

**Qatari German Company for Medical
Devices Q.S.C.**

FINANCIAL STATEMENTS

31 DECEMBER 2016

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Company which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Qatari German Company For Medical Devices Q.S.C. (the "Company") as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without further qualifying our opinion, we draw attention to Note 2.1 to the financial statements which states that the Company has accumulated losses of QR 82,283,123, which exceeds 50% of the share capital as at 31 December 2016. Article 295 of the Qatar Commercial Companies' Law No. 11 of 2015 requires that in such an event, the shareholders pass a resolution either to continue its operations or to dissolve the Company. Also, as at 31 December 2016, the Company's current liabilities exceeded its current assets by QR 2,300,833. These conditions indicate the existence of a material uncertainty, which may cast doubt on the Company's ability to continue as a going concern. These financial statements have been prepared under the going concern concept as the shareholders have resolved, at an extraordinary general assembly meeting held during the reporting period, to continue operations of the Company.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our qualified opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment of intangible assets

Intangible asset amounting to QR 10,329,937 pertains to the Company's patents and know-how for their safety syringe products. In 2007, the Company acquired the full rights for the use of patents and know how without limitations. As per IAS 36, "An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset." This intangible asset is linked on the operations of the Company. Indication of any possible impairment is dependent on the productivity and profitability of the Company.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)**

Key audit matters (continued)

Impairment of intangible assets (continued)

We have examined the impairment study performed by the management and the assumptions used in developing this study. The Company has made necessary adjustments as disclosed in Note 26.

Going concern

The Company has accumulated losses of QR 82,283,123, which exceeds 50% of the share capital as at 31 December 2016. Article 295 of the Qatar Commercial Companies' Law No. 11 of 2015 requires that in such an event, the shareholders pass a resolution either to continue its operations or to dissolve the Company. Furthermore, as at 31 December 2016, the Company's current liabilities exceeded its current assets by QR 2,300,833. These conditions indicate the existence of a material uncertainty, which may cast doubt on the Company's ability to continue as a going concern.

We discussed with the management their business plan for the next 12 months and the shareholders' approval to continue the operations of the Company through extra general assembly.

A paragraph on Material Uncertainty Related to Going Concern was added in the auditor's opinion as at 31 December 2016.

Other information

The Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein we are required to communicate the matter(s) with those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

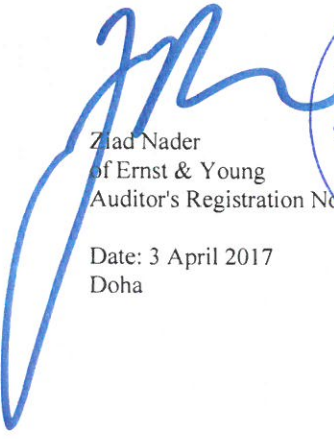
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were most of significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)**

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been concluded in accordance with the established principles and the financial statements comply with the Qatar Commercial Companies Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned laws or the Company's Articles of Association having occurred during the year, which might have had a material adverse effect on the Company's financial position or performance.


Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 3 April 2017
Doha



Qatari German Company for Medical Devices Q.S.C.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	<i>Notes</i>	2016 QR	2015 QR
Revenues	3	12,672,956	16,412,886
Direct costs	4	(10,537,021)	(14,893,962)
Gross profit		2,135,935	1,518,924
Other income		2,904,664	308,049
Change in fair value of investment properties	9	-	1,191,071
Selling and distribution expenses	5	(2,188,259)	(2,360,355)
General and administrative expenses	6	(9,931,404)	(8,002,768)
Operating loss		(7,079,064)	(7,345,079)
Finance cost	7	(3,294,911)	(4,080,199)
Loss for the year		(10,373,975)	(11,425,278)
Other comprehensive income for the year		-	-
Loss and total comprehensive loss for the year		(10,373,975)	(11,425,278)
Basic and diluted loss per share	20	(0.90)	(0.99)

The attached notes 1 to 26 form part of these financial statements.

