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الرقم: FNSAL-09-2018-002

للمرسل

أ. ب. ر. ه. ع. م.

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المحترمين .

المحترمين .

السادة / هيئة الأوراق المالية

السادة / دائرة الإفصاح

فاكس رقم (5686830) .

أ. ب. ر. ه. ع. م.

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 / البيان
٢٧ أيلول ٢٠١٨
الرقم المتسلسل: ٢٠١٨/٢٧
الجهة المختصة: (الجهة المختصة)

- مرفق البيانات المالية كما بتاريخ ٣١/٣/٢٠١٨ و ٢٧/٩/٢٠١٨ .

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 six months ended June 30, 2018

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education in 85 offices worldwide

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

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Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
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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 June 30, 2018, and the related consolidated interim condensed statements of comprehensive income, changes in equity and cash flows for the six 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 June 30, 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

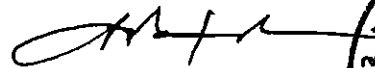
The opening balances were audited by another auditor, whom issued a qualified opinion on February 26, 2018.

Emphasis of matters

We would like to refer to note (3) of the financial statements, whereas the accumulated losses for the company amounted to JD 18,967,512 representing 192% of the company's capital, also we would like to refer to note (4) at the financial statements where the company's total current liabilities exceed its current assets by amounting to JD 15,111,832 in addition to existing payables which were not paid till the date of the financial statements. These matters cast significant doubt on the company's 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 consolidated interim condensed financial statements.

Talal Abu-Ghazaleh & Co. International



Aziz Abdelkader
(License # 867)

Amman -July 31, 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 June 30, 2018
- (Reviewed and unaudited)

	June 30, 2018 (Reviewed and unaudited) JD	December 31, 2017 (Audited) JD
ASSETS		
Non-current Assets		
Property and equipment	7,480,306	7,798,664
Intangible assets	279,549	292,120
Total Non-Current Assets	<u>7,759,855</u>	<u>8,090,784</u>
Current Assets		
Inventory	2,994,455	2,889,213
Investment in financial asset at fair value through profit and loss	15,761	16,703
Due from related parties	-	223,782
Other debit balances	1,372,002	387,827
Trade receivables	2,986,666	2,216,265
Cash and cash equivalents	69,701	109,179
Total Current Assets	<u>7,438,585</u>	<u>5,842,969</u>
TOTAL ASSETS	<u>15,198,440</u>	<u>13,933,753</u>
EQUITY AND LIABILITIES		
Equity		
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	131,907	-
Accumulated losses	(18,967,512)	(17,698,417)
Deficit in Equity	<u>(8,694,977)</u>	<u>(7,557,789)</u>
Liabilities		
Non Current Liabilities		
Payments on capital increas	1,343,000	1,343,000
Current Liabilities		
Loans	663,753	2,144,138
Deferred checks	622,384	640,303
Other credit balances	5,079,249	4,557,764
Trade payables	1,177,148	2,689,012
Due to related parties	15,007,883	7,114,105
Banks overdraft	-	3,003,220
Total Current Liabilities	<u>22,550,417</u>	<u>20,148,542</u>
Total Liabilities	<u>23,893,417</u>	<u>21,491,542</u>
TOTAL EQUITY AND LIABILITIES	<u>15,198,440</u>	<u>13,933,753</u>

Consolidated interim condensed statement of comprehensive income for the six months ended June 30, 2018
- (Reviewed and unaudited)

	For the six months ended		For the three months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	JD	JD	JD	JD
Sales	363,395	445,915	153,934	39,099
Cost of sales	(998,273)	(1,197,027)	(491,519)	(491,496)
gross loss	(634,878)	(751,112)	(337,585)	(452,397)
Other revenues, net	25,705	20,444	5,148	-
Change at fair value of financial asset at fair value through profit and loss	(942)	(39)	(706)	425
Selling and marketing expenses	(125,586)	(134,554)	(37,713)	(44,318)
Administrative expenses	(438,812)	(406,306)	(222,667)	(175,881)
Finance cost	(94,582)	(335,004)	(12,154)	(151,842)
Loss	(1,269,095)	(1,606,571)	(605,677)	(824,013)
Weighted average number of shares	9,869,583	9,869,583		
Loss per share	JD (-/129)	JD (-/163)		

Consolidated interim condensed statement of changes in equity for the six months ended June 30, 2018 - (Reviewed and unaudited)

	Capital	Statutory reserve	Foreign currency translation differences	Accumulated losses	Total
	JD	JD	JD	JD	JD
For the six months ended June 30, 2018					
Balance as at January 1, 2018	9,869,583	271,045	-	(17,698,417)	(7,557,789)
Loss	-	-	-	(1,269,095)	(1,269,095)
Foreign currency translation differences	-	-	131,907	-	131,907
Balance as at June 30, 2018	9,869,583	271,045	131,907	(18,967,512)	(8,694,977)
For the six months ended June 30, 2017					
Balance at January 1, 2017	9,869,583	271,045	-	(12,707,532)	(2,566,904)
Loss	-	-	-	(1,606,571)	(1,606,571)
Balance as at June 30, 2017	9,869,583	271,045	-	(14,314,103)	(4,173,475)

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 six months ended June 30, 2018
- (Reviewed and unaudited)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	(1,269,095)	(1,606,571)
Adjustments for :		
Depreciation	337,465	369,634
Change at fair value of financial asset at fair value through profit and loss	942	39
Change in operating assets and liabilities:		
Inventory	(105,242)	(149,338)
Due from related parties	223,782	-
Other debit balances	(984,175)	492,870
Trade receivables	(770,401)	(137,032)
Deferred checks	(17,919)	(700)
Other credit balances	521,485	225,391
Trade payables	(1,511,864)	(265,291)
Net cash from operating activities	<u>(3,575,022)</u>	<u>(1,070,998)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,536)	(31,276)
Net cash from investing activities	<u>(6,536)</u>	<u>(31,276)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans	(1,480,385)	-
Banks overdraft	(3,003,220)	280,961
Due to related parties	7,893,778	787,140
Net cash from financing activities	<u>3,410,173</u>	<u>1,068,101</u>
Net change in cash and cash equivalents	(171,385)	(34,173)
Cash and cash equivalents - beginning of period	109,179	160,388
Foreign currency translation differences	131,907	-
Cash and cash equivalents - end of period	<u><u>69,701</u></u>	<u><u>126,215</u></u>

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

Notes to the condensed consolidated financial information

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 18,967,512, which represents 192% 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 15,111,832 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 June 30, 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	LLC	5,970	100	212,724	386,159	(179,405)