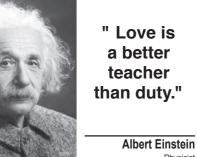
# Significant upcoming expectations for the African economy



" Love is a better teacher than duty."

Physicist

1879 - 1955

f

# 63rd Year No. 38





iddle Fast Obserber

دى مندل إيست أوبزرق

Wednesday, 21 September 2016

succeed, we must first believe that we can."

" In order to

Nikos Kazantzakis Write 1883 - 1957

/ Themeobserver.com

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# **Euromoney Egypt Conference 2016**

On 19-20 September Euromoney welcomed key government figures to the stage for a frank and open discussions on Egypt's economic future. What does the IMF agreement mean for Egypt and for the Egyptian people? Can the reforms really be delivered? How can the government achieve sustainable economic growth and tackle the core social challenges? What is being done to adjust the balance of trade and is it working? Can investment return without a resolution of the currency issue? Amr El-Garhy, Minister of Finance, Sahar Nasr, Minister of International Cooperation, Tarek Kabil, Minister of Trade and Industry and Dalia Khorshid, Minister of Investment have addressed these questions and more.

by Rania Imam

# **End of Sanctions Likely** to Boost Myanmar Economy

The U.S. decision to lift trade sanctions against Myanmar has been welcomed by local economists and businessmen, who say it will remove a major constraint on international trade with the impoverished country and boost growth across its economy.

Political analysts and activists said the decision also puts a greater responsibility on the National League for Democracy (NLD) government to make sure "crony" businessmen improve their practices, which have often involved allegations of corruption, land grabs, illegal logging, and the drug trade.

Pwint San, a businessman and former deputy minister of commerce, said these issues will soon belong to the past. "If the sanctions are lifted totally, our economy can move more freely," he told VOA. "We can export effectively and they (U.S. firms) can invest in Myanmar.

# Al Sisi partakes in UN summit to discuss the recent situation in the Middle East today

Abdul Fattah Al Sisi is to attend a number of significant meetings in the UN, ahead of them is the UN summit concerning the situation in the Middle East, especially Syria and Libya, to be held today and headed by New Zealand prime minister. US President Obama, French President Holland and UK Prime Minister Theresa May, are to attend the summit. Furthermore, a meeting will be held to address solutions to the crisis of refugees and immigrants.

It is worthy to note that AI Sisi made his statement about the recent political and economic situation in Egypt and where Egypt stands at such a time of crises in the Middle East.

Al Sisi will head the African Peace and Security Council summit, held this month on the margins of the general assembly meetings to address the current situation of South Sudan. Moreover, Al Sisi is to head the meeting of the Committee of African Heads of State and Government on Climate Change (CAHOSCC), held to discuss the outcomes of Paris Agreement Summit on climate change and prepare for the next summit's session that will be held in November in Marrakesh

Al Sisi is to attend significant meetings, along with his participation in the meetings of the UN general assembly, with the French president, UK prime minister, king of Jordan, Palestinian president, US congress members, leading members in the democratic and republican parties, Clinton and Trump, US presidential candidates.

Al-Sisi will meet a number of US companies' chairmen; among these companies is General Electric, along with the



U.S.-Egypt Business Council (USEBC)

and members of the American Chamber of Commerce, in order to address the possibility of increasing investments

# Australia to extend money laundering laws

The Australian government is reviving long-stalled plans to extend antimoney laundering and counter-terrorist financing laws to capture lawyers, accountants, real estate agents and jewellers, Justice Minister Michael Keenan said, Reuters reported. The law reforms have been repeatedly shelved since mid-2007 after opposition from some of the affected sectors - most notably the legal profession. The first tranche of the anti-money laundering laws were put in place a decade ago to compel banks, fund managers and casinos to report the source of their money flows, but the anticipated follow-up to cover other sectors did not eventuate.

The Australian government is preparing to release proposals to the



Sovereign wealth funds in the Middle East

L.E 2.85

The Middle East Observer- Germany's economy minister is in Russia today with a business delegation, a trip that comes as Western sanctions and a weak Russian currency have weighed on trade.

The Economy Ministry said on Friday that Sigmar Gabriel, who is also Germany's vice chancellor, will visit Moscow today, 21 and 22 September. It said that he plans talks with several members of the Russian government, whom it didn't name. on "bilateral economic relations between Russia and Germany, as well as with the European Union. Gabriel also plans to meet repre-

sentatives of German companies based in Russia.Russia was Germany's No. 13 trading partner last year, far behind the U.S., China and other European nations. Trade between the two has contracted fur-

"The first step in this process will

be the release of industry consultation papers by the Attorney General's Department, which is expected to happen before the end of the year," Keenan said in a statement.

# Q **Philippines- Saudi** agreement on technical laborers

Deputy Secretary General of Jeddah Chamber, Engineer Mohieddin Hakami met in Saudi Arabia yesterday with Director General of Philippine National Commission for Development of Skills and Technical Education Gueleng Mamondeyong. During the meeting, the Philippine official called on the Saudi private sector to take advantage of Philippine technical laborers, expressing his country's desire to strengthen economic ties and joint trade with the Kingdom which hosts more than 700,000 Filipinos working in various sectors, mostly technicians.

# \$5bn worth investments in Argentina

Siemens plans large scale investments in projects in Argentina in the coming five years, the company's chairman said recently in Buenos Aires after meeting President Mauricio Macri, dpa reported. Joe Kaeser, chief executive of the German engineering conglomerate, said after meeting Macri that the company has designated 5 billion euro (5.6 billion dollars) for investment in the South American country. German Economy Minister Sigmar Gabriel also took part in the meeting.

### President Jacob Zuma must continue to use South African Airways (SAA) for his international flights, as doing so would cut unnecessary costs, the Congress of the People (Cope) has said.

Cope welcomed the news that Zuma flew SAA to the United States on Saturday, and congratulated the president for promoting the state-owned airline. "This is a brilliant move in the right direction and we congratu-

late Mr Zuma for this.

spokesperson Dennis



Bloem said in a statement on Sunday. "Cope hopes that Mr

Zuma continues to use SAA because it will also assist government cut unnecessary costs.' The party hoped Zuma would continue to lead by example and cut ex-

travagant government

spending. "It's quite clear that Mr Zuma had enjoyed the flight. In his own words he said he enjoyed the 'excellent hospitality' and had a 'restful and pleasant' journey

"The country can no longer afford the extravagant lifestyle and it must start with his bloated executive.'

Zuma flew to New York City on Saturday, and recommended the national carrier, as the country marks Tourism Month in September, News24 reported.

# in Egypt over the next period. ther this year. South Africa: Zuma must fly SAA permanently



public for consultation.



- Enjoy the best flight deals with the Number One Online Travel Agency in Egypt
- Flight bookings with all airlines operating in Egypt
- Worldwide Hotel bookings
- Worldwide Car rentals
- Travel insurance services
- A variety of payment methods
- The option to pay later in Installments



# 12 trade agreements are vulnerable to cancellation in 2017

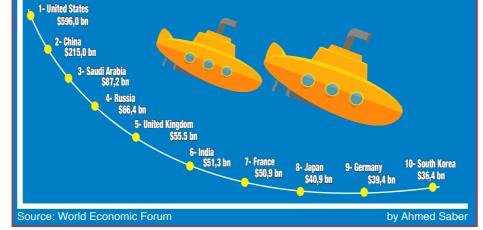
US President Barack fice in January, is pressing for Congress to ratify the Obama is seeking to build support for his 12-coun-Trans-Pacific Partnership try trade agreement with (TPP) in the weeks following Asian economies, even the November 8 elections. The so-called lamein the midst of an election where both major-party presidential candidates oppose the deal, dpa reported. Obama, who leaves of-

duck legislative session, before the next president and new members of Congress take office, is the last chance for the

measure. White House The agreed to the measure last year, and Obama signed it on February 3. Both Hillary Clinton, the fellow Democrat for whom Obama has campaigned, and Republican nominee Donald Trump have opposed TPP.

# Which countries are spending the most on weapons









Joint Stock Company Post code 1916 Address: 3 El Kablat St. Mataria - Cairo – Egypt

**EI-Nasr Transformers and Electrical Products Company** (ELMACO) invites public and private sectors suppliers and accredited commercial agents to take part in:

1. General tender no. 4/2016 to supply one CNC gas cutting with plasma cutting M/C. Session on Monday 26/9/2016. Tender Documents available against \$200.00.

2. General tender no. 5/2016 to supply one forklift (Japanese source) capacity of 15 tons. Session on Tuesday 27/9/2016. Tender Documents available against \$350.00.

3. General tender no. 6/2016 for specialized companies in cleaning factories' production units, maintenance units and managerial buildings. Session on Wednesday 28/9/2016 in the company's headquarters at Badr City. Tender Documents available against EGP350.00.

4. General tender no. 7/2016 for the execution of concrete slab hall number (1 and 7) in the company's factory at Badr City. Session on Thursday 29/9/2016. Tender Documents available against EGP1000.00.

## **General Terms:**

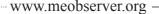
\* Tender documents, conditions and specifications available at Public Administration for Purchases and Inventories, at the address above. Documents will be received by submitting a letter addressed to Accountant/General Manager of Purchases and Inventories.

\* An initial insurance pre payment is requested upon bidding to be raised to 10% upon bid winning after envelope opening.

\* Bid bond to be paid in cash, or a payable cheque or by an approved letter of guarantee.

\* Envelopes of technical and financial offers will be opened at 12:00 noon on the date set for each tender.

توزيع جريدة المشا



21 September 2016



# Kahira Pharmaceutical and Chemical Industries Company

Middle Bast Obserber

دىميرك إيشت أوبزرقر



HOLDIPHARMA The First Notice The Company has Been Awarded The ISO(9001) 2008 Certifcate

# Address: 4, Abdel Hamid El-Dib Street, Victoria Square, Shoubra, Cairo, Egypt - Commercial Register No. 117247, Cairo Commercial Registry -The Authorized Capital is L.E. 500 Million - The Issued and Paid-In Capital is L.E. 119.475 Million - The Number of Shares is 11 .947 Million Shares.

A Subsidiary of the Holding Company for Pharmaceuticals – S.A.E.

Under the Provisions of Law No. 203 of 1991

# Invitation to Attend The Ordinary /Extraordinary General Assembly Meeting of The Company

Dr. Adel Abdel Halim Mostafa, the Chairman of the Board of Directors of The Holding Company for Pharmaceuticals and the Chairman of the General Assembly of the Company, has the honor to invite the shareholders to attend the Extraordinary General Assembly meeting determined to be held at 10:00 AM on Saturday, corresponding to 24/9/2016 and right after wrapping up the Extraordinary General Assembly meeting, the Ordinary General Assembly meeting shall be held in Ramses Ballroom, Triumph Hotel that is located at the Intersection Of Ihsan Abdel Kodous St. with Al khalifa Al Maamoun st., Heliopolis, Cairo Governorate.

First: The Extraordinary General Assembly in Order to Consider the Following Agenda:

1- Considering the approval of transferring the ownership of the plot of land that is owned by Kahira For Pharmaceuticals and Chemical Industries Company and located in the Sixth of October City to the Holding Company for Pharmaceuticals.

2- Amending article No.18 of the Company's Articles of Association based on the Company's Board of Directors resolution issued on 4/9/2016.

3. Authorizing the Chairman of the Board of Directors and Managing Director or whom so ever to be delegated to manage the procedures necessary to be taken in coordination with the various competent administrative bodies according to the requirements of such bodies in this regard.

Second: The Ordinary General Assembly Meeting of The Company in Order to Consider the Following Agenda:

The report of the Central Auditing Organization on the finan-

cial statements and the closing accounts for the financial year ended as at 30/6/2016

2. Approving the Board of Directors' report on the company's activity for the financial year ended as at 30/6/2016 and the quittance of the Board of Directors regarding the said financial year.

3.Approving the financial statements, the closing accounts and the profits and losses account for the financial year ended as at 30/6/2016.

4. Approving the dividends account of the same financial year.

5.Determining the annual regular annual increment due to the employees according to the regulations governing such matter.

6.Carrying forward the remaining amount of the Board of Directors' remunerations portion to the carried forward surplus account.

7.Electing a representative of the shareholders among the corporate bodies from the private sector or individuals as a member of the Board of Directors of the company. The Shareholders are to submit the nomination application forms according to the form prepared for that purpose, and in accordance with the terms declared at the company, provided that such form is to be submitted one week at most prior to the aforementioned general assembly meeting date. 8.Approving the development reserve support with the amount of 1900046.11 Egyptian pounds.

9. Approving the formation of the company's Board of Directors.

The shareholders are kindly requested to pay attention to the following: 1.Each shareholder possessing 10 shares or more is entitled to attend the general assembly meeting, in person or by proxy, the validity of such proxy is conditional on being granted to a shareholder who is not a member of the Board of Directors within a percentage not exceeding 10 % of the total nominal shares of the capital and not exceeding 20 % of the shares represented in the meeting, in addition, such proxy must be attested.

2The attendance of the meeting requires that the shareholder should present an approved account statement issued by one of the securities custodians including the blocking of shares balance stated in the account statement for the purpose of attending the general assembly meeting at least three full days prior to the date of the meeting.

3. The financial statements and the report of the Egyptian Central Auditing Organization are available for the shareholders to be informed thereof at the company's head office through Accountant, Ahmed Hassan Sabry in his capacity as the communication and investors relationships officer of the company: (Tel.: 22057262).

4.Any inquiries or questions regarding the items of the agenda should be personally submitted in writing to the company's management in the head office in return for a receipt, or to be sent by registered mail to the company's address (Post Office Box No. 793) three days at least prior to holding the general assembly meeting; however, inquiries or questions received after that date shall not be considered.

Chairman of the Board of Directors of The Holding Company for Pharmaceuticals and The Chairman of the General Assembly of the Company,

## Dr. Adel Abdel Halim Mostafa

Surplus Before Tax - L.E. 65.102 M.	Surplus After Tax - L.E. 51.348 M	Shareholders' Share - L.E. 16.129 M	Cash Dividends Amount Per Share (Coupon) L.E. 1.35