Qatari German Company for Medical Devices Q.S.C.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 QR	2015 QR (As restated)	2014 QR (As restated)
ASSETS				
Non-current assets				
Property, plant and equipment	8	136,726,730	138,267,920	137,414,578
Investment properties	9	12,590,000	12,590,000	8,757,200
Intangible assets	10	10,498,816	10,618,025	10,737,234
		<u>159,815,546</u>	<u>161,475,945</u>	<u>156,909,012</u>
Current assets				
Inventories	11	17,934,023	18,930,798	21,601,153
Trade and other receivables	12	10,123,945	13,748,538	13,399,497
Bank balances and cash	13	952,127	741,049	148,656
		<u>29,010,095</u>	<u>33,420,385</u>	<u>35,149,306</u>
TOTAL ASSETS		<u>188,825,641</u>	<u>194,896,330</u>	<u>192,058,318</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	14	115,500,000	115,500,000	115,500,000
Legal reserve	15	30,343,120	30,343,120	30,343,120
Revaluation reserve	16	11,999,694	11,999,694	11,999,694
Accumulated losses		(82,283,123)	(71,909,148)	(60,483,870)
Total equity		<u>75,559,691</u>	<u>85,933,666</u>	<u>97,358,944</u>
Liabilities				
Non-current liabilities				
Employees' end-of-service benefits	17	924,432	761,699	675,874
Loans and borrowings	18	81,030,590	45,698,091	37,544,599
		<u>81,955,022</u>	<u>46,459,790</u>	<u>38,220,473</u>
Current liabilities				
Loans and borrowings	18	12,168,390	43,067,499	34,223,035
Accounts payable and accruals	19	4,749,251	5,075,244	7,553,296
Bank overdrafts	13	14,393,287	14,360,131	14,702,570
		<u>31,310,928</u>	<u>62,502,874</u>	<u>56,478,901</u>
Total liabilities		<u>113,265,950</u>	<u>108,962,664</u>	<u>94,699,374</u>
TOTAL EQUITY AND LIABILITIES		<u>188,825,641</u>	<u>194,896,330</u>	<u>192,058,318</u>

Hamad Khamis A. Al-Kubaisi
Chairman of the Board of Directors



Khaled Al Mawlawi
Vice Chairman

The attached notes 1 to 26 form part of these financial statements.

Qatari German Company for Medical Devices Q.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Revaluation reserve QR</i>	<i>Accumulated losses QR</i>	<i>Total QR</i>
At 1 January 2015, as previously reported	115,500,000	30,343,120	11,999,694	(43,014,134)	114,828,680
Correction of error (Note 26)	-	-	-	(17,469,736)	(17,469,736)
At 1 January 2015, (<i>As restated</i>)	115,500,000	30,343,120	11,999,694	(60,483,870)	97,358,944
Loss for the year	-	-	-	(11,425,278)	(11,425,278)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(11,425,278)	(11,425,278)
At 31 December 2015 (<i>As restated</i>)	115,500,000	30,343,120	11,999,694	(71,909,148)	85,933,666
Loss for the year	-	-	-	(10,373,975)	(10,373,975)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(10,373,975)	(10,373,975)
At 31 December 2016	115,500,000	30,343,120	11,999,694	(82,283,123)	75,559,691

The attached notes 1 to 26 form part of these financial statements.

STATEMENT OF CASHFLOWS

For the year ended 31 December 2016

	<i>Notes</i>	<i>2016 QR</i>	<i>2015 QR</i>
OPERATING ACTIVITIES			
Loss for the year		(10,373,975)	(11,425,278)
Adjustments for:			
Finance cost	7	3,294,911	4,080,199
Depreciation and amortization	8 and 10	2,991,711	3,082,827
Write-off of inventories	6	1,028,779	867,115
Provision and write-off of financial assets	6	1,075,968	3,464
Provision for employees' end of service benefits	17	227,190	210,697
Provision for slow-moving inventories	6	59,217	49,866
Change in fair value of investment properties	9	-	(1,191,071)
Write-off of property, plant and equipment	8	-	16,487
Operating loss before working capital changes		(1,696,199)	(4,305,694)
Working capital changes:			
Inventories		(91,221)	1,753,374
Trade and other receivables		2,548,625	(352,505)
Accounts payable and accruals		(325,993)	(2,478,052)
Cash generated from (used in) operating activities		435,212	(5,382,877)
Employees' end of service benefit paid	17	(64,457)	(124,872)
Net cash flows from (used in) operating activities		370,755	(5,507,749)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(1,331,312)	(3,833,447)
Purchase of investment properties	9	-	(2,641,729)
Net cash flows used in investing activities		(1,331,312)	(6,475,176)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	18	9,356,883	15,923,344
Repayments of loans and borrowings	18	(5,077,026)	(925,386)
Finance cost paid		(3,141,378)	(2,080,201)
Net cash flows from financing activities		1,138,479	12,917,757
NET INCREASE IN CASH AND CASH EQUIVALENTS		177,922	934,832
Cash and cash equivalents at 1 January	13	(13,619,082)	(14,553,914)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	13	(13,441,160)	(13,619,082)

1 CORPORATE INFORMATION

Qatari German Company for Medical Devices Q.S.C. (the "Company") is a Qatari Shareholding Company incorporated in the State of Qatar by virtue of Emiri Decree No. 39 issued on 15 October 2000, under the Commercial Registration No. 23349 dated 10 February 2001 and is currently listed on Qatar Exchange. The Company's registered office is located at P.O. Box 22556, Doha, State of Qatar and the principal place of business is in Abu Hammour, Doha, Qatar.

