QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)

DOHA – STATE OF QATAR

INTERIM CONDENSED FINANCIAL INFORMATION
TOGETHER WITH REVIEW REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2019

QATARI GERMAN COMPANY FOR MEDICAL DEVICES (Q.P.S.C.)

DOHA – STATE OF QATAR

INDEX

1061800770

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

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.),** Doha-State of Qatar, as at June 30, 2019 and the related interim condensed statement 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 this interim condensed financial information in accordance with International Accounting Standard-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- Intangible asset amounting to QR.10,329,937 as of June 30, 2019 represents patent relating to the safety syringes. Management is in the process of assessing the future economic value that will be generated from the patent. In the absence of the assessment by the management and by alternative audit procedures, we were unable to obtain sufficient and appropriate audit evidence with respect to the recoverable amount of the patent as at June 30, 2019. Consequently, we were unable to determine whether any adjustment to the reported balances were necessary.

Qualified Conclusion

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

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to note 2 to this interim condensed financial information, which indicates that the company has incurred a net loss of QR.5,621,610 for the six-month period ended June 30, 2019 and the company's accumulated losses amounting to QR.122,430,399 exceeded its share capital by QR.6,930,399 as at June 30, 2019. Further, as at that date, the current liabilities of the company exceeded the current assets by QR.6,557,646. Pursuant to the Article 295 of the Qatari Commercial Companies Law No.11 of 2015, if the shareholding company's losses reaches half of its share capital, the Board of Directors should call for an extraordinary general assembly meeting to discuss the continuation of the Company or dissolution before the term specified in its Article of Association. If the board of director's 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, this interim condensed financial information does 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, since the shareholders have resolved, at an extraordinary general assembly meeting held on May 26, 2019, to continue operations of the company and diversify its activities.

Other Matter

The interim condensed financial information for the six-month period ended June 30, 2018 and the financial statements for the year ended December 31, 2018 of **Qatari German Company for Medical Devices (Q.P.S.C),** Doha – State of Qatar were reviewed and audited by another auditor whose reports dated August 08, 2018 and March 27, 2019 expressed a modified conclusion and a modified opinion on those interim condensed financial information and financial statements respectively due to the fact that the company was unable to measure the recoverable value of intangible assets to ascertain whether there are any adjustments would have been necessary for the impairment.

TALAL ABU-GHAZALEH & CO.

Hazim Al Surkhi, CPA
(Licence no. 119)
QFMA Licence No. 120152
Doha, July 16, 2019

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, 2019

	Note	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and capital work in progress	-6-	**119,026,962**	121,723,160
Investment properties		**12,590,000**	12,590,000
Intangible assets	-7-	**10,329,937**	10,329,937
Total Non-Current Assets		**141,946,899**	144,643,097
CURRENT ASSETS			
Inventories	-8-	**12,890,424**	12,194,139
Accounts and other receivables	-9-	**2,582,748**	5,011,257
Cash in hand and at banks		**640,208**	494,104
Total Current Assets		**16,113,380**	17,699,500
Total Assets		**158,060,279**	162,342,597
EQUITY AND LIABILITIES			
EQUITY			
Share capital	-10-	**115,500,000**	115,500,000
Legal reserve		**30,343,120**	30,343,120
Revaluation reserve		**11,999,694**	11,999,694
Accumulated losses		**(122,430,399)**	(116,808,789)
Net Equity – Exhibit C		**35,412,415**	41,034,025
NON-CURRENT LIABILITIES			
Employees' end of service benefits		**1,135,624**	1,046,028
Loans and borrowings - long term portion	-11-	**98,841,214**	98,878,378
Total Non-Current Liabilities		**99,976,838**	99,924,406
CURRENT LIABILITIES			
Loans and borrowings - short term portion	-11-	**5,232,855**	5,393,317
Accounts and other payables		**2,917,028**	2,569,154
Bank overdrafts		**14,521,143**	13,421,695
Total Current Liabilities		**22,671,026**	21,384,166
Total Liabilities		**122,647,864**	121,308,572
Total Equity and Liabilities		**158,060,279**	162,342,597

