

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

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

Interim condensed consolidated financial statements For the Three-month period ended 31 March 2024

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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 31 March 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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

20 May 2024
Cairo


MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2024


(All amounts in Egyptian Pounds)

	Note	31 March 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	2,155,097,305	2,143,848,883
Prepayments of property, plant and equipment		75,337,367	27,933,084
Intangible assets		270,279,560	271,228,653
Deferred tax assets		381,640,045	122,537,597
Total non-current assets		2,882,354,277	2,565,548,217
Current assets			
Inventories		595,004,740	612,493,009
Trade and other receivables	6	1,811,954,726	1,314,497,519
Cash and cash equivalents		1,380,321,361	1,027,609,887
Total current assets		3,787,280,827	2,954,600,415
Total assets		6,669,635,104	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		398,163,640	702,367,420
Total equity		1,134,843,970	1,439,047,750
Liabilities			
Non-current liabilities			
Bank borrowings – non current portion	8/b	2,361,000,117	1,544,500,073
Retirement benefits obligations		11,823,370	11,761,153
Deferred tax liabilities		8,573,501	8,703,246
Total non-current liabilities		2,381,396,988	1,564,964,472
Current liabilities			
Provisions		88,651,273	90,349,002
Trade and other payables	7	1,171,070,946	1,072,454,961
Income tax liability		365,531,845	207,330,118
Bank Borrowings – current portion	8/a	1,359,811,274	1,083,883,479
Interest payable		168,328,808	62,118,850
Total current liabilities		3,153,394,146	2,516,136,410
Total liabilities		5,534,791,134	4,081,100,882
Total equity and liabilities		6,669,635,104	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

20 May 2024

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

(All amounts in Egyptian Pounds)

	Note	Three months ended 31 March	
		2024	2023
Revenue from contracts with customers		1,187,715,946	894,559,160
Cost of sales		(626,824,929)	(487,975,496)
Gross profit		560,891,017	406,583,664
Selling and marketing expenses		(28,276,700)	(24,445,413)
General and administrative expenses		(55,010,866)	(38,347,021)
Other operating income	4/a	324,785,992	150,499,890
Other operating expense	4/b	(14,418,180)	(23,612,775)
Operating profit		787,971,263	470,678,345
Finance costs		(100,848,406)	(82,317,725)
Foreign exchange loss		(301,140,112)	(513,364,154)
Finance income		26,029,350	13,344,766
Net finance costs		(375,959,168)	(582,337,113)
Profit /(loss) for the period before tax		412,012,095	(111,658,768)
Income tax expense	4/c	(100,256,970)	32,907,936
Profit /(loss) for the period		311,755,125	(78,750,832)
Total profit /(loss) for the period is attributable to:			
Equity holder of parent company		311,755,125	(78,750,832)
Basic and diluted earning / (loss) per share attributable to:-			
Equity holders of parent company		4.43	(2.31)

- 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 THREE-MONTH PERIOD ENDED 31 MARCH 2024

(All amounts in Egyptian Pounds)	Three months ended 31 March	
	2024	2023
Profit/(loss) for the period	311,755,125	(78,750,832)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the period	311,755,125	(78,750,832)
Total comprehensive profit/ (loss) for the period is attributable to:		
Equity holder of parent company	311,755,125	(78,750,832)
	311,755,125	(78,750,832)

- 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 THREE-MONTH PERIOD ENDED 31 MARCH 2024**

(All amounts in Egyptian Pounds)

	Issued and paid-up capital	Reserves			Retained earnings	Total equity
		Legal reserve	Share premium reserve	Other reserve		
Balance at 1 January 2023	62,627,993	31,313,996	629,609,334	13,129,007	142,822,822	879,503,152
Total comprehensive loss for the period	-	-	-	-	(78,750,832)	(78,750,832)
Balance at 31 March 2023	62,627,993	31,313,996	629,609,334	13,129,007	64,071,990	800,752,320
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	-	-	-	-	(615,958,905)	(615,958,906)
Balance at 1 January 2024 (After adjustment)	62,627,993	31,313,996	629,609,334	13,129,007	86,408,515	823,088,844
Total comprehensive income for the period	-	-	-	-	311,755,125	311,755,125
Balance at 31 March 2024	62,627,993	31,313,996	629,609,334	13,129,007	398,163,640	1,134,843,970

