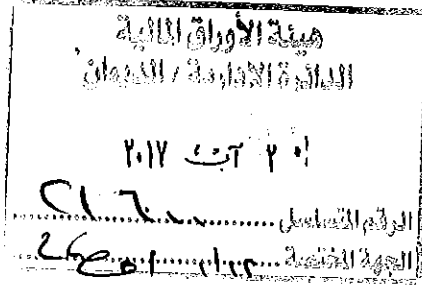


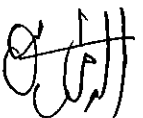
Date: 7/8/2017
Nu : F/2017/359- يومه كان
- السيد
8/8
ص**TO: Jordan Securities Commission
Amman Stock Exchange****Subject: Semi-annual Report as of 30/6/2017**

Attached the Semi-annual Report of The Jordanian Pharmaceutical Manufacturing Co.
(PLC) as of 30/6/2017.

Kindly Accept Our Highly Appreciation And Respect**General Director**
Saleh Al-Shanteer

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**JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2017**

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
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REVIEW REPORT ON INTERIM FINANCIAL STATEMENT**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordanian Pharmaceutical Manufacturing Group as at 30 June 2017, and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statement in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial statement based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial statement Performed by the Independent Auditor of the Entity". A review of interim 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 for Qualified Conclusion

The accompanying condensed consolidated interim financial statements include financial assets at fair value through other comprehensive income, investment in associates, accounts receivable, and due from related parties with a net book value of JD12 million. we were unable to verify if there is any impairment in its value as a result of lack of available updated audited financial statements and sufficient information available, Therefore, we were unable to determine the impact of the Group's condensed consolidated interim financial statements, and were also unable to determine the recoverable of investments amount, and the Group has not reached a final settlement with accounts receivable, and due from related parties.

Additionally, the Group's management has opted a policy of any possible impairment in the recoverable of investments in associates amount with a provision for impairment for the period ended 30 June 2017 and for the years 2016, 2015, and 2014 by 20% per annum, The total amount of the provision of JD 4 762 716 of the investments in Final Pharma and the Belvit Univarm Partnership, and hedging by additional provision at the same percentage annually.

as stated in Note (3) to the condensed consolidated Interim financial statements, the Income and Sales Tax Department reviewed, the Group's records for the year 2009, decision by the expert's was issued to oblige the Group amounted to JD 988 434, decision by the Tax Court of First Instance was issued to accept the expert's decision in its meeting held on 31 December 2014, the lawsuit appealed, the Income Tax Court of Appeal adopted the Tax Court of First Instance decision on 8 December 2015, and Court of Cassation adopted the decision. Accordingly, the Group should pay the claim amounted to JD 988 434, The provision has been settled amounting to JD 250 000, and the additional provisions will settle during the second half of 2017.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified conclusion section of our report, nothing has come to our attention that the accompanying condensed Interim financial statements are not prepared in accordance with International Accounting Standard No.(34) related to Interim Financial Reporting.

**THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING**

Emphasis of a Matters

Without further qualification In our conclusion, as stated In Note (3) to the condensed consolidated Interim financial statements, during 2008, the Group has received claim from the Income Tax Department for JD 6 191 400 for the year 2003 (as the legal successor to the Jordanian Company for the Production of Medicines and Medical Equipment) related to the proceeds of the patent evaluation. On 29 January 2009, A decision by the Court of Cassation was issued on 29 June 2016 to decision to dismiss the two appeals and to support the contested decision of the Court of Appeal that the taxable income realized by the goodwill amounted to JD 4 439 213 and provision for income tax amounted to JD 665 882. The Group's was settled provision against this obligation.

Without further qualification In our conclusion, as stated In Note (3) to the condensed consolidated Interim financial statements, The Group submitted the tax returns for the year 2010 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 782 052. Consequently, the Group filed a lawsuit number (2053 / 2013) objecting to the review, which is still pending at the Tax Court of First Instance based on the expert's report which stated that the expert had violated the income tax at several points, and reached a better result than the tax assessor. Accordingly, the Group's legal advisor raised the argument that the assessor was issued the tax decision was not duly authorized by Tax officials, therefore decision by The Court of Appeal was issued on 8 March 2017 to cancel the Group from this obligation.

Without further qualification In our conclusion, as stated In Note (3) to the condensed consolidated Interim financial statements, The Group submitted the tax returns for the years 2012, 2011 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 1 833 871. Consequently, the Group filed a lawsuit number (332 / 2016), objecting to the review, and the lawsuit is still pending at the Tax Court of First Instance, the Group's did not settle or offset any provision against this obligation.

