

**QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)
DOHA – STATE OF QATAR**

**INTERIM CONDENSED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2021**

QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)
DOHA – STATE OF QATAR

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To
The Board of Directors
Qatari German Company for Medical Devices (Q.P.S.C.)
Doha – State of Qatar

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Qatari German Company for Medical Devices (Q.P.S.C.)**, (the “Company”), Doha – State of Qatar, as at June 30, 2021 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed financial statements 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

- We did not receive adequate documentary evidences for the reversal of certain provisions disclosed in note 14 amounting to QR.4,056,987 through other income for the six-month period ended June 30, 2021.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard-34, *Interim Financial Reporting*.



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Material Uncertainty Related to Going Concern

We draw attention to note 2 to these interim condensed financial statements, which indicates that the company's accumulated losses amounting to QR.125,070,405 exceeded its share capital by QR.9,570,405 as at June 30, 2021. Pursuant to the Article 295 of the Qatari Commercial Companies Law No.11 of 2015, if the shareholding company's losses reach half of its share capital, the Board of Directors should call for an extraordinary general assembly to discuss the continuation of the Company or dissolution before the term specified in its Articles of Association. If the Board of Directors fails to call for the extraordinary general assembly or if it was impractical to adopt a decision on such matter, any interested party may request the competent court to dissolve the company. These conditions along with other matters set forth in note 2, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, at an extraordinary general assembly held on March 31, 2021 where shareholders have resolved to continue operations of the company. Our conclusion is not modified in respect of this matter.

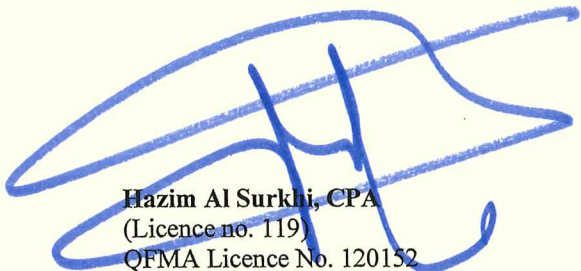
Emphasis of Matters

We draw attention to following notes to these interim condensed financial statements of **Qatari German Company for Medical Devices (Q.P.S.C.)**;


- Note 6(g), where the company is in the process of determining, the amount of depreciation based on the revalued carrying amount of the building and based on its original cost, in order to transfer from revaluation reserve to retained earnings.
- Note 6(h), where the company is in the process of ascertaining the carrying amounts of revalued buildings that would have been recognized had the buildings been carried under the cost model for disclosure purpose.
- Note 7(b), where in prior years the company frequently changed its use of building as to investment property and property, plant and equipment. However, the management is in the process of ascertaining the cumulative cost and changes in fair value of the respective buildings under investment properties.

Our conclusion is not modified in respect of these matters.

TALAL ABU-GHAZALEH & CO.



Hazim Al Surkhi, CPA
(Licence no. 119)
QFMA Licence No. 120152
Doha, August 12, 2021



تالال أبو غزالة وشركاه
Talal Abu-Ghazaleh & Co.
Qatar Office

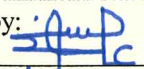
QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)
DOHA – STATE OF QATAR


EXHIBIT "A"

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (REVIEWED)
AS AT JUNE 30, 2021

	Note	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and capital work in progress	-6-	113,368,306	115,849,403
Investment properties	-7-	12,590,000	12,590,000
Right-of-use assets		92,931	97,578
Intangible assets	-8-	10,329,937	10,329,937
Total Non-Current Assets		136,381,174	138,866,918
CURRENT ASSETS			
Inventories	-9-	24,251,750	22,308,860
Accounts and other receivables	-10-	28,124,836	16,203,300
Cash in hand and at banks		2,439,029	3,035,218
Total Current Assets		54,815,615	41,547,378
Total Assets		191,196,789	180,414,296
EQUITY AND LIABILITIES			
EQUITY			
Share capital	-11-	115,500,000	115,500,000
Legal reserve		30,431,538	30,431,538
Revaluation reserve		11,999,694	11,999,694
Accumulated losses		(125,070,405)	(126,421,406)
Net Equity – Exhibit C		32,860,827	31,509,826
NON-CURRENT LIABILITIES			
Employees' end of service benefits		1,054,507	973,031
Loans and borrowings - long term portion	-12-	104,968,747	97,755,463
Lease liabilities - long term portion		80,611	90,763
Total Non-Current Liabilities		106,103,865	98,819,257
CURRENT LIABILITIES			
Loans and borrowings - short term portion	-12-	21,794,114	28,689,102
Lease liabilities - short term portion		8,604	8,458
Accounts and other payables		15,349,927	6,351,903
Bank overdrafts		15,079,452	15,035,750
Total Current Liabilities		52,232,097	50,085,213
Total Liabilities		158,335,962	148,904,470
Total Equity and Liabilities		191,196,789	180,414,296

