

**MIDDLE EAST GLASS MANUFACTURING COMPANY
AND ITS SUBSIDIARIES**

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

Interim condensed consolidated financial statements For the Six-month period ended 30 June 2024

Limited review report	1
Financial statements	
Interim condensed Consolidated statement of financial position	2
Interim condensed Consolidated statement of profits or loss	3
Interim condensed Consolidated statement of comprehensive income	4
Interim condensed Consolidated statement of changes in equity	5
Interim condensed Consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 15



Limited review report on the interim condensed consolidated financial statements

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

Introduction

We have conducted a limited review for the accompanying interim condensed consolidated statement of financial position of Middle East Glass Manufacturing Company (S.A.E.) (the "Company") and its subsidiaries (together the "Group") as of 30 June 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Egyptian Accounting Standard 30 "Interim financial statements", and our responsibility is limited to expressing a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of limited review

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited 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 interim condensed consolidated financial statements.

Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim financial statements".


Tamer Abdel Tawab
Fellow of Egyptian Society of Accountants & Auditors
Member of American Institute of Certified Public Accountants
R.A.A 17996
F.R.A 388

6 August 2024
Cairo



MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024

(All amounts in Egyptian Pounds)	Note	30 June 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	2,213,109,660	2,143,848,883
Prepayments of property, plant and equipment		104,355,662	27,933,084
Intangible assets		282,726,435	271,228,653
Deferred tax assets		320,035,538	122,537,597
Total non-current assets		2,920,227,295	2,565,548,217
Current assets			
Inventories		691,830,878	612,493,009
Trade and other receivables	6	2,017,014,684	1,314,497,519
Cash and cash equivalents		964,194,350	1,027,609,887
Total current assets		3,673,039,912	2,954,600,415
Total assets		6,593,267,207	5,520,148,632
Equity			
Issued and paid-up capital		62,627,993	62,627,993
Reserves		674,052,337	674,052,337
Retained earnings		719,124,462	702,367,420
Total equity		1,455,804,792	1,439,047,750
Liabilities			
Non-current liabilities			
Bank borrowings – non current portion	8/b	2,001,250,109	1,544,500,073
Retirement benefits obligations		11,251,064	11,761,153
Deferred tax liabilities		8,335,010	8,703,246
Total non-current liabilities		2,020,836,183	1,564,964,472
Current liabilities			
Provisions		88,651,273	90,349,002
Trade and other payables	7	1,237,410,684	1,072,454,961
Income tax liability		303,841,999	207,330,118
Bank Borrowings – current portion	8/a	1,414,041,334	1,083,883,479
Interest payable		72,680,942	62,118,850
Total current liabilities		3,116,626,232	2,516,136,410
Total liabilities		5,137,462,415	4,081,100,882
Total equity and liabilities		6,593,267,207	5,520,148,632

- The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.
- Limited review report attached.

 Mohamed Khalifa Chief Financial Officer	 Peter Carpenter Director	 Abdul Galil Beshar Chairman
---	--	---

Cairo on August 06, 2024

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(All amounts in Egyptian Pounds)		Six-month ended 30 June		Three-month ended 30 June	
		Note	2024	2023	2024
Revenue from contracts with customers		2,606,672,916	1,974,051,715	1,418,956,970	1,079,492,555
Cost of sales		(1,349,472,340)	(1,103,176,937)	(722,647,411)	(615,201,441)
Gross profit		1,257,200,576	870,874,778	696,309,559	464,291,114
Selling and marketing expenses		(68,853,307)	(50,986,993)	(40,576,607)	(26,541,580)
General and administrative expenses		(125,426,076)	(81,541,834)	(70,415,210)	(43,194,813)
Other operating income	4/a	408,183,447	235,617,315	83,478,465	85,117,425
Other operating expenses	4/b	(32,916,449)	(42,972,916)	(18,579,279)	(19,360,141)
Operating profit		1,438,188,191	930,990,350	650,216,928	460,312,005
Finance costs		(236,894,535)	(179,766,294)	(136,046,129)	(97,448,569)
Foreign currency translation loss		(346,330,490)	(513,364,154)	(45,190,378)	-
Finance income		43,475,129	23,426,486	17,445,779	10,081,720
Net finance costs		(539,749,896)	(669,703,962)	(163,790,728)	(87,366,849)
Profit before income tax		898,438,295	261,286,388	486,426,200	372,945,156
Income tax expense	4/c	(220,501,662)	(63,207,733)	(120,244,692)	(96,115,669)
Profit for the period		677,936,633	198,078,655	366,181,508	276,829,487
Basic and diluted earnings per share attributable to:-					
Equity holders of parent company		10.21	2.64	5.78	4.95