Without further qualification In our conclusion, as stated In Note (3) to the condensed consolidated Interim financial statements, Dellas For Natural Products (subsidiary company own 100% by the Group) submitted the tax returns for the years 2013, and 2012 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 69 760. Consequently, the Company filed a lawsuit on 6 December 2015 objecting to the review, which is still pending at the Tax Court based on the expert's report. the Company's did not settle or offset any provision against this obligation.

Without further qualification In our conclusion, as stated In Note (4) to the condensed consolidated Interim financial statements, Al Noor Drug Store (Group former agent in the United Arab Emirates) filed an arbitration claim filed under (353/2013) demanding compensation in the amount of US 10 000 000 under the pretext of termination of the warehouse's proxy. The arbitrator decided to obligate the Group US 9 054 959. The Court of Cassation issued a decision on 6 November 2016 endorsed the resolution consequently, the decision is final and the Group is obligate pay USD 8,011,062 in the Emirate of Dubai.

Al Noor Drug Store filed a lawsuit under No (169/2014) demanding that the judgment of the arbitrator issued in the Emirate of Dubai be implemented as an executive in the Hashemite Kingdom of Jordan. The decision to refund the execution of the arbitrator decision (expending the judgment rendered in Dubai as the executive authority in Jordan) was issued for not acquiring the peremptory decision. Decision by the Appeal Court was issued on 4 June 2014 to object to the obligation, and decision by the Court of Cassation was issued to cancel the Group from the obligation.

In accordance with the recommendation of the Group's legal advisor, provision for doubtful debts amounting to JD 741 519 has been recognized to meet the balance of Al Noor Drug Store, In the opinion of the Company's management and Its legal advisor, no provisions are required for these arbitration claim.

Without further qualification In our conclusion, as stated In Note (5) to the condensed consolidated Interim financial statements, there are significant events and circumstances reflected by financial indicators related significant doubt on the Group ability to continue as a going concern. In this regard, the Group's management has prepared a new plan to address the risk of sustainability. the Group ability to continue as a going concern depended on to obtain additional financing and continues its operational activities.

Amman – Jordan
27 July 2017



JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
30 JUNE 2017

	30 June 2017 JD	31 December 2016 JD
Assets		
Non - Current Assets		Audited
Assets held under capital lease	8 198 060	8 302 008
Intangible assets	2 678 231	3 335 898
Property, Plant and equipment	3 391 601	3 584 133
Investment in associates	4 456 271	5 136 659
Financial assets at fair value through other comprehensive Income	1 587 051	1 587 051
Total Non - Current Assets	20 311 214	21 945 749
Current Assets		
Other debit balances	1 440 919	1 277 660
Inventory	7 885 564	7 281 851
Due from related parties	2 949 208	3 252 890
Accounts receivable	11 752 286	9 897 699
Checks under collection	82 982	227 831
Cash and cash equivalents	1 060 763	207 704
Total Current Assets	25 171 722	22 145 635
Total Assets	45 482 936	44 091 384
Liabilities and Equity		
Equity		
Shareholders' Equity		
Share Capital	25 312 500	25 312 500
Statutory reserve	1 805 152	1 805 152
Fair value reserve	436 720	436 720
Accumulated losses	(14 038 648)	(14 346 246)
Total Shareholders' Equity	13 515 724	13 208 126
Non – controlling interest	(33 084)	73 268
Total Equity	13 482 640	13 281 394
Non – Current Liabilities		
Long-term excess of proceeds from sale and leaseback	1 722 863	1 780 291
Long-term capital lease obligations	8 574 447	8 719 591
Long-term note payables	4 986 675	5 040 184
Long-term postdated checks	270 838	469 000
Total Non - Current Liabilities	15 554 823	16 009 066
Current Liabilities		
Other credit Balances	7 555 169	5 990 715
Short-term excess of proceeds from sale and leaseback	114 858	114 858
Short-term capital lease obligations	319 216	313 314
Short-term notes payable	3 464 615	2 604 191
Short-term postdated checks	436 056	1 175 961
Due to related parties	60 650	64 456
Accounts payable	3 983 073	4 230 696
Bank overdraft	511 836	306 733
Total Current Liabilities	16 445 473	14 800 924
Total Liabilities	32 000 296	30 809 990
Total Liabilities and Equity	45 482 936	44 091 384

