670	7,000,000	29,166,670	36,166,670
Loan 2	39,038,580	2,500,000	7,271,356	9,771,356	2,000,000	7,771,356	9,771,356
Loan 3	64,000,000	7,500,000	18,100,000	25,600,000	6,000,000	19,600,000	25,600,000
Loan 4	172,547,345	25,000,000	136,000,345	161,000,345	25,000,000	136,000,345	161,000,345
Loan 5	13,650,000	12,168,800	-	12,168,800	5,955,600	5,955,600	11,911,200
		<b>57,168,800</b>	<b>187,538,371</b>	<b>244,707,171</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:

- Contracts with certain customers.
- Restrictions over transfers of subsidiaries' shares owned by the Company.
- Commercial pledges of plant and machinery.
- Personal guarantee issued by the minority shareholder of a subsidiary.
- Assignment of insurances.

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 Eurobor for loans in Euro.

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

**Notes to the separate interim condensed financial statements  
For the three months period ended 31 March 2018**

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

**Bank borrowings (continued)**

As at 31 March 2018, the contractual maturities of the Company's financial liabilities were as follows

	<b>Less than 6 month</b>	<b>Between 6 month &amp; 1 year</b>	<b>Between 1 &amp; 2 years</b>	<b>More than 2 years</b>
<b>31 March 2018</b>				
Trade and notes payable	98,482,671	-	-	-
Accrued expenses and other credit balances	60,139,845	-	-	-
Due to related parties	-	112,223,348	-	-
Bank overdraft	125,767,026	-	-	-
Term loans	58,975,738	37,625,561	65,749,436	216,447,718
<b>Total</b>	<b>343,365,280</b>	<b>149,848,909</b>	<b>65,749,436</b>	<b>216,447,718</b>

	<b>Less than 6 month</b>	<b>Between 6 month &amp; 1 year</b>	<b>Between 1 &amp; 2 years</b>	<b>More than 2 years</b>
<b>31 March 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	64,160,033	57,544,761	70,575,695	239,905,222
<b>Total</b>	<b>374,230,161</b>	<b>94,017,371</b>	<b>70,575,695</b>	<b>239,905,222</b>

**7. Profit / (loss) per share**

Basic profit / (loss) per share is calculated by dividing net profit / (loss) weighted average by the number of ordinary issued share, without any consideration for employees or board of directors future dividends related to the year ended 31 March 2018. Since no General Assembly dividends decision or proposed dividends distribution by the Board of directors.

Profit / (loss) per share were set out as below:

	<b>31 March 2018</b>	<b>31 March 2017</b>
Net loss for the period	1,208,632	(6,568,747)
Number of ordinary and issued shares	50322580	50322580
<b>Profit / (loss) per share</b>	<b>0.02</b>	<b>(0,13)</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 31 March 2018 and 31 December 2017, the company does not have dilutive potential shares and therefore, diluted loss per share equal to basic loss per share.

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

### Notes to the separate interim condensed financial statements For the three months period ended 31 March 2018

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

#### 8. Financial instruments by category

	Loans & receivables	
	31 March 2018	31 December 2017
<b>Assets as per statement of financial position</b>		
Trade and other receivables*	80,769,145	60,545,654
Cash and cash equivalents	29,015,571	18,926,848
Due from related parties	704,629,472	685,263,774
	Financial liabilities	
	31 March 2018	31 December 2017
<b>Liabilities as per statement of financial position</b>		
Borrowings	244,707,171	244,449,571
Trade and other payables**	158,622,516	184,546,692
Bank overdraft	125,767,026	125,523,436
Due to related parties	112,223,348	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.

#### 9. 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:

	31 March 2018
Unsettled finance cost	9,065,925

#### 10. 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.