- 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 THREE-MONTH PERIOD ENDED 31 MARCH 2024

(All amounts in Egyptian Pounds)	Note	31 March 2024	31 March 2023
Cash flows from operating activities			
Profit /(loss) for the period before tax		412,012,095	(111,658,768)
Adjusted by:			
Interest expense		96,966,957	77,302,345
Depreciation and amortization		65,893,412	42,766,111
Loss on sale of property, plant and equipment	4/b	8,768	27,963
Interest income		(26,029,350)	(13,344,766)
Provisions formed		-	5,673,598
Provisions no longer required		(229,232)	(293,563)
Retirement benefit obligations provision		900,000	1,605,000
Foreign exchange loss		299,080,499	513,364,154
Operating profit before changes in working capital		848,603,149	515,442,074
Change in working capital			
Inventories		17,488,269	(101,739,129)
Trade and other receivables		(519,517,133)	(321,381,553)
Trade and other payables		135,718,959	84,219,083
Provisions used		(1,697,729)	(4,112,761)
Cash flows generated from operations		480,595,515	172,427,714
Payment of employees' retirement benefits		(837,783)	(389,088)
Interest paid		(33,059,446)	(16,688,794)
Net cash flows generated from operating activities		446,698,286	155,349,832
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(66,281,263)	(166,057,370)
Advance payment for property, plant and equipment suppliers		(57,324,529)	(51,266,561)
Proceeds from sale of property, plant and equipment		-	1,238,568
Payments for purchase of financial assets at amortized cost		(144,153,240)	(129,888,235)
Proceeds from matured financial assets at amortized cost		220,902,610	138,700,636
Interest received		27,718,925	24,140,712
Cash flows used in investing activities		(19,137,497)	(183,132,250)
Cash flows from financing activities			
Short term credit facilities – net movement		3,761,129	171,929,914
Net cash generated from financing activities		3,761,129	171,929,914
Net increase in cash at banks		431,321,918	144,147,496
Cash at banks at beginning of the period		800,764,700	598,950,218
Cash at banks at end of the period		1,232,086,618	743,097,714

Cash and cash equivalents are represented as follows:

Cash at banks	1,232,086,618	743,097,714
Financial assets at amortized cost (with maturity less than 3 months)	148,234,743	113,017,550
Cash and cash equivalents at the end of the period	1,380,321,361	856,115,264

- 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 THREE-MONTH PERIOD ENDED 31 MARCH 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 20 May 2024.

Percentage of ownership in subsidiaries

The group consists of the companies below as of 31 March 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

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 Three-months reporting period ended 31 March 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.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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

2. Summary of significant accounting policies (continued)

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.

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.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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

2.3 New accounting standards (continued)

B) Currency Position

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

Statement of financial positions line item	Outstanding balances from 1 January 2024	Outstanding balances from 1 January 2024	Outstanding 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)
Due to related parties	-	-	-
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)

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)	Deferred income tax on profit / (loss)	Net Effect on R.E Increase / (decrease)
			EGP	EGP	EGP
Net liabilities	USD	(48,351,881)	(789,586,211)	177,656,898	(611,929,313)
	GBP	(20,809)	(422,009)	94,952	(327,057)
	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.

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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

4. Profit or loss information

a) Other operating income

	Three-month period ended 31 March	
	2024	2023
Foreign currency exchange gain from operations	245,430,388	85,954,219
Accrued export incentives	60,539,763	57,427,727
Scrap sales	14,121,180	4,695,937
Other income	4,247,081	2,128,443
Provision no longer required	229,231	293,564
Insurance recovery	218,349	-
	324,785,992	150,499,890

b) Other operating expense

	Three-month period ended 31 March	
	2024	2023
Social insurance contribution	4,121,344	3,479,115
Non-recurring production losses	3,903,762	4,571,175
Other expense	3,252,431	2,501,812
Consultancy Fees	1,359,159	532,687
Government labor office expense	1,772,717	-
Loss on sale of property, plant and equipment	8,767	1,865,764
Provision formed	-	5,673,598
Tax Differences	-	4,988,624
	14,418,180	23,612,775

c) Income tax

	For the three months period ended 31 March	
	2024	2023
Current income tax	(180,662,384)	(105,048,043)
Deferred income tax	80,405,414	137,955,979
	(100,256,970)	32,907,936

