

Accountability State Authority
Audit of Marine Transportation Department
6 Talaat Harb- Alexandria

AUDITOR'S REPORT
On the Interim Financial Statements
Of Alexandria Container and Cargo Handling Company
At 31/3/2019

Messrs. Shareholders of Alexandria Container and Cargo Handling Company

Introduction:

We have carried out a limited review of the financial statements of Alexandria Container and Cargo Handling Company (An Egyptian subsidiary joint stock company) subject to Law No. 203 of 1991, which comprise the statement of financial position as of 31/3/2019 with total assets amounted to EGP 4,458,965 Million and the statement of income with net profit amounted to EGP 1,348,625 Million, as well as the statements of comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and based. Our responsibility is limited to expressing an opinion on these financial statements based on our limited review.

Scope of Limited Review:

We conducted our limited review in accordance with Egyptian Standard on Review Engagements No. 2410, "Limited 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 review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian standards on Auditing and consequently we are unable 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.

Basis of Qualified Opinion:

1- The Managing Director report for the performance results for the period from 1/7/2018 till 31/3/2019 which was presented at the board of directors meeting No. 5 memo No. 64 dated 15/4/2019, which reflected a reduction in net profit by 21% compared to comparative period from the last financial year and the company's management justified the reduction in net profits as follows:

A. The comparative period from the last year includes an amount of EGP 152,391 Million, being its share value of company's revenue from compensation of loss of revenue as a result of the dock crane accident at Al Dekheila terminal.

And the management has previously referred to the wrong accounting treatment which added the total amount of EGP 243,825 Million to current activity revenues for the year 2017/2018 which should be reclassified to compensations and fines, also (it comprises the compensation for company's loss of revenue since the accident dated 11/11/2017 for period of twelve and half months ended at 30/11/2018).

And the company's justifications for the elimination of company's loss from revenue assure previous recommended actions ⁽¹⁾ by Accountability State Authority - that this requires amending the comparative figures in accordance with paragraphs No. (41), (42) from the Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors", taking into consideration to disclose them in accordance with paragraph No. (49) from the same standard.

B. Based on previously facts mentioned above, we did not receive company's ⁽²⁾ comments to the charges made to the by an amount of EGP 12,191 Million which represents bonus for high performance ⁽³⁾ by an amount of EGP 243,825 Million (Total company loss). This necessitates the assigning of responsibility.

- (1) Auditor's report on the limited review to the interim financial statements at 31/12/2018 reported to the company under No. 15 dated 5/2/2019 and our comment No. 65 dated 4/3/2019 to company's response No. 148 dated 28/2/2019.
- (2) Auditor's report No. 89 dated 21/3/2019 for the results of testing of future financial information for the estimated budget for the company for the financial year 2019/2020 and auditor's report No. 104 dated 3/4/2019 for the testing of future financial information for the adjusted estimated budget for the company for the financial year 2019/2020.
- (3) Resolution by company's board of director's No. 161 dated 17/8/2016.

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- C. The reduction in fridge containers revenues by an amount of EGP 59,287 Million was not justified by the company, despite the capital expenditure incurred over these containers by an amount of EGP 13,848 Million paid to IBB company for electric industries to increase the fridge yards capacity at Al Dekheila terminal by 350 containers.
- D. Head Office's net loss for the period from 1/7/2018 till 31/3/2019 amounted to EGP 225,165 Million in addition to accumulated losses balance at the Head Office by an amount of EGP 5,797 Million and we noted the increase in yards rental costs, fees, and taxes at the Head Office compared to the free zone, though the Head Office activity revenues comprises 6.3% from activity revenues at the free zone as follows:

Description	Head Office (1)	Free Zone (2)	Percentage (1)/ (2) %
Activity revenues	122,063,804	1,950,662,333	6.3%
Yards rental costs	64,195,199	94,620,000	67.8%
Fees and taxes	39,299,917	252,388	15571%

It is necessary to find the reasons for Head Office loss and take the necessary actions to maximize its revenues and performance results, given its impact on the company's performance results.

- 2- The changes in equity statement as of 31/3/2019 included a comparative period related to the period from 1/7/2017 till 30/6/2018 in violation of paragraph No. (20 – D) from the Egyptian accounting standard No. 30 the Interim financial statements which require that the comparative period be corresponding period from the prior year.

It is necessary to make the necessary adjustments.

- 3- The disclosures included errors as follows:
- A. The tax appeal committee concluded for the years from 2007/2008 till 2011/2012 and the due amounts were settled, however Form 9 issued from Large Tax Payers Center dated 11/11/2018 showed that company did not settle an amount of EGP 3,292 Million due over the company in accordance with repeated article 87 from the Law No. 91 for 2005 due to the company's objection in accordance with financial sector's chief letter dated 11/11/2018.
- B. The value of margin of letters of guarantees amounted to EGP 34,74 Million in accordance with the statement of financial position, while its value in accordance with the notes to the financial statements is EGP 34,357 Million with a difference amounted to EGP 0.383 Million.

It is necessary to commit to the Egyptian Accounting Standards and make the adjustment.

- 4- The disclosures to the financial statements as of 31/3/2019 did not include the following disclosures:
- Date of the approval of the financial statements and the approval authority in accordance with paragraph 17 from the Egyptian Accounting Standard No. 7 "Events after the Reporting Period.
 - Reconciliations between the book value for Fixed Assets at the beginning and the end of the period in accordance with paragraph No. (76) from the Egyptian Accounting Standard No. (10) Fixed Assets and their depreciation.
 - Disclosures for the related parties – subsidiary companies for the Holding Company for Land and Marine Transport – "Arab for stevedoring, Memphis, Egyptian warehouses, Abu Simbel.
 - The accounting policy related to the treasury bonds amounting to EGP 229,674 Million in accordance with the statement of financial position as of 31/3/2019 in addition to its financing resources.
 - The value of tax disputes between the company and Large Tax Payers Center due to completion of tax inspection for years from 2012/2013 till 2015/2016 amounted to EGP 21,295 Million in accordance with tax Form 19 issued from the Large Tax Payers Center under No. 79 dated 23/1/2018 and provision was provided for this claim amounting to EGP 18 Million.

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- The result of the annual tax settlement for payroll tax for the years 2013 and 2018 for variances paid by the company with an excess amounted to EGP 1,413 million and EGP 2,241 Million respectively and we did not identify the reasons for these differences.
- The claim from the real estate tax authority – the customs – dated 9/7/2017 concerning determining the status of debt amounted to EGP 5,386 Million the value of real estate tax for the company's objected to settle as it is related to a real estate property not owned by the company in addition to real estate not identified yet.

It is necessary to comply with to the Egyptian Accounting Standards and make the adjustment.

5- The capital reserve included the value of collected compensation against the 2010 crane as capital gains amounted to EGP 150,241 Million, though the correct amount is EGP 31,977 Million after deduction of its book value till 10/11/2017 amounting to EGP 118,264 Million, as the crane was not disposed of yet in contrary to the article No. 39 from the Executive Regulations of Law 203 for 1991 related to Public sector.

And related to above the financial statements as well as notes complementary to financial statements did not include the impacts of transactions and events as per paragraph No. 15 from the Egyptian Accounting Standard No. (1) the Presentation of financial statements as this represented in the forfeiture of an amount of USD 449 thousand being the value of damages made to the electric cables to cranes 5, 7, 8 and the damage of dock cranes' booms and the mudguards damage against keeping the two damaged cranes No. 2011, 2010 where as the company disposed of 2011 crane only as mentioned later.

This matter requires carrying out necessary adjustments to dispose of 2010 crane from the records and include value of forfeited compensation and taking into consideration its effect on the financial statements.

6- The capital reserve account was reduced by error with an amount of EGP 21,603 Million against reduction of capital expenditure account by the same amount being the value of repairing of 2010 dock crane referred to above. On 4/4/2019 the General Assembly of the company approved the reduction, despite the fact that this amount comprises repairing cost not overhaul in accordance with the memo presented from the company. The Accountability State Authority objected on the assembly approval in the minutes based on the following:

- This resolution resulted in the misrepresentation of the income statement and according to paragraph No. 41 from the Egyptian Accounting Standard No. (5) "The financial statements are not considered compliant with the Egyptian Accounting Standards if it included errors perpetrated in order to reach to a certain presentation of the financial position for the entity or its performance results or its cash flows.....etc".
- The crane repair is included in the amended capital budget for the company as per general assembly resolution for the company dated 23/5/2018.
- Capital reserve is considered a capital resource not to be used except for finance purchasing of fixed assets.

The assembly had to consider that the company is subject to Law No. 95 for 1992 and its Executive Regulations concerning Capital Market and the company required to comply with the application of the Egyptian Accounting Standards as per article 45 from the rules of addition and cancellation from the stock market exchange issued by a resolution from the board of the Financial Regulatory Authority No. 11 for 2014 and amended by the resolution No. 122 for 2017.

7- Our notes stills stands regarding the company settling an amount of EGP 27,221 Million under miscellaneous revenues – compensations and fines- for the year 2017/2018 by error, which represents the value of residual amount transferred to other credit balances amounting to EGP 52.8 Million equivalent to US\$ 3 Million, which includes compensations collected from the company that caused the accident by an amount of US\$ 19.9 Million in accordance with the table above. It was required to include this amount in the capital gain in order to be added to the capital reserve and not distributing it in accordance with article (75) of the Executive Regulations for Law No. 203 for 1991 and relevant article No. (39) from the same regulation.

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It is necessary to identify the responsibility and make whatever is necessary to properly adjust this matter in accordance with paragraphs (41), (42) from the Egyptian Accounting Standard No. (5).