These interim condensed financial statements were approved by the Board of Directors on August 12, 2021 and signed on its behalf by:


Mr. Ali Hassan Al-Emadi
 Chairman of the Board of Directors


Mr. Mohammed Ali Al-Ansari
 Board Member and Managing Director


THE ACCOMPANYING NOTES 1 TO 22 CONSTITUTE AN INTEGRAL PART OF THESE
 INTERIM CONDENSED FINANCIAL STATEMENTS

QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)
DOHA – STATE OF QATAR

EXHIBIT "B"

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	Six months ended June 30, 2021 (QR.) (Reviewed)	Six months ended June 30, 2020 (QR.) (Reviewed)
Revenue	-13-	20,850,083	11,353,560
Operating cost (except depreciation)		(16,082,555)	(8,269,540)
Gross profit		4,767,528	3,084,020
Other income	-14-	5,424,245	2,251,981
Selling and distribution expenses		(426,211)	(150,209)
General and administrative expenses		(3,096,205)	(2,407,670)
Depreciation		(2,715,532)	(2,743,178)
Finance cost		(2,602,824)	(1,181,289)
Profit (loss) for the period – Exhibit D		1,351,001	(1,146,345)
Other comprehensive income		-0-	-0-
Total comprehensive income (loss) for the period – Exhibit C		1,351,001 =====	(1,146,345) =====
Earnings per share			
Basic and diluted earnings per share (QR.)	-15-	0.012 =====	(0.010) =====

 **Talal Abu-Ghazal & Co.**
Qatar Office

THE ACCOMPANYING NOTES 1 TO 22 CONSTITUTE AN INTEGRAL PART OF THESE
INTERIM CONDENSED FINANCIAL STATEMENTS

QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C)
DOHA – STATE OF QATAR

EXHIBIT "C"

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Share Capital (QR.)	Legal Reserve (QR.)	Revaluation Reserve (QR.)	Accumulated Losses (QR.)	Total (QR.)
SIX MONTHS ENDED JUNE 30, 2020 (REVIEWED)					
Balance as at December 31, 2019 (Audited)	115,500,000	30,343,120	11,999,694	(127,195,066)	30,647,748
Total comprehensive (loss) for the period – Exhibit B	-0-	-0-	-0-	(1,146,345)	(1,146,345)
Balance as at June 30, 2020	<u>115,500,000</u>	<u>30,343,120</u>	<u>11,999,694</u>	<u>(128,341,411)</u>	<u>29,501,403</u>
SIX MONTHS ENDED JUNE 30, 2021 (REVIEWED)					
Balance as at December 31, 2020 – Exhibit A (Audited)	115,500,000	30,431,538	11,999,694	(126,421,406)	31,509,826
Total comprehensive income for the period – Exhibit B	-0-	-0-	-0-	1,351,001	1,351,001
Balance as at June 30, 2021 – Exhibit A	<u>115,500,000</u>	<u>30,431,538</u>	<u>11,999,694</u>	<u>(125,070,405)</u>	<u>32,860,827</u>

THE ACCOMPANYING NOTES 1 TO 22 CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)
DOHA – STATE OF QATAR

EXHIBIT "D"

