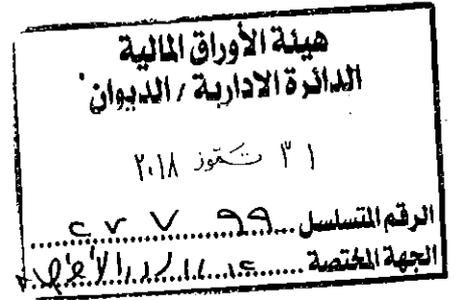


Date: 30 / 07 / 2018
Nu : F/2018/322

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TO: Jordan Securities Commission
Amman Stock Exchange**Subject: Semi annual Report as of 30/6/2018**Attached the Semi annual Report of The Jordanian Pharmaceutical Manufacturing
Co. (PLC) as of 30/6/2018.**Kindly Accept Our Highly Appreciation And Respect**

General Director


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**JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2018**

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
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REVIEW REPORT ON INTERIM FINANCIAL STATEMENT

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordanian Pharmaceutical Manufacturing Group as at 30 June 2018, and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statement in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial statement based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial statement Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The accompanying condensed consolidated interim financial statements include financial assets at fair value through other comprehensive income, investment in associates, accounts receivable, and due from related parties with a net book value of JD 9,8 million. we were unable to verify if there is any impairment in its value as a result of lack of available updated audited financial statements and sufficient information available, Therefore, we were unable to determine the impact of the Group's consolidated financial statements and were also unable to determine the recoverable of investments amount, and the Group has not reached a final settlement with accounts receivable, and due from related parties.

As stated in Note (8) to the condensed consolidated Interim financial statements, regarding to the income tax for the years 2012,2011,2009 there are tax obligations amounted to JD 2 080 979, the Group's did not settle or offset any sufficient provisions against these obligations.

As stated in Note (9) to the condensed consolidated Interim financial statements, Ammoun International Multilateral Investments Company filed an arbitration claim against the Group, were the arbitrator that issued a decision against the Group to revoke the signed contract between the Group and Ammoun International Multilateral Investments Company in 2009 amounted JD 3 808 000, were the company purchased shares in Aragen For Technical Organic Company from the Group and consider the contract has been cancelled. The Court of Cassation issued a decision for Ammoun International Multilateral Investments Company and the group is working for final financial settlement.

Qualified Conclusion

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

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AUDIT | TAX | CONSULTING

Emphasis of a Matters

Without further qualification In our conclusion, as stated In Note (8) to the condensed consolidated Interim financial statements, Dellas For Natural Products (subsidiary company own 100% by the Group) submitted the tax returns for the years 2013, and 2012 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 69 760. Consequently, the Company filed a lawsuit on 6 December 2015 objecting to the review, which is still pending at the Tax Court based on the expert's report. the Group's did not settle or offset any provision against this obligation.

Without further qualification In our conclusion, as stated In Note (9) to the condensed consolidated Interim financial statements, on 11 June 2017, a claim was filed by Al Noor Drug Store (Group former agent in United Arab Emirates), subject to the request for approval and enforcement of a foreign judgment in the Hashemite Kingdom of Jordan amounted to JD 5 757 716. On 30 June 2017, a decision issued by the emergency proceedings judge guaranteeing a reserve against the Group in return for the plaintiff providing a legal guarantee in the amount of JD 1 200 000. The plaintiff filed the guarantee on 21 November 2017, On 17 December 2017, the Group appealed the decision, A decision issued by The Court of Appeal on 15 January 2018 to refund appeal and to support the appellant's decision. On 28 January 2018, a request for permission was filed to cassation decision. However, on 4 February 2018, The Court of Cassation reject the application.

In accordance with the previous recommendation of the Group's legal advisor, The Group prepared provision for doubtful debt amounting to JD 741 519 to meet the debit balance of Al Noor Drug Store.

Without further qualification In our conclusion, as stated In Note (10) to the condensed consolidated Interim financial statements, there are significant events and circumstances reflected by financial indicators related significant doubt on the Group ability to continue as a going concern. In this regard, the Group's management has prepared a new plan to address the risk of sustainability. the Group ability to continue as a going concern depeneds on to obtain additional financing and continues its operational activities.