L.E.	The Financial Position Statement as at 30/6/20	_	L.E.		GRITCHUU	Ending as at 30	1	L.E.
30/6/2016	Description	Compara- tive Year		Description		2015/2016	2014/2015	Progress %
	Long term fixed assets		Operating in			516596	46907	112 %
58120	Net fixed assets	56277	Operating in	ncome cost		416784	364374	114 %
6542	Projects in progress	33232	Percentage	of operating in	n-	80.7 %	78.7 %	103 %
13334	Long term investments	12429	come cost /	come cost / operating income			and the second second	
85	Intangible assets	85	Net profit before tax			65102	58360	112 %
78081	Total long term fixed assets (1)	102023	Net profit at			51348	43362	118 %
	Current assets			ends amount		1.35	1.26	107 %
171282	Inventory less provision amount- ing to L.E. 2.971 million	148407		re (Coupon)			11 0 17	
182698	Receivables and notes receivable less	184121	Number of s	of shares 11.947m. 11.947 m				
	provision amounting to L.E. 9.621 Million	20027070	n					Per Thousar
32271	Sundry debit accounts less provi-	21884	Per Thousand	Propos	ed Profits A	ppropriations S	tatement	L.E.
	sions amounting to L.E. 2.538 Million		L.E.					15.15.
	Current financial investments	sector been	2015/2016		Dec	cription		Compara-
67916	Cash at banks and on hand	57567	2010/2010		Des	cription		tive Year
454167		411979						are rear
1.00000000	Current liabilities	GERMAN	51348	Dietributable	o profite to h	e distributed as f	allowe	43362
8845	Provisions	11295	5522			of the previous ye		4224
77417	Suppliers	69995	56870	Carrieu-Iorw	varu pronts (	or the previous ye	a	47586
31413	Sundry credit accounts	70895	17392	Reserves			1	12260
117675		152185	33956	Distributed	Drofite			30151
336492	Working Capital (2)	259794	5522			o the following ve	ar	5175
414573	Total investments (1+2) to be fi-	361817	56870	FIOIDS Carrie	eu iorwaru t	o the following ye	ai	47586
	nanced as follows:							_
119475	Equity Issued and paid-in capital	110175	Des Thomas d	Cash Flow	s Statemer	nt for the Financ	ial Period	Per Thousa
	Reserves	119475	Per Thousand L.E.			at 30/6/2016		L.E.
233063 5522	Carried-forward surplus	233063	L.E.	-	Enada do	at 50/0/2010		100000
		5175	30/6/2016		П	escription		Compara-
51348 409408	Net profit of the year		00/0/2010		-	cocription		tive Year
409408	Total equity (3)	357713						
	Long term liphilities (A)	4104						
5165	Long term liabilities (4) Total investments finance $(3) + (4)$	4104	45279	First: Cas	sh flows from	n operating activi	ties	37612
and a state of the	Long term liabilities (4) Total investments finance (3) + (4)	4104 361817	45279 (2190)			n operating activi rom investment a		(17106)
5165				Second:	Cash flows f		ctivities	(17106) (31509)
5165	Total investments finance (3) + (4)	361817	(2190) (32754) 10335	Second: Third: Ca Change i	Cash flows f ish flows fro n cash move	rom investment a m finance activity ement (1+2+3)	ctivities	(17106) (31509) (11003)
5165 414573 er Thousand	Total investments finance (3) + (4) The Income Statement for the Financial Per	361817	(2190) (32754) 10335	Second: Third: Ca Change i Cash bala	Cash flows f ish flows fro n cash move ance at the b	rom investment a m finance activity ement (1+2+3) begin-	ctivities	(17106) (31509)
5165 414573	Total investments finance (3) + (4)	361817	(2190) (32754) 10335 57568	Second: Third: Ca Change i Cash bala ning of th	Cash flows for sh flows fro n cash move ance at the base financial p	rom investment a m finance activity ement (1+2+3) begin- beriod	ctivities /	(17106) (31509) (11003)
5165 414573 er Thousand L.E.	Total investments finance (3) + (4) The Income Statement for the Financial Per from 1/7/2015 to 30/6/2016	361817 foc Per Thousan L.E.	(2190) (32754) 10335	Second: Third: Ca Change i Cash bala ning of th Cash bala	Cash flows for sh flows from n cash move ance at the base financial properties ance at the end of the second s	rom investment a m finance activity ement (1+2+3) begin- beriod end of the financia	al period*	(17106) (31509) (11003) 68461 57458
5165 414573 er Thousand	Total investments finance (3) + (4) The Income Statement for the Financial Per	361817	(2190) (32754) 10335 57568	Second: Third: Ca Change i Cash bala ning of th Cash bala	Cash flows fro ash flows fro n cash move ance at the b ance at the e change in	rom investment a m finance activity ement (1+2+3) begin- beriod	al period*	(17106) (31509) (11003) 68461
5165 414573 er Thousand L.E. 30/6/2016	Total investments finance (3) + (4) The Income Statement for the Financial Perform 1/7/2015 to 30/6/2016 Description Operating income	361817 Fer Thousan L.E. Compara- tive Year	(2190) (32754) 10335 57568 67903	Second: Third: Ca Change i Cash bala ning of th Cash bala	Cash flows fro ash flows fro n cash move ance at the b ance at the e change in	rom investment a m finance activity ement (1+2+3) begin- beriod end of the financia	al period*	(17106) (31509) (11003) 68461 57458 Per Thousan
5165 414573 er Thousand L.E. 30/6/2016 516596	Total investments finance (3) + (4) The Income Statement for the Financial Perform 1/7/2015 to 30/6/2016 Description Operating income Net operating income	361817 fiot Per Thousan L.E. Compara- tive Year 462907	(2190) (32754) 10335 57568 67903	Second: Third: Ca Change i Cash bala ning of th Cash bala for the Fir	Cash flows fro in cash move ance at the b ance at the b ance at the e Change In nancial Peri	rom investment a m finance activity ment (1+2+3) begin- beriod end of the financia Equity Statemen iod ending as at	al period* 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(17106) (31509) (11003) 68461 57458 Per Thousan L.E.
5165 414573 er Thousand L.E. 30/6/2016 516596 416784	Total investments finance (3) + (4) The Income Statement for the Financial Perform 1/7/2015 to 30/6/2016 Description Operating income Net operating income Less : operating income cost	361817 iocl Per Thousan L.E. Compara- tive Year 462907 364374	(2190) (32754) 10335 57568 67903 Desc	Second: Third: Ca Change i Cash bala ning of th Cash bala for the Fin	Cash flows fro in cash move ance at the b ance at the b ance at the e <b>Change In</b> <b>ancial Per</b> Opening Balance	rom investment a m finance activity ment (1+2+3) begin- beriod end of the financia Equity Statemen iod ending as at	al period* 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(17106) (31509) (11003) 68461 57458 Per Thousan L.E. Closing
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2. Accounting Policies:

. The financial statements and the accounts' analysis of the ncome statement are prepared according to the unified acounting system that is amended by virtue of the decree of the Chairman of the Central Auditing Organization No. 204 of the ear 2001 and in accordance with the Egyptian Accounting tandards issued as a supplementary framework of the unied accounting system by virtue of the decree issued by the Chairman of the Central Auditing Organization No. 1570 of ne year 2006.

• All the financial transactions are recorded in the books in gyptian pound, and the transactions carried out during the ear in foreign currencies are translated in Egyptian pound. All the balances of the assets and liabilities of monetary nature foreign currencies are revaluated at the end of each financial eriod. The foreign exchange differences are recorded in the ncome statement at the end of each financial period.

· The method of weighted average of cost is used when deermining the cost of the commodities inventory as set forth the Accounting Standard No. (2), item 25. The inventory of nished products is measured based on cost or the net selling alue, whichever less.

. The fixed assets are recorded in books at carrying (historial) cost and include all the expenses necessary until the intallation and operating of the asset according to what is stated the unified accounting system.

### 3. Investments:

• The long term investments are recorded in the financial tatements as at 30/6/2016 based on at purchasing value, and case there is an impairment, a provision shall be formed for to the impairment in value, taking into consideration hat such investments are not traded in the stock exchange.

### 4. Provisions:

•The company carries out a detailed study at the end of the nancial year concerning all potential liabilities and forming f the required provisions.

### 5. Reserves:

. The reserves are calculated according to law No. 203 of he year 1991 and its executive regulations.

### 6. Tax Position:

• As for the income tax for the years from 2005/2006 to 011/2012, the tax inspection was carried out and the tax mounts due to the Tax Authority are being paid. However, s for the years from 2013 until 2014, the tax inspection was arried out and the company objected to what was stated in ax form No. 19.

# Accountant Ahmed Hassan Sabry

The Head of the Financial Affairs Sector

Dr. Gamal Hafez Takal The Chairman of the Board of Directors & Managing Director

# The Auditor's Report on the Summarized Financial Statements of Kahira for Pharmaceuticals and Chemical Industries Company as at 30/6/2016

## To The Shareholders of Kahira for Pharmaceuticals and Chemical Industries Company:

We have audited the attached financial statements of Kahira for Pharmaceuticals and Chemical Industries Company for the financial year ended as at 30/6/2016, from which the attached summarized financial statements were extracted in accordance with the Egyptian Standards on Auditing and in the light of the applicable Egyptian laws and regulations

As mentioned in our report, dated 7/9/2016, we expressed a qualified opinion on the financial statements of the company for the financial year ended as at 30/6/2016 from which the summarized financial statements attached thereto were extracted.

We are of the opinion that the summarized financial statements attached thereto are in agreement - in all their material aspects - with the financial position of the company, its operating results and cash flows for the financial year then ended, except for, the reduction of the company's expenses during the year with an amount of approximately L.E 2.661 million that was recorded against an indebtedness on the part of the customer, "Abbott Company", in addition to the amount of approximately L.E 7.788 million of the last two years which represents burdens charged on the shoulders of the company as a result of fixing the expenses of manufacturing products to the benefit of Abbott Com-

pany. In addition, the company did not form a provision in full value of the payroll tax differences inspection for the period 2006/2012 that was settled with an amount of L.E 1.750 million as an amount under the account of tax while the provision formed for that purpose was only one million Egyptian pounds.

For the purpose of obtaining a broader and more comprehensive understanding of the company's financial position as at 30/6/2016, its operating results for the financial year then ended, and the scope of our audit works, the complete financial statements of the company for the financial year ended as at 30/6/2016 in addition to our report thereon must be referred thereto.

# Auditors

# Accountant

Fahmy Mohamed Abdel Naby Mohamed (Member of the Egyptian Society of Accountants & Auditors) Accountant, Sabry Ghareeb Abdel Salam Undersecretary, Department Manager Senior Deputy

Approved By

Accountant,

Waffa Mohamed Ali Medan First Undersecretary, Department Manager





# **IMF** approves the financing program of Egypt in few weeks

Gerry Rice, Spokesman of the International Monetary Fund (IMF), said that it is expected of the fund's board of directors to meet in few weeks to approve the financing program of Egypt, worth \$12bn over 3 years. Last August, IMF announced that it had made agreements with the Egyptian authorities concerning the loan, received over 3 vears.

By Aya Khodair

**ITIDA finances "Innovation Clusters" in Burj Al-Arab and Asyut with EGP 50m** Information Technology Inis examining the offers predustry Development Agency sented by companies par-(ITIDA) has opened two tenticipating in the two tenders. ders for the management of The bid winners will be an-"innovation clusters" in two nounced after Eid al-Adha technological areas, Borj Aland the process implementa-Arab and Asyut. ITIDA has tion will come to effect at the allocated EGP 50m to supend of this year. port entrepreneurs in the two

EITIDA supports industry not just entrepreneurs and unions as it grants EGP 50m for innovation in the two areas, divided on 5 years with EGP 5m to each area per vear.

Hosny said that the two tenders were offered with the cooperation of Silicon Waha Company, established by the



Asmaa Hosny

Ministry of Communication to support technological areas. ITIDA is concerned with renting sites in the technological areas, supporting innovation through bid winners and financing industry.

Hosny asserted that the agency role is to develop society and industry and not to gain profits. Furthermore, the agency aims to encourage vouth to establish start-ups and innovate new technologies which will contribute to a more productive and civilized societv operating with the Academy

Several companies have applied to participate in the tenders: among them are Technology Innovation & Entrepreneurship Center (TIEC), Ebny and Hemma Incubators.

Saly Mitwali, head of Ebny Incubator said that the company has participated in the Innovation Clusters" tender, held in Burj Al-Arab. She added that if the incubator wins the bid, it will open a new branch and offer rental spots to entrepreneurs in Burj Al-Arab, in addition to supporting youth financially and psychologically, by co-

for Scientific Research and

Mitwali pointed out that the incubator does not have branches in other governorates; however, it is trying to provide entrepreneurs with work places in their own governorates so they do not have to travel to Cairo often to implement the prototype of

Technology

Home

their project. Mohamed Yaseen, CEO of Hemma Incubator in Asyut, said that the incubator has participated in the tender to win the bid through the Integrated Technology Transfer Unit (ITTU) that supervises Hemma.

£3

# Shading light on a successful business initiative

There are always untapped resources in any country, and if they are exploited properly they can make a positive economic impact. MEO stuff thought to shade light on a successful business experience that took place in Kenya; Kenya was able to make the best use of its huge animal resources by boosting farming. This article might be actually a good step towards adopting such an initiative in Egypt, which has a considerable number of Nile crocodiles, mainly present in Aswan.

### African crocodiles

African huge crocodiles are among the world's strongest predators, even young crocodiles could cause a person severe injuries. Growing to five meters (16ft) in length, and typically weighing as much as 750kg (16ft.), crocodiles are known for their

aggressive ature. It is common for such animals to attack humans. While exact figures are not available due to incidents aoing unreported, the Nile crocodile is said to kill hundreds of people in Africa every year.

areas

Innovation clusters will be

offered for rental to entrepre-

neurs. Moreover, the bid win-

ners should provide innova-

tors with work opportunities

Asmaa Hosny, Head of

ITIDA, said that the agency

and support them financially

and technically

Mr. Mueke has more than 33 thousands of the crocodiles at his 300-acre farm in Kitui Countv. 180km (112 miles) east of the capital Nairobi.

Crocodile industry is led by demand for crocodile meat in China, in addition to the rising domestic sales of the restaurants of upmarket tourist hotels. «Each crocodile can make around 5,000 to 7,000 Kenyan shillings for the meat, \$50 to

\$69),» says Mr. Mueke. As for crocodile meat, it is white in color; its taste is similar to chicken

Mueke adds that he can sell the leather of the animals for 2,500 Kenyan shillings, which is used in manufacturing shoes, handbags and belts. The financial result is that

he can double his money for each of the 3000 thousand crocodiles he slaughters and panales

every year.

«Crocodile farming has its challenges, but the most surprising result is the profits. You can make more than 100% profits,» he savs. Mr. Mueke's crocodiles live in basins filled with water and contain both ponds and dry land. They are fed with fish, bloodsoaked maize, and other meats. Furthermore, the crocodiles basins have steep walls to prevent the crocodiles from escaping, but the 246 workers of the farm have to check them on a daily basis in order to trap and kill crocodiles that have reached the ideal age for eating; the ideal age is eight years old.

Staff who work at these farms have to collect eggs from beneath mother crocodiles so that baby crocodiles can be reared in separate basins; the staff also do general cleaning work.

### **Essential cleanliness**

Rearing crocodiles can be a profitable business within Egypt and the African contin

Veterinarian Odhiambo Ojamong says cleanliness is vital to help prevent diseases. "You have to check the crocodiles daily for diseases and even injuries," he says. "If a crocodile is injured

this can cause serious fatal diseases and instant death. However, the biggest disease a farmer must avoid among crocodiles is crocodile pox. It has no vaccine, and can wipe out the whole stock." "So the best thing to do about this is always observe good hygiene", Ojamong says.

### Crocodiles are not endangered

The crocodile farming sector is now growing at 22 per cent per year across Africa, according to industry estimates. South Africa tops the continent's countries. with total exports valued at about \$73m per year. It is followed by Zambia (\$65m), Kenya (\$62m), and Zimbabwe (\$30m).

Almost 85% of crocodile meat exports go to China, Hong Kong and Taiwan. The next biggest export market in the Middle East region. In Kenya there are now 21 citizens working in the filed of crocodile farming and recently 60 more have applied for the required license, according to

Service (KWS), a government agency Gathitu Paul spokesman for the KWS, says the agency has no problem with the farming of Nile crocodiles as long as the ani-

Mr. Ojamong warna says that the start-up costs are extremely high. He estimates that to set up a crocodile farm in Kenva \$500.000 is needed to cover the expenses of land purchases, consultancy fees for experts in the field, and securing crocodile breeding stock.

Mr. Mueke, who established his farm more than a decade ago, adds: "There are a lot of expensive infrastructure requirements, but the profit is significantly high

By Amira Elhamy

Kenva Wildlife

mals are not endangered.

**Eiman Rashed** 

Kabil: Industrial license law is to spark off an industrial revolution

tions that the ministry is intending to apply. Ahead of these regulations is the law concerned with industrial license which was recently approved by the cabinet and will be approved by the Parliament. The minister stressed on the significance of this law, adding that it will result in an industrial revolution as licenses will be issued in few weeks. On the other hand, The World Bank stated in a report that investors need 634 days to have the industrial license issued due to the current situation. Among new regulations is a law of establishing a food safety authority that aims to

# Haitham Nassar, General Manager Hilton Pyramids Golf Resort

the industrial sector.

