



شركة الشرق الأوسط للصناعات الدوائية والكيمائية والمستلزمات الطبية م.ع.م
Middle East Pharmaceutical And Chemical industries & Medical Appliances P.L.C.

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تحية طيبة وبعد ،،،

عطا على كتابكم رقم 20/1597/1/12 بتاريخ 2020/09/23 ، والمستلم من طرفنا بتاريخ 2020/09/28 والمصادف ليوم الإثنين ، نرفق لكم بطيه أدناه نسختين من البيانات المالية باللغة الانجليزية كما بتاريخ 2020/03/31 و 2020/06/30 ، وتقرير المراجعة من السادة/ شركة طلال أبو غزالة وشركاه الدولية .

للعلم لطفا وإتخاذ اللازم من طرفكم.

وتفضلوا بقبول فائق الاحترام والتقدير ،،

المدير المالي والإداري
محمود زاهر



*** المرفقات :-**

* المرفقات :-
 - نسخة من البيانات المالية المرحلية المختصرة الموحدة باللغة الانجليزية كما بتاريخ 2020/03/31 .
 - نسخة من البيانات المالية المرحلية المختصرة الموحدة باللغة الانجليزية كما بتاريخ 2020/06/30 .

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

Consolidated Interim Condensed Financial Statements
and Review Report
for the three months ended March 31, 2020

Member of Talal Abu-Ghazaleh Global

عضو في طلال أبوغزالة العالمية

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
Public Shareholding 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 March 31, 2020, 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.

Conclusion

Based on our review, 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".



Significant doubt to continue as a going concern

We would like to refer to note (4) of the financial statements, whereas the accumulated losses for the company amounted to JD 13,255,306 representing %212 of the company's capital, and also, the company's total current liabilities exceed its current assets by JD 5,334,473 in addition to existing accrued 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.

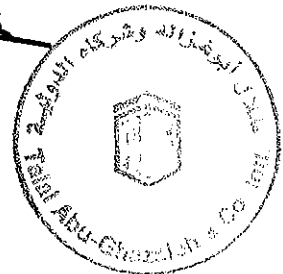
Emphasis of matter

We would like to refer to the existence of restrains on the company's land, building and means of transportation in addition to a restrain on the company as shown in the capital certificate issued by the Ministry of Industry and Trade - Company's Control Department.

Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq
(License # 1000)

Amman - August 12, 2020



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, 2020
- (Reviewed and unaudited)

		March 31, 2020	December 31, 2019
	Notes	(Reviewed and unaudited)	(Audited)
		JD	JD
ASSETS			
Non-current Assets			
Property and equipment	3	6,522,679	6,685,017
Intangible assets		140,288	150,105
Total Non-Current Assets		6,662,967	6,835,122
Current Assets			
Inventory		2,240,725	2,434,799
Investment in financial asset at fair value through profit and loss		16,420	14,114
Other debit balances		404,732	329,226
Trade receivables		2,640,701	2,310,840
Cash and cash equivalents		1,749	174
Total Current Assets		5,304,327	5,089,153
TOTAL ASSETS		11,967,294	11,924,275
EQUITY AND LIABILITIES			
Equity			
Capital		6,250,583	6,250,583
Statutory reserve		271,045	271,045
Foreign currency translation differences		94,515	84,561
Accumulated losses	4	(13,255,306)	(13,068,510)
Deficit in Equity		(6,639,163)	(6,462,321)
Liabilities			
Non-Current Liabilities			
Shareholder's payable		7,967,657	7,967,579
Current Liabilities			
Other credit balances		2,506,512	2,383,769
Trade payables		2,279,865	2,215,596
Due to related parties		5,198,265	5,165,494
Loans		654,158	654,158
Total Current Liabilities		10,638,800	10,419,017
Total Liabilities		18,606,457	18,386,596
TOTAL EQUITY AND LIABILITIES		11,967,294	11,924,275

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, 2020 - (Reviewed and unaudited)