- 8- An amount of EGP 17,466 Million was excluded from the provided provision to face disputes concerning the claims from Alex port Authority being the differences in value of usufruct right of lands allocated to the company at Alex port and Al Dekheila port concerning the period from 16/12/2016 till 15/6/2017 as per Alex port Authority invoice No. 1460 dated 6/3/2019 and invoice no, 1461 on the same date as the company paid with a fee of EGP 70 per square meter which relates to the lands specified for non-construction purposes, despite the correct annual fee EGP 135 per square meter as asphalt yard fees and the following has appeared:
- The outstanding disputes with the port Authority amounting to EGP 32,952 Million which this provision was provided for this matter does not include this amount in contrary to paragraph No. 61 from the Egyptian Accounting Standard No. 28 provisions and contingent liabilities and contingent assets which states that “the provision is used only for the expenditures against which the provision has been provided for”.
 - The provision is not adequate for the disputes concerning Alex port Authority claims.
 - Balances have not been matched between company records and port Authority from many years back to 2013.
 - The license No. 1 for 2015 issued for the company to undertake stevedoring for containers ships and public goods at Alex and Al Dekheila ports for 5 years and approved by Transport Minister dated 8/9/2015 that it was agreed to settle all technical, financial and legal issues outstanding between the two parties within a year from the approval of transport Minister for the Authority board decision to renew the license for the company which did not happen.

It is necessary to make the required adjustment to exclude the amount from the provision account and charge the amount to expenditures account and work towards resolving disagreements with Alex port Authority in accordance with what the stevedoring license issued.

- 9- The company did not disclose the expense amount against end of service benefits system issued by a resolution from the General Annual Assembly for the company dated 7/9/2017 approving the benefits increase for company’s employees by half month from basic salary each year to be two and half months from basic salary each year from actual service starting from 1/7/2016 as it came to our knowledge that the company at the end of each year provides provision for the end of service benefits for retired employees within the next year only. And the company did not disclose whether they invest those funds set aside for the sake of employees or not.

It is necessary to disclose the cost the company incurs for these benefits and the basis of calculation annually, taking into consideration the requirements of the Egyptian Accounting Standard No. 38 Employees benefits and paragraph 5 from article 23 of Law No. 91 for 2005 regarding the general tax, and article 30 from the Executive Regulations for the same Law.

- 10- The company is still calculating Fees of GAFI once every six months by calculating dollar value using dollar exchange rate as of the end of the reporting period without calculating the value in accordance with transaction history or the Average price for the year as per paragraphs No. (39, 40) from the Egyptian Accounting Standard No. (13) The Effects of changes in foreign currency exchange rates. It is noteworthy that the company calculated the dollar against pound for the year 2016/2017 based on dollar price as of 30/6/2017 amounted to EGP 17.95 EGP/ USD, though prices fluctuated throughout the year as per the following statement:

Period	Dollar exchange rate against Pound
From 1/7/2016 till 2/11/2016	8.88 EGP
3/11/2016 The date of free currency exchange rate	13.03 EGP
From 3/11/2016 till 31/12/2016	18.25 EGP
From 1/1/2017 till 31/3/2017	18.1 EGP
From 1/4/2017 till 30/6/2017	17.95 EGP

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The company replied stating that “as per the application scope of standard (13) it is not applicable to the company as the company’s Head Office or the free zone has to pay using the Egyptian pounds the currency of the state which is the presentation currency...etc.” And the reply was “what the company is doing by calculating equivalent to pound using dollar closing price is not correct as the revenues and expenses at transaction date price is not occurring at financial statements date but occurs throughout the period (for the period from1/7 for every financial year till 30/6)etc.

In addition to the wrong calculation of the GAFI fees for the period from 1/7/2018 till13/3/2019 amounting to EGP 42,151 Million as fees were not calculated for prior years’ revenues amounting to EGP 14,738 Million.

It is necessary to commit to Standard provisions in that matter and recalculate the value in accordance with the referred to above standard within the year mentioned and identifying similar cases and settling the accrued amount to GAFI in the light of that.

11- The value of currency variances as a result of currency floatation at 3/11/2016 amounted to EGP 790,535 Million which was included in the currency revaluation differences reserve in the retained earnings as per Investment Minister resolution No. 16 for 2017 of which an amount of EGP 750 Million was distributed in accordance with general assembly resolution dated 23/5/2018, since it is realized foreign currency gain.

And in accordance with paragraphs (3, 4) from Investment Authority instructions No. 10566 dated 10/10/2013 received by the company under No. 598 dated 19/10/2013 the following⁽⁴⁾:

“In accordance with the specified rules by the authority that scope of application of GAFI fees of 1% total revenues is the amounts that represent realized revenues only and not the amounts that were added to the credit side in the Statement Financial Position of resulting from refund of expenses overcharged in prior years, as well as the reversal of provisions provided for in prior years and the book value of currency revaluation.

And as a result the realized foreign exchange differences are subject to 1% fee”

And to date the accrued fee for those profits were not paid to Investment Authority in accordance with article No. 42 of Law No. 72 for 2017 and article 105 of the Executive Regulations.

It is necessary to pay amounts due to Investment Authority in accordance with Law Regulations in that regard, so that the company does not incur the stated delay penalty, taking into consideration its effect on the relevant accounts and financial statements.

12- The retained earnings account included an amount of EGP 3,103 Million being the total increase in prior years’ revenues over prior years’ expenses during the period from 1/7/2018 till 31/3/2019 and the breakdowns of prior years’ revenues and expenses included immaterial amounts in accordance with note No. 14 page 8 in contrary to what is required by paragraph No. (41) from the Egyptian Accounting Standard No. (5) “The financial statements are not considered compliant with the Egyptian Accounting Standards if included errors made in order to reach a specific presentation for the financial position of the entity or its financial performance or its cash flows – whether it is material or not -. And errors that are detected in the present period are corrected in the same period prior to approval of financial statements issuance. But some errors of material significance may not be discovered bill following period and then prior periods’ errors are corrected in the comparative figures to the following period in which errors are discovered, and paragraph No. (42) of relevance which stated that “The entity should correct prior years’ material errors retrospectively in the first financial statements to be approved for issuance after the discovery of which.....etc”. Examples are as follows”-

Description	Type	The Amount
Insurance confiscation	Prior years’ revenues	9,338
Monitor Rental		1,592
Membership Bonus		2,500
Sales tax	Prior years’ expenses	33,567
Judiciary sentences		140,044

It is necessary to make the necessary adjustment.

(4) As stated by the management reply reported to the company in Instruction book No. 65 dated 4/3/2019 on the company’s reply No. 148 dated 28/2/2019 on the Financial position report at 31/12/2018.

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13- The company reconsidered the salvage value of transportation means and the useful life for the new assets starting from 1/7/2018 in accordance with the conclusion reached by committee formed by the resolution No. 271 for 2018 and we found out the following:-

- A. We were not provided with the approval on conclusion reached by the committee from the company's board of directors being responsible for the preparation and issuance of the financial statements, despite of our written request dated 24/4/2019.
- B. We were not provided with proof of presenting committee resolution on company's audit committee, despite our written request dated 24/4/2019.
- C. There was no disclosure regarding the amount resulting from the adjusting of accounting estimates which will have material effect on the current period or is expected to have a material impact on the subsequent periods in contrary to paragraph No. (39) of the Egyptian Accounting Standard No. (5) Accounting Policies and changes to accounting estimates and errors and paragraph No. 76 from the Egyptian Accounting Standard No. (10) Fixed Assets and its depreciation paragraph No. (76) "The entity – in accordance with the Egyptian Accounting Standard No. (5) – should disclose the nature and impact of change in accounting estimate which will have an effect on the current period or is expected to have an impact in subsequent periods".
- D. The company did not present the committee report; prior to making adjustments, to the Audit of Marine Transportation Department in accordance with what was required by the periodical instruction No. (1) for 2014 issued by the Accountability State Authority dated 21/1/2014 concerning the modification of useful lives for the fixed assets.
- E. The committee minutes did not include the basis on which they relied upon to determine the new useful lives.
- F. The committee did not take into consideration the effect of the rapid and continuous technological obsolescence for transportation means and the effect of this on the quality, service, speed, and attracting new clients under the current and future severe competition; especially that the committee relied upon a report from the faculty of engineering Alex university based on the company's request No. 21999 for 2003 which requires the presentation of committee conclusions on the faculty of engineering as a fair party.
- G. The committee recommended on 29/10/2018 "that the useful lives for equipment and new salvage values for operating equipments put in service starting from 1/7/2018" and the committee work results were approved from the company's chairman and Managing Director dated 31/10/2018, where the company amended the salvage value for all operating Transportation Means including outstanding at 30/6/2018 - except for cars – starting from 1/7/2018 as follows:

Asset	Cost	Accumulated Depreciation	Net Value	Old Salvage Value	New Salvage Value	Terminal
2002 dock crane	49,653,942	26,779,370	22,874,572	Zero	6,000,000	Al Dekheila
2003 dock crane	54,263,856	29,518,712	24,745,144	180,000	6,000,000	
2007 dock crane	39,934,764	21,929,281	18,005,483	2,500,000	6,000,000	
2008 dock crane	39,934,764	21,867,778	18,066,986	2,500,000	6,000,000	
Yard crane 2116	25,780,759	1,115,087	24,665,672	940,000	720,000	
2010 dock crane	121,388,385	3,124,663	118,263,722	3,276,000	6,000,000	
Yard crane 2109	8,348,776	4,191,128	4,157,648	320,000	720,000	
80 dock crane	38,889,251	21,781,454	17,107,797	2,100,000	6,000,000	Alexandria
Liebherr dock crane	62,271,934	20,769,696	41,502,238	2,100,000	4,800,000	
Yard crane	23,287,971	2,418,251	20,869,720	2,328,797	720,000	
fork lift truck koni queen	17,052,672	3,181,213	13,871,459	1,705,267	750,000	

Considering the impact of this on period depreciation from 1/7/2018 till 31/3/2019 and its effect on activity cost, gross profit and net income, it is necessary to identify and make the necessary adjustment and provide us with actions taken.