Christian Muhr Vice President of Operations Hilton Worldwide Egypt and Levant has announced the promotion of Haitham Nassar as General Manager of Hilton Pyramids Golf Resort. Haitham is an experienced hotelier with more than 28 years' of service in the hospitality industry, as he joined Hilton International in 1988 and held various positions in Hilton Hotels Europe, Middle East & Africa. Haitham was awarded "General Manager of the Year "award for Hilton Egypt and "Area President" Award for Hilton Middle East & Africa for two consecutive years 2011 & 2010. Also he has been a board member & the chairman of the Cairo branch of the Egyptian hotel association from 2011 2014, and a board member of the Egyp-



tian tourism federation from 2015 - 2016. "I am delighted to ioin the Hilton Pyramids Golf Resort Team and I am looking forward to more accomplishments and success in the near future. Haitham said

The stock market has a shortened trading week of only two days due to the Eid vacation. However, the Eid spirit was absent from the market with the main index ending the two-day-only transactions week in the red with a 2.5 per

S&P 500 II



going in the company's favor re-

cently as the Egyptian Urea mar-

ket is saturated and the shortage

of natural gas in the 18 months

running up to the beginning of

2016, had a drastic effect on uti-

lization rates with MOPCO's rate

averaging 70 per cent in 2014

compared to 101 per cent a year

earlier, while the industry aver-

aged 25-30 per cent in 2015. Also,

the global urea prices have been

pressured significantly over the

last few years declining by almost

side triggers for the shares like

the expected devaluation of the

pound as MOPCO's revenue is

mainly in dollars. However, fears

of a further decline in urea prices

Sixth of October City. The fac-

tory will later be used to produce

baked goods, cheese, and other

Pharos sees a number of up-

50 per cent to \$190/ton.

**MINISTRY OF ELECTRICITY & RENEWABLE ENERGY** EGYPTIAN ELECTRICITY

Eng. Tarek Kabil, Minister maintain food safety startof Trade and Industry, aning from the harvest till it nounced the most signifireaches consumers; the law cant decisions and regulawas approved by the cabinet

and is to be approved by the Parliament. Furthermore, the law of oneperson company is among the regulations considered as it will facilitate business and stabilize the economic situation of trade and industrial projects. Amendments of register of importers law are put into consideration, in addition to amendment of law no. 7 of the year 1991 which is related to making the Industrial Development Authority the sole entity that is entitled to benefit and develop industrial spots. These amendments are important to attract more local and foreign investments to

Bells from the Trading Floor cent loss. This was complemented by a 1.9 per cent further loss on Sunday, the market's highest one-day loss since June. Traders say the investors are still in the Eid mood and are reluctant to take new positions in the market.

# **Maiid Al Futtaim Group** and Mall of Egypt

Majid Al Futtaim Group, an Emirati holding company based in Dubai that operates in shopping malls, retail, and leisure establishments in the Middle East and North Africa, will be soon ready to open the Mall of Egypt on March 2<sup>nd</sup> 2017. The Mall of Egypt will be the biggest regional shopping center

The total investment of the mall is valued at EGP 6bn; the mall is part of Majid Al Futtaim Group's vision which is making the customers enjoy an uncomparable shopping experience. Similarly, a number of other projects will be launched such as Ski Egypt, the first indoor ski slope in Egypt and Africa, VOX Cinema complex and other famous brands that will enter the Egyptian market for the first time.

Mall of Egypt is located in Al Wahat Al Baharia in 6th of October city; it consists of two floors that has more than 350 shops and outlets, offering the latest fashion, entertainment and various products, in addition to 50 shops and outlets that sell foods and beverage.

Mall of Egypt has a gross leasable area (GLA) of 165 thousand cubic meters; it includes a large parking lot with a capacity of 6500 cars. It is worthy to note that Majid Al Futtaim Group owns 20 shopping centers in the Middle East and North Africa; the shopping centers are designed to meet the needs of each market.

# **Misr fertilizer Company (MOPCO)**

The company has been listed in the market and transactions on its shares started on September 7. The company is a majority owned government nitrogen fertilizer company; producing granular urea and ammonia. The state owned Egyptian Chemical Company (ECHEM)owns 30.75 per cent while Agrium owns 26 per cent. In addition to the 4.66 per cent being floated, EGAS, GASCO, Misr Insurance and others own the balance of the shares.

After recent expansions the company's production capacity reached 1.9 million ton per annum making it one of the largest urea producing companies globally with 1 per cent of the global capacity. Urea accounts for 90% of MOPCO's revenues with nearly 70 per cent of production was exported in 2014. Things were not

Exchange. Domty will be able to

convert 10 million shares or 3.5

per cent with each GDR repre-

or the reemergence of the natural gas shortages represent downside risks. The Arabian Food Industries Company (Domty) senting five local Domty shares. The company won the approval of the Egyptian stock exchange On another front, Domty begins to issue Global Depository Retrial run of a new juice factory in ceipts GDR) on the London Stock

dairy products.

**TRANSMISSION COMPANY (EETC)** 

# **REHABILITATION OF AL QOUSIA** SUBSTATION (66/11 KV, 3X40 MVA) ADJUDICATION NO. (13/2016-2017)

EETC invites international Eligible Tenderers to participate for the design, manufacture, supply, transport, civil works, project management, erection testing, setting to work and commissioning and an turnkey job bases for the REHABILITATION OF AL QOUSIA S/S 3X40 MVA, 66/11 KV GIS as specified in Tender Document.

Tender Document is available against presentation of payment receipt of a non-refundable US\$ 4000 from National Bank of Egypt (NBE) - Nasr City branch, EETC's account No. (1100/100/71/77) together with an application (original plus two copies) showing the name, address, E-mail, fax and telephone numbers of both supplier and local agent and addressed to Head Of Purchasing And Stores sector during official working hours.

Biders to be submitted according to tender conditions in one sealed envelope (Technical & Financial), on or before the day of 13/10/2016 at 12:00 (noon).

The Technical envelope contains the Tenderer's technical offer including all information as specified in the tender document and tender security with an amount of US\$ 130 000.

The Financial envelope contains the quantity and price schedules, only.

Technical and financial envelope will be opened on the same date and time of submission of the Bid.

The completion period shall be (12) months starting from the notice of award. Bidders will be valid for 180 days started from the opening date.

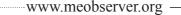
Bidders should be the manufacturer of the main equipment (GIS) or trading company forming a consortium with the manufacturer of main equipment.

The conditions of EETC purchasing and contracting regulations will be considered as integral part of tender documents.

Interested Tenderers may obtain further information regarding Tender Documents from:

# EGYPTIAN ELECTRICITY TRANSMISSION COMPANY - EETC, CENTRAL PURCHASES DEPARTMENT, ABBASSIA, NASR CITY, CAIRO. FAX&TEL. NO. 02-22616517

تری بیزاییت اورزم دی بیزاییت اورزم Founded in 1958 by Ahmed Fouda 1st edition 6165 issues	63 <sup>rd</sup> year Issue 9/2016 - 38 <sup>th</sup> edition Authorised by the Supreme Council of Press "An Egyptian Joint Stock Company" Over 50 years covering Middle East and Gulf Economic News	Publisher and Chairman Mahmoud Fouda Publisher@meobserver.net Editor-in-chief H.A.Raouf	Special Reports Editor	Editor@meobserver.net Layout Ahmed Saber Translator officer Alaa Magdy	Head office 41Sherif St., Cairo, Egypt	Advertising@meobserver.net Annual subscription rates Egypt L.E160 - Arab Countries US\$60 Rest of The World US\$ 165 Subscription@meobserver.net	Al-Ahram Distribution in Egypt Al-kawmia Distribution in the world
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21 September 2016



# **Alexandria Company for Pharmaceutical Products and Chemical Industries**

Middle East Obserber

دىميرك إيست أوبرزقر



The First Notice

A Subsidiary of The Holding Company for Pharmaceutical Products, S.A.E. Under the Provisions of Law No. 203 of 1991 Address: End of Gamila Buhreid Road, Al-Awayed, Alexandria, Egypt. Commercial Register No. 63441, Alexandria Registry. The Authorized Capital Amounts to L.E. 100 Million - The Issued and Paid-In Capital Amounts to L.E. 50 Million The Number of Shares is 5 Million Shares.

## An Invitation to Attend the Ordinary General Assembly Meeting / The Extraordinary General Assembly Meeting of the Company

Dr. Adel Abdel Halim Mostafa, the Chairman of the Board of Directors of The Holding Company for Pharmaceutical Products and the Chairman of the General Assembly of the company, has the honor to invite the shareholders to attend the General Assembly Meeting determined to be held at 01:00 PM on Saturday, corresponding to 24/9/2016 right after wrapping up the Extraordinary General Assembly Meeting, in Ramses Ballroom, Triumph Hotel that is located at the Intersection Of Ihsan Abdel Kodous St. with Al khalifa Al Maamoun st., Heliopolis, Cairo Governorate

### First: The Extraordinary General Assembly in Order to Consider the Following Agenda:

1. Amending article No.18 of the Company's Articles of Association based on the Company's Board of Directors resolution issued on 4/9/2016.

2. Amending article No.3 of the Company's Articles of Association based on the Company's Board of Directors resolution issued on 4/9/2016.

3. Authorizing the Chairman of the Board o Directors and Managing Director or whom so ever to be delegated to manage the procedures necessary to be taken in coordination

with the various competent administrative bodies according to the requirements of such bodies in this regard. Second: The Ordinary General Assembly Meeting of

The Company in Order to Consider Following Agenda: 1. The report of the Central Auditing Organization on the financial statements and the closing accounts of the com-

pany for the financial year ended as at 30/6/2016. 2. Approving the board of directors' report on the company's activity for the above-mentioned financial year and the quittance of the board of directors regarding the financial year ending as at 30/6/2016. 3. Approving the financial statements, the closing ac-

counts and the profits and losses account for the financial year ending as at 30/6/2016. 4. Approving the dividends account of the same financial

year. 5. Determining the annual regular annual increment due

to the employees according to the regulations governing such matter 6. Approving the remaining amount of the Board of Di-

rectors' remunerations for the financial year 2015/2016 to be carried forward to retained earnings.

7. The formation of the Company's Board of Directors. 8. Electing a representative of the shareholders from the corporate bodies of the private sector as a member of the Board of Directors of the Company.

The Shareholders are to submit the nomination application forms according to the form prepared for that purpose, and in accordance with the terms declared at the company, provided that such form is to be submitted one week at most

titled to attend the general assembly meeting, in person or by proxy, the validity of such proxy is conditional on being granted to a shareholder who is not a member of the board of directors within a percentage not exceeding 10 % of the total nominal shares of the capital and not exceeding 20 %

of the shares represented in the meeting, in addition, such proxy must be attested. 2. The attendance of the meeting requires that the shareholder present an approved account statement issued by one of the securities custodians including the blocking of shares balance stated in the account statement for the purpose of

attending the general assembly meeting at least three full days prior to the date of the meeting. 3. The financial statements and the report of the Egyptian

Central Auditing Organization are available for the shareholders to be informed thereof at the company's head office through Accountant, Magdy Fouad Fath-Allah and Accountant, Mahmoud Ali Al Madkhoum, in their capacities as the communication and investors relationships officers: (Tel.: 03-3312227).

4. Any inquiries or questions regarding the issues of the agenda should be personally submitted in writing to the company's management in the head office in return for a receipt, or to be sent by registered mail to the company's address (Post Office Box No. 21511, Alexandria) three days at least prior to holding the general assembly meeting; however, inquiries or questions received after that date shall not

## Dr. Adel Abdel Halim Mostafa

Chairman of the Board of Directors of The Holding Company for Pharmaceutical Products and The Chairman of the General Assembly of Alexandria Company for Pharmaceutical Prod

ucts and Chemical Industries.

## Total Profit: L.E. 104 . 880 Million Net Profit: L.E. 71 . 921 Million Proposed Shareholders' Stake: L.E.29 . 250 Million Coupon Value: L.E. 5 . 85