Amman – Jordan
30 July 2018



JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
30 JUNE 2018

		30 June 2018	31 December 2017
	Notes	JD	JD
Assets			
Non - Current Assets			Audited
Assets held under capital lease		8 072 052	8 148 704
Intangible assets		1 851 252	2 255 599
Property, Plant and equipment		3 906 650	3 735 005
Investment in associates		3 775 883	3 775 883
Financial assets at fair value through other comprehensive Income		1 587 051	1 587 051
Total Non - Current Assets		19 192 888	19 502 242
Current Assets			
Other debit balances	3	503 672	909 147
Inventory	4	7 963 609	7 540 524
Due from related parties	7	2 173 580	2 396 454
Accounts receivable	5	17 051 931	13 067 451
Checks under collection		1 045 421	1 105 443
Cash and cash equivalents		537 030	1 189 558
Total Current Assets		29 275 243	26 208 577
Total Assets		48 468 131	45 710 819
Equity and liabilities			
Equity			
Shareholders' Equity			
Share Capital		25 312 500	25 312 500
Statutory reserve		2 027 703	2 027 703
Fair value reserve		436 720	436 720
Accumulated losses		(13 358 611)	(14 140 002)
Total Shareholders' Equity		14 418 312	13 636 921
Non – controlling interest		(116 068)	(78 854)
Total Equity		14 302 244	13 558 067
Non – Current Liabilities			
Long-term excess of proceeds from sale and leaseback		1 608 005	1 665 433
Long-term capital lease obligations		8 287 757	8 438 651
Long-term notes payable		5 361 335	5 199 062
Long-term postdated checks		-	67 000
Total Non - Current Liabilities		15 257 097	15 370 146
Current Liabilities			
Other credit Balances	6	7 667 288	6 442 794
Short-term excess of proceeds from sale and leaseback		114 858	114 858
Short-term capital lease obligations		433 216	354 204
Short-term notes payable		4 901 789	4 612 867
Short-term postdated checks		552 814	683 976
Due to related parties	7	60 650	64 233
Accounts payable		4 326 341	3 836 393
Banks overdraft		851 834	673 281
Total Current Liabilities		18 908 790	16 782 606
Total Liabilities		34 165 887	32 152 752
Total equity and liabilities		48 468 131	45 710 819

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

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2018

	For the three-months period ended		For the six-months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	JD	JD	JD	JD
Net sales	6 740 575	7 557 638	12 007 938	14 187 400
Cost of sales	(2 991 813)	(2 333 108)	(5 432 833)	(5 092 163)
Gross profit	3 748 762	5 224 530	6 575 105	9 095 237
Selling and distribution expenses	(1 929 873)	(3 285 135)	(3 496 533)	(5 613 267)
Administrative expenses	(583 733)	(628 744)	(1 026 927)	(1 096 972)
Financing expenses	(366 074)	(293 860)	(817 089)	(618 414)
Amortization	(180 659)	(289 765)	(404 347)	(604 153)
Write off inventories	(98 371)	(71 121)	(128 356)	(71 121)
Revenue from transfer of technical knowledge	-	37 000	-	37 000
Provision for impairment – investment in associates	-	(340 194)	-	(680 388)
Contingent liabilities	-	(250 000)	-	(250 000)
Other revenues (expenses)	22 680	69 631	42 324	3 324
Total comprehensive income for the period	612 732	172 342	744 177	201 246
Attributable to:				
Company Shareholders	644 173	240 260	781 391	307 598
Non - Controlling interest	(31 441)	(67 918)	(37 214)	(106 352)
	612 732	172 342	744 177	201 246
Basic and diluted share of profit for the period	0,025 JD	0,009 JD	0,031 JD	0,012 JD

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

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
30 JUNE 2018

	Shareholders' Equity				Shareholders' Equity JD	Non - controlling Interest JD	Total equity JD
	Share Capital JD	Statutory Reserve JD	Fair Value Reserve JD	Accumulated losses JD			
31 December 2016	25 312 500	1 805 152	436 720	(14 346 246)	13 208 126	73 268	13 281 394
Comprehensive income for the period	-	-	-	307 598	307 598	(106 352)	201 246
30 June 2017	25 312 500	1 805 152	436 720	(14 038 648)	13 515 724	(33 084)	13 482 640
31 December 2017	25 312 500	2 027 703	436 720	(14 140 002)	13 636 921	(78 854)	13 558 067
Comprehensive income for the period	-	-	-	781 391	781 391	(37 214)	744 177
30 June 2018	25 312 500	2 027 703	436 720	(13 358 611)	14 418 312	(116 068)	14 302 244