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H. The company did not calculate depreciation for the 2010 crane since the accident date on 11/11/2017 till 31/12/2017 in contrary to paragraph No. (55) from the Egyptian Accounting Standard No. (10) Fixed Assets and its depreciation “ and subsequently the depreciation does not stop when the asset is deactivated or withdrawn from active use unless the asset is booked as fully depreciated”.

The depreciation amount that was not recorded amounted to EGP 8,981 Million, despite the fact that company did not dispose the asset according to note No.(5) in the report. Also, they did not comply with applying paragraph (55) from standard No. (10) which indicated that the company does not comply with the Egyptian Accounting Standards.

I. We found that the salvage value for the 2001 dock crane at Al Dekheila terminal exceeded the book value as of 1/7/2018 and the company is calculating depreciation for it in contrary to paragraph No. 52 from Standard (10 fixed assets and it depreciation as follows”-

Cost in EGP	Accumulated Depreciation in EGP	Net Value in EGP	Old Salvage Value in EGP	New Salvage Value in EGP	Depreciation in EGP
29,479,372	28,060,416	1,418,956	Zero	6,000,000	1,043,207

It is necessary to identify similar cases and make the adjustment in light of the committee resolution referred to above.

14- The company did not calculate the value of the solidarity contribution in accordance with article (40) from law No. 2 for 2018 concerning the comprehensive health insurance system ⁽⁵⁾ which stated that “..... solidarity contribution 2.5 per thousand from total annual revenues for sole proprietorships and companies whatever their form or legal system under which they are subject to and relevant to article No. 46 from the Executive Regulations ⁽⁶⁾ . for the Law issued by the prime Minister resolution No. 909 for 2018 and are calculated ⁽⁷⁾ starting from 12/7/2018 whether the governorate is subject to law or not.

The company replied to the auditor’s report on the testing results of future financial information for the estimated budget for the company for the financial year 2019/2020 till date by stating that, the company did not receive any verified instructions which could be relied upon for application and upon receipt the company will apply them, despite the publication of the Law and its Executive Regulations in the official gazette as clarified.

In addition to the necessity that the company complies at the end of the financial year 30/6/2019 with the following:-

- A- The preparation of the tax returns of the company “Head Office – Free Zone” in order for the tax authority to calculate the solidarity contribution.
- B- Compliance with providing annual detailed statement of salaries paid to employees in accordance with the tax return description includes worker’s name, national ID number, and social number (if exists).

It was necessary to commit to the Law No. 2 for 2018 provisions and its Executive Regulation so that the income statement shows expenses that are related to the period and subsequently the results for the period be fairly stated.

15- The value of loans granted from the Egyptian Marine Navigational Company with the approval of the Holding Company for Maritime and Land Transport during the period from 11/4/2017 till 31/3/2019 amounted to EGP 9,005 Million and the following has appeared:

- An amount of EGP 2 Million was disbursed to the Egyptian Marine Navigational Company dated 13/2/2019 without determining a settlement date.
- The Egyptian Marine Navigational Company is not complying with settling an amount of USD 390 thousand (equivalent to EGP 7,005 Million), despite the end of granted grace period on 15/5/2018.
- The company did not gain any interests from that loan.
- The company did not obtain any guarantees from the Egyptian Marine Navigational Company or the Holding Company for Maritime and Land Transport.

It is necessary to carry out the necessary steps to collect the amount.

(5) Published in the official gazette Issue No. 2 – continued dated 11/1/2018

(6) Published in the official gazette Issue No.18- repeated 2 dated 8/5/2018

(7) According to the research sector and international agreements in the Tax Authority book No. 25 on 31/1/2019, The Central research management and tax study No. 171 on 21/1/2019, Book No. 155 dated 21/2/2019 concerning the free zone facilities and the circulated issued books from Tax Authority No. 41 for 2018 dated 22/11/2018 for 2019.

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16- The account of other revenues and profits included an amount of EGP 3,556 Million the value of compensation for the 2004 dock crane accident at Al Dekheila terminal on 19/10/2018 (equivalent to USD 200 thousand) as a result for the damages caused by MSCEIBe ship to the crane owned by MSC agency.

It is necessary to add the amount to the credit balances account to disburse over fixing the crane and to make the necessary adjustments upon completion of the repairs.

17- The balances of free zones clients were not separated from Head Office clients as of 31/3/2019, which resulted in the misstatement of the financial position of the free zone and the financial position of the Head Office.

It is necessary to carry out the necessary adjustment.

18- We were not provided with the reasons for the execution delay of the first phase of dock 96 deepening project at Al Dekheila terminal which was assigned to Canal Harbor and Great Projects Co. by an amount of EGP 74,794 Million in accordance with the agreement contract dated 15/4/2015 which guarantees that execution period is 18 months starting from the site receipt dated 29/4/2015 and its impact on project execution costs and company's loss due to execution delay.

19- The income statement was not presented for the period from 1/7/2018 till 31/3/2019 in accordance with the forms included in the Egyptian Accounting Standards in contrary to the article No. 45 from the rules of addition and cancellation from the stock market exchange, which stipulates that financial statements are presented in accordance with the Egyptian Accounting Standards and financial statements forms included in those standards.

It is necessary to commit to the rules of addition and cancellation.

20- We were not provided with audit committee report about the financial position as of 31/3/2019.

It is necessary to provide us with it.

21- We did not received a reply from the company to management of the Audit of Marine Transportation Department letter No. 93 dated 21/3/2019 concerning company's compliance with the application of governance rules and the rules of addition and cancellation of marketable securities during the period from 1/7/2018 till 28/2/2019 which included the following significant points:-

- The chairman of general authority for Alexandria port which is a full-time experienced member did not attend the board of directors meetings in accordance with detailed description in the report.
- Not amending the article of association for the company complying with the resolution of the Financial Supervisory Authority No. 92 for 2018 amending the resolution No. 11 for 2014 concerning the rules of addition and cancellation of marketable securities from the stock market exchange stipulating the necessity of using cumulative voting.
- The reports did not include some works that are within the duties of audit committee in accordance with article No. 37 from the rules of addition and cancellation of marketable securities and governance rules issued by a resolution from the Financial Supervisory Authority No. (84) dated 26/7/2016 as explained in detail in the report.
- The resolutions of audit committee formation since 18/2/2012 till 16/2/2019 have some concerns as follows:
 - That audit committee formation included only one non-executive member from company's board of directors in contrary to what is required by article (37) from the rules of addition and cancellation of marketable securities.
 - The committee chief – non-executive Board member- membership period exceeded six years starting from 18/2/2012 till today and governance rules issued by resolution from Financial Supervisory Authority No. (84) dated 26/7/2016 stipulates that non-executive director membership period as non-executive shall not exceed six years as maximum, otherwise he becomes not independent.

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- In addition the committee chief – non-executive director- was a member of the general authority for Alexandria port board of directors – a related party – for the two years of 2016/2017 and 2017/2018 pursuant to Minister of Transport resolution No. 440 dated 17/6/2017 concerning the appointment of experienced members in the authority board of directors in contrary to rules of addition and cancellation stipulating that he may not be related to the company, its holding company, subsidiary companies, associated companies and whatever related parties which has a work connection or contractual relation or membership of board of directors of any of them in the three years preceding his appointment.
- The company did not activate governance rules issued by resolution from general authority for financial supervision No. (84) dated 26/7/2016 concerning risk management committee formation, governance committee, compliance committee, governance management and the preparation of ethics code and professional conduct.

Qualified Opinion

Based on our limited review, except for the effect of matters referred to in previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as of 31/3/2019, and its financial performance and its cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