	Summa	ry of the	Board	l of Direct	ors' Repor	t	The Inc	come Sta	tement f as at 3			al Year I	Ended	Per Thousand L.E.	D. The book value of the fix production amounted to I the fixed assets cost. E. An amendment was intro	LE 63.700 mil duced during t	lion with a per he financial ye	centage that rea ar to the classifi	ched %30.7 of cation of the ite	em "central air-
	Descrip	tion		2015/2016	2014/2015	Progress	Total	Subtotal		Descri			2014/2		conditioning unit and electri "machinery and equipment- utilities services", the said Auditing Organization whil accumulated depreciation w	production act d amendment v e keeping the	tivity services' vas made in a accounting de	" – to the item of cordance with preciation rates	f "buildings an the instructions calculated at 9	nd constructions s of The Central
Oneveting	incomo					%	-					Su	ibtotal	Total	Machinery & Equipment	Depreciation I	Balance Depr	eciation Rate	Accumulated D	
Operating	income		1	L.E. 424.959 Million	L.E. 382.890 Million	111.0		424959 320079	Operating Less: Ope		come cost		82890 83417		21134750 2. Cash and Cash Equivale		24313	10%	6457220	)
Operating	income cos	st	1	L.E. 320.079 Million	L.E. 283.417 Million	112.9	104880		Add:					99473	A. The cash and cash equival hand, current accounts at ba	lents recorded	in the financia eposits for less	l position staten s than three mon	nent, are represented as follows:	ented in cash on
Percentage Operating		ng income	cost/	% 75.30	% 74.00	101.8	0	0	Grants an	d subsid	lies		0	0	1- Time deposits at banks or t 2- Letters of guarantee marg 3- Mutual investment fund of 4- Current account savings a	time deposits or in amounting t faily account a	notification the o L.E. 464 mi mounting to L	nat amounted to l llion. E 18.843 millio	L.E 40.197 milli on.	
Total profit			1	L.E. 104.880	L.E. 99.473	105.4	104880		Total prof Add:	it		_		99473	5- Current operating activity and by checks collected fr	balance on ha	nd amounted t	o L.E. 821 milli	ion in cash	
Net operat	na profite			Million	Million	0.000		965	Other fina		est-	3	815		whereas 30/6/2016 was an 3. Provisions: The company	official patriot records provis	ic holiday gra sions when an	nted by the gove outstanding or e	ernment. expected legal	commitment as
Net operat	ing proms		- 1	L.E. 89.938 Million	L.E. 83.909 Million	107.2	-	0	Other rev		d profits	-	0		a result of past event emerge in outflows of economic be	nefits during th	he following f	inancial year, a	re required and	appropriate to
Net profit b	efore tax 8	provisions	5   L	L.E. 100.919 Million	L.E. 92.531 Million	109.1	965						•	815	cover such liabilities. Accordate and amends them when Thus, an amount of L.E. 8.5	ever necessary		12 <sup>18</sup> 12-12 140		
Net profit b	efore tax		3	L.E. 92.418	L.E. 84.031	110.0		11957	Less: Administr	ative exp	penses	1	1239		order to form provisions to c Provisions Other Than I	cover all the va			ne iniaiciai yet	a 201.92010 m
Net profit a	fter tax			Million L.E. 71.921	Million L.E. 59.452	101.0	22252	10295	Burdens a				0789	22028	Description	Bad Debts		Claims and	Other	Total
				Million	Million	121.0	22252		Add:					22020		Provision	Tax Provision	Litigations Provision	provisions	
	er share in ends per sl	L.E. nare (Coupo	on)	L.E. 10.46 L.E. 5.85	L.E. 8.65 L.E. 5.50	120.9 106.4		5512 832	Other inte		ome and profits		1948		Opening balance	6183816	8534576	1907181	6846441	23472014
	<u>N</u>			2.2.0.00	L.L. 3.30		6344	002					701	5649	as at 1/7/2015 Less:				634-7350 x 3	0
The Fin	ancial P	osition S	Statem	ent as at 3	30/6/2016	Per Thousand L.E.	89937		Net opera Add or les		its			83909	Utilized amount during the current period	17038	2711476	0	4189764	6918278
							2481	Exchange	rates di			122		Transferred to other provisions			0	0	0	
Total	Subtotal	Subtotal		Descripti	0N	30/6/2015	2481	-	ences pro	ofits (loss	ses)			122	Provisions no longer required	0			0	0
		007074		Long term as		100000	92418			before in	ncome tax			84031	Add: Transferred from					0
		207871 142237		tal fixed asset accumulated		193882 130916	20108		Less: Income ta	x				23264	other provisions	450000	2050505	FFAAAA	3550000	
	65634		Nucleonies.	Draiaata in nr		62966	389		Deferred t	tax				1315	Suspended from the profits of the year	450000	3950000	550000	3550000	8500000
	11604 2385			Projects in pr ong term inve		9339 2385	71921	l.	Net profit					59452	Adjustments Balance as at 30/6/2016	6616778	9773100	2457181	6206677	25053736
79623	0		To	Other ass tal long term		0 74690	Cha	inge in Ei	quity for	the Fi	nancial \	/ear Enr	led	Per Thousand	4. Current Liabilities: The company obtained te	mporary andit	facilitiae (fin	anaa of documa	ntaru oradite) i	in order to import
19025		vonis, ferrosta, "	a 6	Current ass	sets:		- Conne	inge in E	as at :	30/6/2	016			L.E.	medical raw materials that an of LE 14 thousand as a debit	nounted to Euro	o 600 thousand	d and the compa	my was charged	d with the amount
		156362		ory (less proving to L.E. 2.413	ision amount-	138699		Description	n	Capital	Reserves	Carried	Profits	Total	which, the company obtained 5. Capital:	LE 98 thousa	nd as a credit	interest		
		78237	Receiva	ables, notes r	eceivable and	76951						forward profits	for the Year	Equity	- The company's authorized c - The issued capital is L.E. 5	0 million that	is paid in full	and distributed	over 5 million	shares, the share
				t accounts (les inting to L.E. 6			Balanca	as at 1/7/201	14	45000	186862	10267		242129	nominal value is ten Egyptiar The following table indicate	n pounds per sh es the sharehol	are. Iders structur	e of the compa	ny:	
		132427	Cas	sh on hand an	d at banks	94610	Less : Th	he impact of	change	43000	100002	(113)		(113)	Description	į.	ľ	39	9/6/2015	
	367026			Total current Current liabi	the second s	310260		nting policie transferred	es		273			273			No. of sha	res Value	of shares	Percentage %
		15524		Provision	ns	14502	to capita	I reserve y's capital ir	000000	5000		(5000)			The Holding Company	for	300000	300	00000	60
		5911 87174	Su	Credit bar uppliers, notes		0 108165	Adjusted	d balance as	at 1/7/2014	50000	187135	5154		242289	Pharmaceutical Produces Union's sh	cts	250000	25	00000	5
				and credit ac	counts			its for the fin 2014/2015	nan-				59452		Other shareholders	arenoluers	1570000		00000	35
258417	108609		1	Total current li Working cap		122667 187593	Amount to legal r	transferred			2500		(2500)	2500	Total					100
338040				al investments	s (1) + (2) to	262283	Amount	transferred t	to		10701		(10701)	10701	<ol> <li>Expenses: The Costs Perta Since the establishment of the</li> </ol>	ining to the En e company's sl	vironment Pre udge treatmen	servation: t station in 1998	8 at a book valu	ue of approximate
			D	e financed as Equity:				reserve transferred	to carried			1637	(1637)	1637	5. Expenses. The Costs refta Since the establishment of the L.E 500 thousand, the compar ronment through the establish L.E 460 thousand and the said the company contracted with wastewater utilities and sanita 7. The Recition:	ny has been we ment of variou	s environment	accomplish its projects such a	s the natural ga	preserving the en-
50000				Paid-in cap Reserve		50000 200336		profits from ors' remune							the company contracted with	specialized co	ompanies to sa thin the vicini	ifely dispose of	hazard residua	als and improve t
200336 10727				Retained ear		7281	Amount	transferred t	to			490	(490)	490	7. Tax Position: - Tax is calculated according to					
71921 332984			N	Net profits for Total equ		0 257617	Dividend	orward profi	an-				(44124)		<ul> <li>The Accounting Standard N tax and the deferred tax liabili</li> </ul>	o. 24 was impl	emented with	respect to the in	ncome tax, acco	ordingly, the curre
				Long-term lial	bilities:			2014 / 2015 as at 30/6/20		50000	200336	7281	0	257617	A. Corporate Tax: • The tax internal committee wor	rks were finalize	d of the year 20	08/2009 and the	entire due tax am	nounts were settled.
5056 338040				Deferred tax li	abilities	4666 262283	Less: Th	e Impact of nting policie	change		100000000000000000000000000000000000000	(389)			As for the years 2009/2010 committee and the company As for the years 2011/2012	has not receive and 2012/2013	d any relevant	resolutions mad	le by the comm	specialized intern ittee up to this da
112200000000						Per Thousand	Add: The	e Impact of	change			2025			up to this date. B. Stamp Tax:					
Propos	eu Profit Financia	s Approj I Year En	priation ded as	ns Statem at 30/6/2	ent for the 016	L.E.	Adjusted	nting policie d balance as	at 1/7/2015	50000	200336	3835 10727	0	261063	<ul> <li>The tax inspection for the p with the internal committee th</li> </ul>	nat were referre	/2007 to 30/6/ d to the appea	2009 was carrie l committee and	d out and revea the company h	aled disputed poin has not received a
Decision and the se		and the second			1	2014/2015	Net profi	its for the fin 2015/2016					71921	71921	<ul> <li>final resolution up to this date</li> <li>The period from 1/7/2009 up to the solution while no final claim</li> </ul>	mtil 30/6/2012	was tax inspe	ected and appea	led against the	internal committ
2015/201	0		Descrip	puon		2014/2015		as at 30/6/20	016	50000	200336	10727	71921	332984	resolution while no final claim C. Payroll Tax: • The year 1997 was tax insp				42 thousand in	cluding the state
71921	Net pr Add:	ofit				59452		Mag	dy Four	d Fat	hallah				<ul> <li>The year 1997 was tax inspe- sources development duty, ho is still being in discussion with</li> </ul>	h the Tax Author	ority and the co	ompany has not	received Form	19 up to this date.
10727	Carrie			om the previo		5154	Account	tant, Mag Financial	ay Foua Affairs Secto		lallall				<ul> <li>Starting from the year 2002 monthly basis according to th</li> </ul>	and up to 30/6/ e amounts with	2014, the com hheld and settl	pany pays the d ed based on the	ue payroll tax a unified tax law	amount regularly v and the related t
82648 14384	Distril Reser		fits to be	distributed as	s follows:	64606 13201			Dr. Afaf		ataz Be	llah M	obaral	K	D. Sales Tax:	thority has not	inspected the	said years yet.		
49338	Distril	outed Profit				44124		Т	The Board of	f Director	rs Chairmai	n & Mana	ging Dire	ctor	<ul> <li>The sales tax inspection for and the tax due amount was p</li> <li>The tax inspection for the p</li> </ul>	aid in July 201	5.			
18926	Carrie	d forward p	profits for	r the next year	r	7281	TI	he Notes A				ncial Sta	atement	ts	<ul> <li>The tax inspection for the p received the inspection results</li> <li>The company submits its si</li> </ul>	s up to this date				
<b>Cash Flow</b>	is Stateme	nt for the Fi	inancial Y	Year Endedas	at 30/6/2016	Per Thousand L.E.	1. Company'	's Profile:			6/2016				period as at 30/6/2016. 8- Employees' Profits Share:		1.0			
2015/2016	1		Descri	ntion	1	2014/2015	Company's ! Legal Entity:	Name: Alexandria					Q110238		The employees' cash share in 100 % as at 30/6/2016 in acco	ordance with la	w No. (203) o	f 1991 and the c	basic salaries w ompany's artic	with a percentage les of association
93229		ows from op	101202-000	• 15885 D.S.		34205	regulations.	n subsidiary joint-	stock company u	nder the pro-	visions of law N	o. 203 of the y	year 1991 and	its executive	they were included in the acco 9- Earnings Per Share: (1) Earnings par chare (the ch	12 17	10	5. A.	2016	to LE 10.00
(16227) (43401)	Cash flo	ows from in	vestment	t activity		(21364)	Establishmer 20/7/1991- ti Listing Date i	nt Date: he date of bringing in the Stock Excha	g the law No. 203	of the year 1	991 into effect.				<ol> <li>Earnings per share (the sh pared to L.E. 8.65 for the prev tors share from the net distribution</li> </ol>	ious financial y	ear after dedu	cting the emplo	vees' share and	the Board of Dire
	Cash file		ovement o	during the fina	ancial year	(35571) (22730)	Company's			products and	preparations d	ugs, special re	ature diets rub	ber producte	(2) The value of coupon No.	(22) for the pro	fits appropriat	tions of the year	2015/2016 am	nounted to L.E. 5.
33601				ing of the	ou 1970 24 O 4 P 25 D 1	And a children a	other medical	requirements, foc	dders additions in ag and importing a	addition to n	nanufacturing for	third parties ar	nd in their pren	mises.	compared to L.E. 5.5 for the p priation while taking into cons was disbursed.	sideration that t	he value of the	e coupon of the p	previous financi	ial year (2014/201
33601	Cash ba				1	116100	B: Purchasing													
33601 92452	Cash ba financia Cash ba	I year as at alance as at	1/7/2014	5		115182	ties of the cor * Change in /	mpany. Accounting Policie	es:						Accountant,		Dr Af	faf Al Mos	ataz Rella	h Moharal
33601	Cash ba financia Cash ba	I year as at	1/7/2014	5		115182 92452	ties of the cor * Change in / The company	mpany.	es: teadiness in select	ing and apply	ying its accountin	ig policy when	treating the si	milar transac-						h Mobaral Managing Director

policy was changed if such change had an impact on the financial statements and the company does not change its policy except in two cases:
A. When required by virtue of any standard of the Egyptian Accounting Standards or an interpretation of such change in policy.
B. When such change leads to presenting financial statements that has more reliable and more appropriate financial information about the impact of the transactions and other events on the financial position or the financial performance of the company.
\* Basis of Preparing the Financial Statements:
1. The financial statements are prepared according to the Egyptian Accounting Standards, the Egyptian laws and the executive regulations in effect and on accrual basis.

basis.
2. The financial statements are presented in the Egyptian pound that represents the functional currency of the company used in recording all financial transactions in the company's books and records.
The Financial Instruments:
1- The company's financial instruments are represented in assets and liabilities and the financial assets include cash balances at banks, accounts receivable, sundry debtors and other debit accounts while the financial liabilities include suppliers and accounts payable.
The main risks of the company's activities are represented in interest rate risk foreign currency ex-

The main risks of the company's activities are represented in interest rate risk, foreign currency ex-change risk, credit risk and liquidity risk. A- Interest Rate Fluctuation

The interest rate risk includes the fluctuations of interest rates in manner that negatively affect the oper-

The minerest rate risk includes the nucluations of micrest rates in manner that negatively affect the oper-ating income and to mitigate the risks of the changes in the interest rates to the minimum limit, deposits of various interest rates are placed at banks at the best interest rates to the minimum limit, deposits of Poreign Currencies Risks: The foreign currencies risk is represented in the fluctua-tions of the foreign exchange rates other than the functional currency of the company which affect the payables and receivables in foreign currencies. C- Credit Risk:

C- Credit Risk: The credit risk is represented in the lack of ability of the customers who are granted credit facilities to fulfill their dues while the due amounts to the company are concentrated on the balances that fall due from some governmental bodies in addition to indebtedness of customers enjoying good credit solvency. In order to mitigate this risk to the least limit possible, enough guarantees are taken through the obtainment of letters of guarantees to be presented by the customers pursuant to the contracts con-object utilit there. luded with them

cluded with them. D- Liquidity Risk: The liquidity risk is represented in the factors that affect the ability of the company to fulfill part of or the entire liabilities and commitments. The suitable liquidity levels are maintained to meet the com-pany's current liabilities to implement the approved policy of the liquidity management in a manner that mitigates the liquidity risk to the least limit. \* The Most Significant Accounting Policies Applied: 1. The Fixed Assets and Their Depreciation Policy: A. The fixed Assets are recorded in books at historical cost. B. The company uses the straight line method to calculate the depreciation according to the rates stated in the unified accounting system and the depreciation is charged to the income statement.

in the unified accounting system and the depreciation is charged to the income statement. C. The treatment of the impairment in assets value is carried out according to the accounting standard

No. (31) No. (51). The book value of the fixed assets are reviewed along with the redeemable value thereof on the date of each balance sheet in order to determine whether there is an indication of impairment or not, and this is the method applied by the company. D. The book value of the fixed assets whose useful life are ended and still working in

### prior to the aforementioned general assembly meeting date. be considered. The Shareholders Are Kindly Requested To Pay Attention To the Following: 1. Each shareholder possessing 10 shares or more is en-

### Auditor's neport on the Sum unennicai muusiriesas al 30/0/2010

To The Shareholders of Alexandria Company for Pharmaceutical Products cable Egyptian laws and regulations. and Chemical Industries:

We have audited the attached financial statements of Alexandria Company for Pharmaceutical Products and Chemical Industries for the financial year ended as at 30/6/2016, from which the attached summarized financial statements were extracted in accordance with the Egyptian Standards on Auditing and in the light of the appli-

As mentioned in our report No. (630), dated 6/9/2016, we expressed an unqualified opinion on the financial statements of the company for the financial year ended as at 30/6/2016 from which the summarized financial statements attached thereto were extracted. We are of the opinion that the attached summarized financial statements are in agreement in all their material aspects with the complete financial statements

of the company for the financial year ended as at 30/6/2016.

For the purpose of obtaining a broader and more comprehensive understanding of the company's financial position as at 30/6/2016, its operating results for the financial year then ended, and the scope of our audit works, the complete financial statements of the company for the financial year ended as at 30/6/2016 in addition to our report thereon must be referred thereto. Prepared on 6/9/2016

Auditors			
Accountant, Mostafa Metawly Taha Farahat	Accountant,	Accountant,	Approved By
Ahmed Aheud Khalil Bayemy	Abdel Ghany Metwaly Abdel Ghany	Nadia Abdel Moniem Abdel Mageed	Accountant, Waffa Mohamed Ali Medan
Accountant, Annieu Aboud Knam Dayomy	Undersecretary and Department Manager Senior Deputy	Undersecretary and Department Manager Senior Deputy	First Undersecretary and Department Manager

Middle East Observer د ی *میدل ایست اوبز رقر* 

# MENA Region

# Things you don't know about sovereign funds

# World's new tycoons

# Sovereign funds and why would they become the world's new emperors?

What is a sovereign fund? Sovereign funds are owned by oil and petroleum rich countries which have assets such as real estates, shares, bonds, investment agencies, mineral and grain trade. Sovereign funds are different from investment funds; investment funds have emerged as a result of establishing investment firms in the 19th century in Holland. The trend moved to France later on. Furthermore, investment funds emerged in America in 1930s; a related law was issued to manage such funds in 1940.

## Kuwait is the first to have a sovereign fund

The first sovereign fund was established in 1953 in Kuwait

under the name of "Future Gen-eration Fund FGF"; its assets **Sovereign funds** are estimated at \$399bn.

The world's largest 20 investment funds are estimated at \$335bn, 10 per cent of the world's money (\$65 trillions), according to 2015 estimations. Government Pension Fund of Norway is the largest sovereign wealth fund in the world as it has assets worth \$818bn whereas the smallest fund is the Libyan Investment Authority that has assets of \$65bn.

Standard Chartered Bank estimated the future value of sovereign wealth funds in the next decade as \$13,4 trillion whereas Morgan Stanley estimation is \$17,5 trillion.

Financial market experts believe that such funds have a significant, positive role in the global market. When 2008 financial crisis stroke, most of sovereign wealth funds rushed to finance the US economy; however, all investors fled away to avoid the possibility of economic recession.

Similarly, Abu Dhabi's Investment Authority, the world's second sovereign fund with a capital worth \$773bn, has seized 4.9 per cent (\$7,5bn) of CitiGroup shares.

Future Generation Fund and Dubai International Capital Fund, subsidiary to Dubai Holding, have both partaken in Asian



# investments worth \$700m. Lack of transparency

Sherif Khourshid, an expert in financial markets, says that sovereign wealth funds have a number of negative points such as lack of transparency in doing their business as they do not tell the type of their investments, business or future plans in details.

Khourshid highlights the wide

dominance of sovereign wealth funds in many countries in the world, especially the third world countries that are rich with natural resources such as African countries. He added that these funds were controlling the Egyptian financial markets at some point; therefore, decision makers have to make financial policies that attract such funds to invest and stabilize their investments in Egypt.



Sovereign wealth funds are witnessing a growth around the world, especially in the Middle East where oil exporting countries prefer to save money when oil prices increase in case they witness a drop later on. Such funds are important to help governments face budget deficits, and enable them to deliver services to citizens.