The principal activity of the Company is to manufacture single use disposable syringes and trading in medical equipment, tools and supplies.

These financial statements of the Company as at and for the year ended 31 December 2016 were authorized for issue by the Board of Directors on 3 April 2017.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Going concern

The Company has accumulated losses of QR 82,283,123 (2015: QR 71,909,148), which exceeds 50% of the share capital as at 31 December 2016. Article 295 of the Qatar Commercial Companies' Law No. 11 of 2015 requires that in such an event, the shareholders pass a resolution either to continue its operations or to dissolve the Company. The Law further states that if the shareholders fail to pass such a resolution noted above, the shareholders become jointly and severally responsible for the liabilities of the Company. Also, as at 31 December 2016, the Company's current liabilities exceeded its current assets by QR 2,300,833 (2015: QR 29,082,489). These conditions indicate the existence of a material uncertainty, which may cast doubt on the Company's ability to continue as a going concern. These financial statements have been prepared under the going concern concept as the shareholders have resolved, at an extraordinary general assembly meeting held during the reporting period, to continue operations of the Company.

We perform an inquiry from the Board of Directors of the Company and through Board minutes that an extra general assembly for the shareholders was confirmed and passed a resolution to continue the operations for the next twelve months. Also, management is taking measures of improving its operations within the next five years.

2.2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015.

The financial statements are prepared under the historical cost convention, except for investment properties and building which are measured at fair value:

The methods used to measure fair values are discussed further in Note 24. The financial statements are presented in Qatari Riyal ("QR"), which is the Company's functional and presentational currency.

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following:

New standards, interpretations and amendments

The Company applied for the first time following standards and amendments, which are effective for annual periods beginning on or after 1 January 2016.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards, amendments and interpretation issued but not yet effective

<i>Topic</i>	<i>Effective date</i>
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements 2012-2014 Cycle	1 January 2016
IFRS 7 Financial Instruments: Disclosures	1 January 2016
IAS 19 Employee Benefits	1 January 2016
IAS 34 Interim Financial Reporting	1 January 2016
Amendments to IAS 1 Disclosure Initiative	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016

These new standards and amendments do not have any material impact on the Company.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

<i>Topic</i>	<i>Effective date</i>
IAS 7 Disclosure Initiative – Amendments to IAS 7	1 January 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	1 January 2017
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (an entity that early adopts the amendments must apply them prospectively)	Deferred indefinitely

The Company did not early adopt any new or amended standards during the year and it intends to adopt these standards, if applicable, when they become effective.

2.5 Summary of significant accounting policies

Property, plant and equipment

Property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and accumulated impairment losses. Land and buildings are measured at fair value. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any revaluation surplus is recognized in other comprehensive income and presented in the revaluation reserve in equity, except to the extent that it reverses revaluation decrease of the same asset previously recognized in the profit or loss, in which case the increase is recognized in the statement of income. A revaluation deficit is recognized in the statement of income, except that deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. Valuations are performed frequently enough to ensure that the fair value of the revalued assets do not differ materially from its carrying value.

When the use of a property, plant and equipment changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve. Any loss is recognised in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is possible that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment except for machinery and equipment which is depreciated on the basis of utilisation since these methods most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Buildings	30 years
Machinery and equipment	On the basis of utilization
Motor vehicles	5 years
Furniture, fixtures and equipment	5 years
Computer and software	3 years

Depreciation method, residual value and useful lives of the property, plant and equipment are reviewed at each reporting date and adjusted if appropriate.

Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance held for will lead to future economic benefits, are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Intangible assets are amortized on a straight line basis in the profit or loss from the date when the asset is available for use, over the best estimate of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the Company.

The estimated useful life of the intangible asset in the current and comparative periods is as follows:

Patents and know-how	Indefinite useful life
Computer software	5 years

The intangible asset with an indefinite useful life should not be amortised and the useful life of such an asset should be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite should be accounted for as a change in an accounting estimate. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made for obsolete and slow-moving items based on management's judgement.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets comprise of cash and cash equivalents, trade receivables, staff receivable and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the subsequent paragraph:

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consists of cash on hand, bank balances and bank overdrafts.

Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition trade and other receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, bank overdrafts, trade and other payables.

Trade and other payables

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

Loans and borrowings

Loans and borrowings are recognised initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortised cost using the effective interest method. Instalments due within one year at amortised cost are shown as a current liability. Gains or losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the amortisation process. Interest costs are recognised as an expense when incurred except those qualify for capitalisation.

Share capital

Ordinary shares

Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Company. Any share premium on rights issue are accounted in compliance with local statutory requirements.

Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Provision for employees' end of service benefits

The Company provides for employees' end of service benefits determined in accordance with the provision of the Qatar Labour Law No. 14 of 2004 based on employees' salaries and period of employment and are paid to the employees on termination of employment with the Company. The Company has no expectation of settling its employees' end of service benefits obligation in near term and hence classified this as a non-current liability. The provision is not discounted as the difference between the provision stated in the statement of financial position and net present value is not expected to be significant.

Revenue recognition

Revenue from sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. Revenue is recognised when persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the buyer; recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Rental income

Rental income from investment property is recognised as income on a straight line basis over the term of the lease.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as lessee

Rentals payable under operating leases are charged to the statement of profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Foreign currency transactions

Transactions in foreign currencies are translated in to Qatari Riyals at exchange rate prevailing at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting date are retranslated to Qatari Riyals at the exchange rates prevailing at the reporting date. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Events after reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of trade receivables

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, the estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Revaluation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 31 December 2016 for investment properties. It measures investment properties were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Impairment of property, plant and equipment

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered from impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate rate.

Impairment of intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market price less incremental costs for disposing the asset.

3 REVENUES

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Sale of syringes	10,484,884	12,031,324
Sale of trading products	1,267,855	2,668,656
Sale of packed needles	467,883	985,524
Sale of IV cannula	452,334	727,382
	<u>12,672,956</u>	<u>16,412,886</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

4 DIRECT COSTS

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Cost of syringes	9,031,148	11,093,605
Cost of trading products	909,850	1,659,464
Cost of packed needles	460,919	1,570,974
Cost of IV cannula	135,104	569,919
	<u>10,537,021</u>	<u>14,893,962</u>

5 SELLING AND DISTRIBUTION EXPENSES

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Freight charges for sales	1,211,108	1,391,105
Advertisements and business promotions	977,151	969,250
	<u>2,188,259</u>	<u>2,360,355</u>

6 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Salaries and wages	5,067,668	3,867,960
Impairment loss (Note 12)	1,075,968	3,464
Write-off of inventories (Note 11)	1,028,779	867,115
Depreciation (Note 8)	787,729	733,184
Legal and professional fees	519,078	616,601
Repairs and maintenance	406,539	616,657
Utilities	232,044	180,099
Travel	169,463	186,471
Foreign exchange losses	120,962	235,262
Amortisation (Note 10)	119,209	119,209
IT and communication	82,015	42,175
Office expenses	74,476	80,939
Provision for slow moving inventories (Note 11)	59,217	49,866
Insurance	46,019	52,752
Rent	11,527	90,876
Miscellaneous	130,711	260,138
	<u>9,931,404</u>	<u>8,002,768</u>

7 FINANCE COST

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Bank charges and commission	26,867	330,154
Interest expense	3,268,044	3,750,045
	<u>3,294,911</u>	<u>4,080,199</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

8 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings on leasehold land QR</i>	<i>Machinery and equipment QR</i>	<i>Motor vehicles QR</i>	<i>Furniture, fixtures and equipment QR</i>	<i>Computer and software QR</i>	<i>Capital work-in- progress QR</i>	<i>Total QR</i>
Cost:							
At 1 January 2016	57,182,447	93,234,185	205,500	2,047,996	673,329	1,679,261	155,022,718
Additions	-	242,054	-	443,072	92,305	553,881	1,331,312
Transfers from capital-work-in-progress	-	-	-	295,000	-	(295,000)	-
At 31 December 2016	<u>57,182,447</u>	<u>93,476,239</u>	<u>205,500</u>	<u>2,786,068</u>	<u>765,634</u>	<u>1,938,142</u>	<u>156,354,030</u>
Accumulated depreciation:							
At 1 January 2016	8,761,921	6,009,560	146,833	1,296,058	540,426	-	16,754,798
Charge for the year	<u>1,906,082</u>	<u>482,298</u>	<u>25,700</u>	<u>366,358</u>	<u>92,064</u>	<u>-</u>	<u>2,872,502</u>
At 31 December 2016	<u>10,668,003</u>	<u>6,491,858</u>	<u>172,533</u>	<u>1,662,416</u>	<u>632,490</u>	<u>-</u>	<u>19,627,300</u>
Net carrying amounts:							
At 31 December 2016	<u>46,514,444</u>	<u>86,984,381</u>	<u>32,967</u>	<u>1,123,652</u>	<u>133,144</u>	<u>1,938,142</u>	<u>136,726,730</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<i>Buildings on leasehold land QR</i>	<i>Machinery and equipment QR</i>	<i>Motor vehicles QR</i>	<i>Furniture, fixtures and equipment QR</i>	<i>Computer and software QR</i>	<i>Capital work-in- progress QR</i>	<i>Total QR</i>
Cost:							
At 1 January 2015	57,182,447	89,119,248	244,500	2,025,153	717,191	2,128,921	151,417,460
Additions	-	51,840	-	149,585	18,585	3,613,437	3,833,447
Transfers from capital-work-in-progress	-	4,063,097	-	-	-	(4,063,097)	-
Disposals	-	-	(39,000)	-	-	-	(39,000)
Write-off	-	-	-	(126,742)	(62,447)	-	(189,189)
At 31 December 2015	<u>57,182,447</u>	<u>93,234,185</u>	<u>205,500</u>	<u>2,047,996</u>	<u>673,329</u>	<u>1,679,261</u>	<u>155,022,718</u>
Accumulated depreciation:							
At 1 January 2015	6,855,839	5,381,586	160,133	1,129,743	475,581	-	14,002,882
Charge for the year	1,906,082	627,974	25,700	278,968	124,894	-	2,963,618
Relating to disposals	-	-	(39,000)	-	-	-	(39,000)
Relating to write-off	-	-	-	(112,653)	(60,049)	-	(172,702)
At 31 December 2015	<u>8,761,921</u>	<u>6,009,560</u>	<u>146,833</u>	<u>1,296,058</u>	<u>540,426</u>	<u>-</u>	<u>16,754,798</u>
Net carrying amounts:							
At 31 December 2015	<u>48,420,526</u>	<u>87,224,625</u>	<u>58,667</u>	<u>751,938</u>	<u>132,903</u>	<u>1,679,261</u>	<u>138,267,920</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation of the building on leasehold land is depreciated over the lease term of the land rented from the Government. Depreciation for the year has been allocated in the statement of comprehensive income is as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Direct cost	2,084,773	2,230,434
General and administrative expenses (Note 6)	787,729	733,184
	<u>2,872,502</u>	<u>2,963,618</u>