This interim condensed financial information was approved by the Board of Directors on July 16, 2019 and signed on its behalf by:

Mr. Hamad Khamis A. Al-Kubaisi	**Mr. Eisa Khalid Al-Maslamani**
Chairman of the Board of Directors	**Board Member and Managing Director**

THE ACCOMPANYING NOTES 1 TO 20 CONSTITUTE AN INTEGRAL PART OF THIS INTERIM CONDENSED FINANCIAL INFORMATION

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, 2019

	Note	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
Revenue	-12-	**4,112,483**	4,555,366
Cost of revenue		**(3,606,164)**	(3,668,151)
Gross profit		**506,319**	887,215
Other income		**1,227,250**	1,222,708
Selling and distribution expenses		**(215,268)**	(179,363)
General and administrative expenses		**(2,401,750)**	(3,111,105)
Depreciation and amortization		**(2,769,755)**	(1,315,019)
Finance cost		**(1,968,406)**	(1,904,225)
(Loss) for the period – Exhibit D		**(5,621,610)**	(4,399,789)
Other comprehensive income		**-0-**	-0-
Total comprehensive (loss) for the period – Exhibit C		**(5,621,610)**	(4,399,789)
(Loss) per share			
Basic and diluted (loss) per share (QR.)	-13-	**(0.049)**	(0.038)

THE ACCOMPANYING NOTES 1 TO 20 CONSTITUTE AN INTEGRAL PART OF THIS INTERIM CONDENSED FINANCIAL INFORMATION

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, 2019

	Share Capital (QR.)	Legal Reserve (QR.)	Revaluation Reserve (QR.)	Accumulated Losses (QR.)	Total (QR.)
SIX MONTHS ENDED JUNE 30, 2018 (REVIEWED)					
Balance as at December 31, 2017 (Audited)	115,500,000	30,343,120	11,999,694	(103,975,052)	53,867,762
Total comprehensive (loss) for the period – Exhibit B	-0-	-0-	-0-	(4,399,789)	(4,399,789)
Balance as at June 30, 2018 (Reviewed)	115,500,000	30,343,120	11,999,694	(108,374,841)	49,467,973
SIX MONTHS ENDED JUNE 30, 2019 (REVIEWED)					
Balance as at December 31, 2018 – Exhibit A (Audited)	**115,500,000**	**30,343,120**	**11,999,694**	**(116,808,789)**	**41,034,025**
Total comprehensive (loss) for the period – Exhibit B	**-0-**	**-0-**	**-0-**	**(5,621,610)**	**(5,621,610)**
Balance as at June 30, 2019 – Exhibit A (Reviewed)	**115,500,000**	**30,343,120**	**11,999,694**	**(122,430,399)**	**35,412,415**

THE ACCOMPANYING NOTES 1 TO 20 CONSTITUTE AN INTEGRAL PART OF THIS INTERIM CONDENSED FINANCIAL INFORMATION

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, 2019

	Note	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the period – Exhibit B		(5,621,610)	(4,399,789)
Adjustments for:			
Depreciation and amortization		2,769,755	1,315,019
Provision for employees' end of service benefits		93,843	212,121
Finance charges		1,968,406	1,904,225
Operating (loss) before working capital changes		(789,606)	(968,424)
Changes in Operating Assets and Liabilities			
- Inventories		(696,285)	409,285
- Accounts and other receivables		2,428,509	663,655
- Accounts and other payables		347,874	(859,822)
Cash generated from (used in) Operations		1,290,492	(755,306)
Employees' end of service benefits paid		(4,247)	(68,725)
Finance charges paid		(813,890)	(662,623)
Net cash from (used in) Operating Activities		472,355	(1,486,654)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment and capital work in progress		(73,557)	(147,189)
Net cash (used in) Investing Activities		(73,557)	(147,189)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in loans and borrowings		(1,352,142)	1,639,383
Net cash (used in) from Financing Activities		(1,352,142)	1,639,383
Net (decrease) increase in cash and cash equivalents		(953,344)	5,540
Cash and cash equivalents at beginning of the period		(12,927,591)	(14,302,765)
Cash and cash equivalents at end of the period	-14-	(13,880,935)	(14,297,225)
		======	======