INTERIM CONDENSED STATEMENT OF CASH FLOWS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Note	Six months ended June 30, 2021 (QR.) (Reviewed)	Six months ended June 30, 2020 (QR.) (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the period – Exhibit B		1,351,001	(1,146,345)
Adjustments for:			
Depreciation of property, plant and equipment		2,710,885	2,738,531
Depreciation of right-of-use assets		4,647	4,647
Reversal of provision for expected credit losses		(2,595,235)	(1,015,865)
Reversal of provision for slow moving inventories		(1,461,752)	-0-
(Gain) on disposal of property, plant and equipment		-0-	(8,300)
Provision for employees' end of service benefits		103,509	76,537
Finance cost		2,602,824	1,181,289
Operating profit before working capital changes		2,715,879	1,830,494
Changes in Operating Assets and Liabilities			
-Inventories		(481,138)	(11,116,146)
-Accounts and other receivables		(9,326,301)	(6,616,919)
-Accounts and other payables		8,998,024	3,340,558
Cash generated from (used in) Operations		1,906,464	(12,562,013)
Employees' end of service benefits paid		(22,033)	(95,430)
Net cash from (used in) Operating Activities		1,884,431	(12,657,443)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment and capital work in progress		(229,788)	(13,199)
Proceeds from disposal of property, plant and equipment		-0-	23,000
Net cash (used in) from Investing Activities		(229,788)	9,801
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movements in loans and borrowings		(1,788,802)	16,808,439
Net movements in bank overdraft		43,702	(92,142)
Finance cost paid		(494,205)	(612,493)
Lease liabilities settled		(11,527)	(11,527)
Net cash (used in) from Financing Activities		(2,250,832)	16,092,277
Net (decrease) increase in cash and cash equivalents		(596,189)	3,444,635
Cash and cash equivalents at beginning of the period		3,035,218	961,908
Cash and cash equivalents at end of the period	-16-	2,439,029 =====	4,406,543 =====

THE ACCOMPANYING NOTES 1 TO 22 CONSTITUTE AN INTEGRAL PART OF THESE
INTERIM CONDENSED FINANCIAL STATEMENTS

QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)
DOHA – STATE OF QATAR

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

1) GENERAL INFORMATION

Qatari German Company for Medical Devices (Q.P.S.C.), (the “Company”), was incorporated in the State of Qatar as a Qatari Public Shareholding Company by virtue of Emiri Decree No.39 issued on October 15, 2000, under the Commercial Registration No.23349 on February 10, 2001.

The Company is listed in the Qatar Exchange.

The company’s registered office is at P.O.Box 22556, Doha-State of Qatar and the principal place of business is in Abu Hammour, Doha-State of Qatar.

The Company is primarily engaged in the manufacture of single use disposable syringes and trading in medical equipment, tools and supplies.

2) GOING CONCERN

The company’s accumulated losses amounting to QR.125,070,405 exceeded its share capital by QR.9,570,405 as at June 30, 2021. Pursuant to the Article 295 of the Qatari Commercial Companies Law No.11 of 2015, if the shareholding company’s losses reach half of the capital, the Board of Directors should call for an extraordinary general assembly to discuss the continuation of the Company or dissolution before the term specified in its Articles of Association. If the Board of Directors fails to call for the extraordinary general assembly or if it was impractical to adopt a decision on such matter, any interested party may request the competent court to dissolve the company. In addition, the company’s business operations are merely financed through bank borrowings and bank overdrafts by a local development bank and the repayment obligations of such borrowings are extended on a frequent basis. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company’s ability to continue as a going concern.

However, these interim condensed financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that may be necessary if the company is unable to continue as a going concern due to following:

- The shareholders have resolved, at an extraordinary general assembly held on March 31, 2021 to continue operations of the company,
- Also the management is in the process of taking measures of improving its operations where its trading segment has significantly enhanced, and,
- The Board of Directors confirmed that a local development bank which was one of major shareholder until December 31, 2020 (M/S. Qatar Development Bank) will not make any demand of repayment of the borrowings payable within another twelve months period from the reporting date.
- The Board of Directors confirmed and made strategic action plan which enable the Company to continue as a going concern and meet its financial commitments when they fall due.

3) BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The interim condensed financial statements of the Company for the six months ended June 30, 2021 have been prepared in accordance with International Accounting Standard-34, *Interim Financial Reporting* and in conformity with Qatari Commercial Companies Law No.11 of 2015.