- The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(All amounts in Egyptian Pounds)	Six month ended 30 June		Three month ended 30 June	
	2024	2023	2024	2023
Profit for the period	677,936,633	198,078,655	366,181,508	276,829,487
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	677,936,633	198,078,655	366,181,508	276,829,487
Total comprehensive income for the period is attributable to:				
Equity holder of parent company	677,936,633	198,078,655	366,181,508	276,829,487
	677,936,633	198,078,655	366,181,508	276,829,487

- The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

(All amounts in Egyptian Pounds)	Issued and paid-up capital	Reserves			Retained earnings	Total
		Legal reserve	Share premium reserve	Other reserves		
1 January 2023	62,627,993	31,313,996	629,609,334	13,129,007	142,822,822	879,503,152
Total other comprehensive income for the period	-	-	-	-	198,078,655	198,078,655
Profit share distribution to employees	-	-	-	-	(18,661,976)	(18,661,976)
Balance at 30 June 2023	62,627,993	31,313,996	629,609,334	13,129,007	322,239,501	1,058,919,831
Balance at 1 January 2024 (Before adjustment)	62,627,993	31,313,996	629,609,334	13,129,007	702,367,420	1,439,047,750
Effect of applying EAS 13 (Note 2.3 - C)					(615,958,905)	(615,958,905)
Balance at 1 January 2024 (After adjustment)	62,627,993	31,313,996	629,609,334	13,129,007	86,408,515	823,088,845
Total other comprehensive income for the period	-	-	-	-	677,936,633	677,936,633
Profit share distribution to employees	-	-	-	-	(45,220,686)	(45,220,686)
Balance at 30 June 2024	62,627,993	31,313,996	629,609,334	13,129,007	719,124,462	1,455,804,792

- The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(All amounts in Egyptian Pounds)

	Note	30 June 2024	30 June 2023
Cash flows from operating activities			
Profit for the period before tax		898,438,295	261,286,388
Adjusted by:			
Interest expenses		225,227,061	169,791,153
Depreciation and amortization		131,860,614	103,097,423
Loss / (Gain) on sale of property, plant and equipment	4/b	8,767	(1,353,300)
Finance income		(43,475,129)	(23,426,486)
Provisions formed		-	21,172,240
Provisions no longer required	4/a	(148,221)	(933,128)
Retirement benefit obligations provision		1,800,000	3,210,000
Foreign currency translation loss		346,330,490	513,364,154
Operating profit before changes in working capital		1,560,041,877	1,046,208,444
Change in working capital			
Inventories		(79,337,869)	(9,404,090)
Trade and other receivables		(786,754,266)	(542,307,100)
Trade and other payables		159,176,987	45,744,420
Provisions used		(1,697,729)	(4,273,700)
Cash flows generated from operations		851,429,000	535,967,974
Payment of employees' retirement benefits		(2,310,089)	(1,148,394)
Interest paid		(214,591,476)	(159,023,780)
Income tax paid		(103,358,772)	(36,194,602)
Net cash flows generated from operating activities		531,168,663	339,601,198
Cash flows from investing activities			
Purchase of property, plant and equipment		(178,421,278)	(451,522,799)
Advance payment for Property, plant and equipment suppliers		(96,650,839)	28,512,248
Payments for purchase of intangible assets		(13,978,401)	-
Proceeds from sale of Property, plant and equipment		-	7,887,691
Payments for purchase of financial assets at amortized cost		(144,153,240)	(224,599,234)
Proceeds from matured financial assets at amortized cost		365,055,850	248,063,036
Finance income received		49,417,706	34,855,292
Cash flows used in investing activities		(18,730,202)	(356,803,766)
Cash flows from financing activities			
Short-term credit facilities - net movement	8/a	44,491,189	203,855,096
Repayments of bank borrowings		(393,500,000)	(257,654,514)
Net cash used in financing activities		(349,008,811)	(53,799,418)
Net increase / (decrease) in cash and cash equivalents		163,429,650	(71,001,986)
Cash and cash equivalents at beginning of the period		800,764,700	598,950,218
Cash and cash equivalents at end of the period		964,194,350	527,948,232

- The accompanying notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

1. General information

Middle East Glass Manufacturing Company was established in 1979 as an Egyptian joint stock Group 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, 6 Mokhayam El-Daem Street 6thDistrict, Industrial Zone, Cairo – Arab Republic of Egypt.