The accompanying notes are an integral part of these condensed consolidated interim financial statements

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2017

	For the three-months period ended		For the six-months period ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	JD	JD	JD	JD
Net sales	7 557 638	5 330 720	14 187 400	10 583 057
Cost of sales	(2 333 108)	(3 679 401)	(5 092 163)	(5 008 425)
Gross profit	5 224 530	1 651 319	9 095 237	5 574 632
Selling and distribution expenses	(3 285 135)	(1 203 520)	(5 613 267)	(3 276 561)
Administrative expenses	(628 744)	(675 698)	(1 096 972)	(1 302 463)
Financing expenses	(293 860)	(214 173)	(618 414)	(570 281)
Amortization	(289 765)	(310 959)	(604 153)	(545 936)
Write off inventories	(71 121)	(71 333)	(71 121)	(159 976)
Revenue from transfer of technical knowledge	37 000	-	37 000	90 000
Provision for impairment – investment in associates	(340 194)	(340 194)	(680 388)	(680 388)
Contingent liabilities	(250 000)	-	(250 000)	-
Other revenues (expenses)	69 631	66 125	3 324	(72 905)
Total comprehensive income (loss) for the period	172 342	(1 098 433)	201 246	(943 878)
Attributable to:				
Company Shareholders	240 260	(1 083 292)	307 598	(892 929)
Non - Controlling interest	(67 918)	(15 141)	(106 352)	(50 949)
	<u>172 342</u>	<u>(1 098 433)</u>	<u>201 246</u>	<u>(943 878)</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Basic and diluted share of (profit) loss for the period	0,009	(0,043)	0,012	(0,035)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
30 JUNE 2017**

	Shareholders' Equity										Total equity JD
	Share Capital JD	Share Premium JD	Statutory Reserve JD	Voluntary Reserve JD	Fair Value Reserve JD	Accumulated losses JD	Shareholders' Equity JD	Non - controlling Interest JD			
31 December 2015	25 312 500	2 000 000	1 805 152	6 085 839	436 720	(16 911 922)	18 728 289	192 570			18 920 859
Losses written off	-	(2 000 000)	-	(6 085 839)	-	8 085 839	-	-			-
comprehensive loss for the period	-	-	-	-	-	(892 929)	(892 929)	(50 949)			(943 878)
30 June 2016	25 312 500	-	1 805 152	-	436 720	(9 719 012)	17 835 360	141 621			17 976 981
31 December 2016	25 312 500	-	1 805 152	-	436 720	(14 346 246)	13 208 126	73 268			13 281 394
comprehensive income for the period	-	-	-	-	-	307 598	307 598	(106 352)			201 246
30 June 2017	25 312 500	-	1 805 152	-	436 720	(14 038 648)	13 515 724	(33 084)			13 482 640

The accompanying notes are an integral part of these condensed consolidated interim financial statements

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
30 JUNE 2017

	30 June 2017	30 June 2016
	JD	JD
Operating Activities		
Total comprehensive income (loss) for the period	201 246	(943 878)
Adjustments for		
Transfer of technical knowledge	(37 000)	(90 000)
Depreciation and amortization	954 147	1 428 858
Write off inventories	71 121	159 976
Provision for impairment – investment in associates	680 388	680 388
Contingent liabilities	250 000	-
Financing expenses	618 414	570 281
Changes in Assets and Liabilities		
Checks under collection	144 849	(62 917)
Accounts receivable	(1 854 587)	(1 758 564)
Due from related parties	303 682	(16 288)
Inventory	(674 834)	418 161
Other debit balances	(163 259)	(96 334)
Accounts payable	(247 623)	85 682
Due to related parties	(3 806)	(4 352)
Other credit balances	1 351 454	1 192 139
Net Cash from Operating Activities	1 594 192	1 563 152
Investing Activities		
Intangible assets	-	(35 625)
Net Cash Used in Investing Activities	-	(35 625)
Financing Activities		
Bank overdraft	205 103	(123 893)
Capital lease obligations	(196 670)	(206 800)
Postdated checks and Notes payable	(131 152)	(357 442)
Paid financing expenses	(618 414)	(570 281)
Net Cash Used in Financing Activities	(741 133)	(1 258 416)
Net Change in Cash and Cash Equivalents	853 059	269 111
Cash and cash equivalents at 1 January	207 704	517 067
Cash and Cash Equivalents at 30 June	1 060 763	786 178

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1) General

Jordanian Pharmaceutical Manufacturing Company was established on 27 January 2004 as a result of merged with Al Razi Pharmaceutical Industries Company and the Jordanian Pharmaceutical Manufacturing and Medical Equipment Company.