The interim condensed financial statements do not contain all information and disclosures required for annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020. In addition, results for the six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2021.

b) Significant Accounting Policies

i) Amendments to the Standards

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2020 and the notes attached thereto, except for certain amendments to the standards that became effective in the current period as described below:

Amendments to Standards	Effective Date
Interest Rate Benchmark Reform – Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
COVID 19 Related Rent Concessions – IFRS 16	June 01, 2020
The above amendments to the standards have been adopted by the company, where applicable, and which did not have any material impact on the accounting policies, financial position or performance of the Company.	

ii) New and amendments to IFRSs issued but not yet effective

The following new, amendments and improvements to the standards have been issued but are not yet effective and the company intends to adopt these standards, where applicable, when they become effective;

New Standard	Effective Date
IFRS 17 Insurance Contracts	January 01, 2023
Amendments to the Standards	Effective Date
IAS 28 & IFRS 10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred Indefinitely
IAS 1 Classification of Liabilities as Current/Non-current	January 01, 2023
IAS 16 Proceeds Before Intended Use	January 01, 2022
IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	January 01, 2022
IFRS 3 Reference to the Conceptual Framework	January 01, 2022
In addition to the above as part of annual improvements to IFRS standards 2018-2020 cycle, the following standards have been amended;	
IFRS 1 Subsidiary as a first-time adopter	January 01, 2022
IFRS 9 Fees test for derecognition of financial liabilities	January 01, 2022
IAS 41 Taxation in fair value measurement	January 01, 2022
IFRS 16 Reimbursement of Leasehold Improvements	Yet to determine

4) **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the company's annual financial statements for the year ended December 31, 2020.

5) **FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT**

a) **Financial Risk Management**

The Company's financial risk management objectives are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

b) **Fair Value Measurement**

The Company measures certain financial instruments and certain non-financial assets, if applicable, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value are consistent with those disclosed in the annual financial statements of the company.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed are categorized within the same fair value hierarchy, described in the annual financial statements of the company.

6) **PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK IN PROGRESS**

a) Movement during the period/year were as follows:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Cost/ Revaluation		
Balance at beginning of the period/year	156,495,773	156,032,635
Additions during the period/year	229,788	664,842
Disposals/written off during the period/year	-0-	(201,704)
Balance at end of the period/year	156,725,561	156,495,773
Accumulated Depreciation		
Balance at beginning of the period/year	38,431,139	33,142,445
Charge for the period/year	2,710,885	5,475,545
On disposals/written off	-0-	(186,851)
Balance at end of the period/year	41,142,024	38,431,139
Accumulated Impairment		
Balance at beginning of the period/year	2,215,231	6,603,312
Reversal of impairment	-0-	(4,388,081)
Balance at end of the period/year	2,215,231	2,215,231
Net book value at end of the period/year – Exhibit A	113,368,306 =====	115,849,403 =====

b) On December 31, 2020, the revalued amount of the building on leasehold land was determined by an external, independent property valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of property, the highest and best use of the property is their current use. As per the independent valuer's outcome, the estimated fair value of the building on leasehold land is equal to its carrying value and it has been presumed that the fair value of the above buildings as of June 30, 2021 are not different from the valuation date (December 31, 2020). Hence, no revaluation adjustment has been made to carrying value of the buildings as of reporting date.

c) During the year ended December 31, 2018, the company has changed the method of depreciation for machinery from the basis of utilization to straight line. The management, based on an independent technical revaluation report, believes that the remaining useful life of machinery was 25 years as at that date.