The Company is listed on the Egyptian Stock Exchange (EGX).

The Company and its subsidiaries together comprise "the Group".

The Group's main activity is manufacturing all kinds of glass containers and the acquisition of other entities that operate in the same field.

The ultimate parent of the Group is MENA Glass Holdings Limited with 52.90% ownership. The Group is ultimately controlled by Mr. Abdul Galil Beshier.

These consolidated financial statements were approved for issuance by the Board of Directors of the Company on 6 August 2024.

Percentage of ownership in subsidiaries

The group consists of the companies below as of 30 June 2024 unless otherwise was noted, and the percentage of the Group's share of the companies is direct ownership of the ordinary shares of the paid-up capital only.

<u>Subsidiaries</u>	<u>Location</u>	<u>Functional currency</u>	<u>Ownership interest held by the group 2024</u>	<u>Ownership interest held by the group 2023</u>	<u>Activity</u>
Middle East Glass Containers Sadat	Egypt	Egyptian Pound	99.99992%	99.99992%	Manufacturing Glass Containers
MEG Misr for Glass MEG (S.A.E.)	Egypt	Egyptian Pound	99.99993%	99.99993%	Sale and distribution of glass
Misr for Glass Manufacturing S.A.E.	Egypt	Egyptian Pound	Owned 99.9997% by MEG Misr for Glass MEG (S.A.E)	Owned 99.9997% by MEG Misr for Glass MEG (S.A.E)	Manufacturing all kinds of Glass Containers and the acquisition of other entities that operate in the same field

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim condensed consolidated financial statements summarized below. They were applied consistently over the presented financial periods unless otherwise stated:

2.1 Basis of preparation of the interim condensed consolidated financial statements

This interim condensed consolidated financial statements for the Six-months reporting period ended 30 June 2024 has been prepared in accordance with Egyptian Accounting Standard (30) "Interim Financial Statements".

This interim condensed consolidated financial statement does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim condensed consolidated financial statement is to be read in conjunction with the annual financial statement for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period.

2.2 New releases and amendments to the Egyptian Accounting Standards

The Minister of Investment issued Decision No. 636 for year 2024 on 3 March 2024, amending some provisions of Egyptian accounting standards, which are summarized as follows:

- A) Egyptian Accounting Standard No. (13) "Effect of change in the currency exchange rate"
- B) Egyptian Accounting Standard No. (17) "Separate financial statements "
- C) Egyptian Accounting Standard No. (34) "Investment in property"

The Group determined that these amendments do not have a material impact on the Group's financial statements except for effect of applying EAS (13) as illustrated below.

2.3 Effect of applying Egyptian Accounting Standard No. (13)

On March 3, 2024, the prime minister has issued decree No. 636, amending the Egyptian Accounting Standard No.13 (EAS 13) "the effect of changes in foreign currency exchange rates", paragraph 57A, effective from 1 January 2024.

The Group has applied the amendment in paragraph EAS13.57A and made an assessment to determine whether there is lack of exchangeability of foreign currencies against the Egyptian Pound. Below is summary of the outcome of that assessment.

A) Lack of Exchangeability assessment

The Group assessed that there is no lack of exchangeability for assets denominated in foreign currencies as at 1 January 2024, the date of application of EAS 13 revised. This assessment was made on the premise that assets denominated in foreign currencies may be exchanged at the bank at any point of time without any difficulty.