Sovereign Wealth Fund Institute (SWF Institute) has released a list that includes 79 funds; among them are 20 sovereign wealth funds in the Middle East and North Africa. The following is a list of the Middle East largest sovereign wealth funds:

1- Abu Dhabi Investment Authority (ADIA) is the Middle East largest sovereign wealth fund worth \$589bn to \$733bn. It was founded in March 1976. The fund invests in different types of assets such as shares listed in the financial markets, fixed- income assets, real estates, private firms and infrastructures



fund, specialized in domestic and

foreign investment. It has suf-

fered severe losses over the past

years. Financial Times estimated

the fund's losses at \$12bn as a re-

sult the shares fall of Volkswagen,

Glencore and Agricultural Bank of

China, Which the fund had shares

at. The fund assets are believed to

Dubai (ICD) is a sovereign wealth

fund owned by the government of

Investment Corporation of

worth \$256bn to \$304bn.

known for its cautiousness when investing and most of its investments lie in low- revenue US bonds. The fund has announced that it owns foreign assets worth \$612bn at the end of 2015.

3- Kuwait Investment Authority (KIA) is the oldest investment fund in the region as it witnessed the foundation of Kuwait Investment Board that was established in 1953, 8 years before Kuwait had retained its independence. KIA was established in 1982 and is believed to have assets worth \$548bn to \$592bn.

say that the fund assets are valued at AED 672bn (\$183bn).

6-The Public Investment Fund (PIF) is a sovereign wealth fund owned by Saudi Arabia. It is believed that the fund has investments worth \$160bn, in which most of its investments lie within local economy. The government is planning to make the fund keep its shares in Aramco which will increase the fund's value to \$2 trillion.

sify Emirates' economy and help local companies to extend their business globally. The fund assets are estimated at \$90bn to \$110bn.

8- International Petroleum Investment Company (IPIC) was formed by Abu Dhabi government in 1984 to invest in energy and other related sectors across the globe. The fund's investment portfolio has shares in the Austrian petrochemical company "Borealis", Japanese Cosmo Oil and Protégés electricity company "Energias de Portugal". The fund's late financial statements of June 2015 say that it has assets worth \$68bn.

9- Mubadala Development Company PJSC was established in October 2002; it is among the small investment funds; it plays a significant role in diversifying the economy. The fund's investment and projects are focused on attracting global companies to invest in Abu Dhabi, strengthening local capabilities, skills and providing work opportunities. At the end of 2015, Mubadala announced that assets are worth AED 246bn (\$67bn)

# Iran will support actions towards stablising the oil market prices

5

Iran's President Hassan Rouhani said Tehran supports any move to stabilise the global oil market and lift prices, the Iranian oil ministry news agency Shana quoted him as saying on Sunday.

"Instability and falling oil prices are harmful to all countries, especially oil producers," Rouhani was guoted as saying. "Tehran welcomes any move aimed at market stability and improvement of oil prices based on justice, fairness and fair quota of all the oil producers," the president said, referring to a meeting between Opec and non-Opec producers in Algeria next week. Shana said,

Rouhani was speaking to Ecuadorean President Rafael Correa on the sidelines of the Non-Aligned Movement (NAM) Summit in Venezuela on Saturday, Shana reported.

# Investcorp acquires \$223m office tower in US

Investcorp, a leading provider and manager of alternative investment products, today announced that its US-based real estate arm has purchased a 41-storey, Class A office building in Seattle, Wash-ington, for approximately \$223.5 million.

This acquisition is consistent with Investcorp's new initiative of acquiring top-quality, well occupied, cash flowing properties in key gateway markets in the US and represents the second acquisition under this strategy. In February, Investcorp acquired 733 Tenth Street, a Class A office building in Washington, D C, for approximately \$180 million.

The new property - 901 Fifth Avenue -- is a 540,589 sq ft, multitenanted office building located in Seattle's central business district.

# Iraq repairs key oil pipeline to Turkey

An oil pipe line linking Iraq's Kirkuk fields to Turkey's Ceyhan port was repaired on Friday and export levels were expected to return to normal within 24 hours, two sources at the state-run North Oil Company said.

"We started a test flow at around 1630 local time (1330 GMT) and exports will be restored to normal rates of more than 90,000 barrels per day within 24 hours," one of the officials said.

Operations were halted on Monday morning because of a "technical defect" in the pipeline from a field near Dibis, 45 km northwest of Kirkuk, which caused crude to spill. Repairs have taken longer than originally expected, but it was not immediately clear why. - Reuters

2- Saudi Arabian Monetary Agency (SAMA), the central bank of the Kingdom of Saudi Arabia, is among the world largest monetary funds. The fund management is

4- Qatar Investment Authority (QIA) is Qatar's sovereign wealth

Dubai. The fund is concerned with sectors such as: financial services, real estate, tourism and trade, ICD has shares in FlyDubai airlines, Emaar Properties and Emirates NBD bank. Recent estimations

5-

7- Abu Dhabi Investment Coun cil (ADIC) is an investment arm of the Government of Abu Dhabi. It started operations in April 2007 and invested in various assets portfolio. The fund aims to diver-

# Saudi leads Gulf up as foreign investor limits eased

Saudi Arabia led Gulf stocks higher last week as Riyadh eased restrictions on foreign investment in its securities markets, while most other bourses in the region were buoyed by strength in oil prices and global equities at the end of last week.

As previously announced, the Saudi Capital Market Authority lowered minimum qualifications for foreign institutional investors in its markets and raised ceilings on foreign ownership in stocks.

The reforms are not expected to cause a sudden surge of new foreign money into the kingdom; actual foreign ownership of stocks is well below the previous ceilings. Many investors remain deterred by less-than-attractive valuations and a sharp economic slowdown caused by low oil prices.

Nevertheless, the reforms are expected to help stocks in the long term. The main index climbed 1.3 percent on Sunday in a broad-based rise, with petrochemical investment holding company Alujain rising 3.4 percent; before the reforms, foreign institutions directly owned over 4 percent of the company, a relatively

higher percentage.

Emaar the Economic City (EEC) rose 3.5 percent after Reuters quoted a source familiar with the matter as saying Saudi Arabia's top sovereign fund, the Public Investment Fund, was in talks to invest in King Abdullah Economic City, the huge project being developed by EEC.

Insurer Wataniya, which had been languishing at a five-year low, jumped 6.9 percent in its heaviest trade in four years.

In Dubai, the index added 0.7 percent with GFH Financial, the most heavily traded stock, surging 4.6 percent. Abu Dhabi edged down 0.2 percent because of weakness in banks, with First Gulf Bank losing 1.3 percent. Most of the 10 most heavily traded stocks barely moved.

Qatar's index edged up 0.1 percent as the market stabilised in thin trade after falling sharply for two days on profit-taking; late last month, it jumped on hopes for foreign fund inflows when FTSE upgrades Qatar to emerging market status in mid-September. Industries Qatar rose 1.5 percent on Sunday.

# Abu Dhabi's GlobalFoundries to invest \$2bn in new computer chips

US chipmaker GlobalFoundries, which is owned by Abu investment vehicle Dhabi Mubadala, says it will spend more than \$2 billion on new, cutting-edge chips

The firm said in a press statement that it will start making 7 nanometre chips - half the thickness of its current chips at its facility in New York.

GlobalFoundries expects to be able to produce the chips commercially in 2018. "The industry is converging

on 7nm FinFET [a type of chip] as the next long-lived node,

turing high-performance chips.

# Kuwaiti investors looking to buy stake in WH Ireland

Financial services company WH Ireland Group said on Monday that Kuwaiti European Holdings Group (KEH) was considering buying a stake in the company, sending its shares up as much as 28.7 percent.

KEH was close to announcing an agreement to buy nearly 30 percent of WH Ireland shares, and may consider acquiring the London-listed company entirely, Sky News had reported on Saturday

WH Ireland, which offers private wealth management, wealth planning and corporate broking services, did not provide details of the potential deal in its statement.

KEH, an investment company focused on property, health and leisure businesses, did not immediately respond to a request

for comment. The British stockbroker would not be the first to attract investment from the Middle East.

The majority shareholder in WH Ireland's rival Panmure Gordon & Co is Qatari investment bank QInvest, with a 43.43 percent stake, according to Thomson Reuters data. WH Ireland, which has a mar-

ket capitalisation of £26.9 million

(\$35.10 million) as of Friday's close, was fined £1.2 million by Britain's financial regulator in February, for inadequate controls to prevent trading abuses.

The Financial Conduct Authority also banned the company from taking on new customers in its corporate broking division until May 4. The division is focused on small- and mid-cap companies. - Reuters

which represents a unique opportunity for GlobalFoundries to compete at the leading edge, said GlobalFoundries CEO Sanjay Jha in the statement.

"We are well positioned to deliver a differentiated 7nm Fin-FET technology by tapping our years of experience manufacturing high-performance chips, the talent and know-how of our former IBM Microelectronics colleagues and the world-class R&D pipeline from our research alliance. "No other foundry can match this legacy of manufac-

**Oil pares gains after Saudi, Russia** sign pact to stabilise market

Crude oil futures pared gains on Monday after top producers Russia and Saudi Arabia confirmed they had agreed to cooperate on stabilising the oil market, including limiting output.

Brent crude futures for November delivery were up 44 cents per barrel at \$47.27 a barrel at 1413 GMT. They earlier hit a session high of \$49.40 in anticipation of the Russia-Saudi deal. US crude for October delivery was up 60 cents at \$45.04 a barrel, after reaching a high of \$46.53 a barrel earlier.

Saudi Arabia and Russia said on the sidelines of the G20 summit in China they had signed an agreement to set up a task force to review oil market fundamentals and to recommend measures and actions that would secure market stability

Alexander Novak said the two countries were moving to a strategic energy partnership and a high level of trust would allow them to address global challenges. Saudi Energy Minister Khalid al-Falih told a UAEbased television channel he was optimistic about cooperation with other producers ahead of a meeting this month in Algiers, adding

freezing production was not the only solution. Saudi deputy crown prince Mohammed bin Salman told Russian President Vladimir Putin on the sidelines of the same summit that cooperation between

the two countries would bring benefit to the global

"Verbal intervention was again needed to trigger a recovery towards \$50." senior ABN Amro economist Hans van Cleef said.

"After all, if prices remain too low ahead of the (Algiers) meeting, there is a risk that at some point Russia and Saudi Arabia actually need to act. That would probably be the last thing they want as long as Iran is raising output."

Brent rallied to above \$50 a barrel in late August, helped by growing talk of a coordinated production freeze, but prices have since fallen as few believe OPEC will act

Iran, OPEC's third largest producer, has said it would only cooperate in talks to freeze output if fellow exporters recognised its right to fully regain market share.

Iran is ready to raise its output to 4 million barrels per day in a couple of months depending on market demand, a senior official from the National Iranian Oil Company said.

oil market.

Russian Energy Minister



www.meobserver.org

21 September 2016

HOLDIPHARMA The First Notice

The Company Was

2004 : 14001 2005:17025

2008:9001

Awarded ISO Certificates



# The Arab Drug Company for Pharmaceuticals and Chemical Industries

Middle Fast Observer

دىميدك إيت أوبزرق

5, Al-Masanei Street, Al-Amireya - Commercial Register No. 122406, Cairo Registry -The Authorized Capital is L.E. 100 Million - The Issued and Paid-In Capital is L.E. 60 Million - The Number of Shares is Six Million Shares – Subjected to Law No. 203 of the year 1991 – A Subsidiary of The Holding Company for Pharmaceuticals – S.A.E.

# An Invitation to Attend the Company's Ordinary General Assembly Meeting

Dr. Adel Abdel Halim Mostafa, Chairman of the Board of Directors of the Holding Company for Pharmaceuticals and Chairman of the General Assembly of the company, has the honor to invite the shareholders to attend the "ordinary" general assembly meeting determined to be held at 11:30 AM on Saturday, corresponding to 24/9/2016 in Triumph Hotel- Ramsis hall on the 2nd floor (Intersection Of Ihsan Abdel Kodous St. with al khalifa al maamoun st., Heliopolis). The ordinary general assembly business will start right after the unusual general assembly business.

First: The unusual general assembly

In order to consider the following agenda:

1. Amendment of article (18) of the company's regulations, based on the company's board of directors decision on 5/9/2016.

2. Appointing the company's Chairman and Managing Director or whoever appointed by the chairman to run the required procedures with different administrative

bodies and make required amendments demanded by these bodies.

Secondly: The annual general assembly:

In order to consider the following agenda:

Tota

45692

2331

1698 971

1214

144

52049

106

57033

55748

6110

4568

11467

134926

4837

16378

21103

25959

68276

66649

118805

60000

43448

626

277

14455

118805

0

1. The Egyptian Central Auditing Organization's report on the financial state-

ments and the closing accounts for the financial year ended as at 30/6/2016. 2. Approving the board of directors' report on the company's activity for the fi-

Description

Long term fixed assets

Investments available for sale at fair value

Current assets

Credit accounts for authorities and bodies

Current liabilities

Total investments to be financed as follows:

nancial year ending 30/6/2016 and the absolve of the board of directors from the

### responsibility.

3. Approving the financial statements, the closing accounts, accounts of profits and losses as well as the operating results of the company for the financial year ended as at 30/6/2016.

4. Approving the profits appropriation for the said financial year.

5. Determining the disbursement of the annual regular allowance in full, on its due date based on the governing rules thereof.

6. Electing a representative of the shareholders among the corporate bodies from the private sector or individuals as a member of the board of directors of the company, and the shareholders are entitled to submit the nomination applications in accordance with the form prepared for that purpose based on the terms declared by the company on a date of one week at maximum prior to the date of holding the aforementioned meeting.

7. The formation of the Company's Board of Directors.

8. Approving the exceeding amounts of donations.

The shareholders are kindly requested to pay attention to the following:

1. Each shareholder possessing ten shares or more is entitled to attend the general assembly meeting, whether in person or by proxy, and the validity of such proxy is conditional on being granted to a shareholder who is not a member of the board of directors within a percentage not exceeding 10 % of the nominal shares of the capital and not exceeding 20% of the shares represented in the meeting, in addition,

such proxy must be approved.

2. The attendance of the meeting requires that the shareholder should present an approved account statement issued by one of the securities custodians including the blocking of shares balance stated in the account statement for the purpose of attending the general assembly meeting at least three full days prior to the date of

3. The financial statements and the report of the Egyptian Central Auditing Organization are available for the shareholders to be informed thereof at the company's head office at Al-Amireya through the Accountant, Mohsen Mohamed Omar El-Nady as the company's communication and investors relationships officer (Tel.

4. Any inquiries or questions regarding the items of the agenda should be personally submitted in writing to the company's management in the head office in return for a receipt, or be sent by registered mail to the company's address (Post Office Box No. 1343) three days at least prior to holding the general assembly meeting and any inquiries or questions received after the above-mentioned date shall not be considered.

# Dr. Adel Abdel Halim Mostafa

The Chairman of the Board of Directors of The Holding Company for Pharmaceuticals and The Chairman of the General Assembly of The Arab Drug Company for Pharmaceuticals and Chemical Industries

# Total Profit- L.E. 49,3 Million

Net fixed assets

Projects in progress

Deferred tax assets

Intangible assets

Inventory

bonds & treasury bills

Total long term assets

Investments in government

Noncurrent assets held for sale

Customers and notes receivables

less provision amounting to 3887 Debit accounts less provision of 1683

Cash on hand and at banks

Provision (against liabilities)

Suppliers and notes payable

Total current assets

Due to banks

Credit accounts

Working capital

Equity

Reserves

**Total equity** 

**Total current liabilities** 

Issued and paid-in capital

Net profits of the year

Long term liabilities

Revaluation differences of finan-

Carried- forward profits (losses)

cial investments available for sale

The Summarized Financial Position Statement as at 30/6/2016

# Net Profits- L.E. 14,5 Million

Per Thousand

L.E.