d) Impairment of Property, Plant and Equipment

- The accounting policy related to assessment of impairment has been applied each reporting period to estimate the recoverable value of entire class of property, plant and equipment. As a result and as per management's estimations the recoverable value of the entire class of property, plant and equipment are higher than their carrying value as of reporting date.
 - In general, on annual basis, the recoverable value of machinery and equipment is determined based on external independent valuer, having appropriate recognized professional qualifications and knowledge of the regional market and understanding to undertake the valuation of machinery and equipment.
 - During 2017, the independent appraiser's estimated fair value of machinery and equipment is lower than its carrying value by QR.6,603,312. Accordingly, the amount has been recognized as impairment in the statement of profit or loss and other comprehensive income during the year 2017.
 - During 2020, the recoverable value of machinery and equipment has been determined by an accredited independent appraiser based in State of Qatar (Abdul-Rahman Jassim Al-Sulaiti, Accredited Real Estate Expert for Justice Courts and Qatari Banks). The appraiser is an industry specialist in valuing these types of machinery and equipment. The recoverable value was determined based on the best industry practice, prevailing market conditions of the assets, and sources of market data. In estimating the recoverable value of the machineries, the appraiser has applied the fair value less cost of disposal approach.
 - Pursuant to the appraiser's outcome, the carrying value of machinery and equipment has been increased to QR.75,792,341 resulted to reverse the previously recognized impairment loss of QR.4,388,081 during the year ended December 31, 2020. The decision was taken based on the Board of Directors' approval and inconformity with applicable International Financial Reporting Standards.
- e) Most of the property, plant and equipment listed above were secured/ pledged against the loans and borrowings obtained by the company as disclosed in note 12.
- f) Buildings have been erected on a leasehold land obtained from Ministry of Municipal Affairs and Agriculture with an annual lease rental of QR.11,527 for 30 years which will be expired on June 30, 2031 subject to renewal. The right-of-use assets and lease liabilities related to this lease contract is disclosed in the interim condensed statements of financial position.
- g) The management is in the process of determining the depreciation based on the revalued carrying amount of the building and depreciation based on its original cost to transfer certain revaluation reserve to retained earnings.
- h) The management is in the process of ascertaining carrying amount of buildings which carried at revaluation model that would have been recognized had the buildings been carried under the cost model for disclosure purpose.

7) **INVESTMENT PROPERTIES**

a) This item consist of the followings;	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Buildings – Exhibit A	12,590,000 =====	12,590,000 =====

The company's investment property consist, a building constructed on the portion of leasehold land (65,779 Sq.Ft) for the use of warehouse rented out to an external party based on an operating lease agreement. The rental income arising from the above investment property amounting to QR.1,200,000 for the period ended June 30, 2021 (June 30, 2020: QR.1,218,948) included under other income.

The fair value of investment property as of December 31, 2020 was determined by an external independent property valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of investment property, the highest and best use of property is their current use. The management is of the opinion that fair value of investment properties as of December 31, 2020 approximates to the fair value as at June 30, 2021. Hence, no gain or loss arises as a result of fair valuation.

- b) The company's investment properties have been initially recognized during the year 2009 from property, plant and equipment and measured at fair value model from therein. However, during post recognition period, in numerous times, part of cost and fair valued amounts were transferred from (to) between property, plant and equipment and investment properties, due to change in use from owner occupied to investment property and vice versa. The management is in the process of ascertaining the cumulative cost and changes in fair value, which had been included in the retained earnings as of June 30, 2021.

8) **INTANGIBLE ASSETS**

a) This item consists of the following:	Patents and Know-how (QR.)	Computer Software (QR.)	Total (QR.)
Cost			
As at December 31, 2020 (Audited)	10,329,937	596,044	10,925,981
As at June 30, 2021 (Reviewed)	<u>10,329,937</u>	<u>596,044</u>	<u>10,925,981</u>
Accumulated amortization			
As at December 31, 2020 (Audited)	-0-	596,044	596,044
As at June 30, 2021 (Reviewed)	<u>-0-</u>	<u>596,044</u>	<u>596,044</u>
Carrying Value			
As at June 30, 2021-Exhibit A (Reviewed)	10,329,937 =====	-0- =====	10,329,937 =====
As at December 31, 2020-Exhibit A (Audited)	10,329,937 =====	-0- =====	10,329,937 =====

- b) The company acquired the full rights for the use of the patents and know-how without any limitations and the patents now belong to the company with full rights. However, defects (if any) on existing patent rights is being upgraded by the management to meet overall objective of the Company.

The company has engaged an external accredited independent appraiser having appropriate professional qualification, knowledge and understanding to ascertain the recoverable value of patents and know-how related to safety syringes Q Safe (PRP-425). Based on the appraiser's report, it has been estimated the recoverable amount of QR.10,370,989 which is higher than the carrying value as of December 31, 2020. Further, it has been presumed by the management that the recoverable value of above intangible assets as at June 30, 2021 is approximates of value derived from the valuation date (December 31, 2020). The recoverable value has been estimated based on the value in use as promulgated by International Financial Reporting Standards.