The Group management is confident that their forecasted cash flows will prevent a negative foreign currency position. The management believe that the Group's assets will sufficiently cover liabilities in foreign currency from exporting operations and the foreign currency generated from these activities. Furthermore, the Group has not experienced any default incidents related to foreign currency liabilities in the past when they came due.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

2. Summary of significant accounting policies (continued)

A) Lack of Exchangeability assessment (continued)

The Group also assessed that the lack of exchangeability for liabilities denominated in foreign currencies, and believes that the Group's expected future cash inflows in foreign currency would be sufficient to settle the Group's liabilities denominated in foreign currencies, however as at 1 January 2024, total liabilities denominated in foreign currencies exceeded the available monetary assets in foreign currencies, and according to the revised standard EAS 13 "Effects of changes in foreign exchange rates" these assets and liabilities have been revaluated at 1 January 2024 using the first rate that was available to the Group (USD 1=EGP 47.22) to source foreign currency subsequent to the application date of the revised standard during March 2024, as summarized below.

B) Currency Position

Below is summary of monetary assets and liabilities denominated in USD, GBP and EUR outstanding from 1 January 2024 till 31 March 2024:

Statement of financial positions line item	Outstanding	Outstanding	Outstanding
	balances from 1 January 2024	balances from 1 January 2024	balances from 1 January 2024
	USD	GBP	EUR
Total assets in foreign currency			
Cash and cash equivalents	19,532,000	-	-
Account receivables	703,471	-	-
Total	20,235,471	-	-
Total liabilities in foreign currency			
Loans	(66,666,669)	-	-
Trade payables	(1,920,683)	(20,809)	(283,193)
Total	(68,587,352)	(20,809)	(283,193)
Net liabilities position			
Loans	(48,351,881)	-	-
Trade payables	-	(20,809)	(283,193)
Total	(48,351,881)	(20,809)	(283,193)

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

2. Summary of significant accounting policies (continued)

C) Monetary effect of applying EAS 13 Revised

The following table represent the effect of EAS 13 revised on opening retained earnings:

Description	Foreign currency	Balance in foreign currency	Difference of using the estimated exchange rate on profit / (loss) EGP	Deferred income tax on profit / (loss) EGP	Net Effect on R.E Increase / (decrease) EGP
	USD	(48,351,881)	(789,586,211)	177,656,898	(611,929,313)
	GBP	(20,809)	(422,009)	94,952	(327,057)
Net liabilities	EUR	(283,193)	(4,777,464)	1,074,929	(3,702,535)
Net			(794,785,684)	178,826,779	(615,958,905)

3. Segment information

The Group's activities are organised into one segment which is wholly related to the manufacturing and sale of glass containers. This is in accordance with the presentations to the Board of Directors. Therefore, entity wide information required under EAS 41 "operating segments" are already included in the financial statements. No other information required to be disclosed.

4. Profit or loss information

a) Other operating income

	Six-month period ended		Three-month period ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Accrued export incentives	108,350,865	117,935,446	47,811,102	60,507,719
Scrap sales	20,404,732	10,290,982	6,283,552	5,595,043
Gain on sale of fixed assets	-	1,353,300	-	1,353,300
Provision no longer required	148,221	933,128	-	639,564
Tax differences	357,018	-	357,018	-
Foreign currency translation gain from operations	264,357,013	98,531,650	18,926,625	12,577,431
Other income	14,565,598	6,572,809	10,100,168	4,444,368
	408,183,447	235,617,315	83,478,465	85,117,425

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

4. Profit or loss information (continued)

b) Other operating expense

	Six-month period ended		Three-month period ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Consultancy Fees	3,160,888	1,807,112	1,801,729	1,274,425
Social health contribution	9,680,365	7,434,851	5,559,021	3,955,736
Non-recurring production losses	7,039,102	9,640,028	3,135,340	5,068,851
Provision formed	-	21,172,240	81,010	15,498,641
ECL provision	-	-	-	-
Tax Differences	-	1,110,993	-	(3,877,632)
Loss on sale of fixed assets	8,767	-	-	(1,865,762)
Government labor office expense	3,756,424	-	1,983,707	-
Other expenses	9,270,903	1,807,692	6,018,472	(694,118)
	32,916,449	42,972,916	18,579,279	19,360,141

c) Income tax

	Six-month period ended		Three-month period ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Income tax expense	(239,541,060)	(159,551,621)	(58,878,676)	(54,503,577)
Deferred income tax	19,039,398	96,343,888	(61,366,016)	(41,612,092)
	(220,501,662)	(63,207,733)	(120,244,692)	(96,115,669)