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

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
30 JUNE 2018

	30 June 2018	30 June 2017
	JD	JD
Operating Activities		
Total comprehensive income for the period	744 177	201 246
Adjustments for		
Transfer of technical knowledge	-	(37 000)
Depreciation and amortization	694 403	954 147
Write off inventories	128 356	71 121
Provision for impairment – investment in associates	-	680 388
Contingent liabilities	-	250 000
Financing expenses	817 089	618 414
Changes in Assets and Liabilities		
Checks under collection	60 022	144 849
Accounts receivable	(3 984 480)	(1 854 587)
Due from related parties	222 874	303 682
Inventory	(551 441)	(674 834)
Other debit balances	405 475	(163 259)
Accounts payable	489 948	(247 623)
Due to related parties	(3 583)	(3 806)
Other credit balances	1 224 494	1 351 454
Net Cash from Operating Activities	247 334	1 594 192
Investing Activities		
Property, Plant and equipment	(385 049)	-
Net Cash Used in Investing Activities	(385 049)	-
Financing Activities		
Banks overdraft	178 553	205 103
Capital lease obligations	(129 310)	(196 670)
Postdated checks and Notes payable	253 033	(131 152)
Paid financing expenses	(817 089)	(618 414)
Net Cash Used in Financing Activities	(514 813)	(741 133)
Net Change in Cash and Cash Equivalents	(652 528)	853 059
Cash and cash equivalents at 1 January	1 189 558	207 704
Cash and Cash Equivalents at 30 June	537 030	1 060 763

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

1) General

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

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

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

The accompanying condensed consolidated interim financial statement was approved by the Board of Directors in its meeting on 30 July 2018.

2) Basis of preparation

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

The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the consolidated financial statements of the Company as at 31 December 2017. In addition, the results of the Group's operations for the six months ended 30 June 2018 do not necessarily represent indications of the expected results for the year ending 31 December 2018, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The condensed consolidated interim financial statements are presented in Jordanian Dinar, which is the functional currency of the group.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those adopted for the year ended 31 December 2017 except for the following:

- Annual improvements to the International Financial Reporting Standards Issued in the years 2014-2016, which include amendments to International Financial Reporting Standard No. (1) And International Accounting Standard No (28).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration the Interpretation addresses foreign currency transactions or parts of transactions where:
 - There is consideration denominated or priced in a foreign currency;
 - The entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
 - The prepayment asset or deferred income liability is non-monetary.
- Amendments to IFRS 2 Share - based Payment
The amendments relate to classification and measurement of share-based payment transactions.
- Amendments to IFRS 4 Insurance Contracts
The amendments relate to the different effective dates of IFRS 9 and the forthcoming new Insurance contracts standard.
- Amendments to IAS 40 Investment Property
Paragraph 57 has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.
- Amendments to IFRS 15 Revenue from Contracts with Customers:
The amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and complete contracts.

- **Amendments to IFRS 7 Financial Instruments: Disclosures**
The amendments relate to disclosures about the initial application of IFRS 9. The Amendments are effective when FRS 9 is first applied.
- **IFRS 7 Financial Instruments: Disclosure**
The amendments relate to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter In IFRS 9.
- **IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014)**
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and In November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9, which contains accounting requirements for financial Instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement:

Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However, there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment:

The 2014 version of IFRS 9 Introduces an 'expected credit loss' model for the measurement of the Impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss Is recognised.

Hedge accounting:

Introduces a new hedge accounting model designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition:

The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39:

The Company adopted IFRS 9 (phase 1), issued in 2009 relating to the classification and measurement of financial assets.

The Company has adopted the finalised version of IFRS 9 from the effective date retroactively and recognized the cumulative effect of the application Initially as an adjustment to the opening balance of retained earnings as of January 1,2018. Based on management's estimates, International Financial Reporting Standard No. (9) has had no material impact on the condensed interim financial statements. As all provisions are adequate and appropriate. And, therefore, a part of receivables repayments is guaranteed, no provisions are required as a result of applying the Standard for this period.

- **IFRS 15 Revenue from Contracts with Customers**
In May 2014, IFRS 15 was Issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when It becomes effective.