**Undersecretary
General Manager
Accountant\ Gaber Gomaa Gaber**

**Undersecretary Of The Ministry
Director manager
Accountant/ Essam El-Dien Ibrahim El-Said**

Issued on 12/5/2019

Alexandria Container and Cargo Handling Company
Head Quarter – Private Free Zone

Statement of financial position

At 31 March 2019

EGP

Comparative 30-6-2018	Description	Note No.	Cost	Accumulated Depreciation	Net
	<u>Non-Current Assets</u>				
	Fixed assets	1			
63,838,570	Buildings and Constructions		99,046,957.57	29,378,541.96	69,668,415.61
8,602,671	Machinery and Equipment		17,934,664.29	7,806,584.49	10,128,079.80
912,172,847	Transportation Means		1,788,341,010.68	639,081,163.47	1,149,259,847.21
938,914	Tools		2,642,587.53	1,685,946.86	956,640.67
10,429,653	Office Furniture and Fixture		22,069,564.20	11,523,333.73	10,546,230.47
995,982,655			1,930,034,784.27	689,475,570.51	1,240,559,213.76
	<u>Projects Under Construction</u>				
67,379,676	Construction in progress	2	101,198,840.34		
83,545,178	Investment Expenditures	3	48,320,410.77		149,519,251.11
	<u>Long-term investments</u>				
2,412,898	Investment property	4	2,412,898.00		
11,544,000	Investments in Companies	5	11,544,000.00		13,956,898.00
	<u>Other assets</u>	6			
2,681,136	Capitalized Expenses		1,818,931.53		1,818,931.53
3,385,306	Expenses related to non-owned assets		10,404,831.80		10,404,831.80
	Loans and Long-term debt balances	7	9,004,700.00		9,004,700.00
	Loans to third parties				
1,166,930,849	Total Non-Current assets		2,114,739,396.71	689,475,570.51	1,425,263,826.20
	<u>Current Assets</u>				
	<u>Inventory</u>	8			
88,522,152	Raw materials, fuel and spare parts		96,239,226.25		
375,521	Letter of credit for purchase of goods and service		3,636.25		96,242,862.50
	<u>Trade receivables, Notes receivables and debtors</u>				
142,566,503	Trade receivables (After deducting doubtful debts amounted to EGP 3,645,623.37)		194,534,341.32		
37,220,913	Accrued revenues		20,052,219.96		
2,963,223	Prepaid Expenses		147,707.58		
3,228,751	Suppliers		3,003,159.77		
342,815,241	Other debit balances	9	18,522,121.38		236,259,550.01
	<u>Current Investments</u>				
	Treasury Bills	10	229,674,496.50		229,674,496.50
	<u>Cash in banks and on hand</u>	11			
3,393,403,543	Time deposits in banks		2,043,475,031.30		
559,186,376	Deposits against letter of credit margin		336,039,790.58		
34,791,948	Letter of guarantee margin		34,739,948.28		
319,721,989	Current accounts		56,705,577.95		
	Cash on hand		564,000.00		2,471,524,348.11
4,924,796,160	Total Current Assets				3,033,701,257.12
6,091,727,009	Total Assets				4,458,965,083.32

An amount of EGP 50.655 Million was collected from 1/4/2019 until 10/4/2019

Alexandria Container and Cargo Handling Company
Head Quarter – Private Free Zone

Statement of financial position
At 31 March 2019 – Continued

EGP

Comparative 30-6-2018	Description	Note No.	Cost	Accumulated Depreciation Depreciation	Net
	Owner's equity				
744,876,700	Paid-up Capital	12	744,876,700.00		744,876,700.00
	Reserves	13			
783,434,924	Legal Reserve		783,434,924.00		
617,605,868	Statutory Reserve		617,605,868.04		
374,704,167	Project expansion Reserve		374,704,167.11		
26,128,862	Other Reserves	*	26,128,861.76		
228,903,950	Capital Reserve		207,300,618.55		
31,343,872	Retained earnings/ (Accumulated losses)	14	34,446,630.17		
	Net Profit		1,348,625,000.22		
					3,392,246,069.85
2,806,998,343	Total Owner's Equity				4,137,122,769.85
	Non Current Liabilities	15			
	Loans from banks				
	Long-term provision				
	Total Non Current Liabilities				
	Current Liabilities				
	Provisions	16			
35,331,984	Disputes taxes Provision		28,794,434.04		
59,897,788	Claims and disputes provision		59,887,788.01		
33,617,660	Other Provisions		9,646,191.53		98,328,413.58
	Trade payable and other credit balances	17			
96,837,739	Trade payable		43,660,009.63		
19,085,888	Accounts payable for Bodies and Authorities		31,151,471.04		
2,845,343,247	Dividends payable		300,703.00		
144,602,862	Accrued expenses		95,528,889.87		
4,009,770	Advance from accounts receivables		1,687,430.32		
46,001,728	Other credit balances	18	51,185,396.03		223,513,899.89
3,284,728,666	Total Current Liabilities				321,842,313.47
6,091,727,009	Total Owner's equity and Liabilities				4,458,965,083.32

Accountant\ Mamdouh Mohamed Abd El
 Halim
 Head of Financial Affairs

Vice-Admiral\ Mamdouh Tawfik Deraz
 Chairman of the Board of Director and Managing
 Director

Alexandria Container and Cargo Handling Company
Head Quarter – Private Free Zone

Income Statement for the period
From 1/7/2018 to 31/03/2019

EGP

Comparative 31-3-2018	Description	Note No.	Partial	Partial	Total
2,186,034,908	Sales income	19		2,072,726,138.73	
(604,179,718)	Cost of sales/ cost of revenue activity			(693,726,227.53)	
1,581,855,190	Gross Profit				1,378,999,911.20
	Add:				
4,861,972	Interest of treasury bills			9,795,228.32	
	Revenues and other profits				
165,000	Provisions no longer required				
					9,795,228.32
	Deduct:				
	Administrative expenses	20			
356,102	Salaries and allowance for Board Of Directors members			359,355.30	
132,722,675	Other administrative expenses			147,815,315.89	
	Burdens and losses				
	Provision other than depreciation				
5,128,893	Miscellaneous costs and losses			4,580,942.06	
					152,755,613.25
1,448,674,492	Net profit for the activity before financing expenses and credit interests				1,236,039,526.27
(367,678)	Financing expenses			(368,747.92)	
230,144,591	Credit interests	21		146,556,854.01	
1,678,451,405	Net profit for the activity				1,382,227,632.36
	Add (deduct):				
	Gains / (losses) from foreign currency exchange	22		(45,421,958.68)	
	Revenues from previous years after deducted prior years expenses				
236,500	Capital Gains / (Losses)			4,877,539.00	
292,376	Gains/ (losses) from scrap sales			703,749.48	
40,124,527	Miscellaneous Income	23		6,838,038.06	
1,352	Deduct extraordinary losses				
					(33,002,632.14)
1,719,103,456	Net Income before Income Taxes				1,349,225,000.22
6,000,000	Income tax	24			600,000.00
1,713,103,456	Net profit after Income tax				1,348,625,000.22
11.58601567	Share of the Stock from profit	25			0.905267275

The shares value was split from EGP 5 per share to PT .50 per share on 13/8/2018

Accountant\ Mamdouh Mohamed Abd El Halim
Head of Financial Affairs

Vice-Admiral\ Mamdouh Tawfik Deraz
Chairman of the Board of Director and Managing Director

Alexandria Container and Cargo Handling Company

Head Quarter – Private Free Zone

Total separate comprehensive income statement
for the period from 1/7/2018 to 31/3/2019

Value in EGP thousands

Description	Value in EGP thousands	
	from 1/7/2018 to 31/3/2019	from 1/7/2017 to 31/3/2018
Profit for the period	1,348,625	1,713,103
<u>Other comprehensive income</u>	-	-
Foreign exchange of differences Resulting from floatation of Egyptian Pound	-	-
Foreign exchange of differences Resulting from floatation of Egyptian Pound	-	-
Financial assets available for sale	-	-
<u>Cash flow coverage</u>	-	-
Actuarial gains / (Losses) from defined benefit pension systems	-	-
Company's share of other comprehensive income in associates	-	-
Income tax related to other comprehensive income items	-	-
Total other comprehensive income for the period after tax deduction	-	-
Total comprehensive income of the period	1,348,625	1,713,103

Accountant\ Mamdouh Mohamed Abd El
Halim
Head of Financial Affairs

Vice-Admiral\ Mamdouh Tawfik Deraz
Chairman of the Board of Director and
Managing Director

Alexandria Container and Cargo Handling Company
Financial Affairs Sector

Head Quarter and Private Free Zone
Cost of Production or Cost of goods sold
For the period from 1/7/2018 to 31/3/2019

Comparative figures 31/3/2018	Accounting Guide	Description	Partial		Total		Comparative figures 31/3/2018	Accounting Guide	Description	Partial		Total	
			EGP	P.T.	EGP	P.T.				EGP	P.T.	EGP	P.T.
									<u>Cost of production</u>				
						57,411,950	361	Raw material, fuel and spare parts	51,816,791.60				
						260,035,575	362	Wages	291,728,727.27			343,545,518.87	
								<u>Other Costs</u>					
						17,729,386	3631	Purchased Services	17,536,841.35				
						72,340,389	3632	Depreciation and amortization	86,705,179.10				
						118,053,536	3634	Real state rent(land and building)	148,662,481.00				
						-	3635	Real estate tax	-				
						12,694,320		Gain from usufruct of licenses (resolution 521)	15,573,039.49				
						17,883,759		Charges and tax	39,552,305.59				
604,179,718		Cost of production or Cost of goods sold (Re-classed to Trading account)			693,726,227.53								
						48,030,803		Fees of GAFI	42,150,862.13			350,180,708.66	
604,179,718					693,726,227.53	604,179,718						693,726,227.53	

Alexandria Container and Cargo Handling Company
Financial Affairs Sector

Head Quarter and Private Free Zone
Trading Account
For the period from 1/7/2018 to 31/3/2019

Comparative figures 31/3/2018	Accounting Guide	Description	Partial		Total		Comparative figures 31/3/2018	Accounting Guide	Description	Partial		Total	
			EGP	P.T.	EGP	P.T.				EGP	P.T.	EGP	P.T.
2,186,034,908	41	Trading activity revenues Sold Services Grants and subsidies					604,179,718		<u>Cost of production or Cost of goods sold</u> Marketing costs Raw material, fuel and spare parts Wages			693,726,227.53	
	414				2,072,726,138.73								
	42				-								
						-		371					
							3731	<u>Other costs</u> Purchased services					
						1,581,855,190		Gross profit				1,378,999,911.20	
2,186,034,908						2,072,726,138.73						2,072,726,138.73	

Alexandria Container and Cargo Handling Company
Financial Affairs Sector

Head Quarter and Private Free Zone
Profit And Loss
For the period from 1/7/2018 to 31/3/2019