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

5. Property, plant and equipment	Land	Buildings	Machinery, equipment & moulds	Vehicles and transportation	Furniture & office equipment	Computers & software	Projects under construction	Total
31 December 2023								
Cost								
Balance at beginning of the year	349,050,385	265,755,259	2,255,856,765	33,206,450	15,601,467	17,330,992	284,876,428	3,221,677,746
Additions	73,594,437	21,090,186	498,369,473	12,638,499	8,128,593	3,380,308	17,393,967	634,595,463
Disposals	-	-	(146,272,721)	-	(3,100)	-	-	(146,275,821)
Transferred from projects under construction	-	1,709,667	225,075,348	-	-	-	(226,785,015)	-
Balance at the end of the year	422,644,822	288,555,112	2,833,028,865	45,844,949	23,726,960	20,711,300	75,485,380	3,709,997,388
Accumulated depreciation								
Balance at beginning of the year	-	(119,218,505)	(1,306,518,839)	(23,044,859)	(12,601,642)	(12,063,762)	-	(1,473,447,607)
Depreciation expense	-	(11,866,459)	(208,350,799)	(4,506,024)	(2,028,444)	(2,761,661)	-	(229,513,387)
Disposals Depreciation	-	-	136,811,583	-	906	-	-	136,812,489
Balance at the end of the year	-	(131,084,964)	(1,378,058,055)	(27,550,883)	(14,629,180)	(14,825,423)	-	(1,566,148,505)
Net book value at the end of the year	422,644,822	157,470,148	1,454,970,810	18,294,066	9,097,780	5,885,877	75,485,380	2,143,848,883
30 June 2024								
Cost								
Balance at beginning of the period	422,644,822	288,555,112	2,833,028,865	45,844,949	23,726,960	20,711,300	75,485,380	3,709,997,388
Additions	-	6,054,412	161,042,861	3,311,544	2,076,553	1,227,387	24,936,782	198,649,539
Disposals	-	-	-	-	(21,989)	(16,170)	-	(38,159)
Transferred from projects under construction	-	4,473,511	10,492,478	-	593,974	623,918	(16,183,881)	-
Balance at the end of the period	422,644,822	299,083,035	3,004,564,204	49,156,493	26,375,498	22,546,435	84,238,281	3,908,608,768
Accumulated depreciation								
Balance at beginning of the period	-	(131,084,964)	(1,378,058,055)	(27,550,883)	(14,629,180)	(14,825,423)	-	(1,566,148,505)
Depreciation expense	-	(6,398,708)	(117,110,646)	(2,986,799)	(1,594,081)	(1,289,761)	-	(129,379,995)
Disposals Depreciation	-	-	-	-	21,644	7,748	-	29,392
Balance at the end of the period	-	(137,483,672)	(1,495,168,701)	(30,537,682)	(16,201,617)	(16,107,436)	-	(1,695,499,108)
Net book value at the end of the period	422,644,822	161,599,363	1,509,395,503	18,618,811	10,173,881	6,438,999	84,238,281	2,213,109,660

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

5. Property, plant and equipment (continued)

The balance of project under construction as of 30 June 2024 is represented as follows:

	30 June 2024	31 December 2023
Batch house	43,890,988	43,890,989
Machinery	27,508,267	22,391,806
Building	3,957,447	1,572,799
New Project-10th Ramadan Land	7,799,104	3,619,784
New mezzanine extension	-	3,947,556
Others	1,082,475	62,446
	84,238,281	75,485,380

6. Trade and other receivables

	30 June 2024	31 December 2023
Trade receivables - net	1,092,538,867	562,852,018
Contract assets	383,827,651	230,189,920
Export Incentive	204,481,040	233,030,941
Due from tax authority	157,717,469	147,593,351
Debtors and other receivable	168,013,774	136,659,742
Due from related parties	10,435,883	4,171,547
	2,017,014,684	1,314,497,519

7. Trade and other payables

	30 June 2024	31 December 2023
Trades and notes payable	606,107,921	552,690,225
Accrued Expenses	490,775,865	357,956,716
Contract liabilities	61,210,095	95,717,775
Social insurance authority	4,089,031	3,112,569
Creditors and other payable	53,122,695	49,631,085
Due to tax Authority	22,105,077	13,346,591
	1,237,410,684	1,072,454,961