	March 31, 2020 JD	March 31, 2019 JD
Sales	810,125	614,281
Cost of sales	<u>(774,360)</u>	<u>(618,984)</u>
Gross profit (loss)	35,765	(4,703)
Other (expenses) revenues, net	(13,269)	223
Changes in fair value for financial asset at fair value through profit and loss	2,305	235
Selling and marketing expenses	(75,998)	(39,424)
Administrative expenses	(135,599)	(180,852)
Finance cost	<u>-</u>	<u>(5,611)</u>
Loss	<u>(186,796)</u>	<u>(230,132)</u>
Weighted average number of shares	<u>6,250,583</u>	<u>4,123,583</u>
Loss per share	<u>JD (-/030)</u>	<u>JD (-/056)</u>

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

Consolidated interim condensed statement of changes in equity for the three months ended March 31, 2020 - (Reviewed and unaudited)

	Capital	Statutory reserve	Foreign currency translation differences	Accumulated losses	Total
	JD	JD	JD	JD	JD
For the three months as at March 31, 2020					
Balance as at January 1, 2020	6,250,583	271,045	84,561	(13,068,510)	(6,462,321)
Loss	-	-	-	(186,796)	(186,796)
Foreign currency translation differences	-	-	9,954	-	9,954
Balance as at March 31, 2020	6,250,583	271,045	94,515	(13,255,306)	(6,639,163)
For the three months as at March 31, 2019					
Balance as at January 1, 2019	9,869,583	271,045	84,035	(21,187,698)	(10,963,035)
Quench of losses - Note (4)	(8,619,000)	-	-	8,619,000	-
Loss	-	-	-	(230,132)	(230,132)
Foreign currency translation differences	-	-	(443)	-	(443)
Balance as at March 31, 2019	1,250,583	271,045	83,592	(12,798,830)	(11,193,610)

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, 2020
- (Reviewed and unaudited)

	March 31, 2020	March 31, 2019
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	(186,796)	(230,132)
Adjustments for :		
Depreciation and amortization	164,569	165,774
Changes in fair value for financial asset at fair value through profit and loss	(2,305)	(235)
Change in operating assets and liabilities:		
Inventory	194,074	130,149
Other debit balances	(67,921)	(505,643)
Trade receivables	(329,861)	(129,474)
Other credit balances	122,743	282,035
Trade payables	64,269	239,546
Net cash from operating activities	(41,228)	(47,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholder's payable	78	21,100
Due to related parties	32,771	25,078
Net cash from financing activities	32,849	46,178
Net change in cash and cash equivalents	(8,379)	(1,802)
Cash and cash equivalents - beginning of period	174	12,320
Foreign currency translation differences	9,954	(443)
Cash and cash equivalents - end of period	1,749	10,075
Informations about non-cash transactions		
Transfer from property and equipment to employee receivable	7,585	-

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

Notes to the consolidated interim condensed financial information for the three months ended
March 31, 2020

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 medication liquid manufacturing
 - Human medication pills manufacturing
 - Human medication anal Suppositories manufacturing
 - Veterinarian antibiotics manufacturing
 - Veterinarian antibacterial manufacturing
 - Veterinarian vitamins manufacturing
 - Gelatin capsules manufacturing
 - Human medication tablets manufacturing
- The financial statements were approved by the Company's board of directors in its session held on August 11, 2020.

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, 2019.

Notes to the consolidated interim condensed financial information for the three months ended March 31, 2020