THE ACCOMPANYING NOTES 1 TO 20 CONSTITUTE AN INTEGRAL PART OF THIS INTERIM CONDENSED FINANCIAL INFORMATION

1) GENERAL INFORMATION

Qatari German Company for Medical Devices 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 has incurred a net loss of QR.5,621,610 for the six-month period ended June 30, 2019 and the company's accumulated losses amounting to QR.122,430,399 exceeded its capital by QR.6,930,399 as at June 30, 2019. Further, as at that date, the current liabilities of the company exceeded the current assets by QR.6,557,646. Further, the company's business operations are merely financed through bank borrowings and bank overdrafts by one of a major shareholder and the repayment obligations of such borrowings are extended on a frequent basis. Pursuant to the Article 295 of the Qatar Commercial Companies Law No.11 of 2015, if the shareholding company's losses reaches half of the capital, the Board of Directors should call for an extraordinary general assembly meeting to discuss the continuation of the Company or dissolution before the term specified in its Article of Association. If the board of director's 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 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 information 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 entity is unable to continue as a going concern due to followings;

- the shareholders have resolved, at an extraordinary general assembly meeting held on May 26, 2019, to continue operations of the company and diversify its activities,
- Also the management is in the process of taking measures of improving its operations and
- A local development bank (M/S. Qatar Development Bank) being its capacity as one of major shareholder and as a lender, confirmed in writing that it will not make any demand of repayment of the borrowings payable to it on or before January 2020.

3) BASIS OF PREPARATION

The interim condensed financial information of the Company for the six-month ended June 30, 2019 has been prepared in accordance with International Accounting Standard-34, *Interim Financial Reporting* and in conformity with Qatar Commercial Companies Law.

The interim condensed financial information does not contain all information and disclosures required for full 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, 2018. In addition, results for the six-month period ended June 30, 2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

4) SIGNIFICANT ACCOUNTING POLICIES

i) New, amendments, interpretations and improvements to the Standards

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2018 and the notes attached thereto, except for certain new, amendments, interpretations and improvements to the standards that became effective in the current period as described below:

New Standards		**Effective Date**
IFRS 16	Leases	January 01, 2019
Amendments to the Standards		**Effective Date**
IFRS 9	Prepayments, Features with Negative Compensation.	January 01, 2019
IAS 28	Long term Interest in Associates and Joint Ventures	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement	January 01, 2019
New or Revised Interpretations		**Effective Date**
IFRIC 23	Uncertainty Over Income Tax Treatments	January 01, 2019
Annual Improvements to IFRS 2015-2017 Cycle		**Effective Date**
IFRS 3	Clarifies that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages.	January 01, 2019
IFRS 11	A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. In such cases, previously held interests in that joint operation are not remeasured.	January 01, 2019
IAS 12	Clarifies that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.	January 01, 2019
IAS 23	Clarifies that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.	January 01, 2019

ii) Changes in Accounting Policies

Due to the number of new, amendments, interpretations and improvements became applicable and effective for the current reporting period and the company had to change its accounting policies and reflect the required adjustments. However, except for effect and changes as described in succeeding paragraph related to newly implemented standard namely IFRS 16, the other 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.

The company applies, for the first time IFRS 16 Leases. In accordance with transitional provisions of these new standards, comparatives information have not been restated. The nature and effect of these changes are disclosed below;

a) Adoption of IFRS 16 Leases

IFRS 16 issued in January 2016 set out the principals for the recognition, measurement, presentation and disclosure of leases. It replaced IAS 17 "Leases", IFRIC 4 "Determining whether Arrangement Contain a Lease" and related interpretations.