30/6/2015

51431

2273

971

1235

121

56031

0

56922

52114

8372

0

3892

121300

2200

19611

30788

20301

72900

48400

104431

60000

43448

647

277

104372

60

# Shareholders' Stake – L.E. 7,5 Million

# The Summarized Cash Flows Statement as at 30/6/2016

Total	Description	30/6/2015
16661	First: Net cash flows from operating activities (1)	(12197)
(3156)	Second: Cash flows from investment activity (2)	(9397)
(5930)	Third: Cash flows from finance activity (3)	21024
7575	Change in cash movement (1+2+3)	(570)
3892	Cash balance at the beginning of the period	4462
11467	Cash balance at the end of the period	3892

## The Summarized Change In Equity for the Financial Period from 1/7/2014 TO 30/6/2015

Description	Opening Balance	Increase	Decrease	Closing Balance
Issued and paid-in capital Reserves	60000	o	0	60000
Legal reserves	1163	0	0	1163
Statutory reserves	20990	0	0	20990
Capital reserves	19782	0	0	19782
Other reserves	1513	0	0	1513
Revaluation differences of in- vestments available for sale	647	0	(22)	626
and the second	44095		(22)	44073
Carried forward profits (losses)	277	0	0	277
Net profits (loss) for the period	0	14455	0	14455
Total equity	104372	14455	(22)	118805

## ummary of the Board of Directors' Report on the Financial Period from 1/7/2015 to 30/6/2016

Description	30/6/2016	30/6/2015	Progress %
Operating income	250173	223893	112%
Operating income Cost	200887	192004	105%
Percentage of the operating in- come cost/ operating income	80%	86%	94%
Net profit before tax	15769	5062	311%
Net profit after tax	14455	5062	286%
Earnings per share in L.E.	2,41	0,84	286%
Cash dividends amount per share (Coupon)	1,25	0,15	833%
Number of Shares (Per thousand)	6000	6000	100%

Proposed Coupon Value- L.E. 1,25

### Inventory Pricing and Valuation:

The inventory of the main raw materials, accessories, spare parts and packaging materials is recorded at cost or the selling value whichever less. The inventory cost is calculated based on the method of the weighted average of cost which includes all expenses incurred by the other selling value is in the intervent condition. The net celling value is to be a selling value which we want to be a selling value in the selling value is to be a selling value which we want to be a selling value in the selling value is to be a selling value which we want to be a selling value in the selling value is to be a selling value which we want to be a selling value in the selling val company to get the inventory into its site in its current condition. The net selling value is company to get the inventory into its site in its current condutor. The net setting value is represented in the expected selling price that shall be attained during the normal course of business after deducting the estimated cost that is required to finalize the selling process. -The inventory of unfinished goods is valuated at industrial cost according to the last phase of production reached or the net selling value (whichever less). -The inventory of finished goods is valuated at industrial cost or the net selling value which-ever less and the industrial cost includes the cost of raw materials and the direct salaries plus a fair share of industrial expenses that is based on the level of normal energy. Capital:

Capital:

The authorized capital amounts to L.E. 100 million distributed over 10 million shares. The

The automized capital amounts to L.E. 100 minion distributed over 10 minion shares. The share's nominal value is ten Egyptian pounds. The issued and paid-in capital amounts to L.E. 60 million distributed over 6 million shares. The share's nominal value is ten Egyptian pounds distributed as follows: 60.3 % The Holding Company for Pharmaceuticals 29.7 % Companies, banks and mutual funds 10 % Federation of Contributing Employees

Financial Investments:

Financial investments: A- Investments in securities available for sale: The financial investments classified as investments available for sale are initially recorded in the financial statements at cost and they are afterwards measured at fair value and the changes in fair value are recorded in a separate item under the caption of "equity". When the asset is excluded, the profits or losses previously recognized are recorded among equity in the income statement except for the losses of impairment in value. When the financial instru-ments classified as investments available for sale are excluded or impaired the accumulated The income statement except on the tosses of impairment water. When the interface misub-ments classified as investments available for sale are excluded or impaired, the accumulated profits or losses previously recorded in equity are transferred to the income statement. B - Financial investments in treasury bills: the government treasury bills are recorded at

### Transactions in Foreign Currencies

The company keeps its accounts in Egyptian pound, and the transactions carried out during The company accept to accounts in Egyptian pound, and unit dataset on a contract of uning the year in foreign currencies are recorded in Egyptian pound. All the balances of the assets and liabilities of monetary nature in foreign currencies are revaluated at the end of each financial period. The foreign exchange differences are recorded in the income statement at the end of each financial period. The Reserves: A statutory reserve was calculated at a percentage amounting to 5 %. The lead reserve was calculated at 5%.

The legal reserve was calculated at 5%. The Assets/ Deferred Tax Liabilities:

The deferred tax liabilities reached the amount of L.E. 1,698 million Egyptian pounds as at 30/6/2016 compared to "L.E. 60 thousand Egyptian pounds "for the previous yea

The Provisions: The provisions: The provisions were formed after carrying out a study to cover the potential risks and the due liabilities. The Tax Position:

1. Sales Tax:

The sales tax for the period from 1/7/2012 until 30/6/2014 was tax inspected and the tax in-spection differences were paid on 9/6/2015 at a cost of 225459.69, taking into consideration that the tax inspection is carried out for one financial year, the sales tax returns are submitted on monthly basis, and the due tax amounts are paid on regular basis.

2. Stamp Tax: The tax inspection was carried out until 31/12/2010, and the tax inspection differences re Incluse Inspection was called on 16/9/2014 at a cost of 286873.951. E. The stamp tax credit was paid at a cost of 500000 L.E on 30/6/2014 and on May 2015. The tax inspection for the period from 1/1/2011 to 30/6/2014 has been conducted. The company was notified with the cost of model 19 stamp on 28/2/2016, costing 269522 L.E.; however, it was objected L2/2016 been conducted. on1/3/2016 being addressed in the internal cor ittee. The internal has agreed on tax inspection differences to cost 203033 L.E. and the payment will be made during September 2016.

the meeting : 22842871 - 01144147676).

Per Thousand

L.E.

L.E.

L.E.

Per Thousand

L.E.

The Sum	marized Income Statement for the Financial Peri from 1/7/2015 to 30/6/2016	od Per Thou L.E
Total	Description	30/6/2015
050170	Operating income	000000
250173 200887	Net operating income	223893 192004
49286	Less: operating income cost	31889
49280	Total profit (loss) Add:	31889
93	Financial investments	107
30	available for sale revenues	107
0	Provisions no longer required	0
•	(other than depreciation)	
563	Other revenues and profits	2034
49942	Less:	34031
690	Lump sum salaries, attendance and	457
	transportation allowances for BOD members	0.000
23585	Other administrative expenses	20718
5478	Provisions (other than depreciation)	746
3910	Other burdens and losses	5466
16279	Net operating profits (before finance	6644
1000	charges and interest income)	1000
1781	Finance charges	2300
176	Interest income	279
14674	Net operating profits	4624
1947	Add or (less):	439
1947	Currency exchange differences profits (losses)	439
(826)	Previous years revenues (expenses)	0
(2)	Capital gains (or losses)	ŏ
(24)	Extraordinary revenues and profits (losses)	ŏ
15769	Net profits (or less) before income tax	5062
3072	Income tax	0
(1758)	Deferred tax	ŏ
14455	Net profit (or less)	5062
2,11	Earnings per share for the period	0,75

# The Proposed (Summarized) Profits Appropriations Statement for the Financial Period from 1/7/2015 to 30/6/2016

Total	Description	30/6/2015
14455 277	Distributable profits Retained earnings from the previous year	4676 (3195)
14731	To be distributed as follows:	1481
1438 11320 1974	Reserves Distributed profits Profits carried forward to the following year	148 1056 277
14731		1481

## The Most Significant Notes Accompanying the Financial Statements for the Financial Year Ended as at 30/6/2016

Company's Profile: The Arab Drug Company for Pharmaceuticals and Chemical Industries is a subsidiary of The Holding Company for Pharmaceuticals (Holdipharma) subjected to the provisions of law No. 203 of the year 1991 and its executive regulations. The company's activity is repre-sented in manufacturing pharmaceutical products, drugs, chemicals, veterinary extracts and drugs, in addition to purchasing and selling all types of products, pharmaceutical preparations and primary materials related to its purposes, and the company is authorized to manufacture products either for third parties or in their premises.

Accounting Policies: The financial statements and the accounts' analysis of the income statement are prepared according to the Egyptian Accounting Standards

The mancial statements and the accounts anarysis of the income statement are prepared according to the Egyptian Accounting standards, legislations and executive regulations in effect. Recording the Fixed Assets and Their Depreciations: The fixed assets are recorded at historical cost less accumulated depreciation and the accumulated losses resulting from the impairment of assets value and they are depreciated according to the straight line method based on the useful life estimated for each type of the fixed assets. The asset is depreciated when it is in place and condition that makes it serviceable in accordance with the manner of operating determined by the management and it is depreciated using the straight line method that is based on the useful life estimated for each type of the fixed exects. of the fixed assets.

September 2016. -The advertising stamp tax due amount is paid on regular basis. 3. Payroll Tax: The tax inspection differences were estimated for the period from 1/1/2004 to 31/12/2007 with an amount of L.E. 4.208 million. The company paid L.E. 1.478 million, however, it objected thereto through form No. (38) on 1/3/2012, and the matter is currently considered before tax re-inspection committee. -The payroll tax was calculated on discretional assessment basis for the period from 1/1/2008 until 31/12/2012 with an amount of L.E. 31.5 million, however, the company ob-jected thereto through form No. (38) – payroll tax, on 26/4/2014, and the matter is currently considered before the tax re-inspection committee while the amount paid thereof amounted to L.E. 4.1 million. -The company pays the due payroll tax amount regularly on monthly basis and the last due

-The company pays the due payroll tax amount regularly on monthly basis and the last due int was paid for the month of July 2016. tax amo 4. Real Estate Tax:

4. Real Estate Tax: The Tax Assessment Form for the period from 1/7/2013 to 31/12/2015 was received on 16/6/2015 in accordance with the new amendment introduced to the law No. 117 for the year 2014 and the tax due amount was paid in July 2015 based on the annual assessment in accordance to law No. 196 of the year 2008, however, the company objected to the Tax Assessment Form and the matter was referred to the appeal committee. As for the company dispublic producted in BL Sharahara, the real estate tax return accord As for the company dispublic producted in BL Sharahara. The real estate tax return accord.

As for the company's warehouses located in El-Sharabeya, the real estate tax return assessment form for the period from 1/7/ 2013 to 31/12/2014 was received and objected thereto in December 2014.

an December 2014. As for the company's summer sea resort located in Al-Ariesh, the real estate tax due amount form till 30/6/2013 was received and the payment was carried out on 24/7/2014. **5. Corporate Tax:** The tax inspection of the year 2008/2009 was carried out in June 2014. The company was

The tax inspection of the year advance on the LE 3.9 million based on form No. (19) and the matter was objected thereto as whole and in details on 24/7/2014. The amount paid thereof amounted to L.E. 2.07 million and the matter is still being considered before the

thereof amounted to L.E. 207 million and the matter is suit being considered before the competent internal committees. The tax inspection of the years 2009/2010 and 2010/2011 was carried out. The company was notified of the tax assessment that amounted to L.E.7.570 million based on form No. (19) and the matter was objected on 3/11/2015.

The tax inspection of the years 2011/2012 and 2012/2013 was carried out. The company was notified of the tax assessment that amounted to L.E 4,896 million based on form No. (10) and the matter was objected on 26/1/2016. The company submits its corrorate tax return on annual basis on its legal due date in the

and the matter was objected on 20/1/2016. The company submits its corporate tax return on annual basis on its legal due date in the month of October each year, the last corporate tax return was submitted in October 2015. The company pays the corporate tax due amount based on the tax returns.

Accountant,

# Ragab Abdel-Raouf Ragab

The Head of the Financial Affairs Sector

Dr. Mona Ahmed Abdel Raouf The Managing Director

Dr. El Saida Abdel Rahman Ahmed

The Chairman of The Board Directors

# The report of the Egyptian Central Auditing Organization on the Summarized Financial Statements as at 30/6/2016 of The Arab Drug Company for Pharmaceticals and Chemical Industries

### The Auditor's Report

To Shareholders of The Arab Drug Company for Pharmaceuticals and **Chemical Industries:** 

We have audited the financial statements of The Arab Drug Company for Pharmaceuticals and Chemical Industries for the financial year ended as at 30/6/2016, from which the summarized financial statements were extracted in accordance with the Egyptian Standards on Auditing and in the light of

Auditors

Accountant Nevein Said Attia General Manager and Department Manager Deputy

Accountant Dia El Deen Mohamed Farouk El Gaml **General Manager and Department Manager Deputy** 

Accountant, Mohamed Abdel Megeed Mohamed General Manager and Department Manager Deputy

the applicable Egyptian laws and regulations. As stated in our report No. (638), dated 7/9/2016, we expressed a qualified opinion on the financial statements of the company for the financial year ended as at 30/6/2016, from which the summarized financial statements were extracted.

In our opinion, the financial statements of The Arab Drug Company for Pharmaceuticals and Chemical Industries are in agreement in all their material aspects with the financial position of the company for the financial year ended as at 30/6/2016.

For the purpose of obtaining a broader and more comprehensive understanding of the company's financial position as at 30/6/2016, its operating results for the financial year then ended, and the scope of our audit works, the complete financial statements of the company for the financial year ended on 30/6/2016 in addition to our report thereon must be referred thereto.

Approved By Accountant

Waffa Mohamed Ali Medan

First Undersecretary and Department Manager

Accountant, Lila Mohamed Abdul Nabbi Undersecretary, Department Manager Senior Deputy

Accountant.

Mahmoud Mohamed Hassan Al-Siman Undersecretary, Department Manager Senior Deputy

- www.meobserver.org



Japan's government has no plan

to invest in state-run oil firm Saudi

Aramco's planned initial public offering, an adviser to Japanese

Prime Minister Shinzo Abe said on

an interview that Japan may jointly invest with Saudi Arabia's govern-

ment in industrial ventures in the

kingdom to help its drive to develop

"Japan will not invest in Saudi

Aramco. Rather, Japan will likely

Bank of America Merrill Lynch

surveyed investment funds man-

agers about the increasing cash

during September. The survey

showed that fund managers

raised cash to 5.5 per cent in

September from 5.4 percent in

August, and the main reasons

were their bearish views on the

markets (42 per cent of manag-

ers) and a preference for cash

over low-yielding equivalents (20

The survey added that 54 per

cent of investors said that both

stocks and bonds prices are ex-

aggerated. In addition 83 per cent

Investors believe that most at-

But Yasutoshi Nishimura said in

Friday.

non-oil industries.

# **Study: Big corporations dominate** list of world's top economic entities

The world's biggest corporations have increased their wealth compared with nation states in the last year, illustrating the growing power of multinational businesses.

21 September 2016

A study by the anticharity Global poverty Justice Now found that the number of businesses in the top 100 economic entities jumped to 69 in 2015 from 63 in the previous year. While many emerging market economies have struggled to grow in the last couple of years, mainly as a result of China's slowdown, many of the world's largest corporations have increased in size. The London-based campaign group said the 10 biggest corporations including Walmart, Apple and Shell - make more money than most countries in the world combined.

The charity blamed governments for bowing

to pressure from multinational firms to promote business-friendly tax regimes above the needs of their citizens. An assessment of the top 200 entities found that many smaller countries were squeezed out. leaving 153 corporations above many nations from Africa, Asia and South America.

The US, China, Germany, Japan, France and the UK make up the top six economic entities followed by Italy, Brazil and Canada. Walmart ranks as the

10th largest, followed by China's electricity monopoly State Grid at number 14, China National Petroleum at 15 and Chinese oil firm Sinopec Group at 16. Apple ranked 26th behind the 18th-placed Royal Dutch Shell, with Exxon Mobil at 21, Volkswagen at 22 and Toyota at 23.

The value of the top 10 corporations was \$285tn responsibilities"

(£215tn), beating the \$280tn worth of the bottom 180 countries, which include Ireland, Indonesia, Israel, Colombia, Greece, South Africa. Iraq and Vietnam. Nick Dearden, the charity's director, said: "The vast wealth and power of corporations is at the heart of so many of the world's problems - like inequality and climate change.

