

التاريخ: 2018/ 09 / 26

الرقم: FNSAL-09-2018-002

24/11

ΣΕΛΕΝΙΟΝ Α

والله اعلم

المرحوم

المحترمين .

المحترمين .

السادة / هيئة الأوراق المالية  
السادة / دائرة الإفصاح  
فاكس رقم ( 5686830 ).

تحية طيبة وبعد ،،،

نرفق لكم بطيه أدناه نسخة من البيانات المالية الموجزة المرحلية الموحدة كما بتاريخ 2018/06/30 باللغة الإنجليزية .

وتفضلوا بقبول فائق الاحترام والتقدير ،،

~~المدير المالي والإداري~~  
~~محمود زاهر~~



هيئة الأوراق المالية  
الدائرة الإدارية / الشؤون

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الرقم التسلسلي ..... ٢٠٢٠  
الجهة المختصة ..... ٢٠٢٠

- مرفق البيانات المالية كما بتاريخ ٣١/٣/١٤٠٦ م و ١/٦/١٤٠٦ م.



**TAG-Audit**

**Pharmaceutical and Chemical Industries and Medical Appliances  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan**

**Consolidated Interim Condensed Financial Statements  
and Review Report  
for the three months ended March 31, 2018**

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**Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company**  
**Public Shareholding Company**  
**Amman – The Hashemite Kingdom of Jordan**

**Consolidated Interim Condensed Financial Statements**  
**and Review Report**  
**for the three months ended March 31, 2018**

**Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

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**Report on review of consolidated interim condensed financial information**

To Messrs. Shareholders  
Middle East Pharmaceutical and Chemical Industries  
and Medical Appliances Company  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan

**Introduction**

We have reviewed the consolidated interim condensed statement of financial position of Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company and its Subsidiary (Public Shareholding Company), as at March 31, 2018, and the related consolidated interim condensed statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and fair presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion about this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagement no. (2410) "Review of interim financial information performed by the independent auditor of the entity". A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

**Basis of qualified conclusion**

Slow-moving inventory was not evaluated for the period ended March 31, 2018, and previous years thus we could not determine its effect on the statement of comprehensive income.

**Qualified conclusion**

Based on our review, except for the affect stated in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting".

**Other matters**

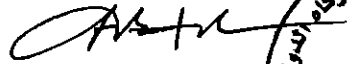
The opening balances were audited by another auditor, whom issued a qualified opinion on February 26, 2018.

### Emphasis of matter

We would like to refer to note (3) of the financial statements, whereas the accumulated losses for the company has amounted to JD 18,361,835 representing 186% of the company's capital, also we would like to refer to note (4) at the financial statements were the company's total current liabilities exceed its current assets by amounted to JD 14,648,300 in addition to existing payables which were not paid till the date of the financial statements. These matters cast significant doubt on the company ability to continue as a going concern, for the company to continue its activities in a normal way and to have proper funding to pay its liabilities and to succeed in its future operation, the company's management has provided a full plan to maintain its activities and one of the first steps was to invite the company's general assembly to an extraordinary meeting dated June 31, 2017 and the following decisions were made:

- Quenching the accumulated losses amounting of JD 8,619,000 in capital accounts as at December 31, 2017.
- The authorized capital and the paid-in capital will become JD 6,250,583 and JD 1,250,583 respectively.
- Cover the increase of capital amounting to JD 5,000,000 by capitalizing a portion of company's debts.
- The legal requirements were not completed till the day of the consolidated interim condensed financial information.
- The legal requirements were not completed till the day of consolidated interim condensed financial statements.

Talal Abu-Ghazaleh & Co. International

  
Aziz Abdelkader  
(License # 867)

Amman - April 30, 2018



**Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Consolidated interim condensed statement of financial position as at March 31, 2018**  
**- (Reviewed and unaudited)**