The new standard has resulted in all most all leases being recognized on the statement of financial position by lessee, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and financial liability to pay rental are recognized.

The only exception are short term lease and low value leases. The company has applied the standard from its mandatory adoption date of January 1, 2019. The company has applied the simplified transition approach and has not restated comparative amounts, prior to the date of adoption of standard.

b) Impact on the Adoption of IFRS 16 Leases

As a result of the company's assessment of IFRS 16, no major change in accounting policies was identified, which might have a material impact on the interim condensed financial information.

The required changes and application of exemption criteria are as follows;

As a Lessee

As a lessee, the company did not have any leases which were previously classified as finance lease whereas the Company intended to recognizes right-of-use assets and lease liabilities for its leases which were previously classified as operating leases-i.e. these leases are on statement of financial position. If the company recognize right-of-use asset and lease liability for leases which were previously recognized as operating lease, the effects are minimal and insignificant to the reported balances, hence, a management assessment has been performed on an absolute basis to ensure whether underlying asset is of low value, consequently, it has been decided by the management to apply the exemption criteria of low value as promulgated by the IFRS 16.

Due to the application of exemption criteria, the company has recognized the lease payments associated with the leases as an expenses to the statement of profit or loss and other comprehensive income and future portion has been disclosed as commitments.

As a Lessor

The company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The company accounted for its leases in accordance with IFRS 16 from the date of initial application. The effect of company's sub lease assets are minimal, as it was sub leased only a small portion of entire land.

iii) New IFRSs in issue but not yet effective

The new standard namely IFRS 17 "Insurance Contract" have been issued but are not yet effective and the entity intends to adopt these standards, where applicable, with effect from January 01, 2021.

5) FINANCIAL RISK MANAGEMENT AND CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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, 2018.

b) 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.

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

a) The details of cost, accumulated depreciation and respective net book value of various categories of property, plant, equipment and capital work in progress are as follows:

	Buildings on Leasehold Land (QR.)	Machinery & Equipment (QR.)	Motor Vehicles (QR.)	Furniture, Fixtures & Equipment (QR.)	Computer Software (QR.)	Capital Work in Progress (QR.)	Total (QR.)
Cost/Revaluation							
As at December 31, 2018 (Audited)	57,182,447	94,484,646	205,500	3,370,140	780,866	60,000	156,083,599
Additions during the period	-0-	-0-	-0-	1,557	-0-	72,000	73,557
As at June 30, 2019 (Reviewed)	**57,182,447**	**94,484,646**	**205,500**	**3,371,697**	**780,866**	**132,000**	**156,157,156**
Accumulated Depreciation/Impairment							
As at December 31, 2018 (Audited)	14,480,167	16,591,899	203,000	2,345,819	739,554	-0-	34,360,439
Charge for the period	953,040	1,625,249	2,500	171,711	17,255	-0-	2,769,755
As at June 30, 2019 (Reviewed)	**15,433,207**	**18,217,148**	**205,500**	**2,517,530**	**756,809**	**-0-**	**37,130,194**
Net Book Value							
As at June 30, 2019 – Exhibit A (Reviewed)	**41,749,240**	**76,267,498**	**-0-**	**854,167**	**24,057**	**132,000**	**119,026,962**
As at December 31, 2018 – Exhibit A (Audited)	42,702,280	77,892,747	2,500	1,024,321	41,312	60,000	121,723,160

b) The company has engaged an external, independent valuer, having appropriate recognized professional qualifications and knowledge of the regional market and understanding to undertake the valuation of machinery and equipment. The fair values were determined based on prevailing market conditions, current state and condition of the assets, and sources of market data. Further, it was determined that the estimated fair value of machinery and equipment is higher than its carrying value as at June 30, 2019. Meanwhile in 2017, the 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 for the year ended December 31, 2017 and included as accumulated depreciation/ impairment.

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. However, the effects of such changes were not included for the six-month period ended June 30, 2018.

d) 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 reflect 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. There has been no change to the valuation technique during the period. Accordingly, the management believes that the estimated fair value of the building on leasehold land is higher than its carrying value.