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2018

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identifying the contract(s) with a customer.

Step 2: Identifying the performance obligations in the contract

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations in the contract

Step 5: Recognising revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Based on management's estimates, International Financial Reporting Standard No. {15} has had no material impact on the condensed consolidated interim financial statements.

Adopting the above-amended standards has not affected the amounts and disclosures in the condensed consolidated interim financial statements.

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2018

Principles of consolidation

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

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

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

The following subsidiaries have been consolidated:

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

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

Accounting estimates

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

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2018

3) Other debit balances

	30 June 2018 JD	31 December 2017 JD
Letters of credit	38 715	312 078
Employees receivable	131 615	147 517
Prepaid expenses	73 714	140 488
Sales tax deposits	75 306	95 663
Others	63 523	89 103
Cash margin	60 172	52 008
Refundable deposits	38 990	38 857
Income tax deposits	21 637	33 433
	503 672	909 147

4) Inventories

	30 June 2018 JD	31 December 2017 JD
Finished goods	4 232 792	4 142 097
Raw materials	1 917 835	1 916 218
packaging and wrapping	979 182	930 600
Spare parts and others	833 800	551 609
	7 963 609	7 540 524

5) Accounts receivables

	30 June 2018 JD	31 December 2017 JD
Local receivables	6 166 902	4 277 825
Foreign receivables	24 200 734	22 105 331
	30 367 636	26 383 156
Provision for doubtful accounts	(13 315 705)	(13 315 705)
	17 051 931	13 067 451

6) Other credit balances

	30 June 2018 JD	31 December 2017 JD
Income tax payable	1 511 744	1 488 806
Accrued expenses	1 918 797	1 150 222
Shareholders' deposits	1 011 593	1 011 656
Employees payable	1 013 358	901 346
provident fund payable	663 817	665 907
Provision for staff indemnity	592 879	649 965
Social Security payable	641 460	276 750
Remunerations of Board of Directors	265 561	249 361
General deposit	48 079	48 781
	7 667 288	6 442 794

JORDANIAN PHARMACEUTICAL MANUFACTURING GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2018

7) Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties.

Due from related parties

	Nature of the relationship	30 June 2018 JD	31 December 2017 JD
Arab Company for Drug Industries & Medical Appliances	Associate	389 123	486 545
BelVitunipharm CO	Associate	766 962	766 962
Azal Pharma Company	Associate	-	161 684
Fenal Pharma Company	Associate	425 353	389 121
Adnan Ali Hussien Badwan	General Manger	592 142	592 142
		2 173 580	2 396 454

Due to related parties

	Nature of the relationship	30 June 2018 JD	31 December 2017 JD
Al Rashid Group	Shareholder	50 000	50 000
Ammon International for Investment	Partner in subsidiary	10 650	10 650
Other	-	-	3 583
		60 650	64 233

8) Income tax

Jordanian Pharmaceutical Manufacturing Company

The tax returns for the year 2017, 2016, 2015 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company submitted the tax returns for the year 2014,2013 the Income and Sales Tax Department reviewed the Company's records. The review resulted in tax differences. Consequently, the Company filed a lawsuit objecting to the review.

The Company submitted the tax returns for the years 2012,2011 the Income and Sales Tax Department reviewed the Company's records. The review resulted in tax differences of approximately JD 1 833 871. There is a pending tax lawsuit under number (2016/332) at the Income Tax Court of First Instance. According to the recommendation of the legal tax adviser of the company make settlement with the income tax department to reduce by 50% from legal compensation.

The Company submitted the tax returns for the years 2010 the Income and Sales Tax Department reviewed the Company's records. The review resulted in tax differences of approximately JD 782 052. There is a pending tax lawsuit under number (2013/2053) at the Income Tax Court Consequently, the tax court decided on 8 March 2017 to cancel the tax decision.

The Group submitted the tax returns for the year 2009 the Income and Sales Tax Department reviewed the Group's records. The review resulted in tax differences of approximately JD 1 147 920, and JD 26 869 for Employment, Technical and Vocational Education Training Fund. Consequently, the Group filed a lawsuit objecting to the review, decision by the experts was issued to oblige the Group amounted to JD 988 434, decision by the Tax Court of First Instance was issued to accept the expert's decision in its meeting held on 31 December 2014, the lawsuit appealed, the Income Tax Court of Appeal adopted the Tax Court of First Instance decision on 8 December 2015, and Court of Cassation adopted the decision. Accordingly, the Group should pay the claim amounted to JD 988 434, The provision has been recorded amounting to JD 741 326, and the additional provisions are required recorded during the first quarter of 2018.