9) **INVENTORIES**

a) This item consists of the following:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Trading inventories	12,214,316	12,263,210
Finished goods	1,881,735	1,569,336
Raw materials	6,502,373	5,590,232
Work in progress	1,230,649	1,573,550
Spare parts	2,340,411	2,232,544
Consumables and others	184,112	173,662
Sub Total	24,353,596	23,402,534
Less: Provision for slow moving inventories-Note 9(b)	(109,471)	(1,571,223)
Net	24,244,125	21,831,311
Goods in transit	7,625	477,549
Total – Exhibit A	24,251,750 =====	22,308,860 =====

b) **Provision for slow moving inventories**

Movements during the period/year were as follows:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Balance at beginning of the period/year	1,571,223	1,571,223
Reversal of provision during the period/year	(1,461,752)	-0-
Balance at end of the period/year – Note 9(a)	109,471 =====	1,571,223 =====

10) **ACCOUNTS AND OTHER RECEIVABLES**

a) This item consists of the following:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Accounts receivable	27,550,967	19,606,137
Provision for expected credit losses – Note 10(b)	(3,841,166)	(6,436,401)
Net	23,709,801	13,169,736
Supplier advances	3,047,238	886,640
Margin deposit	1,231,728	2,093,755
Others	136,069	53,169
Total – Exhibit A	28,124,836 =====	16,203,300 =====

b) **Provision for expected credit losses**

Movement during the period/year were as follows:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Balance at beginning of the period/year	6,436,401	7,452,266
Reversal during the period/year	(2,595,235)	(1,015,865)
Balance at end of the period/year – Note 10(a)	3,841,166 =====	6,436,401 =====

11) SHARE CAPITAL

This item consists of the following:	June 30, 2021 (Reviewed)	Dec. 31, 2020 (Audited)
Authorized, issued and fully paid up capital with a par value of QR.1 each – Exhibit A	115,500,000 =====	115,500,000 =====
Authorized, issued and fully paid up share capital (number of shares)	115,500,000 =====	115,500,000 =====

12) LOANS AND BORROWINGS

a) This item consists of the following:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Term loans	94,165,996	93,203,287
Documentary credit facility	32,596,865	33,241,278
Total – Note 12 (b), (c) & (d)	126,762,861 =====	126,444,565 =====
b) The loans and borrowings are classified as follows:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Long term portion – Exhibit A	104,968,747	97,755,463
Short term portion – Exhibit A	21,794,114	28,689,102
Total –Note 12(a)	126,762,861 =====	126,444,565 =====
c) Movements of the loans and borrowings during the period/year were as follows:	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Balance at beginning of the period/year	126,444,565	104,768,157
Net movement in loans and borrowings (principle)	(1,788,802)	20,100,041
Interest accrued during the period/year	2,202,828	1,937,303
Interest paid during the period/year	(95,730)	(360,936)
Balance at end of the period/year – Note 12(a)	126,762,861 =====	126,444,565 =====
d) Details of Loans and Borrowings	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
From a local commercial bank *	3,295,287	4,843,797
From a development bank **	123,467,574	121,600,768
Total – Note 12(a)	126,762,861 =====	126,444,565 =====

* Details of the Facilities Obtained from a Local Commercial Bank

The company obtained a term loan, documentary credit, overdraft and bank guarantees facilities from a local commercial bank for the purpose of warehouse construction and short term working capital. The term loan was rescheduled after initial agreement and short term working capital borrowings repayable within one year.

**** Details of the Facilities Obtained from a Development Bank**

The company has obtained numerous facilities from a local development bank (M/s. Qatar Development Bank, one of a major shareholder until December 31, 2020) for different purposes such as; to purchase machineries and equipment, settlement of outstanding supplier dues, meeting operational and working capital requirements, purchase of raw materials, to finance warehouse construction and purchase of medical supplies for resale.