9 INVESTMENT PROPERTIES

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
At 1 January	12,590,000	8,757,200
Additions	-	2,641,729
Change in fair values	-	1,191,071
At 31 December	<u>12,590,000</u>	<u>12,590,000</u>

The Company's investment properties consist of a portion of the Company's building rented to an external party. The profit arising from investment properties carried at fair value amounts to QR 2,437,895 for the year ended 31 December 2016 (2015: QR 115,500).

In 2014, the transfers from property, plant and equipment pertains to investment properties under development for rental to external party. On September 2015, the Company entered an operating lease agreement to an external party commencing on December 2015 with a monthly rental of QR 203,158.

The fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provides the fair value of the Company's investment properties annually. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

10 INTANGIBLE ASSETS

	<i>Patents and know-how</i> <i>QR</i>	<i>Computer software</i> <i>QR</i>	<i>Total</i> <i>QR</i>
Cost:			
At 31 December 2016	<u>10,329,937</u>	<u>596,044</u>	<u>10,925,981</u>
Accumulated amortisation:			
At 1 January 2016	-	307,956	307,956
Charge for the year (Note 6)	<u>-</u>	<u>119,209</u>	<u>119,209</u>
At 31 December 2016	<u>-</u>	<u>427,165</u>	<u>427,165</u>
Net carrying amounts			
At 31 December 2016	<u>10,329,937</u>	<u>168,879</u>	<u>10,498,816</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

10 INTANGIBLE ASSETS (CONTINUED)

	<i>Patents and know-how QR</i>	<i>Computer software QR</i>	<i>Total QR</i>
Cost:			
At 31 December 2015 (<i>As restated</i>)	<u>10,329,937</u>	<u>596,044</u>	<u>10,925,981</u>
Accumulated amortisation:			
At 1 January 2015	-	188,747	188,747
Charge for the year (Note 6)	<u>-</u>	<u>119,209</u>	<u>119,209</u>
At 31 December 2015	<u>-</u>	<u>307,956</u>	<u>307,956</u>
Net carrying amounts			
At 31 December 2015 (<i>As restated</i>)	<u><u>10,329,937</u></u>	<u><u>288,088</u></u>	<u><u>10,618,025</u></u>
	<i>Patents and know-how QR</i>	<i>Computer software QR</i>	<i>Total QR</i>
Cost:			
At 1 January 2014 (<i>As previously reported</i>)	27,799,673	596,044	28,395,717
Impairment (Note 26)	<u>(17,469,736)</u>	<u>-</u>	<u>(17,469,736)</u>
At 31 December 2014 (<i>As restated</i>)	<u>10,329,937</u>	<u>596,044</u>	<u>10,925,981</u>
Accumulated amortisation:			
At 1 January 2014	-	69,538	69,538
Charge for the year	<u>-</u>	<u>119,209</u>	<u>119,209</u>
At 31 December 2015	<u>-</u>	<u>188,747</u>	<u>188,747</u>
Net carrying amounts			
At 31 December 2015 (<i>As restated</i>)	<u><u>10,329,937</u></u>	<u><u>407,297</u></u>	<u><u>10,737,234</u></u>