|   | March 31, 2018<br>(Reviewed and unaudited) | December 31, 2017<br>(Audited) |
|---|--|--------------------------------|
|   | JD   | JD                             |
| <b>ASSETS</b>   |  |                                |
| <b>Non-current Assets</b>   |  |                                |
| Property and equipment  | 7,628,091                                  | 7,798,664                      |
| Intangible assets   | 287,107                                    | 292,120                        |
| <b>Total Non-Current Assets</b>                                     | <b>7,915,198</b>                           | <b>8,090,784</b>               |
| <b>Current Assets</b>   |  |                                |
| Inventory   | 2,901,812                                  | 2,889,213                      |
| investment in financial asset at fair value through profit and loss | 16,467                                     | 16,703                         |
| Due from related parties  | -  | 223,782                        |
| Other debit balances  | 1,354,871                                  | 387,827                        |
| Trade receivables   | 2,952,583                                  | 2,216,265                      |
| Cash and cash equivalents   | 10,142                                     | 109,179                        |
| <b>Total Current Assets</b>   | <b>7,235,875</b>                           | <b>5,842,969</b>               |
| <b>TOTAL ASSETS</b>   | <b>15,151,073</b>                          | <b>13,933,753</b>              |
| <b>EQUITY AND LIABILITIES</b>                                       |  |                                |
| <b>Equity</b>   |  |                                |
| Authorized capital  | 14,869,583                                 | 14,869,583                     |
| Paid-in capital   | 9,869,583                                  | 9,869,583                      |
| Statutory reserve   | 271,045                                    | 271,045                        |
| Foreign currency translation differences                            | 145,105                                    | -                              |
| Accumulated losses  | (18,361,835)                               | (17,698,417)                   |
| <b>Deficit in Equity</b>  | <b>(8,076,102)</b>                         | <b>(7,557,789)</b>             |
| <b>Liabilities</b>  |  |                                |
| <b>Non Current Liabilities</b>                                      |  |                                |
| Payments on capital increase  | 1,343,000                                  | 1,343,000                      |
| <b>Current Liabilities</b>  |  |                                |
| Loans   | 211,515                                    | 2,144,138                      |
| Deferred checks   | 622,384                                    | 640,303                        |
| Other credit balances   | 5,513,550                                  | 4,557,764                      |
| Trade payables  | 1,452,035                                  | 2,689,012                      |
| Due to related parties  | 13,632,453                                 | 7,114,105                      |
| Banks overdraft   | 452,238                                    | 3,003,220                      |
| <b>Total Current Liabilities</b>                                    | <b>21,884,175</b>                          | <b>20,148,542</b>              |
| <b>Total Liabilities</b>  | <b>23,227,175</b>                          | <b>21,491,542</b>              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                 | <b>15,151,073</b>                          | <b>13,933,753</b>              |

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of comprehensive income for the three months ended  
March 31, 2018 - (Reviewed and unaudited)

|  | March 31,<br>2018<br>JD | March 31,<br>2017<br>JD |
|--|-------------------------|-------------------------|
| Sales  | 209,461                 | 406,816                 |
| Cost of sales  | (506,754)               | (705,531)               |
| gross loss   | (297,293)               | (298,715)               |
| Other revenues, net  | 20,557                  | 20,444                  |
| Changes in fair value for financial asset at fair value through<br>profit and loss | (236)                   | (464)                   |
| Selling and marketing expenses   | (91,298)                | (90,236)                |
| Administrative expenses  | (212,720)               | (230,425)               |
| Finance cost   | (82,428)                | (183,162)               |
| Loss   | (663,418)               | (782,558)               |
| Weighted average number of shares  | 9,869,583               | 9,869,583               |
| Loss per share   | JD (-/067)              | JD (-/079)              |



**Consolidated interim condensed statement of changes in equity for the three months ended March 31, 2018 - (Reviewed and unaudited)**

|  | Capital   | Statutory reserve | Foreign currency translation differences | Accumulated losses | Total       |
|--|-----------|-------------------|--|--------------------|-------------|
|  | JD        | JD                | JD                                       | JD                 | JD          |
| Balance as at March 31, 2018             |           |                   |  |                    |             |
| Balance as at January 1, 2018            | 9,869,583 | 271,045           | -  | (17,698,417)       | (7,557,789) |
| Loss                                     | -         | -                 | -  | (663,418)          | (663,418)   |
| Foreign currency translation differences | -         | -                 | 145,105                                  | -                  | 145,105     |
| Balance as at March 31, 2018             | 9,869,583 | 271,045           | 145,105                                  | (18,361,835)       | (8,076,102) |
| Balance as at March 31, 2017             |           |                   |  |                    |             |
| Balance at January 1, 2017               | 9,869,583 | 271,045           | -  | (12,707,532)       | (2,566,904) |
| Loss                                     | -         | -                 | -  | (782,558)          | (782,558)   |
| Balance as at March 31, 2017             | 9,869,583 | 271,045           | -  | (13,490,090)       | (3,349,462) |