3. Property and Equipment

March 31, 2020	Land (*)	Building (*)	Machines and equipment	Transportation vehicles (*)	Factory equipment	Communication systems and programs	Electrical equipment	Furnitures	Artesian well	Other	Total
Cost	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning of period balance	200,606	6,912,919	3,398,714	726,157	5,727,730	266,504	406,495	386,364	50,785	51,044	18,127,318
Disposals	-	-	-	-	-	-	-	-	-	-	-
End of period balance	200,606	6,912,919	3,398,714	726,157	5,727,730	266,504	406,495	386,364	50,785	(7,585)	(7,585)
Accumulated depreciation on											
Beginning of period balance	-	2,849,684	2,940,517	691,729	3,911,281	257,107	377,250	349,256	48,947	16,490	11,442,301
Depreciation	-	34,692	31,535	3,090	78,385	1,703	2,096	3,000	62	190	154,753
End of period balance	-	2,884,376	2,972,052	694,819	3,989,666	258,810	379,346	352,256	49,009	16,680	11,597,054
Net	200,606	4,028,543	426,662	31,338	1,738,064	7,694	27,149	34,068	1,776	26,779	6,532,679
December 31, 2019											
Cost											
Beginning of year balance	200,606	6,912,919	3,385,751	726,157	5,712,914	266,504	406,495	386,364	50,785	51,044	18,099,539
Additions	-	-	12,963	-	14,816	-	-	-	-	-	-
End of year balance	200,606	6,912,919	3,398,714	726,157	5,727,730	266,504	406,495	386,364	50,785	51,044	18,127,318
Accumulated depreciation:											
Beginning of year balance	-	2,710,917	2,756,006	676,889	3,646,919	247,004	364,626	333,342	48,702	15,530	10,799,925
Depreciation	-	138,767	184,511	14,840	264,372	10,103	12,624	15,954	245	960	642,376
End of year balance	-	2,849,684	2,940,517	691,729	3,911,281	257,107	377,250	349,296	48,947	16,490	11,442,301
Net	200,606	4,063,235	458,197	34,428	1,816,449	9,397	29,245	37,068	1,838	34,554	6,685,017

(*) Land, building and transportation vehicles mentioned above are seized against judicial reservations

Notes to the consolidated interim condensed financial information for the three months ended March 31, 2020

4. Accumulated Losses

The company's accumulated losses amounted to JD 13,255,306 at the date of the statement of financial position which comprises %212 of the company's capital, also, the company's current liabilities exceeded its current assets by amount of JD 5,334,473 which might effects the company's ability to continue and requires it to comply with article no.(266) of the company's law.

An extraordinary general assembly meeting was held on July 31, 2017 and decided the following:

- Decrease the company's capital by quenching the accumulated losses by an amount of JD 8,619,000 as at December 31, 2017 for the authorized capital to become JD 6,250,583 and the subscribed and paid-in capital 1,250,583, all legal requirements were completed on January 31, 2019.
- Cover the authorized capital amount of increase JD 5,000,000 that was decided in the extraordinary general assembly meeting that was held on April 19, 2016 through capitalization part of the company due debts instead of private subscription to company's shareholder, legal requirements were completed on April 14, 2019.

5. Subsidiary

The interim condensed consolidated statements include the subsidiary's financial statements for the three months ended March 31, 2020 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- Algeria	LLC	5,940	100	116,330	390,925	(274,395)

6. Covid-19 impact on a company's business

- As a result of the spread of the new Corona virus (Covid-19) in the beginning of 2020 and its outbreak in several geographical regions around the world including the Hashemite Kingdom of Jordan and its impact on the global economy, In addition to disrupting economic activities, this has affected the sector of medical and laboratory testing equipment solutions, human medication liquid manufacturing, human medication pills manufacturing, human medication anal suppositories manufacturing, veterinarian antibiotics manufacturing, veterinarian antibacterial manufacturing, veterinarian vitamins manufacturing and gelatin capsules manufacturing, as a result of the quarantine measures established by the Defense Law. The company has formed a team to evaluate the expected effects on the company's business inside and outside the Kingdom and to conduct a preliminary study with a view to reviewing and evaluating the potential risks related to ensuring continuity and operation without interruption at this stage, the administration does not consider that it is possible to quantify the potential impact of this outbreak on the company's future financial statements at this stage.
- Management and those charged with governance will continue to monitor the situation in all geographic regions in which the company operates and provide stakeholders with developments as required by laws and regulations. In the event of any changes to the current conditions, additional disclosures or amendments to the company's financial statements.
- The operating activity of the company has not stopped because it is considered as a vital sector.