11 INVENTORIES

	<i>2016 QR</i>	<i>2015 QR</i>
Raw materials	10,046,328	10,257,532
Work-in-progress	1,932,255	2,073,011
Finished goods	4,129,526	4,765,242
Spare parts	2,418,879	2,544,311
Consumables	<u>263,472</u>	<u>243,144</u>
	18,790,460	19,883,240
Less: Provision for slow-moving inventories (Note 6)	(59,217)	(154,986)
Write-off of inventories	<u>(1,028,779)</u>	<u>(867,115)</u>
	17,702,464	18,861,139
Goods in transit	<u>231,559</u>	<u>69,659</u>
	<u>17,934,023</u>	<u>18,930,798</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

11 INVENTORIES (CONTINUED)

The movements in allowance for slow-moving inventories are as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
At January	154,986	105,120
Reversal during the year	(154,986)	-
Provisions during the year	59,217	49,866
	59,217	154,986

12 TRADE AND OTHER RECEIVABLES

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Trade receivables	10,059,528	12,708,377
Advances to suppliers	987,028	1,021,652
	11,046,556	13,730,029
Allowance for impairment	(1,153,902)	(84,860)
	9,892,654	13,645,169
Prepayments	110,340	73,543
Other receivables	120,951	29,826
	10,123,945	13,748,538

Trade receivables and advances to suppliers are non-interest bearing. Movements in the allowance for impairment loss were as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
At 1 January	84,860	109,751
Provided during the year	1,075,968	3,464
Reversals / written-off	(6,926)	(28,355)
At 31 December	1,153,902	84,860

The total allowance for impairment loss includes impairment of trade receivables and advances to suppliers amounting to QR 1,075,968 and QR 77,934, respectively, (2015: QR 6,927 and QR 77,933 respectively). As at the reporting date, the ageing of unimpaired trade receivables and advances to suppliers are as follows:

		<i>Past due but not impaired</i>						
		<i>Neither past due nor impaired</i>	<i>< 90 days</i>	<i>91 – 180 days</i>	<i>181 – 360 days</i>	<i>361 – 540 days</i>	<i>541 – 720 days</i>	<i>> 720 days</i>
	<i>Total QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>			
2016	9,892,654	3,507,066	242,808	474,209	1,877,606	3,129,526	-	661,439
<i>2015</i>	<i>13,645,169</i>	<i>8,720,430</i>	<i>777,861</i>	<i>385,733</i>	<i>281,103</i>	<i>3,199,852</i>	<i>280,190</i>	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise the following statement of financial position:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Bank balances	941,143	727,600
Cash on hand	10,984	13,449
	952,127	741,049
Bank overdrafts	(14,393,287)	(14,360,131)
	(13,441,160)	(13,619,082)

14 SHARE CAPITAL

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
<i>Authorised, issued and fully paid-up capital:</i>		
11,550,000 shares of QR 10 each contributed	115,500,000	115,500,000

15 LEGAL RESERVES

The legal reserve is maintained in compliance with the provisions of Qatar Commercial Companies Law No. 11 of 2015 which requires the Company to transfer 10% of the net profit to the legal reserve until the reserve equals 50% of the share capital. No such transfer was made by the Company during the year as the Company incurred a loss during the year (2015: Nil). The reserve is not available for distribution except in the manner stated in the above law.

16 REVALUATION RESERVE

The revaluation reserve relates to the revaluation of buildings as owner-occupied recognized in property, plant and equipment (Note 8).

17 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognized in the statement of financial position are as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
At 1 January	761,699	675,874
Provided during the year	227,190	210,697
End of service benefits paid	(64,457)	(124,872)
At 31 December	924,432	761,699

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

18 LOANS AND BORROWINGS

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Term loan	78,686,960	63,278,766
Documentary credit facility	14,512,020	25,486,824
	93,198,980	88,765,590

Presented in the statement of financial position as follows:

Current liabilities	12,168,390	43,067,499
Non-current liabilities	81,030,590	45,698,091
	93,198,980	88,765,590

Details of loans and borrowings are as follows:

<i>Loan category</i>	<i>Facility outstanding amount</i>		<i>Year of maturity</i>	<i>Interest rate</i>	<i>Purpose of the facility</i>
	<i>2016 QR</i>	<i>2015 QR</i>			
Term loan	64,119,876	-	April 2023	3%	Rescheduled existing facilities by Qatar Development Bank, a related party
Term loan	7,947,890	-	April 2021	3%	Rescheduled existing facilities by Qatar Development Bank, a related party
Documentary credit facility	6,774,343	8,683,212	November 2019	5%	Re-scheduling and increase in the existing facility for working capital obtained from Qatar National Bank
Documentary credit facility	5,477,807	7,319,447	January 2017	3%	Financing of working capital obtained from Qatar Development Bank, a related party
Term loan	3,990,367	4,101,660	January 2023	3%	Financing of machinery purchases obtained from Qatar Development Bank, a related party
Term loan	2,628,828	3,758,639	August 2019	5%	Re-scheduling of the existing facility for warehouse construction obtained from Qatar National Bank
Documentary credit facility	1,701,975	2,562,553	November 2016	3%	Financing of working capital obtained from Qatar Development Bank, a related party
Documentary credit facility	557,894	1,503,835	December 2016	3%	Financing for warehouse construction obtained from Qatar Development Bank, a related party
Term loan	-	39,989,331	April 2022	3%	Re-scheduling of the existing facility and financing for warehouse construction and purchase for machineries obtained from Qatar Development Bank, a related party
Term loan	-	10,229,036	June 2016	3%	Facility for working capital, however, restructured to term loan obtained from Qatar Development Bank, a related party
Term loan	-	5,200,101	September 2016	3%	Re-scheduling of the existing facility for working capital obtained from Qatar Development Bank, a related party
Documentary credit facility	-	5,417,776	December 2016	3%	Financing of working capital obtained from Qatar Development Bank, a related party
	93,198,980	88,765,590			

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At 31 December 2016

18 LOANS AND BORROWINGS (CONTINUED)

Movements in the loans and borrowings are as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
At 1 January	88,765,590	71,767,635
Loan obtained during the year	9,356,883	15,923,344
Loan paid during the year	(5,077,026)	(925,386)
Interest accrued (net of payment)	153,533	1,999,997
	<u>93,198,980</u>	<u>88,765,590</u>
At 31 December	93,198,980	88,765,590

19 ACCOUNTS PAYABLE AND ACCRUALS

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Trade payables	2,592,792	2,268,740
Accrued expenses	1,427,420	1,860,674
Other payables	413,290	218,558
Dividend payable	215,891	215,891
Retention payable	99,858	511,381
	<u>4,749,251</u>	<u>5,075,244</u>

20 LOSS PER SHARE

Basic earnings per share is calculated by dividing the loss for the period by the weighted average number of ordinary shares outstanding during the period.

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Loss for the period	<u>(10,373,975)</u>	<u>(11,425,278)</u>
Weighted average number of shares outstanding during the year	<u>11,550,000</u>	<u>11,550,000</u>
Basic and diluted loss per share (QR)	<u>(0.90)</u>	<u>(0.99)</u>

There were no potentially dilutive shares outstanding at any time during the period and therefore, the diluted earnings per share is equal to the basic earnings per share.

21 SEGMENT INFORMATION

For management purposes, the Company is organized into one business unit based on its nature of activities, as the Company's operations pertain mainly to the manufacturing of syringes. Decisions about resource allocation and monitoring of performance are based on the single business unit identified by the management.

The Company does not have any foreign operations as of the reporting period end (31 December 2015: None).

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

22 RELATED PARTY DISCLOSURES

Related parties consist of major shareholders, related companies and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Related party transactions

Related party transactions included in the statement of comprehensive income for the period are as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Finance costs	<u>3,131,143</u>	<u>3,750,045</u>
<i>General and amortisation expenses:</i>		
Bank charges and commission	<u>163,769</u>	<u>330,154</u>

Compensation of key management personnel

The compensation of key management personnel during the year were as follows:

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Salaries and other short-term benefits	<u>566,779</u>	<u>473,387</u>
End of service benefits	<u>12,740</u>	<u>12,565</u>
	<u>579,519</u>	<u>485,952</u>

Related party balances

The payables to related parties pertain to the loans and borrowings of the Company as disclosed in Note 18. These amounts are secured by the assets owned by the Company, with interests based on prevailing market rates and settlement normally occurs in cash.

23 COMMITMENTS AND CONTINGENT LIABILITIES

Capital expenditure commitments

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Estimated capital expenditures contracted for at the end of the reporting period, but not provided for	<u>-</u>	<u>2,000,000</u>

As at 31 December 2016, the Company has no unutilized portion of the loan available for asset finance.

Operating lease commitments

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Future minimum lease payments:		
Not later than one year	<u>11,527</u>	<u>11,527</u>
Later than one year and not later than five years	<u>46,108</u>	<u>46,108</u>
Later than five years	<u>109,507</u>	<u>121,034</u>
	<u>167,142</u>	<u>178,669</u>

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At 31 December 2016

23 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Contingent liabilities

	<i>2016</i> <i>QR</i>	<i>2015</i> <i>QR</i>
Letters of credit	-	2,304,268
Guarantees (tenders, performance bonds and miscellaneous)	<u>2,695,907</u>	<u>2,553,551</u>
	<u>2,695,907</u>	<u>4,857,819</u>

24 CLASSIFICATION AND FAIR VALUES

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties on an arm's length basis. The accompanying financial statements have been prepared under the historical cost convention, modified to include the measurement at fair value of investment properties.