Comparative figures 31/3/2018	Accounting Guide	Description	Partial		Total		Comparative figures 31/3/2018	Accounting Guide	Description	Partial		Total	
			EGP	P.T.	EGP	P.T.				EGP	P.T.	EGP	P.T.
1,581,855,190		Total carried forward surplus			1,378,999,911.20				Administrative, finance and market expenses				
	43	Investments and interest revenue				4,455,120	381	Raw material, fuel and spare parts	3,809,271.45				
-	432	Investment in companies revenue	-			93,753,424	382	Wages	102,785,272.73			106,594,544.18	
230,144,591	435	Credit interest	146,556,854.01			15,409,966	3831	Other expenses	14,699,225.22				
4,861,971	43	Treasury bills income	9,795,228.32		156,352,082.23	5,608,683	3832	Purchased services	7,597,051.81				
	44	Other income and profits						Depreciation and amortization					
165,000	441	Provisions no longer required	-			-	3833	Debit interest					
						4,356,184	3834	Real estate rent(lands and buildings)	10,152,719				
						16,234	3835	Real estate tax	-				
						9,846,843	3836	Indirect tax on activity	9,499,878.90			41,948,874.93	
								Burdens and losses					
								Provisions other than depreciation	-				
						5,128,893	354	Miscellaneous burdens and losses	4,580,942.06			4,580,942.06	
								Activity's revenue (Carried forward balance)				1,382,227,632.36	
1,817,026,752					1,535,351,993.53	1,817,026,752						1,535,351,993.53	
1,678,451,405		Net activity income (Carried forward balance)	-		1,382,227,632.36	-	356	Prior years expenses	-				
-	445	Foreign currency exchange gain	-			1,352	358	Extraordinary losses	-				
-	446	Prior years revenue	-			-	359	Capital losses	-				
236,500	447	Capital gain	4,877,539			-		Deferred tax	-				
40,124,527	448	Miscellaneous income and profits	6,838,038.06			6,000,000		Income tax	600,000				
353,462		Gain on sale of scrap	840,051.50			-		Foreign currency exchange losses	45,421,958.68				
						61,086		Loss on sale of scrap	136,302.02			46,158,260.70	
						12,555,628.56		Net income				1,348,625,000.22	
1,719,165,894					1,394,783,260.92	1,719,165,894		Surplus				1,394,783,260.92	

Accountant\ Mamdouh Mohamed Abd El Halim
Head of Financial Affairs

Vice-Admiral\ Mamdouh Tawfik Deraz
Chairman of the Board of Director and Managing Director

Alexandria Container and Cargo Handling Company
Financial Affairs Sector

Change in owner's equity statement
for financial period ended at 31/3/2019

EGP

Description	Capital	Legal reserve	Other reserves	Project Construction Reserves	Capital Reserve	Statutory reserve	Retained earnings (losses)	Net Profit	Total
Balance at 1/7/2017	739,297,920.00	507,833,321.59	26,128,861.76	293,508,929.22	43,857,187.50	715,238,904.00	791,014,044.78	-	3,116,879,168.85
Changes during the period	5,578,780.00	275,601,602.41	-	81,195,237.89	185,046,762.25	(97,633,035.96)	(759,670,172.73)	-	(309,880,826.14)
	744,876,700	783,434,924	26,128,861.76	374,704,167.11	228,903,949.75	617,605,868.04	31,343,872.05	-	2,806,998,342.71
<u>Change in owner's equity from 1/7/2018 till 31/3/2019</u>									
Changes during the period	-	-	-	-	(21,603,331.20)	-	3,102,758.12	-	(18,500,573.08)
Changes in accounting policies	-	-	-	-	-	-	-	-	-
The amended balance	-	-	-	-	-	-	-	-	-
Surplus from assets re-evaluation	-	-	-	-	-	-	-	-	-
deficit from investments re-evaluation	-	-	-	-	-	-	-	-	-
Net profit and loss which did not affect the income statement	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	1,348,625,000.22	1,348,625,000.22
Transferred to reserves	-	-	-	-	-	-	-	-	-
Distributed dividend	-	-	-	-	-	-	-	-	-
Issued monetary stocks	-	-	-	-	-	-	-	-	-
deficit from assets re-evaluation	-	-	-	-	-	-	-	-	-
surplus from investment re-evaluation	-	-	-	-	-	-	-	-	-
Issued stocks from reserves	-	-	-	-	-	-	-	-	-
Comparative at 31/3/2019	744,876,700.00	783,434,924.00	26,128,861.76	374,704,167.11	207,300,618.55	617,605,868.04	34,446,630.17	1,348,625,000.22	4,137,122,769.85

Accountant\ Mamdouh Mohamed Abd El Halim
Head of Financial Affairs

Vice-Admiral\ Mamdouh Tawfik Deraz
Chairman of the Board of Director and Managing Director

Alexandria Container and Cargo Handling Company
Financial Affairs Sector

The Holding Company for Maritime and Land Transport	for the period from <u>1/7/2018 to 31/3/2019</u>	
Alexandria Container and Cargo Handling Company	<u>Alexandria Container and Cargo Handling Company</u>	
<u>Cash flow statement</u>		Value in EGP
Description	Actual	Comparative 2018
<u>First: Cash flow from operating activity:</u>		
Proceeds from Trade receivables	2,272,286,159	2,292,886,849
Cash purchases and suppliers	(377,399,393)	(187,333,460)
Paid wages	(488,113,416)	(430,021,701)
Marketable securities revenue	3,373,615	8,740,339
Proceeds from credit interest	170,155,596	238,401,250
Fees and taxes	(268,879,987)	(350,119,648)
Other proceeds*	306,500,188	595,750,256
Other Payments	(8,766,526)	(2,692,441)
Net cash flow from operating activity (1)	1,609,156,237	2,165,611,444
<u>Second: Cash flow from investment activity</u>		
Payments for purchase of fixed assets	(331,929,308)	(314,198,004)
Proceeds from sale of fixed assets	7,117,439	255,700
Proceeds from retrieval of contributions in marketable securities	73,376,385	256,509,662
Payments for acquisition of marketable securities (Treasury Bills)	(303,050,882)	(91,650,552)
Net cash flow used in investment activity (2)	(554,486,366)	(149,083,194)
<u>Third: Cash flow from financing activity</u>		
Proceeds from long term loans		
Proceeds from stocks** (Cash)		
Paid dividends	(2,845,042,543)	(1,508,244,747)
Net cash flow used in financing activity (3)	(2,845,042,543)	(1,508,244,747)
Changes in cash during the period (1+2+3)	(1,790,372,672)	508,283,503
Foreign exchange differences	(45,206,836)	(35,276,183)
Cash at the beginning of the period	4,307,103,856	3,431,915,851
Total cash and cash equivalent	2,471,524,348	3,904,923,171

Treasury bills equivalent to cash less than three months 229,674,496.50

Cash includes letters of credit equal to 336,039,790.58

Also it includes letters of guarantee equal to 34,739,948.28

Notes to the Financial Statements as of 31/3/2019

Brief about the company:

Company's name/ Alexandria Container and Cargo Handling

One of the companies of the Maritime and Land Holding Company

Legal form:

A subsidiary joint stock Egyptian company subject to the Public Enterprises Company Law No. 203 of year 91 and its Executive Regulation. On 16/1/2005, the Vice Chairman of the General Authority for Investment and Free Zones issued a resolution No. 460 for 2005, to transfer the company's branches, at the Alexandria and Dekheila container terminals and the management of multi-purpose terminals, to operate under the free zone system, and the license was renewed till 15/1/2020 by resolution No. (M/41) dated 31/3/2015.

The company's activity in the articles of association:

The purpose of the company is to handle containers and goods in Alexandria and Dekheila ports at the site assigned by the General Authority for Alexandria Port, transport of containers and goods to specific areas, transport to and from the port for such type, management and operation of multi-purpose terminals within different ports and outside of it, carrying out customs clearance activities, practicing real-estate investment activity in all its forms either by itself or through an agent, individually or in association with others to obtain the necessary licenses to carry out such activity, as well as, contracting with engineering consultancy offices, construction companies, and all public companies in that regard. The company may invest in companies operating in other fields.

The Company is committed to the environmental conditions in accordance with Law No. 4 of 1994 and amended by Law No. 9 of 2009, and the company is compliant with all environmental conditions in terms of:

- Keeping a record of the company's environmental footprint in accordance with Annex (3) of the annexes to the Executive Regulation of Law No. 4 of 1994.
- The company complies with the standards and specifications of liquid waste when discharged into the sea in accordance with Annex (1) of Annexes to the Executive Regulations of Law No. 4 of 1994 where:
 - The company owns 5 sewage treatment plants with a capacity of 170 cubic meters / day.
 - The company owns 2 industrial sewage treatment plants with a capacity of 24 cubic meters / day.
 - Safety disposal of solid waste and garbage through the General Authority for Sanitation and specialized companies.
 - Reduction of air pollutants by continuous maintenance of the company's equipment whether old or new.
 - Maintain the cleanliness of the floors and workshops and the use of relevant materials crucial to the removing the oil effects on the floors.
 - Usage of fire alarm system.
 - Maintaining safety and security measures in the protection of workers and work areas.
 - The company follows a self sufficient rodent and insect control system.

In addition to the above, the company has three Types of ISO certificates:

1. Quality Management System ISO 9001-2015 Valid until 12/7/2021.
2. Occupational Health and Safety System ISO 18001-2007 OHSAS valid until 28/4/2019.
3. The Environmental Management System ISO 14001-2015 and currently renewal procedure is taking place.

Auditors of the company: Accountability State Authority-Audit of Marine Transportation Department- 6 Talaat Harb St. – Alexandria.