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of cash flows for the three months ended March 31, 2018  
- (Reviewed and unaudited)

|   | March 31,<br>2018    | March 31,<br>2017     |
|---|----------------------|-----------------------|
|   | JD                   | JD                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                      |                       |
| Loss  | (663,418)            | (782,558)             |
| Adjustments for :   |                      |                       |
| Depreciation  | 175,586              | 183,162               |
| Changes in fair value for financial asset at fair value through profit and loss | 236                  | 464                   |
| Change in operating assets and liabilities:                                     |                      |                       |
| Inventory   | (12,599)             | (48,132)              |
| Due from related parties  | 223,782              | -                     |
| Other debit balances  | (967,044)            | 96,373                |
| Trade receivables   | (736,318)            | (158,530)             |
| Deferred checks   | (17,919)             | -                     |
| Other credit balances   | 955,786              | (33,106)              |
| Trade payables  | (1,236,977)          | (390,522)             |
| Net cash from operating activities  | <u>(2,278,885)</u>   | <u>(1,132,849)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                      |                       |
| Purchases of property and equipment   | -                    | (9,883)               |
| Net cash from investing activities  | <u>-</u>             | <u>(9,883)</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                      |                       |
| Loans   | (1,932,623)          | -                     |
| Banks overdraft   | (2,550,982)          | 458,768               |
| Due to related parties  | 6,518,348            | 652,908               |
| Net cash from financing activities  | <u>2,034,743</u>     | <u>1,111,676</u>      |
| Net change in cash and cash equivalents   | (244,142)            | (31,056)              |
| Cash and cash equivalents - beginning of period                                 | 109,179              | 160,388               |
| Foreign currency translation differences  | 145,105              | -                     |
| Cash and cash equivalents - end of period                                       | <u><u>10,142</u></u> | <u><u>129,332</u></u> |

**Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the financial statements**

**1. Legal status and activity**

- Middle East Pharmaceutical and Chemical Industries and Medical Appliances Co. was established on October 25, 1993 and registered as a public shareholding company with the Ministry of Industry and Trade under the number (231).
- The main Company's activities are as follows:
  - Medical and laboratory testing equipment and solutions
  - Human liquid medication manufacturing
  - Human pills medication manufacturing
  - Human anal Suppositories medication manufacturing
  - Veterinarian antibiotics manufacturing
  - Veterinarian antibacterial manufacturing
  - Veterinarian vitamins manufacturing
  - Gelatin capsules manufacturing

**2. Financial statements preparation framework and significant accounting policies**

- The interim condensed consolidated financial information for the company were prepared according to the International Accounting Standard (34) "Interim Financial Reporting".
- Accounting policies used in preparing the interim condensed consolidated financial statement are consistent with those policies used in preparing the financial statements for the year ended December 31, 2017.

**3. Accumulated losses**

The company's accumulated losses amounted to JD 18,361,835, which represents 186% of its capital.

**4. Company's continuity**

- As it is stated in the consolidated financial statements the company's current liabilities exceeded its current assets by an amount of JD 14,648,300 which affects the company's continuity and requires it to abide to article no. (266) of the Jordanian Companies Law.
- An extraordinary meeting dated June 31, 2017 was held and the following decisions were made:
  - Quenching the accumulated losses amounting to JD 8,619,000 in capital as at December 31, 2017.
  - The authorized capital and the paid-in capital of the company will become JD 6,250,583 and JD 1,250,583 respectively.
  - Cover the increase of capital amounting to JD 5,000,000 by capitalizing a portion of company's debts.
- The legal requirements were not completed till the day of the consolidated interim condensed financial statements.

**5. Subsidiary company**

The interim condensed consolidated statements include the subsidiary's financial statements as at March 31, 2018 as follows:

| Company name  | Legal status | Paid-in Capital | Ownership | Total Assets | Total liabilities | (Accumulated losses) |
|---|--------------|-----------------|-----------|--------------|-------------------|----------------------|
|   |              | JD              | %         | JD           | JD                | JD                   |
| Middle East Pharmaceutical & Chemical Industries Co | L.L.C        | 6,150           | 100       | 219,364      | 400,523           | (187,309)            |