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

Dellas for Natural Products

The tax returns for the year 2017,2016 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department for the year 2015.

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

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2011.

Aragen for technical organic

The tax returns for the year 2017,2016 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2015.

Suagh for Pharmaceutical Manufacturing

The tax returns for the year 2017,2016, 2015 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2014.

9) Lawsuits Raised Against the Group

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

On 17 September 2014, a decision issued approving the decision which is appealable within 30 days from the date of issuance of the decision. The Group's lawyers were notified in the Emirate of Dubai for appeal. The decision was appealed on 14 October 2014 and was registered under 1497/2014. The Court of Cassation issued a decision on 4 March 2015 within the legal period and registered under No. 445/164/2015. The Court of Cassation issued a decision on 6 November 2016 endorsed the resolution consequently, the decision is final and the Group is obligate pay USD 8 011 062 in the Emirate of Dubai. Al Noor Drug Store filed a lawsuit under No (169/2014) demanding that the judgment of the arbitrator issued in the Emirate of Dubai be implemented as an executive in the Hashemite Kingdom of Jordan. The decision to refund the execution of the arbitrator decision (expending the judgment rendered in Dubai as the executive authority in Jordan) was issued for not acquiring the peremptory decision. Decision by the Appeal Court was issued on 4 June 2015 to object to the obligation, and decision by the Court of Cassation was issued to cancel the Group from the obligation. a decision issued by the emergency proceedings judge guaranteeing a reserve against the Group in return for the plaintiff providing a legal guarantee in the amount of JD 1 200 000. The plaintiff filed the guarantee on 21 November 2017, On 17 December 2017, the Group appealed the decision, A decision issued by The Court of Appeal on 15 January 2018 to refund appeal and to support the appellant's decision. On 28 January 2018, a request for permission was filed to cassation decision. However, on 4 February 2018, The Court of Cassation reject the application. On 4 March 2018 set a judicial session to study the documents were delayed to 18 March 2018 make decision about formal acceptance evidence and defenses, several judicial sessions were attended and acceptance evidence were accepted from the parties, on 7 May 2018 a judicial session will be held to attendance pleading attorney of Al Noor Drug Store.

In accordance with the previous recommendation of the Group's legal advisor, provision for doubtful debt amounting to JD 741 519 has been recognized to meet the debit balance of Al Noor Drug Store.

Ammoun International Multilateral Investments Company filed an arbitration claim against the Group, were the arbitrator on 17 July 2017 that issued decision against the Group to revoke the signed contract between the Group and Ammoun International Multilateral Investments Company in 2009, amounted JD 3 808 000 where the company purchased shares in Aragen For Technical Organic Company from the Group and consider the contract has been cancelled. The Court of Cassation issued a decision for Ammoun International Multilateral Investments Company and the group is working for final financial settlement.

Issa Ahmad Tlaib filed labor lawsuit against the group, were the court decided to obligate the Group JD 135 521 wages allowances from May 2013 to July 2016 and JD 6 940 commissions, the lawsuit is still pending at the Court.

10) Capital Management (Going Concern)

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

The Company manages its capital structure and adjusts it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016.

During 2018, the Group received financing of JD 2 700 000 from Jordan Islamic Bank and expected to received JD 1 500 000 to cover all its raw material needs to generate net sales of JD 36 000 000.

The commitment to pay all outstanding installments due to the rescheduling of the facilities with Jordan Islamic Bank, which will help the Group to utilize the Murabaha limits available, which will be in the range of JD 1 500 000.

During 2018, the Group will be able to meet its obligations when these liabilities due, from sales expected collection to be achieved through the Group's financing amounting to JD 4 700 000.

As planned cash flows for the years 2018 and 2019, The Group will be able to make a commitment to pay all installments due to the Group from the new financing process, depending on the expected collections for these years.

11) Comparative figures

Some of the comparative figures for the year 2017 have been reclassified to correspond with the period ended 30 June 2018 presentation and it did not result in any change to the last year's operating results.