- The financial statements are prepared in accordance with the Egyptian accounting standards issued by the resolution of the Minister of Investment No. (110) for 2015.

1. Fixed assets:

Fixed assets are stated at the cost of acquisition of the asset and all expenses necessary to prepare the asset for operation. In accordance with Standard No. (10), paragraph (10), the entity evaluates its assets at cost as they occur and includes the cost of acquisition and expenses subsequently incurred to add or replace part of the asset.

Depreciation is calculated based on a straight-line basis when assets are in its intended place and is ready for use and its use generate economic benefits for the entity. Fully depreciated assets and still operational are not depreciated.

Estimated useful life of the major fixed asset classes disclosed in the financial statements

In accordance with standard No. (10) Article (57) the estimated useful life of an asset is determined by its expected use by the entity.

Estimated useful life of the major fixed asset classes:

Buildings and constructions	from 10 to 20 years
Machinery and equipment	from 6.7 to 10 years
Transportation Means	from 10 to 20 years
Furniture and office equipment	from 5 to 10 years

- The useful lives and salvage value of assets were reconsidered and was applied from 1/7/2018.
- There are no restrictions on the assets of the company against the loans.

Impairment in the value of assets

- The book value of the assets owned by the Company is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indicators exist, the necessary studies are performed to determine the expected recoverable amount.
- Impairment losses on assets are recognized if the book value of the asset or its cash-generating unit exceeds the recoverable amount. Impairment losses are recognized in the statement of income.
- In case of an increase in the recoverable amount of the asset, the impairment loss is reversed only in the event that the book value of the asset is not increased, which is determined after deducting depreciation and amortization and without deducting the impairment of the asset.

Note for additions and disposals of fixed assets from 1/7/2018 until 31/3/2019

Value in EGP

Description	Balance at 1/7/2018	Additions	Disposals	Balance at 31/3/2019	Accumulated Depreciation
Building and constructions	88,587,093	10,459,865	-	99,046,958	29,378,542
Machinery and equipment	15,576,771	2,508,051	150,158	17,934,664	7,806,584
Transportation Means	1,483,000,002	326,034,714	20,693,705	1,788,341,011	639,081,163
Tools	2,525,469	123,761	6,643	2,642,587	1,685,947
Furniture and office equipment	20,689,886	1,945,919	566,241	22,069,564	11,523,334
Total	1,610,379,221	341,072,310	21,416,747	1,930,034,784	689,475,570

Accumulated Depreciation calculation from 1/7/2018 until 31/3/2019

Value in EGP

Description	Balance at 1/7/2018	Period's Depreciation	Accumulated Depreciation for disposed asset during the period	End of Period balance at 31/3/2019
Accumulated Depreciation for building and constructions	24,748,523	4,630,019	-	29,378,542
Accumulated Depreciation for machinery and equipment	6,974,100	982,642	150,158	7,806,584
Accumulated Depreciation for Transportation Means	570,827,156	85,671,712	17,417,705	639,081,163
Accumulated Depreciation for tools	1,586,555	106,035	6,643	1,685,947
Accumulated Depreciation for furniture and office equipment	10,260,233	1,829,342	566,241	11,523,334
Total	614,396,567	93,219,750	18,140,747	689,475,570

Net historical value of fully depreciated assets:

- Scraped equipment (Transportation Means) and held until disposition, at a historical value amounted To EGP 5.227 million.
- Fully depreciated equipment (Transportation Means) and still operational at a historical value amounted to EGP 164.299 million

Projects under Construction:-

Comprises of amounts disbursed to construct or purchase fixed assets till being ready for use in operations, then is transferred to Fixed Assets and is evaluated at cost.

2. Construction in Progress:-

A statement for the movement of construction in progress during the period from 1/7/2018 until 31/3/2019.

Description	Value in EGP			
	Balance at 1/7/2018	Additions	Disposals	Balance at 31/3/2019
Building and constructions	65,834,325	41,682,574	8,680,800	98,836,099
Machinery and equipment	-	2,433,317	2,433,317	-
Means of Transportation	1,116,576	325,224,767	325,837,300	504,043
Tools	275,603	112,048	123,761	263,890
Furniture and office equipment	153,172	3,387,555	1,945,919	1,594,808
Total	67,379,676	372,840,261	339,021,097	101,198,840

3. Investment Expenditures:-

Investment Expenditures is charged with the amount invested in advance payments or letters of credit and be included in the executed investment plan by the payment made.

Analysis of Investment Expenditures balances as of 31/3/2019

Description	Value in EGP
	Balance
Advance Payments	36,028,258
Letters of credit	12,292,153
Total	48,320,411

Long term investments:-

Investments were included in the financial statements at the cost of acquisition less impairment losses if any.

4. Investment Property:-

Lands by an amount of EGP 2,412,898 at 30/6/2016 were transferred to long-term investments (Investments Property) at the Head Office.

5. Investments in companies:-

First: Investments in subsidiary: (Contribution percentage more than 50%)

None.

Second: Investments in associates: (Contribution percentage more than 20%)

This statement illustrates financial investment movement in associate companies in which the company contributes and the No. of shares as of 31/3/2019.

Company Name	Contribution percentage	Beginning of Period at 1/7/2018		Changes		End of Period at 31/3/2019	
		Value	No. of Shares	Value	No. of Shares	Value	No. of Shares
		Memephis for Shipping Agencies	44%	-	880,000	-	-
Amoun for Shipping Agencies	44%	-	880,000	-	-	-	880,000

Abou Simbel and Tiba For Shipping Agencies	44%	-	880,000	-	-	-	880,000
Total		-	2,640,000	-	-	-	2,640,000

Third: investment in other companies: (Contribution percentage less than 20%)

Company Name	Contribution percentage	Beginning of Period at 1/7/2018		Changes		End of Period at 31/3/2019	
		Value	No. of Shares	Value	No. of Shares	Value	No. of Shares
Egyptian Company for Integrated Projects (Torgoman Group)	6.522%	11,544,000	1,300,000	-	-	11,544,000	1,300,000
Egyptian Marine Navigational Co. - ENC	2%	-	200,000	-	-	-	200,000
Total		11,544,000	1,500,000	-	-	11,544,000	1,500,000

- * An amount of EGP 652,200 was paid for the increase of the Company's share in the capital of the Egyptian Company for Integrated Projects and will be added to the investments account after the completion of the capital increase procedures of the Egyptian Company for Integrated Projects, Where the company will re-submit the documents at the request of the Investment Authority.
- * The provision provided during the year 2014/2015 for Memephis for Shipping Agency by an amount of EGP 12,961,387 was used and the remaining value of investments was deducted by an amount of EGP 11,243,237 as extraordinary losses during the year 2014/2015.
- * The value of contribution in Amoun Co. was reduced as a result of calculating the impairment of these investments and deducting it from the value during the financial year 2008/2009.
- * The value of contribution in Abu Simbel Co. and Tiba was reduced as a result of calculating the impairment of these investments and deducting it from the investment value during the financial year 2014/2015 by an amount of EGP 15,404,623.
- * The provision provided during the year 2014/2015 for Egyptian Marine Navigational Co. - ENC by an amount of EGP 7,214,272 was used and the remaining of investments was reduced by an amount of EGP 2,500,000 as extraordinary losses.
- * The value of the contribution in Egyptian Company for Integrated Projects (Torgoman Group) was reduced as a result of calculating the impairment of these investments and deducting them from the value during the financial year 2016/2017 by an amount of EGP 1,456,000.

6. Other Assets:

Description	Balance at 1/7/2018	Additions	Period's depreciation	Balance at 31/3/2019
Capitalized expenses (In exchange for the usufruct of the assets of Dekheila terminal)	2,681,136	-	862,204	1,818,932
Non-owned assets	3,385,306	7,239,802	220,276	10,404,832

- Capitalized expenses amounting to EGP 1.819 million represent the usufruct of the assets of Al Dekheila terminal and are stated at cost less amortization.
- EGP 10.405 million represents expenses related to non-owned assets by the company (sewage and industrial works and software for the system) to serve their purposes and are recognize at cost less amortization.
- Treatment of the costs of research, development and depreciation in case of capitalization:
There is none as the company did not incur any costs of research and development and in case of any costs charged, it will be charged to the income statement.

7. Loans and Long-term debit balances

An amount of EGP 9,004,700 as a non-interest bearing loan to Egyptian Marine Navigational Co, a subsidiary to the Holding Company for Maritime and Land transport.

8. Inventory pricing and Valuation :

The Company measures the value of the commodity inventory based on the lower of cost, or net realizable value in accordance with Standard No. (2) Paragraph (9). Taking into consideration that company's stock represents the spare parts required for the maintenance and overhaul of the equipments which are specific equipments. These related spare parts are imported from abroad. Also materials and fittings are items necessary for cleaning operations and priced are by the cost of purchase.

- The issues from the inventory are priced by the weighted average method on all different inventory items.
- The balance of the slow-moving inventory at 31/3/2019 amounted to EGP 1,369 thousand.

9. Analysis of other debit balances as of 31/3/2019

Description	Value in EGP
	Amount
Other Debit Balance *	2,912,473
Accounts payable to Authorities and Bodies	12,697,136
Deposits for others	1,322,566
Investment Purchase Creditors	652,200
Other credit accounts	936,654
Accrued Expenses	1,092
Total	18,522,121

* Other debit balances comprises of amounts from the drivers against driving fines and damages, and due cost of training courses on some employees, taxes due on employees, and advances to employees which are settled monthly installments during the year.

Basis for determining the book value of short-term investments:-

The book value was determined at the cost of acquisition.