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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

5. Property, plant and equipment	31 December 2023								Total
	Land	Buildings	Machinery, equipment & moulds	Vehicles and transportation	Furniture & office equipment	Computers & software	Projects under construction		
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	
	31 March 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	-	4,606,178	61,560,958	3,311,545	1,286,359	60,454	5,376,015	76,201,509	
Disposals	-	-	-	-	(21,990)	(16,170)	-	(38,160)	
Transferred from projects under construction	-	4,461,911	3,220,319	-	1,181,656	-	(8,863,886)	-	
Balance at the end of the period	422,644,822	297,623,201	2,897,810,142	49,156,494	26,172,985	20,755,584	71,997,509	3,786,160,737	
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	-	(3,182,878)	(58,927,004)	(1,426,523)	(775,730)	(632,184)	-	(64,944,319)	
Disposals Depreciation	-	-	-	-	21,644	7,748	-	29,392	
Balance at the end of the period	-	(134,267,842)	(1,436,985,059)	(28,977,406)	(15,383,266)	(15,449,859)	-	(1,631,063,432)	
Net book value at the end of the period	422,644,822	163,355,359	1,460,825,083	20,179,088	10,789,719	5,305,725	71,997,509	2,155,097,305	

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 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 31 March 2024 is represented as follows:

	31 March 2024	31 December 2023
Batch house	43,890,989	43,890,989
Machinery	22,729,358	22,391,806
Building	206,703	1,572,799
New Project-10th Ramadan Land	5,127,844	3,619,784
New mezzanine extension	-	3,947,556
Others	42,615	62,446
	71,997,509	75,485,380

6. Trade and other receivables

	31 March 2024	31 December 2023
Trade receivables - net	822,662,549	562,852,018
Contract assets	354,144,358	230,189,920
Export Incentive	293,570,704	233,030,941
Due from tax authority	135,629,883	147,593,351
Debtors and other receivable	200,879,222	136,659,742
Due from related parties	5,068,010	4,171,547
	1,811,954,726	1,314,497,519

7. Trade and other payables

	31 March 2024	31 December 2023
Trades and notes payable	599,480,745	552,690,225
Accrued Expenses	438,357,805	357,956,716
Contract liabilities	60,239,027	95,717,775
Social insurance authority	5,598,547	3,112,569
Creditors and other payable	44,674,344	49,631,085
Due to tax Authority	22,720,478	13,346,591
	1,171,070,946	1,072,454,961

8. Bank borrowings

	31 March 2024	31 December 2023
a) Bank borrowings - current portion		
Bank borrowings	787,000,000	514,833,334
Short term credit facilities	572,811,274	569,050,145
Total current portion	1,359,811,274	1,083,883,479
b) Bank borrowings non-current portion		
Bank borrowings	2,361,000,117	1,544,500,073
Total non-current portion	2,361,000,117	1,544,500,073
Total	3,720,811,391	2,628,383,552

MIDDLE EAST GLASS MANUFACTURING COMPANY AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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

8. Bank borrowings (continued)

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 31 March 2024 amounts to EGP 3,148,000,117.

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 carrying amounts of EGP 586 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 31 March 2024 is EGP 168,328,808 (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.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 March 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
31 March 2024				
Trade and other payables *	1,082,512,894	-	-	-
Short term credit facilities	572,811,274	-	-	-
Loans and borrowings	393,500,000	393,500,000	787,000,000	1,574,000,117
Future Interest	310,620,771	121,964,538	182,946,808	121,964,538
Total	2,359,444,939	515,464,538	969,946,808	1,695,964,655
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.

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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 47.22 Egyptian pounds approximately.