The Company's main activities are manufacturing medical, chemical and pharmaceutical products.

The Company General Assembly in its extraordinary meeting held on 30 April 2016 approved to write off the voluntary reserve by JD 6 085 839 and share premium by JD 2 000 000 resolved to write off an amount of JD 8 085 839 of accumulated losses.

The accompanying condensed consolidated interim financial statement was approved by the Board of Directors in its meeting on 27 July 2017.

2) Basis of preparation

The accompanying condensed consolidated interim financial statements has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the consolidated financial statements of the Company as at 31 December 2016. In addition, the results of the Company's operations for the six months ended 30 June 2017 do not necessarily represent indications of the expected results for the year ending 31 December 2017, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those adopted for the year ended 31 December 2016 except for the following:

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)

Disclosure Initiative (Amendments to IAS 7): Amends IAS 7 'Statement of Cash Flows' to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IFRS 16 Leases

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Group consolidated financial statements when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the period of initial application, Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group consolidated financial statements for the annual year beginning 1 January 2018 and IFRS 16 for the annual year beginning on or after 1 January 2019. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group consolidated financial statements in respect of revenue from contracts with customers and the group financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the group performs a detailed review.

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2017

Principles of consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the income statements from the acquisition date, which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the income statement to the disposal date, which is the date on which the Company loses control over the subsidiaries

The following subsidiaries have been consolidated:

	Capital		Activity
	JD	Ownership	
Dellas For Natural Products *	150 000	%100	pharmaceutical industries
Suagh For Pharmaceutical Manufacturing *	150 000	%100	pharmaceutical industries
Jordanian Algerian Pharmaceutical Manufacturing	188 800	%99,66	Marketing drugs
Aragen For Technical Organic *	1 400 000	%70	Laboratory reagents
Aragen For Technical Organic (Free zones)	30 000	%70	pharmaceutical industries

* The percentage of the constituent contribution registered in the name of the General Manager Dr. Adnan Badwan in the company of Dellas for Natural Products, and Suagh for Pharmaceutical Manufacturing are (6.66%) and his constituent contribution of Aragen for technical Organic is (10%). The shares of the General Manager are not mentioned as non-controlling interest, during February 2012, The Group acquired an additional extra shares in Aragen for technical Organic by (3%) to become the ownership of (70%).

Accounting estimates

Preparation of the financial statements and the application of the accounting policies requires the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

3) Income tax

No income tax provision has been calculated for the period ended 30 June 2017 due to accumulated losses.

The tax return for the years 2016, 2015 has been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these condensed consolidated interim financial statements.

The Group submitted the tax returns for the years 2014, 2013, the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences, the Group filed objecting to the review, and no settlement has been made as at the date of these condensed consolidated interim financial statements.

Dellas For Natural Products (subsidiary company own 100% by the Group) submitted the tax returns for the years 2013, and 2012 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 69 760. Consequently, the Company filed a lawsuit on 6 December 2015 objecting to the review, which is still pending at the Tax Court based on the expert's report. the Company's did not settle or offset any provision against this obligation.

The Group submitted the tax returns for the years 2012, 2011 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 1 833 871. Consequently, the Group filed a lawsuit number (332 / 2016), objecting to the review, and the lawsuit is still pending at the Tax Court of First Instance.

The Group submitted the tax returns for the year 2010 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 782 052. Consequently, the Group filed a lawsuit number (2053 / 2013) objecting to the review, which is still pending at the Tax Court of First Instance based on the expert's report which stated that the expert had violated the income tax at several points, and reached a better result than the tax assessor. Accordingly, the Group's legal advisor raised the argument that the assessor was issued the tax decision was not duly authorized by Tax officials, therefore decision by The Court of Appeal was issued on 8 March 2017 to cancel the Group from this obligation.

The Group submitted the tax returns for the year 2009 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 1 147 920, and JD 26 869 for Employment, Technical and Vocational Education Training Fund. Consequently, the Group filed a lawsuit objecting to the review, decision by the experts was issued to oblige the Group amounted to JD 988 434, decision by the Tax Court of First Instance was issued to accept the expert's decision in its meeting held on 31 December 2014, the lawsuit appealed, the Income Tax Court of Appeal adopted the Tax Court of First Instance decision on 8 December 2015, and Court of Cassation adopted the decision. Accordingly, the Group should pay the claim amounted to JD 988 434, The provision has been recorded amounting to JD 250 000, and the additional provisions are required recorded during the second half of 2017.