Though the underlying facilities are carried different maturity periods and supposed to settle in shorter period, the facilities have been rescheduled by the above development bank frequently. Hence, during the period ended June 30, 2021 most of the above loans have been rescheduled with revised terms and conditions. Until December 31, 2020, the borrowings waived for collection in the next 12 months, which is in line with local development bank's financial support to the company. However, from the date on which that the above development bank exist their ownership from the company, the borrowings terms and conditions are generalized and the company shall obligated to pay the borrowings as and when fall due. Hence, the borrowings are classified on absolute terms and conditions of loan agreements with the above development bank prevailing as at June 30, 2021. However, the board of directors confirmed their intention to obtain the consent from the above local development bank not to make any demand for the repayment in next twelve months.

The facilities are initially given on a standalone basis and some of them are rescheduled subsequently. The underlining terms and conditions attached to the each of the facilities are varied in terms of purpose, interest rates and repayable terms. As explained above, until December 31, 2020, the repayable terms of the facilities are irrelevant as it has agreed to extend more than 12 months from the lender, however, as at reporting date due to withdrawal of the above local development bank as major owning capacity of the company, the borrowings are classified as to short and long term based on the contractual obligations.

- e) The company has placed the following securities against the above facilities obtained;
- Pledge of the company's entire property, plant and equipment to cover 100 % of the financing amount by M/s. Qatar Development Bank,
 - Assignment of insurance policies covering 100% of credit exposure from M/s. Qatar Development Bank,
 - Assignment of certain customers contracts in favor of M/s. Qatar Development Bank to cover certain facility amounts.

In addition, as per latest banking master agreement dated on April 07, 2020, the company's industrial registration needs to be notified about the pledges.

13) REVENUE

- a) The revenue type wise consists of the following:

	Six-month ended June 30, 2021 (QR.) (Reviewed)	Six-month ended June 30, 2020 (QR.) (Reviewed)
Sales of syringes	16,583,794	1,509,459
Sale of trading products	3,144,457	8,981,622
Sales of packed needles	855,162	175,562
Sale of IV cannula	84,306	527,710
Sale of sterilization products	182,364	149,917
Other sales	-0-	9,290
Total – Exhibit B & Note 13(b)	20,850,083 =====	11,353,560 =====

b) Revenue by geographically are as follows:	Six-month ended June 30, 2021 (QR.) (Reviewed)	Six-month ended June 30, 2020 (QR.) (Reviewed)
Within Qatar	8,492,808	10,787,211
Outside Qatar	12,357,275	566,349
Total – Note 13(a)	20,850,083 =====	11,353,560 =====

14) OTHER INCOME

This item consists of the following:

	Six-month ended June 30, 2021 (QR.) (Reviewed)	Six-month ended June 30, 2020 (QR.) (Reviewed)
Rental income	1,200,000	1,218,948
Reversal of provision for expected credit losses*	2,595,235	1,015,865
Reversal of provision for slow moving inventories*	1,461,752	-0-
Gain on disposal of property, plant and equipment	-0-	8,300
Others	167,258	8,868
Total – Exhibit B	5,424,245 =====	2,251,981 =====

* The company has reversed certain provisions amounting to QR.4,056,987 during the period ended June 30, 2021 on the approvals of Board of Directors (June 30, 2020: QR.1,015,865).

15) EARNINGS PER SHARE

Basic and Diluted Earnings Per Share

The basic earnings per share is computed by dividing the profit or loss for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period as follows:

	Six-month ended June 30, 2021 (QR.) (Reviewed)	Six-month ended June 30, 2020 (QR.) (Reviewed)
Earnings attributable to ordinary shareholders of the Company (QR.)	1,351,001 =====	(1,146,345) =====
Weighted average number of ordinary shares outstanding	115,500,000 =====	115,500,000 =====
Basic and diluted earnings per share (QR.) – Exhibit B	0.012 =====	(0.010) =====

No separate diluted earnings per share was calculated since the diluted earnings per share was equal to basic earnings per share.