10. Accounting policy regarding treasury bills:

Treasury bills are used as saving accounts for available cash balances at their rate of return and as long as they are higher than the rate of return on time deposits in accordance with the available cash balances, Purchasing Treasury bills or time deposits with the consideration of the appropriate date of payment of all obligations of the company.

11. Cash at banks and on hand

- The period of the time deposits at banks is 3 months.

Owner's Equity

12. Authorized Capital:-

The authorized capital is amounted to EGP 1,000 million.

Objectives, policies and methods of managing capital:

The company manages the capital in order to cover operational needs, shareholders' objectives and financing investments whether to cover replacement or renewal operations or to strengthen its competitiveness by self financing without resorting to borrowing. The company undertakes studies and researches to add investments in new projects.

The movement of issued and paid up capital and No. of shares

Issued and paid up capital is amounted to EGP 744,876,700 where the face value is 00.50 EGP / share and the No. of shares are (1,489,753,400 share) as the extra-ordinary general assembly meeting approved to **split the face value of the company share from EGP 5 per share to fifty piaster per share.**

Distributed as follows:-

Description	No. of Shares	Contribution percentage	Capital as of 31/3/2019	Comparative capital as of 30/6/2018
Holding Company for Maritime and Land Transport	824,865,720	%55.369	412,432,860	412,432,860
Alexandria Port Authority	590,400,000	%39.631	295,200,000	295,200,000
Free floating	74,487,680	%5.00	37,243,840	37,243,840
Total	1,489,753,400	%100	744,876,700	744,876,700

13. Reserves:

- Reserves are provided in accordance with applicable laws, regulations, governing resolutions and adopted resolutions, and the approval of the General Assembly of what has been provided and the purpose of each reserve.
- **Legal reserve:** Transfer a portion of the net profit by a certain percentage which may be used to cover the losses of the company or increase its capital. The balance as of 30/6/2018 included an amount of EGP 162,509,861.40 as an issuance premium for the increase of free floating shares to amend the situation.
- **Statutory reserve:** Transfer 20% to meet the increase in asset prices and strengthen the financial position of the company in accordance with Article (45) of the Articles of Association of the company.
- **Project support reserves:** Transfer a portion of the net profits of the company after legal and statutory reserve and allocating 5% of the capital to the shareholders and employees as a first profit share distribution and deducting no more than 5% for the Board of Directors. This reserve is to be avoided to support the projects. The project support reserve amounted to EGP 374,704,167.11 at 31/3/2019.
- **Capital reserve:** The value of disposing of a company's fixed assets or compensation is allocated. This reserve is used to restore the assets of the company or purchasing new fixed assets.

*- Analysis for other reserves:

Description	Amount *
Difference between face value and fair value due to increased contribution in Egyptian Marine Navigational Co. – ENC	6,997,952.00
Revaluation of foreign currencies in Egyptian pound (6,541,023.64)	6,541,023.64
The compensation value of the Ahlya insurance company for the Kalmar crane accident	117,711.00
Increase in investments in agencies against free shares issued by shipping agencies in 2004	3,300,000.00
Value of gift assets supplied by companies as well as the value of equipment and cranes supplied based on the letter of credit	1,027,843.47
The value of a gifted used Caravan which was supplied by Amco Consulting Office	3,000.00
Reserve of rise in prices of fixed assets (fully depreciated assets, before the application of the State Accountability Authority resolution No. 204 of 2001 on the amendment of the accounting system)	8,141,331.65
Total	26,128,861.76

14. Retained earnings (Accumulated losses)

The difference between the prior year revenues and expenses has been treated in the retained earnings (Accumulated losses) in the statement of financial position starting from the fiscal year ended 30/6/2017.

The balance of retained earnings as of 1/7/2018 amounted to EGP 31,343,872 and an addition to prior year revenues amounting to EGP 14,738,413 deduct prior year expenses amounting to EGP 11,635,654 to reach a balance at 31/3/2019 amounted to EGP 34,446,631.

- Analysis for previous year's revenues as of 31/3/2019

Value in EGP

Description	Amount
Prior years' revenues (clients)	14,107,815
Value of judiciary sentences in favor of the company	147,184
Membership subscription in the board of directors (Al Torgoman Group)	2,500
Agency compensations	64,155
Prior years' containers rent	1,592
Value of amounts to approve 6 Nobel cranes	405,829
Insurance confiscation related to purchase orders	9,338
Total	14,738,413

- Analysis for prior year's expenses as of 31/3/2019

Value in EGP

Description	Amount
Cash compensation For the balance of holidays	525,289
Maintenance expenses	981,506
Company's share in the social insurance	2,609,909
Stevedoring and storage expenses	3,614,005
Judiciary sentences against the company	140,044
Compensations for accidents	596,045
Reward increase variances	1,710,995
Variance resulted from resolution (800) and resolution (67) in favor of Alex port Authority	1,424,294
Due sales tax 2015/2016	33,567
Total	11,635,654

15. Non Current liabilities

Long term loans

None

- Bonds:

None

Current liability:

16.Provisions:-

Provisions are recognized in accordance with Standard No. 28, paragraph 14, of the Egyptian Accounting Standards, where it is expected to have an outflow of resources and economic benefits to settle an obligation. And it's a finalized, verdict, and it is expected to have an outflow of resources and economic benefits and it is valued and highly reliable.

Statement for provision other than depreciation as of 31/3/2019:

Value in EGP

Description	Balance at 1/7/2018	Provided	Used	No longer required	Balance at 31/3/2019
Trade provision (deducted from Trade receivables accounts)	3,645,623	-			3,645,623
Tax provision	35,331,984		6,537,550		28,794,434
Legal disputes provision	59,897,788		10,000		59,887,788
<u>Other provisions:</u>					
Provision to meet the disputes of the Port Authority	24,719,089		17,465,988		7,253,101
End of service Provision	8,898,571		6,505,481		2,393,090
Total	132,493,055		30,519,019		101,974,036

17. Trade payables and credit balances

Value in EGP

Description	Balance
Suppliers	43,660,010
Accounts payable to Authorities and Bodies	31,151,471
Dividends Payable	300,703
Accrued expenses	95,528,890
Advances from clients	1,687,430
Other credit balances	51,185,396
Total	223,513,900

* Taking into consideration that there are no short term loans or overdrafts.

18. Analysis of other credit balances in the financial position at 31/3/2019:

Description	Amount
Fixed Assets Creditors	34,800,191
Refundable Deposits	10,309,329
Other Credit balances	6,075,376
Other debit balance	500
Total	51,185,396

* The nature and components of the other credit balances item are amounts deducted from certain employees (trade unions, alimony, penalties, and taxes due).

• **Related parties transactions:**

Description	Nature of Relation
Holding Company for Maritime and Land Transport	- Contribution to the capital of the company by 55.369%, There are financial transactions amounted to EGP 300 million were paid during July 2018.
Alexandria Port Authority	- Contribution to the capital of the company by 39.631%. There are financial transactions amounted to EGP 202 million affecting the financial statements, which is the usufruct of land and buildings and cleaning fees for them, knowing that a provision has been provided to meet the points of disputes between the company and the port authority and an amount of EGP 17 Million and the remaining amount of EGP 7 Million.

19. Accounting policy for revenue recognition:

- a) Revenue is recognized, which is rendering of services to the extent of the carried out transactions at the end of the accounting period requiring the preparation of the final accounts and financial position (percentage of completion standard 11) Where all the following conditions are met altogether:
- The accuracy of the revenue measurement at the completion of the service.
 - Achieve economic benefits of the transaction.
 - The complete recording of costs related to the implementation of the service performed.

20. administrative expenses:

- Details are included in the profit and loss account in the financial statements notes.

21. Credit interests

As for the applicable Accounting Policy for the recording of credit interests, it is recorded using accrual basis and what is related to the accounting period.

22. Translation of Foreign Currency:

Foreign currency losses were recognized at 31/3/2019 by an amount of EGP 45,421,959 which was disclosed in the income statement.

23. Miscellaneous income analysis

Value in EGP

Description	Partial	Total
<ul style="list-style-type: none"> • Compensation and fines 		
Accident compensation (Cars, cranes, Equipment)	153,366	
Supply and pollution fines	4,332,928	4,486,294
<ul style="list-style-type: none"> • Term of reference / floods / Locks 		1,874,744
<ul style="list-style-type: none"> • Rent income 		477,000
Total		6,838,038

Tax Policy

- The company presents annual tax return for the results of the Head Office performance and the company have a branch working under free zones system in Alexandria and Al Dekheila ports and it is not subject to corporate tax but present tax return for payroll, stamp tax and VAT.

24. Current taxes:

The due income tax is calculated in accordance with the Law No. 91 for 2005 and it's Executive Regulations, resolutions and subsequent instructions effective in Egypt and is recognized in the Head Office income statement and a provision is provided for contingent liabilities after preparing the necessary study and in light of tax claims.

Deferred tax

- Deferred tax is the tax arising from the existence of temporary differences arising from the difference in the financial period in which the value of certain assets and liabilities is recognized as per the applicable tax rules and the accounting principles followed in the preparation of the financial statements.
- Deferred tax is recognized as an asset when there is a reasonable expectation that the asset may be used to reduce the tax due in future years. The deferred tax asset is reduced by the portion that will not be realized from the tax benefit expected in the following years, however, if the expected tax benefit increases, the tax assets will be increased, within the limit of amounts previously impaired.
- The deferred tax is settled upon completion of the tax examination for the fiscal year and then settled in the income statement in accordance in accordance with the final resolution of the tax committees.