The Group has reached final settlement with the Income and Sales Tax Department up to the end of the year 2008.

During 2008, the Group has received claim from the Income Tax Department for JD 6 191 400 for the year 2003 (as the legal successor to the Jordanian Company for the Production of Medicines and Medical Equipment) related to the proceeds of the patent evaluation. On 29 January 2009, the appeal was dismissed. The Group appealed the lawsuit decision issued as a result of the objection number (362/2009). Three expert's reports have been made, the Court of Appeal adopted the third expert report despite objection by the Group's legal advisor. Decision by The Court of Appeal was issued on 3 June 2014 related for expert decision, which oblige the Group amounted to JD 665,882. On 2 July 2014, The Group has appealed the lawsuit to the Tax Court of Cassation, On 15 February 2015 a decision by the Tax Court of Cassation was issued to reconsider The Court of Appeal decision rendered discuss the experts together. The Court of Cassation decided to repeal the court of appeal decision and sent back to the file. On 29 December 2015, a decision by the Court of Appeal was issued to dissolution of judgment and adopted the third expert report, a decision by the Court of Cassation was issued on 29 June 2016 to decision to dismiss the two appeals and to support the contested decision of the Court of Appeal that the taxable income realized by the goodwill amounted to JD 4 439 213 and provision for income tax amounted to JD 665 882. The Group's was settled provision against this obligation.

4) Lawsuits Raised Against the Group

Al Noor Drug Store (Group former agent in the United Arab Emirates) filed an arbitration claim filed under (353/2013) demanding compensation in the amount of US 10 000 000 under the pretext of termination of the warehouse's proxy. The arbitrator decided to obligate the Group US 9 054 959 and arbitration fees of AED 440 000 and AED 5 000 against lawyer' fees.

On 17 September 2014, a decision issued approving the decision which is appealable within 30 days from the date of issuance of the decision. The Group's lawyers were notified in the Emirate of Dubai for appeal. The decision was appealed on 14 October 2014 and was registered under 1497/2014. The Court of Cassation issued a decision on 4 March 2015 within the legal period and registered under No. 445/164/2015. The Court of Cassation issued a decision on 6 November 2016 endorsed the resolution consequently, the decision is final and the Group is obligate pay USD 8,011,062 in the Emirate of Dubai.

Al Noor Drug Store filed a lawsuit under No (169/2014) demanding that the judgment of the arbitrator issued in the Emirate of Dubai be implemented as an executive in the Hashemite Kingdom of Jordan. The decision to refund the execution of the arbitrator decision (expending the judgment rendered in Dubai as the executive authority in Jordan) was issued for not acquiring the peremptory decision. Decision by the Appeal Court was issued on 4 June 2014 to object to the obligation, and decision by the Court of Cassation was issued to cancel the Group from the obligation.

In accordance with the recommendation of the Group's legal advisor, provision for doubtful debts amounting to JD 741 519 has been recognized to meet the balance of Al Noor Drug Store, In the opinion of the Company's management and its legal advisor, no provisions are required for these arbitration claim.

5) Capital Management (Going Concern)

The primary objective of the Group's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during this year and previous year except noted below regarding the Group's plan to ensure its continuity.

After the capital increase of JD 5 312 500 until 5 February 2015, the managements plan describes the Group's main activities and its ability to continue in its line of business as follows:

During 2017, the Group received financing of JD 3 000 000 from Jordan Islamic Bank to cover all its raw material needs to generate net sales of JD 30 000 000.

The commitment to pay all outstanding installments due to the rescheduling of the facilities with Jordan Islamic Bank, which will help the Group to utilize the Murabaha limits available, which will be in the range of JD 1 400 000.

During 2017, the Group will be able to meet its obligations when these liabilities due, from sales expected collection to be achieved through the Group's financing amounting to JD 4 400 000.

As planned cash flows for the years 2017 and 2018, The Group will be able to make a commitment to pay all installments due to the Group from the new financing process, depending on the expected collections for these years.

6) Comparative figures

Some of the comparative figures for the year 2016 have been reclassified to correspond with the period ended 30 June 2017 presentation and it did not result in any change to the last year's operating results