7) INTANGIBLE ASSETS

a) This item consists of the following:

	Patents and Know-how (QR.)	Computer Software (QR.)	Total (QR.)
Cost			
As at December 31, 2018 (Audited)	10,329,937	596,044	10,925,981
As at June 30, 2019 (Reviewed)	**10,329,937**	**596,044**	**10,925,981**
Accumulated amortization			
As at December 31, 2018 (Audited)	-0-	596,044	596,044
As at June 30, 2019 (Reviewed)	**-0-**	**596,044**	**596,044**
Carrying Value			
As at June 30, 2019 – Exhibit A (Reviewed)	**10,329,937**	**-0-**	**10,329,937**
As at December 31, 2018 – Exhibit A (Audited)	10,329,937	-0-	10,329,937

b) Management is in the process of assessing the future economic value of the patents and know-how relating to safety syringes.

8) INVENTORIES

a) This item consists of the following:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Raw materials	**7,334,532**	7,194,010
Work in progress	**1,098,088**	1,108,106
Finished goods	**3,346,294**	2,766,116
Spare parts	**2,456,285**	2,394,147
Consumables	**213,109**	207,620
Sub Total	**14,448,308**	13,669,999
Less: Provision for slow moving inventories-Note 8(b)	**(1,571,223)**	(1,571,223)
Net	**12,877,085**	12,098,776
Goods in transit	**13,339**	95,363
Total – Exhibit A	**12,890,424**	12,194,139

b) **Provision for slow moving inventories**

Movement during the period/year were as follows:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Balance at beginning of the period/year	**1,571,223**	1,854,177
Reversal of provision during the period/year	**-0-**	(282,954)
Balance at end of the period/year – Note 8(a)	**1,571,223**	1,571,223

9) ACCOUNTS AND OTHER RECEIVABLES

a) This item consists of the following:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Accounts receivable – Note 9(c)	**9,794,689**	11,974,132
Allowance for impairment of accounts receivable -Note 9(b)	**(7,719,889)**	(7,719,889)
Net	**2,074,800**	4,254,243
Prepaid expenses	**193,923**	77,238
Supplier advances	**242,074**	617,517
Margin deposit	**10,572**	10,572
Staff receivables	**6,400**	4,845
Others	**54,979**	46,842
Total – Exhibit A	**2,582,748**	5,011,257

b) **Allowance for impairment of accounts receivable**
Movement during the period/year were as follows:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Balance at beginning of the period/year	**7,719,889**	5,880,685
Allowance made during the period/year	**-0-**	1,839,204
Balance at end of the period/year – Note 9(a)	**7,719,889**	7,719,889

c) Concentration: A sum of QR.9,503,627 receivable from four major customers, which represents 97% of the total accounts receivable as at June 30, 2019.

10) SHARE CAPITAL

a) This item consists of the following:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (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) – Note 10 (b)	**115,500,000**	115,500,000

b) **Share split**

As per the instruction of the Qatar Financial Markets Authority, the Company's Extraordinary General Assembly held on May 26, 2019, approved to split the nominal value of ordinary shares of the company from QR. 10 per share to QR.1 per share. As a result, the company's shares have been increased from 11,550,000 (with par value of QR.10 per share) to 115,500,000 (with a par value of QR.1 per share). The listing of the new shares on Qatar Exchange was effective from June 18, 2019. Consequently, weighted average number of shares outstanding has been retrospectively adjusted.