The carrying values of certain financial assets and liabilities as recorded could be different from the fair value. However, in the opinion of the management, the fair values of these financial assets and liabilities are not considered to significantly differ from their carrying values, as most of these items are short-term in nature.

Fair value hierarchy

The table below analyses assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

<i>2016</i>	<i>Level 2</i> <i>QR</i>	<i>Total</i> <i>QR</i>
Investment properties	<u>12,590,000</u>	<u>12,590,000</u>
	<i>Level 2</i> <i>QR</i>	<i>Total</i> <i>QR</i>
<i>2015</i>		
Investment properties	<u>12,590,000</u>	<u>12,590,000</u>

For the year ended 31 December 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

25 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company is exposed to credit risk on trade and other receivables and bank balances.

Trade and other receivables

The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

Bank balances

The Company limits its exposure to credit risk on bank balances by maintaining balances with banks having high credit ratings.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<i>Carrying amounts</i>	
	<i>2016</i>	<i>2015</i>
	<i>QR</i>	<i>QR</i>
Trade receivables	10,059,528	12,708,377
Other receivables	120,951	29,826
Bank balances	941,143	727,600
	<u>11,121,622</u>	<u>13,465,803</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. Management is of the opinion that the Company's exposure to currency risk is minimal as the Company's significant transactions are denominated in Qatari Riyal and the US Dollar, which is pegged against Qatari Riyal.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the Company's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. The Company has policy of ensuring that interest rates exposures are reviewed quarterly.

The Company's exposure to interest rate risk is limited due to the short-term nature of the funds invested in financial instruments. The Company adopts a policy of ensuring that interest rate is on a fixed rate basis, thus minimising interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was disclosed in Note 18.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2016	<i>Less than 3 months QR</i>	<i>3 to 12 months QR</i>	<i>1 to 5 years QR</i>	<i>>5 years QR</i>	<i>Total QR</i>
Loans and borrowings	3,995,844	7,841,388	74,002,606	17,660,851	103,500,689
Trade payables	1,329,016	1,103,625	160,151	-	2,592,792
Retention payable	-	99,858	-	-	99,858
Other payables	413,290	-	-	-	413,290
Bank overdraft	14,393,287	-	-	-	14,393,287
	20,131,437	9,044,871	74,162,757	17,660,851	120,999,916
31 December 2015	<i>Less than 3 months QR</i>	<i>3 to 12 months QR</i>	<i>1 to 5 years QR</i>	<i>>5 years QR</i>	<i>Total QR</i>
Loans and borrowings	23,985,614	20,717,128	39,997,845	10,511,194	95,211,781
Trade payables	1,769,749	394,201	104,790	-	2,268,740
Retention payable	-	511,381	-	-	511,381
Other payables	218,558	-	-	-	218,558
Bank overdraft	14,360,131	-	-	-	14,360,131
	40,334,052	21,622,710	40,102,635	10,511,194	112,570,591

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes as of and during the years ended 31 December 2016 and 31 December 2015. Capital comprises share capital, reserves and accumulated losses, and is measured at QR 75,559,691 as at 31 December 2016 (2015: QR 85,933,666).

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016

26 CORRECTION OF ERROR – IMPAIRMENT OF PATENTS AND KNOW-HOW

In 2007, the Company has recognized patents and know-how as intangible asset with indefinite useful life relating to safety syringes amounting to QR 27,799,673. During 2016, the management noted that, in 2014, safety syringes has been developed by other companies with new technology and as a result, its cash flow projections, then, were erred. Management re-assessed the recoverable amount of the patent in accordance with IAS 36, and accordingly concluded that an impairment of QR 17,469,736 should have been recognized in 2014 when the new technology was introduced.

As a result of the above decision, the management made the necessary adjustments to restate the previously reported amounts, resulting in a decrease to intangible asset and increase in accumulated losses as at 1 January 2015 by QR 17,469,736.

Reconciliations of these accounts are as follows as at 1 January 2015 are shown below:

	<i>Intangible assets QR</i>	<i>Accumulated losses QR</i>
As at 1 January 2015, <i>As previously reported</i>	28,206,970	(43,014,134)
Correction of error	<u>(17,469,736)</u>	<u>(17,469,736)</u>
As at 1 January 2015, <i>As restated</i> (Note 10)	<u>10,737,234</u>	<u>(60,483,870)</u>