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

8. Bank borrowings

	30 June 2024	31 December 2023
a) Bank borrowings - current portion		
Bank borrowings	800,500,000	514,833,334
Short term credit facilities	613,541,334	569,050,145
Total current portion	1,414,041,334	1,083,883,479
b) Bank borrowings non-current portion		
Bank borrowings	2,001,250,109	1,544,500,073
Total non-current portion	2,001,250,109	1,544,500,073
Total	3,415,291,443	2,628,383,552

In November 2019, the Group companies signed medium term loan agreements with the International Finance Corporation ("IFC") and Commercial International Bank "CIB") for a total of \$100 Million to refinance its existing medium-term debt and to provide funding for capital expenditure to increase production capacity, including furnace rebuilds, new production equipment, printing machines, resource efficiency improvements and streamlining of the cullet processing operation. The full amount of the facilities was disbursed in 2020 and resulted in settlement of all existing medium-term bank borrowings. The outstanding loan balance as of 30 June 2024 amounts to EGP 2,801,750,109.

The loans have a seven-year tenor with 18-month grace and carries interest at 6-month SOFR plus a margin.

The loans are secured with the following security package:

- First ranking real estate mortgage over all the lands and buildings owned by the Group with the net carrying amounts of EGP 584 million (31 December 2023: 580 million).
 - A first ranking Commercial Establishment Mortgage over the tangible and intangible assets owned by the Group.
 - Promissory Notes corresponding to the repayment dates and amounts.
 - First ranking Share Pledge in favour of the Senior Secured Lenders or an agent acting on their behalf over the shares owned by the Group.
- c) Interest accrued balance on the group's borrowing at 30 June 2024 amounts to EGP 72,680,942 (31 December 2023: EGP 62,118,850).

9. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to a shortage of funding. The Group's exposure to liquidity risk results primarily from the mismatching of the maturities of its assets and liabilities.

Management makes cash flow projections on periodic basis, and take the necessary actions to negotiate with suppliers, follow-up the collections from customers and manage inventory balances in order to ensure sufficient cash is maintained to discharge the Group's liabilities. The Group's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

The Group limits liquidity risk by maintaining sufficient bank facilities and reserves, by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Balances due to suppliers are normally settled with an average of 120 days from the date of purchase.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(IN THE NOTES ALL AMOUNTS ARE SHOWN IN EGYPTIAN POUNDS UNLESS OTHERWISE STATED)

9. Liquidity risk (continued)

The table below summarises the maturities of the Group's undiscounted financial liabilities at 30 June 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

	Less than 6 months	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
30 June 2024				
Trade and other payables *	1,150,006,481	-	-	-
Short term credit facilities	613,541,334	-	-	-
Loans and borrowings	400,250,000	400,250,000	800,500,000	1,200,750,109
Future Interest	207,076,095	113,718,979	165,409,433	93,042,831
Total	2,370,873,910	513,968,979	965,909,433	1,293,792,940
31 December 2023				
Trade and other payables *	960,278,027	-	-	-
Short term credit facilities	569,050,145	-	-	-
Loans and borrowings	257,416,667	257,416,667	514,833,333	1,029,666,740
Future Interest payment	163,169,693	87,577,397	134,734,458	107,787,568
Total	1,949,914,532	344,994,064	649,567,791	1,137,454,308

* Creditors and other payables presented above excludes contract liabilities, social insurance authority and tax liabilities.

10. Financial instruments by category

The Company's financial instruments are represented in cash and cash equivalents, trade receivables, debtors, investments, trade payables, notes payables, creditors, loans and credit facilities. The book value of these financial instruments does not differ significantly from fair value at the financial position date.

11. Significant events during the period

On 1 February 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the overnight deposits and lending interest rates and the Central Bank main operation rate by 200 basis points. Then on March 6, 2024, it has been raised by 600 basis points reaching 27.25%, 28.25%, and 27.75%, respectively. The credit and discount rates were also raised by 600 basis points.

The Central Bank of Egypt announced that it would allow the foreign exchange rate to be determined against the Egyptian pound as per market mechanisms, starting from 6 March 2024. On the date of issuance of these financial statements, the US dollar was trading in local banks at 49.25 Egyptian pounds approximately.