Tax position until 31/3/2019

First: Corporate tax:

- Completion of internal committee for the years from 2007/2008 till 2011/2012 and due amounts have been paid.
- The years from 2012/2013 till 2015/2016 have been inspected and is currently under discussion in the internal committee.
- The company presented its tax return for the years from 2016/2017 and 2017/2018
- The balance of the accounts payable of Authorities and Bodies (tax authority –withholding tax) was presented net of withholding tax to Debit balance (an irregular balance) by the amount of EGP 11,091,935.65 related to tax on treasury bills. The Withholding tax will be settled immediately after the end of the final tax assessment due to the change of the tax pools where the withholding tax will be deducted from the tax due for each year.

Second: Salaries tax

Tax inspection completed for the years from 2012 and it was settled and company is currently under inspection for 2013,2014, 2015, 2016

Third: Stamp tax

Tax inspection completed for the years until 30/6/2015 and there are no other claims or fees.

Forth: Sales tax

Tax inspection completed for the years 2015/2016 and tax was paid.

Fifth: Real-Estate tax

On 30/6/2018 part of the provision provided to face the Real-estate claims was used by an amount of EGP 9 Million was settled and the remaining amount of EGP 5 Million till reconciliation with the Real-Estate taxes.

Rights, privileges and restrictions on dividends:-

None.

Delayed dividends of preferred stocks:-

There are no preferred stocks.

25. Dividends:

Dividends are distributed at the end of the financial year after the approval of the General Assembly of the financial statements at the end of the financial year in accordance with the clauses of Law 203. The value of the coupon is calculated by dividing the shareholders' value by the No. of shares (1,489,753,400 shares). The standard is applied to distribute the net profits after the transfer to reserves and employees shares and the share of the Board of Directors in profits as the earnings per share represents the total distributable profit / No. of actual shares.

Earnings per share in dividends:

The shareholders' share of the profits/No. of actual shares, considering that the company's shares are common.

26. Financial instruments risk:-

a) Market risk:

The company works in the field of containers, where there is a competition from companies working in the same field, and accordingly the company is working to provide the credit facilities to customers and purchasing new equipment to provide exceptional services to attract new shipping lines.

b) foreign currency risk:

The company maintains its foreign currency balances to meet the financing requirements in the investment plan for purchase of new equipment from abroad in order to avoid the risk of foreign exchange fluctuations and deal with several banks to obtain the highest return on deposits as well as the credit facilities taking into consideration that the company revalues foreign currencies at the end of each quarter.

c) Interest rate risk:

The company chooses between many banks to deal with them to limit the risks by opening deposits (EGP – USD) only for three months with the highest prices available.

27. Capital commitments not recorded in books:

Description	Amount in thousands EGP	
	Amount	
Supply of (4) container lifting full cranes		30,216
Supply of (3) container lifting empty cranes		12,309
Supply of (11) medium power cell of type VACUUM		1,807
Constructing of Administrative building		4,679
Modernizing RDT system		2,541
(1)Fork crane 5 Ton		734
1.6 Mega power converter capacity 5.5 k 400 volt		789
Electricity generator unit (spare) capacity 350 K. V. A		1,260
Development and capacity increase of spare parts store		1,804
2 Mega converters V.A. dry inclusive of copper pre-prepared bars related to TCI station		2,762
Two low pressure boards inclusive of (p.f) TC 4 –TC1		
Construction of yard to increase fridge containers capacity by 350 containers		5,005
Two keys 11 k.v VACUUM TYPE UNIGEAR ZS1		292
Deepening and dredging of docks 96 length 350 meter (phase 2)(Suez Canal Authority) engineering office Faculty of engineering		1,200

Major repairs to docks 49 -54	2,898
Deepening and dredging of docks 96 (Suez Canal Authority)	13,985
Curtains necessary for installing equipments	25,462
Replacement and renewal of devices and operating systems	359
Total	103,891

28. Other Notes:

- The excellence_reward was charged to payroll account instead of charging it to prior year years' expenses in accordance with Accountability State Authority instructions.
- The company is applying the standard of continuance, stability and accrual while recognizing profit or loss accounts in accordance with the Egyptian Accounting Standard No. (1).
- Starting from the financial year ended at 30/6/2016, marketing expenses were included in the profit or loss accounts instead of trading account in accordance with the Egyptian Accounting Standard No. (1).
- The profit margin is calculated based on the deduction of activity revenues from cost of production or purchase of sold units.
- **Lands:** The Holding Company for Maritime and Land transport_replaced_Alexandria Container and Cargo Handling Company as agent to purchase land plot at Al Balina holding area in Sohag governorate and allocated it to construct a schools complex as the general assembly of the company approved at 27/4/2008 and check No. 2595786 dated 3/2/2009 by an amount of EGP 2,412,898 and the total in land plot equals to M² 18,451.57 approximately, then a sale contract was made from the Holding Company for Maritime and Land transport Alexandria Container and Cargo Handling Company and at 30/6/2016 was recognized as investment property in accordance with the advice from Accountability State Authority (Egyptian Accounting Standard No. (34).
- **The process of deepening dock 96 (Canal Harbor Company):**
The Canal Harbor and Great Projects Company (implementer of the project) is currently committed to carrying out the works of the operation. A total of (9) progress billing was carried out with a total amount of EGP 59.624 million out of the total amount of EGP 74.794 million.

29. Subsequent events

The Extraordinary General Assembly approved on 4/4/2019 an amount of EGP 21.603 Million being the value to fix 2010 dock crane ZPMC at Al Dekheila from the capital reserve.

Letters of guarantee against deposits a total amount of EGP 34,357,416:

- An amount of EGP 10,000 letter of guarantee in favor of Telecom Egypt being the value of international communications expires on 1/2/2020.
- An amount of EGP 40,000 Letter of Guarantee for Misr Petroleum Company being the Value of the coverage of oil withdrawals expires on 28/4/2019.
- An amount of EGP 903,829 Letter of guarantee for the Alexandria Port Authority the value of 10% final insurance for the rent of sorting yard 3 years expires on 9/10/2019.
- An amount of EGP 73,800 Letter of guarantee for the port of Alexandria port the Value of 25% Insurance of the minimum covered trading 3 years expires on 9/10/2019.
- An amount of EGP 200,000 letter of guarantee for the benefit of the Customs Authority value of 5% of the customs taxes and the estimated taxes for the average storage power expires on 28/11/2019.
- An amount of EGP 42,600 Letter of guarantee in favor of the Port Authority 25% of the minimum covered for the sorting area of 7,100 m², expires on 2/9/2019.
- An amount of EGP 458,270 Letter of guarantee in favor of the Port Authority The value of the final insurance for the usufruct of 7,100 m², expires on 14/11/2019.
- An amount of EGP 409,563 guarantee letter for the port authority for the purpose of the usufruct of sorting area of 5,060 m², expires on 10/11/2019.
- An amount of EGP 33,900 letter of guarantee in favor of the Port Authority for the purpose of the usufruct of the sorting area of 5,060 m², expires on 10/11/2019.
- An amount of EGP 200,000 Letter of guarantee in favor of the Customs Authority Value of taxes and estimated fees for the average storage value expected on an area of 7,100 m² and 565 m² expires on 23/5/2019.
- An amount of EGP 900,000 Letter of guarantee for the Alexandria Port Authority (Licensing Department) for the stevedoring activity of container ships, expires on 15/5/2019.

- An amount of EGP 2,762,784.40 Letter of guarantee in favor of Alexandria Port Authority 10% of insurance against the use of the rent of the sorting yard Three years, expires on 17/9/2019.
- An amount of EGP 14,500,000 Letter of guarantee for the General Authority of Alexandria Port for final insurance for the areas assigned to the company, expires on 3/11/2019.
- An amount of EGP 1,464,000 is a letter of guarantee for the General Authority of Alexandria Port regarding the usufruct of an area of 7,257 m² in the third area and insurance covered by the annual trading date of completion 9/11/2019.
- An amount of EGP 1,726,000 is a letter of guarantee to the General Investment Authority for the amount due on the company as a private free zone from the obligations, expires on 5/1/2020.
- An amount of EGP 3,800,000 is letter of guarantee for the Customs of the Northern and Western Region, the value of final insurance to ensure the value of taxes and fees estimated to average storage capacity expected on an area of 12,300 m², expires on 17/2/2020.
- An amount of EGP 1,616,157 Letter of guarantee for the Alexandria Port Authority the value of final insurance for the usufruct of 7100 m², 5680 m² until 27/11/2019.
- An amount of EGP 3,800,000 Letter of guarantee for the Customs of the Northern and Western Region The value of taxes and estimated fees for the average storage capacity expected on sorting Yard of 5,650 m² and area of 7,100 m² Expiry date 30/4/2019.
- An amount of EGP 50,000 Letter of guarantee for the General Authority of the port of Alexandria the value of final insurance for the re-construction of the separation fence between the container terminal and the area and adjacent to the wall of the company area 5,942 m², expires on 30/8/2019.
- An amount of EGP 908,913 letter of guarantee in favor of the General Authority of Alexandria Port of 10% of the value of the usufruct rights for 3 years which is the usufruct of the area of 5,942 m² in the second area of El-Dekheila and 25% to insure the minimum annual trading expires on 5/7/2019.
- An amount of EGP 400,000 Letter of guarantee for Misr Petroleum Company value of coverage of petroleum products withdrawals expires on 30/11/2019.
- An amount of EGP of 57,600 Letter of guarantee for the General Authority of the port of Alexandria Value of insurance for the usufruct of the area of 640 m² in the yard No. 68 Alexandria port, expires on 30/3/2020.