"The drive for shortterm profits today seems to trump basic human rights for millions of people on the planet. These figures show the problem is getting worse.

Global Justice Now said it released the figures to increase pressure on the British government ahead of a UN working group, led by Ecuador, that aims to draw up a binding treaty "to ensure transnational corporations abide by the full range of human rights

of investors believe that Bank of Japan and the European Central Bank will maintain their negative interest levels over the next 12 months. Twenty- six per cent of investors expect the world economy to recover over the next 12 months.

per cent of managers.

Bankof America

**Bank of America's monthly survey:** 

Markets are vulnerable to bonds shock

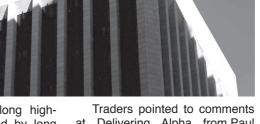
tractive trades were long highquality stocks, followed by long -term investment European and American corporate bonds and long-term investment outperforming market bonds which all depend on negative interest policies. US Investment shares dropped

industries,"he told Reuters.

valued as high as \$4 trillion

ment.

7 per cent less than other shares' allotments, compared to a share of 11 per cent higher than other shares in August.



at Delivering Alpha from Paul Singer of Elliott Management, who was extremely bearish on long-term bonds.

«With the rates that currently exist in global bond markets, the term «safe haven' applied to G7 bonds is just plain wrong. These are not «safe havens.' There is a tremendous amount of risk in owning 10-, 20-, 30-year bonds at these rates,» he said.

Mark Carhart, chief investment officer and founding partner at Kepos Capital, told the conference «The 60/40 portfolio is the biggest risk» for investors. That is the long-popular investment strategy where investors hold 60 per cent stocks and 40 per cent bonds. «I would take as much out of that as you feel comfortable and put it into alternatives» like emerging markets, he said.

The global fund managers surveyed see the biggest tail risk for markets as a disintegration of the European Union, at 23 percent.

Second to that were the 22 percent who see a risk in a Republican winning the White House in November, and 15 percent who worry most about the risk from China devaluing its currency. The concern about the Republican candidate rose from 21 percent in August.

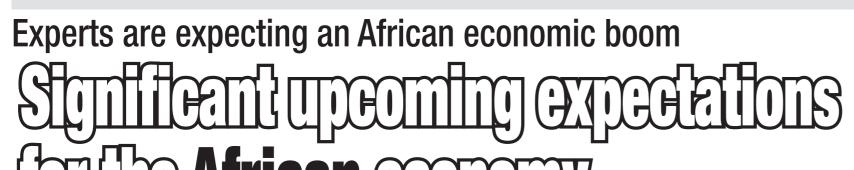
**Africa** 





meeting for consultations and not for to stabilise the oil market to support decision making, Algerian state news prices

according to APS agency, referring to an energy conference between Sept. 26 and Sept. 28





International

# 

n annual report has been released recently about the future of the African economy in 2015; it was submitted by three experts at the African Development Bank (AFDB), Organization for Economic Co-operation and Development and United Nations Development Program (UNDP). Although,

the world's economy suffers a slowdown, the report stresses on the continuous growth of the African economy during the past year. Africa's GDP growth is estimated at 3.6 per cent, compared to the world's GDP growth, 3.1 per cent, and 1.5 per cent of Eurozone GDP growth.



Africa is the second fastest growing economy in the world, preceded by East Asia. Sub-Saharan Africa, excluding South Africa, has witnessed the highest economic growth, 4.2 per cent, among other African countries whereas countries in East Africa seized a growth of 3.6 per cent. North, West and Central Africa's economies witnessed a growth of over 3 per cent whereas South Africa seized 2.2 per cent. Africa's economy is expected to grow by 3.7 per cent in 2016 and it could hike to 4.5 per cent in 2017, according to the report. This expectation depends on factors such as the global economic growth and the price increase of basic commodities.

Furthermore, external cash flows are estimated at \$208bn in Africa as it depends on external cash flows in its economic growth. The African government was able to benefit from the global markets by issuing government bonds.

On the other hand, the world has witnessed sharp increase in prices as a result of certain crises that some countries suffer from. The global economic situation influences each African country differently; countries with abundant resources have low revenues whereas countries that import oil, benefit from the low inflation rate and small numbers of current bank accounts. Other countries suffer a budget deficit as a result of the current financial situation.

The report says that the African growth comes according to internal factors such as developing infrastructure, private sector investments and personal consumption. Investments and expansions in regional markets may pave the way for more economic growth.

Africa's internal trade boom highlights the great opportunities given to the African manufacturers to diversify their products, in addition to the demographical potentials of Africa and the high rate of youth in the African population. The report advises the governments to implement the right policies to make the best use of these potentials

However, three among four Africans suffer harsh living conditions as compared to one among five in the world. The report asserts the importance of structural, organizational reformations and economic stability, in addition to solving energy supply problem to remove the obstacles that hinder economic growth. It is of great significance to invest in the social sectors which provide great opportunities to youth and women and achieve development goals set by African institutions and the international community.

Urban transformation provides several opportunities to fasten the economic and social development, along with putting into consideration the environmental protection. Moreover, such opportunities could be made use of to hit the goals of sustainable development and set a plan to form an African union by 2063.

If governments adopt a comprehensive approach to develop the economy, it will benefit all urban citizens. For instance, urban markets could be linked to rural economies to increase the agricultural production, harvest more crops and increase non-agricultural income.

Urban infrastructure investments are very crucial and need to be expanded so African cities and town could be the drivers of structural development either on the local, national or regional levels. Urban outcomes could be achieved by applying a number of explicit reformations, setting strategies to achieve the outcomes, providing innovative financing methods and exerting efforts to set new effective governance methods that have several levels.

The report asserts that both the current African cooperation toward urban development and the new internal urban agenda, pave the way for addressing policies and how they could be made to push the African urban transformation forward.

### Local factors of growth

The report addresses the local factors that contributed to the African economic growth. Among the factors was agriculture as it boosted the economy and the supply of goods in countries that enjoy good weather. Howcountries, ever.

The second second

such as in East and South Africa, that suffer drought and floods have a slow growth rate.

As for countries that enjoy abundant natural resources, economic growth slowed down as a result of commodities' price increase over the public budgets and investments. Furthermore, the industry was boosted in few countries but it did not witness much growth due to energy shortage.

In regard to demand on commodities in Africa, consumption and investments have been both together the main drivers of growth which helped Africa to be safe from the global economic crises. However, the international demand decrease has affected the African exports negatively, especially mineral and oil exports, in addition to terrorist attacks that influenced tourism negatively.

As most African countries suffer budget deficits, it is of a great importance to balance the debt levels. Accordingly, governments are exerting efforts to apply consistent financial policies, limit expenditures and improve the methods of obtaining taxes. Low exchange rates and current accounts decline have both increased the inflation rate. As a result, suffering countries

> credit policies stricter to face the inflation problem. Other countries witnessed low inflation

were forced to make the

rates because electricity price was decreased which made room for facilitating the credit policies by decreasing the profit rates to encourage growth.

In 2015, net credit flows given to Africa were estimated at \$208bn, lower than the last year's credit flows by 1.8 per cent. Official development aids hiked but financial transfers, which are the main source of net credit flows given to Africa, kept stable. Although, profit rates have jumped up, government bonds have also increased which reflects countries' lack of resources.

Direct foreign investments in the oil and mineral sectors slid in Africa. In addition, mining sector was influenced negatively as a result of basic commodities price fall. Similarly, net flows of shares portfolio, credit and trade credit dropped as a result of the market slowdown and global credit flow situation. Even credit trading among emerging big economies that suffer slowdowns, has dropped. Thus, the report asserts that countries need to make policies that achieve stability of current financial resources and find out new resources in order to develop the infrastructure, train potential employees and recruit them.

Furthermore, the report said that the African economic growth over the last 15 years, has provided new opportunities for trade ex-

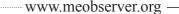
change.

The EU is expected to be the main trade partner of Africa. Also, Tripartite Free Trade Area (TFTA) agreement will be made among the biggest African trading blocs and it could increase the market volume. The agreement is also supposed to increase the African countries' income and integrate the region on the financial level, provided that African governments exert efforts to conduct structural and organizational reformations and stabilize the overall economy. The report suggest that African banks should play the biggest role of financing trade, increase the flow of financial markets and attract new financial resources to finance the internal trade.

African countries have improved its education, health services and the standards of living; however, these improvements are insufficient. Unequal incomes either among countries, in a single country or among men and women, hinders Africa's development.

Africa's development is hindered because youth are not offered opportunities to innovate; sectors such as agriculture and unofficial sector led by marginalized groups have poor development skills. In addition, Africa has few investments in programs such as equality among sexes or empowering women in other spheres, excluding the political sphere.

Africa's average economic growth is 3.7% in 2016 and is expected to jump up to



21 September 2016

# **Memphis Company for Pharmaceuticals** and Chemical Industries

Middle Wast Obserber

دىميدك إيت أوبزرق



Pharm. & Chemical Ind The Company Has Been Awarded ISO Certificates Nos. 9001, 14001 & 18001

The First Notice

MEMPHIS

A Subsidiary of The Holding Company for Pharmaceuticals (S.A.E.) Under the Provisions of Law No. 203 of 1991

8, El-Sawah Street, Al-Amireya, Cairo - Commercial Register No. 31838, Cairo Registry dated 9/4/2006 - The Authorized Capital Amounts to L.E. 100 Million – The Issued and Paid-In Capital Amounts to L.E. 56.250 Million – The Number of Shares Is 5.625 Million

# An Invitation to Attend The Company's Ordinary / Extraordinary General Assembly Meetings

Dr. Adel Abdel Halim Mostafa, the Chairman of the Board of Directors of The Holding Company for Pharmaceuticals and the Chairman of the General Assembly of Memphis Company for Pharmaceuticals and Chemical Industries, has the honor to invite the shareholders of the company to attend the General Assembly Meeting of the company determined to be held at 2:30 PM on Tuesday, corresponding to 27/09/2016 right after wrapping up the Extraordinary General Assembly Meeting, in Ramses Ballroom, Triumph Hotel that is located at the Intersection Of Ihsan Abdel Kodous St. with Al khalifa Al Maamoun st., Heliopolis, Cairo Governorate. First: The Extraordinary General Assembly in Order to Consider the Following Agenda:

1- Amending article No.18 of the Company's Articles of Association based on the Company's Board of Directors resolution No.(299) issued on 8/9/2016.

2- Authorizing the Chairman of the Board of Directors and Managing Director or whom so ever to be delegated to manage the procedures necessary to be taken in coordination with the various competent administrative bodies according to the requirements of such bodies in this regard.

Second: The Ordinary General Assembly Meeting of the Company in Order to Consider the Following Agenda:

1. The report of the Central Auditing Organization on the financial statements and the closing accounts of the company for the financial year ended as at 30/6/2016.

2. Approving the Board of Directors' report on the company's activity for

the above-mentioned financial year and the quittance of the Board of Directors regarding the financial year ending as at 30/6/2016.

3. Approving the financial statements, the closing accounts and the profits and losses account for the financial year ended as at 30/6/2016.

4. Approving the proposed profits appropriations account of the same financial year.

5. Determining the disbursement of the regular annual increment due to the employees in full according to the regulations governing such matter.

6. Electing a representative of the shareholders among the corporate bodies from the private sector or individuals as a member of the Board of Directors of the company. The Shareholders are to submit the nomination application forms according to the form prepared for that purpose, and in accordance with the terms declared at the company, provided that such form is to be submitted one week at most prior to the aforementioned General Assembly Meeting date.

7. The formation of the Company's Board of Directors.

8. Approving the donation amounts overrun.

The shareholders are kindly requested to pay attention to the following:

Each shareholder possessing 10 shares or more is entitled to attend the General Assembly Meeting, in person or by proxy, the validity of such proxy is conditional on being granted to a shareholder who is not a member of the Board of Directors within a percentage not exceeding 10 % of the total nominal shares of the capital and not exceeding 20 % of the shares represented in the meeting, in addition, such proxy must be attested.

2. The attendance of the meeting requires that the shareholder present an approved account statement issued by one of the securities custodians including the blocking of shares balance stated in the account statement for the purpose of attending the General Assembly Meeting at least three full days prior to the date of the meeting.

3. The financial statements and the report of the Egyptian Central Auditing Organization are available for the shareholders to be informed thereof through Accountant, Mohamed Mahmoud Ali in his capacity as the company's communication and investors relationships officer (Tel.: 22841420).

4. Any inquiries or questions regarding the issues of the agenda should be personally submitted in writing to the company's management in the head office in return for a receipt, or to be sent by registered mail to the company's address (Post Office Box No. 92 - Helmiet Al-Zeiton) three days at least prior to holding the General Assembly Meeting; however, inquiries or questions received after that date shall not be considered

> Chairman of the Board of Directors of The Holding Company for Pharmaceuticals and Chairman of the General Assembly of the Company,