16) CASH AND CASH EQUIVALENTS

This item consists of the following:

	Six-month ended June 30, 2021 (QR.) (Reviewed)	Six-month ended June 30, 2020 (QR.) (Reviewed)
Cash in hand	1,911	12,467
Cash at banks	2,437,118	4,394,076
Total – Exhibit D	2,439,029 =====	4,406,543 =====

17) SEGMENT REPORTING

For management purposes, the company is organized into one business unit based on its nature of activities, as the company's operations pertain to the manufacturing and trading of disposable syringes and medical devices and trading of medical supplies. Decisions about resource allocation and monitoring of performance are based on the single business unit identified by the management. However, geographically, the company's revenue are exported to some foreign countries as disclosed in note 13 (b), except that, the company does not have any other foreign operations.

18) RELATED PARTY TRANSACTIONS

Transactions with Related Parties

Until December 31, 2020, M/S. Qatar Development Bank being a one of major shareholders and lending financial institution was a related party of the company. However, as of reporting date and due to withdrawal of the above local development bank as major owning capacity of the company, it has been presumed that the related party relationship is no more appropriate.

Transactions with Key Management Personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the entity:

During the six-month period ended June 30, 2021 an amount of QR.150,000 has been incurred to a board member who is also the managing director of the company (June 30, 2020: QR.60,000).

19) COMMITMENTS AND CONTINGENCIES

The following summarizes the significant contractual commitments and contingencies:

	June 30, 2021 (QR.) (Reviewed)	Dec. 31, 2020 (QR.) (Audited)
Guarantees	1,221,155	4,126,531
Letter of credit	260,704	540,843
Capital commitments	-0-	210,452
	=====	=====

20) THE IMPACT OF COVID-19

The coronavirus (COVID-19) steep spread across the world led the World Health Organization to declare it as pandemic and a global health emergency. Numerous sectors of the global economy are effected and the long term economic and business consequence remain un-known which lead to uncertainties in the global economic environment. However, the severity of the pandemic was controlled as a result of effective and rigorous approach adopted by the Government of Qatar, hence, impact to the Qatari Economy was limited.

The sudden outbreak of COVID-19 had a vast impact to the country and most of the industries. Even though, the demand of some of the products and services related to various industries were fallen due to limit of social gathering and reduction of income, there was a positive response to the certain industries such as medical and health care services, due to surge of health and hygiene concerns. Consequently, the demand syringes and other related products have been drastically increased and the company was able to capture the most of this novel market using its existing market knowledge, supply and customer chains as well as with the financial facilities provided by M/s. Qatar Development Bank [note 12].

The Board of Directors have performed a reasonable assessment of COVID-19 based on the available guidance, historical experience, industry benchmark and other factors that are considered to be relevant on the company's all aspects. The details of the areas where the high level of assessment carried out are as follows;

Use of Estimates and Judgments

In the application of the company's accounting policies, the Board of Directors has assessed potential impacts of the current economic volatility in determination of the reported amounts of the company's financial and non-financial assets. The judgments, estimates and assumptions are Board of Directors' best assessment and determined based on the available information. In addition, the company has specifically analyzed the impacts of pandemic when determining Expected Credit Losses where forward looking factors and general economic conditions of the industry in which the debtors operate are assessed to ensure that no significant credit risk exposures as of the reporting date.

Going Concern

The company continues to adopt the going concern basis in preparing its interim condensed financial statements for the period ended June 30, 2021. The uncertainty as to future impact on the company, due to COVID 19 has been critically assessed by the Board of Directors. Thus, the management is not aware of any material uncertainties that may cast significant doubt about the company's ability to continue as a going concern.

Events After The Reporting Period

The Board of Directors assessed, the effect of COVID 19 on the company as and when identified or available for their attention. The implications of the pandemic are challenging, ongoing and the outcome of this event is unknown and therefore, the impact of the company for conditions that arose after the reporting period may not be identifiable and quantifiable at the time of issuance of these interim condensed financial statements. However, if any major events will be taken place, those will be considered, adjusted and disclosed accordingly in the subsequent financial statements which will be prepared for the company.

Based on all the above assessments and after considering all the adjustments, it has been confirmed by the Board of Directors that there are no significant impact to the company due to COVID 19. Hence, no changes would or will be taken place on the reported balances as at June 30, 2021.

21) COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation of the current period. Those reclassifications do not affect previously reported profit or equity.

22) GENERAL

Figures in the interim condensed financial statements have been rounded and presented to the nearest Qatari Riyal.