11) LOANS AND BORROWINGS

a) This item consists of the following:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Term loans	**89,356,716**	88,773,617
Documentary credit facility	**14,717,353**	15,498,078
Total – Note 11 (b)	**104,074,069**	104,271,695

b) The loans and borrowings are classified in the statement of financial position on their maturity as follows:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Long term portion – Exhibit A	**98,841,214**	98,878,378
Short term portion – Exhibit A	**5,232,855**	5,393,317
Total –Note 11 (a)	**104,074,069**	104,271,695

c) Movements of the loans and borrowings during the period/year were as follows:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Balance at beginning of the period/year	**104,271,695**	97,288,318
Obtained during the period/year	**2,024,857**	14,219,130
Repayments during the period/year	**(3,376,999)**	(8,223,903)
Interest accrued period/year	**1,154,516**	988,150
Balance at end of the period/year	**104,074,069**	104,271,695

d) **Facility outstanding**

Loan category	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
From a local commercial bank		
Term loan	**872,076**	1,374,034
Documentary credit facility	**4,360,779**	5,389,429
Subtotal *	**5,232,855**	6,763,463
From a major shareholder- A development bank		
Term loan - Note d(i)	**69,059,214**	68,138,979
Term loan - Note d(ii)	**8,532,844**	8,425,162
Term loan - Note d(iii)	**7,196,006**	7,000,000
Term loan - Note d(iv)	**3,892,582**	3,835,442
Documentary credit facility - Note d(v)	**9,328,634**	9,328,634
Documentary credit facility - Note d(vi)	**509,319**	457,400
Documentary credit facility - Note d(vii)	**322,615**	322,615
Subtotal**	**98,841,214**	97,508,232
Total	**104,074,069**	104,271,695

* The company obtained a term loan facility from local commercial bank for the purposes of warehouse construction and documentary credit facility for working capital purposes. The term loan is repayable at QR.250,000 equal quarterly installment and these facilities carries interest rate of 5% to 6.5%.

** The company has obtained numerous facilities from its one of major shareholder (M/S. Qatar Development Bank) for different purposes. The facilities are initially given on a standalone basis (some are rescheduled) as follows;

- d-i) Rescheduled the existing facility by a local development bank, which will be matured on April 2023. Carries the interest rate of 3 %.
- d-ii) Rescheduled the existing facility by a local development bank, which will be matured on April 2021. The facility carries interest rate of 3 %.
- d-iii) New facility for working capital by a local development bank which will be matured on August 2019. The facility carries interest rate of 3.5 %
- d-iv) Financing for machinery purchases obtained from a local development bank which will be matured on July 2023 and carries interest rate 3%.
- d-v) Revolving facilities provided for the purposes of financing for working capital requirement by a local development bank which carries interest rate of 3 %. The company is in progress of rescheduling.
- d-vi) Financing raw material purchase by a local development bank, this will be matured on February 2020 and carries the interest rate 3.5%. The company is in progress of rescheduling.
- d-vii) Financing warehouse construction by a local development bank, this supposed to be matured on October 2018. The facility carries interest rate of 3%. The company is in progress of rescheduling.

  However, the above loans and facilities have been rescheduled by the above major shareholder (lender) with different terms and conditions and the borrowings waived for collection in the next 6 months and which is in line with their financial support to the company. Further, the above local development bank has confirmed not to make any demand for the repayment in next 6 months and will extend the repayment schedule with repayment dates not earlier than January 01, 2020. However, the company is in the process of obtaining a revised letter of financial support from the above local development bank on its capacity as a shareholder and as a lender to extend the above grace period for 12 months from the reporting date.
- e) Most of the company's assets are pledged against the above facilities as of reporting date.

12) REVENUE

a) The revenue type wise consists of the following:

	Six-month ended June 30, 2019 (QR.) (Reviewed)	Six-month ended June 30, 2018 (QR.) (Reviewed)
Sales of syringes	**1,322,385**	1,781,259
Sale of trading products	**1,740,351**	2,054,506
Sales of packed needles	**936,887**	512,567
Sale of IV cannula	**67,318**	207,034
Sale of sterilization products	**30,731**	-0-
Other sales	**14,811**	-0-
Total – Exhibit B & Note 12(b)	**4,112,483**	4,555,366

b) Revenue by geographically are as follows:

	Six-month ended June 30, 2019 (QR.) (Reviewed)	Six-month ended June 30, 2018 (QR.) (Reviewed)
Within Qatar	**3,127,503**	3,776,280
Outside Qatar	**984,980**	779,086
Total – Note 12(a)	**4,112,483**	4,555,366

13) (LOSS) PER SHARE

Basic and Diluted (Loss) Per Share

The basic loss per share is computed by dividing the 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 months ended June 30, 2019 (Reviewed)	Six months ended June 30, 2018 (Reviewed)
(Loss) attributable to ordinary share holders of the Company (QR.)	(5,621,610)	(4,399,789)
	======	======
Weighted average number of ordinary shares outstanding	115,500,000	115,500,000
	======	======
Basic and diluted (loss) per share (QR.) – Exhibit B	(0.049)	(0.038)
	======	======

* The loss per share for the comparative period has been restated due to the shares split made by the company on June 18, 2019 as disclosed in Note 10(b) to this interim condensed financial information. Further, no separate diluted loss per share was calculated since the diluted loss per share was equal to basic loss per share.

14) CASH AND CASH EQUIVALENTS

This item consists of the following:

	Six-month ended June 30, 2019 (QR.) (Reviewed)	Six-month ended June 30, 2018 (QR.) (Reviewed)
Cash in hand	13,989	12,015
Cash at banks	626,219	673,976
Total	640,208	685,991
Less: Bank overdrafts	(14,521,143)	(14,983,216)
Net – Exhibit D	(13,880,935)	(14,297,225)
	======	======

15) 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. 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 12 (b), except that, the company does not have any other foreign operations.

16) RELATED PARTY TRANSACTIONS

a) Transactions with Related Parties

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. M/S. Qatar Development Bank being a one of major shareholders and lending financial institution became related party of the company.

The transactions with the above related party included in the interim condensed statement of profit or loss and other comprehensive income are as follows:

	Six-month ended June 30, 2019 (QR.) (Reviewed)	Six-month ended June 30, 2018 (QR.) (Reviewed)
Finance cost	1,292,721	1,904,225
	======	======

b) **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:

	Six-month ended June 30, 2019 (QR.) (Reviewed)	Six-month ended June 30, 2018 (QR.) (Reviewed)
Salaries and other short term benefits	**261,001**	264,473
End of service benefits	**7,601**	7,601
Total	**268,602**	272,074

17) COMMITMENTS AND CONTINGENCIES

a) The following summarizes the significant contractual commitments and contingencies:

	June 30, 2019 (QR) (Reviewed)	Dec. 31, 2018 (QR) (Audited)
Guarantees	**3,663,758**	3,704,688
Operating lease commitments – Note 17(b)	**132,616**	138,324
Letter of credit	**-0-**	55,591

b) **Operating lease commitments**

	June 30, 2019 (QR) (Reviewed)	Dec. 31, 2018 (QR) (Audited)
Not later than 1 year	**11,527**	11,527
Later than 1 year and not later than 5 years	**46,108**	46,108
Later than 5 years	**74,981**	80,689
Total – Note 17(a)	**132,616**	138,324

18) FAIR VALUE

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 disclosed in this interim condensed financial information, if any.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 in these interim condensed financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1:- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2:- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3:- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognized in the interim condensed financial information on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Accounting Classification And Fair Values

Based on the above fair value measurements, it has been assessed that the fair values of the financial instruments presented in these interim condensed financial information as of reporting date are not materially different from their carrying values.

Fair Value Hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of the company's assets by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of assets recorded at fair value by level of the fair value hierarchy:

As at June 30, 2019 (Reviewed)	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment Properties (QR.)	**-0-**	**12,590,000**	**-0-**	**12,590,000**
	======	======	======	======
As at December 31, 2018 (Audited)				
Investment Properties (QR.)	-0-	12,590,000	-0-	12,590,000
	======	======	======	======

During the period ended June 30, 2019 and the year ended December 31, 2018, 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.

19) 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.

20) GENERAL

Figures in the interim condensed financial information have been rounded to the nearest Qatari Riyal.