# Dr. Adel Abdel Halim Mostafa

# Total Profit Amounts to L.E. 31.363 Million

### The Summarized Financial Position Statement as at 30/6/2016 Per Thousand

The Summ				1				s (1993-1997)	d as at 30		-
Total	Depreciation	Cost	Description	Comparative Year			Description		Oper Bala		Ir
			Long term assets		Issued	d capit	al				_
53330760	143883159	197213919		52983460	Paid-i				56250	0000	_
5271892			Projects in progress	9174413	Reser	ves					
3355165			Long term investments	3355165	Legal		/e		6308	076	
0			Deferred tax liabilities	0	Statut				6983		
61957817			Total long term assets (1)	65513038	Capita				1552		
01557017			Current assets	03313030	Other				1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	The second s	
00050440			Inventory less provision	101461407					8314		_
98958449				121461407	Total r				23159		_
			amounting to 1073775				ard profits/ (lo	sses)			-
84536460			Receivables and notes	55595046			ard losses		0		
			receivable less provision				oss) for the per	iod	0		_
			amounting to 5698565		Total p				15214	221-	1
24054904			Sundry debit accounts	20603896	Total r	eserv	es and profits		7944	816	1
			less provision amount-		Total e	quity			64194	1816	1
			ing to 1581795					_			_
24181579			Cash at banks and on hand	23516610		The Si	ummarized Ca	sh Flo	ws Stater	nent a	
9923076		1	Documentary credits margin			1110 01		311 1 10	ino otatoi	nont a	
251654469			Total current assets	221176959							
			Current liabilities			1	Description		Total	Subte	ota
32227478			Provisions	14990467			beseription		Total	Jun	1.4
148240597			Suppliers and notes payable	137762299							
88904393			Sundry credit accounts	69149385	-		a az - a				
250372468			Total current liabilities	221902151			sh flows from			9027	236
1282000			Working capital (2)	725192-	operat						
63339818			Total investment (1+2) to	64787847	Secon	d: Ca	sh flows from			1629	320
00000010			be financed as follows:	04/0/04/			activity				
							flows from			597	2-
FEDEDOOD			Equity	FROFOCO	financ					007	
56250000	00150007		Issued and paid-in capital	56250000			ash move-	-	10651384	-	_
	23159037		Reserves	23159038	Chang	je in c	asn move-		10051384		
	0		Carried forward profits	0			the period				
	18132778-		Carried forward losses	4909245-			ce at the be-		23428729		
5755837	729578		Profits / losses	10304977-	ginnin	ig of th	he period				
			for the period		Cash	baland	e at the		34080113		
62005837			Total equity (3)	64194816	end of						
1233981			Long term liabilities	593030							_
63239818											
00200010			Total investment fi-	64787846							
		Statement 1 2015 to 30/	nance (3+4) for the Financial Period from	64787846 Per Thousand L.E.	Summ	nary o	of the Board of from Descripti	1/7/20	tors' Rep )15 to 30/		6
The Summa	1/7/		nance (3+4) for the Financial Period from /6/2016	Per Thousand L.E.	Oper	ating	from Descripti income from th	1/7/20 on	)15 to 30/	6/2016	6 /20
			nance (3+4) for the Financial Period from	Per Thousand	Oper	ating 's pha	from Descripti income from the imaceuticals	1/7/20 on	)15 to 30/	6/2010 30/6 308	6 /20 828
he Summa	1/7/		nance (3+4) for the Financial Period from /6/2016	Per Thousand L.E.	Oper pany Oper	ating 's pha ating	from Descripti income from th imaceuticals income cost	1/7/20 on ne com	015 to 30/ 1-	6/2010 30/6 308 276	6 /20 328 595
he Summa Total	1/7/		nance (3+4) for the Financial Period from /6/2016 Description	Per Thousand L.E.	Oper pany Oper Perce	ating 's pha ating entage	from Descripti income from th income cost income cost e of operating i	1/7/20 on ne com	015 to 30/ 1-	6/2010 30/6 308 276	6 /20 828
The Summa Total	1/7/	2015 to 30/	nance (3+4) for the Financial Period from /6/2016 Description	Per Thousand L.E. Comparative year	Oper pany Oper Perce Oper	ating 's pha ating entage ating	from Descripti income from th income cost income cost of operating i income	on ne con	015 to 30/ 1-	6/2010 30/6 308 276 90	6 /20 328 595 0%
The Summa Total 357795471	1/7/	2015 to 30/ Operating Less:	nance (3+4) for the Financial Period from /6/2016 Description	Per Thousand L.E. Comparative year	Oper pany Oper Perce Oper Net p	ating 's pha ating entage ating profit /	from Descripti income from the income cost income cost of operating i income loss before tax	on ne con	015 to 30/ 1-	6/2016 30/6 308 276 90 7	6 /20 328 595 0%
The Summa Total 357795471	1/7/	Operating Less: Operating	nance (3+4) for the Financial Period from /6/2016 Description	Per Thousand L.E. Comparative year 396149440	Oper pany Oper Perco Oper Net p	ating 's pha ating entage ating profit / profit/	from The Description of the provided statement of the provided stateme	ncom	015 to 30/ 1-	6/2016 30/6 308 276 90 7	6 /20 328 595 0%
Total 357795471 326431953-	1/7/	Operating Less: Operating Add:	nance (3+4) for the Financial Period from /6/2016 Description g income	Per Thousand L.E. Comparative year 396149440 382253895	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p	from Descripti income from the income cost e of operating i income loss before tax loss after tax er share in L.E	ncom	015 to 30/ 1-	6/2010 30/6 308 276 90 77 8	6 /20 328 595 0%
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Total 357795471 326431953-	1/7/	Operating Less: Operating Add: Grants & Total prof	nance (3+4) for the Financial Period from /6/2016 Description g income	Per Thousand L.E. Comparative year 396149440 382253895	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p	from Descripti income from the income cost e of operating i income loss before tax loss after tax er share in L.E	ncom	015 to 30/ 1-	6/2010 30/6 308 276 90 77 8	5 /20 328 595 0% 30 39
Total 357795471 326431953- 0	1/7/ Subtotal	Operating Less: Operating Add: Grants & Total prof Add:	nance (3+4) for the Financial Period from (6/2016 Description g income g income cost subsidies it (or loss)	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p	from Descripti income from the income cost e of operating i income loss before tax loss after tax er share in L.E	ncom	015 to 30/ 1-	6/2010 30/6 308 276 90 77 8	5 /20 328 595 0% 30 39
The Summa Total 357795471 326431953- 0	1/7/ Subtotal 1297028	Operating Less: Operating Add: Grants & Total prof Add: Financial	nance (3+4) for the Financial Period from (6/2016 Description income income cost subsidies it (or loss) investments revenues	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p	from Descripti income from the income cost e of operating i income loss before tax loss after tax er share in L.E	ncom	015 to 30/ 1-	6/2010 30/6 308 276 90 77 8	5 /20 328 595 0% 30 39
The Summa Total 357795471 326431953- 0	1/7/ Subtotal	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision	nance (3+4) for the Financial Period from /6/2016 Description g income g income g income cost subsidies it (or loss) investments revenues s no longer required	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p lends	from Descripti income from the income cost of operating i income loss before tax loss after tax er share in L.E per share (Cou	ncom pon)	015 to 30/ 1- e cost /	6/2010 30/6 308 27(6 9) 7 7	5 /20 328 595 0% 30 39 -
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The Summa Total 357795471 326431953- 0 31363519 2057573	1/7/ Subtotal	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision Debts pre Other revo	nance (3+4) for the Financial Period from /6/2016 Description g income g income g income cost subsidies it (or loss) investments revenues s no longer required	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0 0 1948651	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p lends	from Descripti income from the income cost e of operating i income loss before tax loss after tax er share in L.E	ncom pon)	015 to 30/ 1- e cost /	6/2010 30/6 308 27(6 9) 7 7	5 /20 328 595 0% 30 39 -
Total 357795471 326431953- 0 31363519	1/7/ Subtotal	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision Debts pre Other rev Less:	nance (3+4) for the Financial Period from 76/2016 Description g income g income cost subsidies it (or loss) investments revenues s no longer required eviously written off enues and profits	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0 0	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p lends	from Descripti income from the income cost of operating i income loss before tax loss after tax er share in L.E per share (Cou	ncom pon)	015 to 30/ 1- e cost /	6/2010 30/6 308 27(6 9) 7 7	5 /20 328 595 0% 30 39 -
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The Summa Total 357795471 326431953- 0 31363519 2057573	1/7/ Subtotal 1297028 0 760546	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision Debts pre Other rev Less: Lump sum	nance (3+4) for the Financial Period from (6/2016 Description income income cost subsidies it (or loss) investments revenues s no longer required eviously written off enues and profits n salaries, attendance	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0 1948651 16926224	Oper pany Oper Perco Oper Net p Net p Earn	ating 's pha ating entage ating profit / profit/ ings p lends	from T Descripti income from the income cost of operating i income loss before tax loss before tax loss after tax er share in L.E per share (Cou Proposed Pro the Financial I	ncom pon)	015 to 30/ 1- e cost /	6/2010 30/6 308 27(6 9) 7 7	5 /20 328 595 0% 30 39 -
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Total Total 357795471 326431953- 0 31363519 2057573	1/7/ Subtotal 1297028 0 0 760546 654727	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision Debts pre Other revo Less: Lump sun and trans the board	nance (3+4) for the Financial Period from (6/2016 Description income income cost subsidies it (or loss) investments revenues s no longer required viously written off enues and profits n salaries, attendance portation allowances for of directors members	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0 0 1948651 16926224 572505	Oper pany Oper Perco Oper Net p Earn Divid	ating 's pha ating entage ating orrofit / orrofit/ ings p lends	from T Descripti income from the income cost of operating i income loss before tax loss after tax er share in L.E per share (Cou Proposed Pro the Financial I	ncom pon)	ppropriati from 1/7	6/2010 30/6 308 2776 91 7 8	5 /20 328 595 0% 30 39 -
The Summa Total 357795471 326431953- 0 31363519 2057573	1/7/ Subtotal 1297028 0 760546 654727 17955564	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision Debts pre Other rev Less: Lump sun and trans the board Other adm	nance (3+4) for the Financial Period from (6/2016 Description g income g income cost subsidies it (or loss) investments revenues s no longer required viously written off enues and profits m salaries, attendance portation allowances for of directors members ninistrative expenses	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0 0 1948651 16926224 572505 16228283	Oper pany Oper Perco Oper Net p Earn Divid	ating 's pha ating entage ating orrofit / orrofit/ ings p lends	from T Descripti income from the income cost of operating i income loss before tax loss after tax er share in L.E per share (Cou Proposed Pro the Financial I	ncom pon)	ppropriati from 1/7	6/2010 30/6 308 2776 91 7 8	5 /20 328 595 0% 30 39 -
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The Summa Total 357795471 326431953- 0 31363519 2057573 33421092	1/7/ Subtotal 1297028 0 760546 654727 17955564 30000	Operating Less: Operating Add: Grants & Total prof Add: Financial Provision Debts pre Other rev Less: Lump sun and trans the board Other adm Provision and decre	nance (3+4) for the Financial Period from (6/2016 Description income g income g income cost subsidies it (or loss) investments revenues s no longer required voiously written off enues and profits n salaries, attendance portation allowances for of directors members ninistrative expenses s (other than depreciation ease in inventory prices)	Per Thousand L.E. Comparative year 396149440 382253895 0 13895545 1082028 0 1948651 16926224 572505 16228283 0	Oper pany Oper Perco Oper Net p Earn Divid	ating 's pha ating entage ating orrofit / orrofit/ ings p lends	from T Description Description Description Description Description Reserves	on ne con ncom pon) pfits A Period	ppropriati from 1/7	6/2010 30/6 308 276 90 7 8 5 7 8 5 7 7 8 5 7 7 8 7 7 8 7 7 8 7 7 8 7 7 8 7 7 8 7 7 8 7 7 7 8 7 7 7 7 8 7	6 /20 328 695 0% 30 39 - - -
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# Profit Including Tax Amounts to L.E. 730 Thousand

The Summarized Statement of Period Ended			-inancial	Per Thousan L.E.
Description	Opening Balance	Increase	Decrease	Closing Balance
Issued capital				
Paid-in capital	56250000			56250000
Reserves				
Legal reserve	6308076	0	0	6308076
Statutory reserve	6983225	0	0	6983225
Capital reserve	1552810	0	0	1552810
Other reserves	8314957	0	0	8314957
Total reserves	23159037	0	0	23159036
Carried forward profits/ (losses) Carried forward losses	15214221- 0	970516	3889074	18132778 0
Net profit (loss) for the period	0	729578	0	729578
Total profits	15214221-	1700095	3889074	17403200
Total reserves and profits	7944816	1700095	3889074	5755837
Total equity	64194816	1700095	3889074	62005837

## ent as at 30/6/2016

Description	Total	Subtotal	Comparative of total	Comparative of subtotal
First: Net cash flows from operating activity		9027536		4584925-
Second: Cash flows from investment activity		1629820		445674-
Third: Cash flows from finance activity		5972-		1581-
Change in cash move- ment during the period	10651384		5032180-	
Cash balance at the be- ginning of the period	23428729		28460906	
Cash balance at the end of the period	34080113		23428726	

/2016

30/6/2016

308285

276952

ns Statement

015 to 30/6/2016

Subtotal

# The Coupon Cash Dividends -

# The Most Significant Notes Accompanying the Financial Statements and the Financial Position as at 30/6/2016

### First: Company's Profile and Its Activity:

Memphis Company for Pharmaceuticals and Chemical Industries is a subsidiary of The Holding Company for Pharmaceuticals, and is subjected to the provisions of law No. 203 of the year 1991 and its executive regulations. The company's activity is represented in manufacturing the preparations and trading in all kinds of medical, diagnostic, pharmaceuticals, human, veterinary products, cosmetics, special foods and fodder additions, their production requirements, as well as extracting, preparing and composing all types of materials, chemical elements, herbs and others in addition to manufacturing for third parties and in their premises as well as exporting pharmaceuticals and chemicals and importing all kinds of production requirements, including equipment, spare parts, chemicals and production inputs through its factory and its head office in Cairo, in addition to five sale branches located in Cairo, Alexandria, Assuit, Mansoura and Tanta.

Second: The Most Significant Accounting Policies Applied: The financial position and the income statement were prepared according to the decree No. 204 of the year 2001 issued by the Central Auditing Organization and the Egyptian Accounting Standards issued by virtue of the decree of the Minister of Investment No. 242 of the year 2006 as a supplementary framework to the unified accounting system.

### 1. Foreign Currency Translation:

All financial transactions in foreign currencies are recorded in books in the local currency (Egyptian pound), and all transactions carried out in foreign currencies are recorded in books in Egyptian pound based on the prevailing exchange rates on the date of recording the transaction. All the balances of the assets and liabilities of monetary nature in foreign currencies are revaluated at the end of every financial period and the resulting foreign exchange differences are recorded in the income statement

on the Financial Period Per Thousand

30/6/2015

228193

214297

94%

(10305)

(10275)

-

Description

Net profit from Ac/

profits and losses

Carried forward

profits /losses Transferred reserves

Per Thousand

Progress %

(35%)

29%

(4-%)

1312%

11445%

Per Thousand L.E.

Comparativ

year

10375421-

49093450

15184666

Index

# The Auditor's Report on the Summarized Financial Statements of Memphis Company for Pharmaceuticals and Chemical Industries as at 30/6/2016

Accountant Abeer Fakhr El-Din

Accountant Gehan Abo Bakr Mostafa

Accountant, Afaf Mahmoud Ali

Undersecretary, Department Manager Senior Deputy

General Manager and Department Deputy Manager

### To The Shareholders of Memphis Company for Pharmaceuticals and Chemical Industries:

We have audited the attached financial statements of Memphis Company for Pharmaceutical and Chemical Industries for the financial year ended as at 30/6/2016, from which the attached summarized financial statements were extracted, in accordance with the Egyptian Standards on Auditing and in the light of the applicable Egyptian laws and regulations.

As stated in our report, dated 8/9/2016, we expressed a qualified opinion on the financial statements of the company for the financial year ended as at 30/6/2016 from which the attached summarized financial statements were extracted.

We are of the opinion that the attached summarized financial statements are in agreement - in all their material aspects - with the complete financial statements of the company for the financial year ended as at 30/6/2016, and they fairly express the financial position Auditors

Accountant Effat Mostafa Ahmed General Manager and Department Deputy Manager

Accountant, Eman Hassan Ahmed

Undersecretary, Department Manager Senior Deputy

of the company as at 30/6/2016, its operating results and cash flows for the financial year then ended that presented net profit after tax of approximately L.E 88.6 thousand, however, it was not affected by the amount of approximately L.E 9 million in addition to the inadequacy of provisions as stated in our report.

For the purpose of obtaining a broader and more comprehensive understanding of the company's financial position as at 30/6/2016, its operating results for the financial year then ended, and the scope of our audit works, the complete financial statements of the company for the financial year ended as at 30/6/2016 in addition to our report thereon must be referred thereto.

Dated, 8/9/2016

Accountant Mohamed Mahmoud Ali

**Head of Financial Sector** 

Dr. Osama Ibrahim Abdel Satar **Chairman of the Board of Directors** & Managing Director

## 2. Recording the Fixed Assets and Their Depreciations:

The fixed assets are recorded in books at historical cost. Depreciation of assets is computed based on the straight line method and according to the rates determined and set forth in the unified accounting system.

The useful life of the assets whose useful lives are about to expire and are still used in production is revaluated in accordance with the standards related to the fixed assets and their depreciations in compliance with the regular correspondence No. (2) of the year 2004 issued by the specialized sub-committee of the unified accounting system.

## **3. Long Term Investments:**

Long term investments are valuated in the financial statements at cost price (purchase price) as most of the company's investments are not traded in the stock exchange.

### 4. Inventory Valuation:

The valuation of inventory is carried out at cost or the net selling value, whichever less, and such cost is calculated based on the weighted average method. In addition, the finished goods inventory is valuated at cost.

### 5. The Reserves:

The reserves balance reached the amount of L.E. 23 million as at 30/6/2016.

### 6. The Provisions:

The company carries out a detailed study at the end of the financial year concerning all potential liabilities and the formation of the required provisions.

### 7. Long-Term Loans:

The company is currently not liable toward any loan as the Kuwaiti loan was entirely settled in the year 2006/2007. 8. Tax Position:

The company pays the tax due amounts on annual basis in accordance with the company's tax return, and a settlement was carried out with the Tax Authority until the year 2001/2002, while the tax inspection of the period 2002/2009 is currently in process through the internal committees of the Tax Authority. The tax inspection related to the sales tax was carried out until 30/6/2014.

### 9. Revenues Recognition:

The revenues of sales are recognized upon delivering the goods to the client and issuing the invoice.

 The revenues of operating activity for third parties are recognized when the service rendered to the client is valuated and the invoice is issued.

### 10. Issued and Paid-in Capital:

The issued and paid-in capital amounts to L.E. 56.25 million distributed over 5.625 million shares with a share nominal value of L.E. 10 per share, and they are distributed as follows:

- For : The Holding Company for Pharmaceuticals 60 %
- For: The Public and Mutual Funds 30 %
- For: The Union of the Contributing Employees 10 %

Approved By Accountant,

