

NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)

**INTERIM FINANCIAL STATEMENTS AND AUDITOR'S
REVIEW REPORT
FOR THE THREE AND SIX MONTHS PERIODS ENDED
JUNE 30, 2013**

NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

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AUDITOR'S REVIEW REPORT

To the shareholders
National Medical Care Company
(A Saudi Joint Stock Company)
Riyadh, Saudi Arabia

Scope of Review

We have reviewed the accompanying interim balance sheet of National Medical Care Company (a Saudi joint stock company) (the "Company"), as at June 30, 2013, and the related interim statement of income for the three and six months periods then ended and the statements of cash flows and changes in shareholders' equity for the six months period then ended, and the notes which form an integral part of these interim financial statements. These interim financial statements are the responsibility of the Company's management and were prepared and presented to us with all the information and explanation which we required.

We conducted our limited review in accordance with the standard of the interim financial statements issued by the Saudi Organization for Certified Public Accountants. A review consists principally of applying analytical review procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Result of Review

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with generally accepted accounting standards in the Kingdom of Saudi Arabia.

Deloitte & Touche
Bakr Abulhair & Co.



Ehsan A. Makhdoom
License No. 358
Ramadan 10, 1434
July 18, 2013

NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM BALANCE SHEET (UNAUDITED)
AS AT JUNE 30, 2013

	Notes	2013 SR	2012 SR
ASSETS			
Current assets			
Cash and cash equivalent	3	230,647,594	28,722,235
Trade receivables, net	4&5	181,400,825	206,138,071
Accrued revenues and other debit balances		58,685,568	46,016,437
Inventories		52,913,636	33,528,732
Total current assets		523,647,623	314,405,475
Non-current assets			
Projects under construction	10	270,912,257	170,807,219
Property and equipment, net		251,181,058	234,226,709
Intangible assets		300,684	529,486
Total non-current assets		522,393,999	405,563,414
TOTAL ASSETS		1,046,041,622	719,968,889
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		85,339,768	56,152,042
Due to a related party	5	97,965	108,583
Accrued expenses and other credit balances		36,789,762	30,579,279
Short term loans	6	10,083,055	-
Provision for Zakat	7	5,006,323	5,050,194
Total current liabilities		137,316,873	91,890,098
Non-current liabilities			
End-of-service indemnities		48,164,090	44,484,591
Long-term loans	6	87,557,817	20,000,000
Total non-current liabilities		135,721,907	64,484,591
TOTAL LIABILITIES		273,038,780	156,374,689
Shareholders' equity			
Share capital	8	448,500,000	381,000,000
Statutory reserve	9	149,223,696	31,581,729
Capital reserve		1,469,435	1,469,435
Retained earnings		173,809,711	149,543,036
TOTAL SHAREHOLDERS' EQUITY		773,002,842	563,594,200
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,046,041,622	719,968,889

Chief Financial Officer
Yasser Bin Mohammad
Al-Qubidan

Chief Executive Officer
Othman Bin Abdullah
Abahussein

Board Member
Abdulmajeed Bin
Abdullah Almubark

The accompanying notes form an integral part of these interim financial statements

NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

	FOR THE THREE-MONTH PERIOD ENDED JUNE 30		FOR THE SIX-MONTH PERIOD ENDED JUNE 30	
	2013	2012	2013	2012
Revenues and sales, net	142,196,835	137,267,705	287,557,943	266,138,974
Cost of revenues and sales	(113,370,605)	(99,664,835)	(219,986,413)	(193,008,596)
Gross profit	28,826,230	37,602,870	67,571,530	73,130,378
Selling and marketing expenses	(299,647)	(193,390)	(455,834)	(328,157)
General and administrative expenses	(6,885,197)	(7,012,529)	(14,426,514)	(13,665,590)
Income from operations	21,641,386	30,396,951	52,689,182	59,136,631
Other income	1,737,202	1,611,136	3,638,717	3,094,084
Income before tax	23,378,588	32,008,087	56,327,899	62,230,715
Provision for zakat	(1,190,459)	(2,419,009)	(3,021,177)	(3,762,160)
Net profit for the period	22,188,129	29,589,078	53,306,722	58,468,555
Earnings per share – Note (11)				
From operations for the period	0.48	0.80	1.23	1.55
From net income for the period	0.49	0.78	1.25	1.53

Chief Financial Officer
Yasser Bin Mohammad
Al-Qubaisi

Chief Executive Officer
Othman Bin Abdullah
Abahussein

Board Member
Abdulmajeed Bin
Abdullah Almubark

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NATIONAL MEDICAL CARE COMPANY
(SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	2013	2012
OPERATING ACTIVITIES		
Income for the period before zakat	56,327,899	62,230,715
Adjustment for:		
Depreciation	14,586,869	13,528,003
Amortization	92,368	92,368
End-of-service indemnities	7,112,550	5,289,592
Provision for doubtful debts	3,789,141	5,032,186
Changes in operating assets and liabilities:		
Trade receivables	5,421,843	(45,654,310)
Accrued revenues and other debit balances	(21,164,366)	(10,862,751)
Inventories	(17,638,939)	(5,715,506)
Trade payables	23,197,668	7,407,293
Due to a related party	97,965	-
Accrued expenses and other credit balances	(506,135)	(2,535,750)
End-of-service indemnities paid	(4,685,205)	(3,443,169)
Zakat paid	(5,722,823)	(5,938,014)
Net cash from operating activities	60,908,835	19,430,657
INVESTING ACTIVITIES		
Purchase of property and equipment	(20,665,868)	(5,227,507)
Additions to projects under construction	(56,931,854)	(47,430,952)
Net cash used in investing activities	(77,597,722)	(52,658,459)
FINANCING ACTIVITIES		
Increase in share capital	67,500,000	-
Proceeds from share premium	107,146,299	-
Short-term loans	(164,306)	20,000,000
Long-term loans	66,069,578	-
Dividends	(65,032,500)	(47,625,000)
Net cash from (used in) financing activities	175,519,071	(27,625,000)
Change in cash and cash equivalent	158,830,184	(60,852,802)
Cash and cash equivalent, January 1	71,817,410	89,575,037
CASH AND CASH EQUIVALENT, JUNE 30	230,647,594	28,722,235

Chief Financial Officer
Yasser Bin Mohammad
Al-Quhidan

Chief Executive Officer
Othman Bin Abdullah
Abahussein

Board Member
Abdulmajeed Bin
Abdullah Almubark

The accompanying notes form an integral part of these interim financial statements

NATIONAL MEDICAL CARE COMPANY
(SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	Share capital SR	Share premium SR	Statutory reserve Transfer from net income SR	Capital reserve SR	Retained earnings SR	Purposed dividends SR	Total SR
Balance, January 1, 2013	381,000,000	-	42,077,397	1,469,435	185,535,489	-	610,082,321
Increase in share capital (Note 8)	67,500,000	-	-	-	-	-	67,500,000
Share premium (Note 8&9)	-	107,146,299	-	-	-	-	107,146,299
Net income for the period	-	-	-	-	53,306,722	-	53,306,722
Dividends	-	-	-	-	(65,032,500)	-	(65,032,500)
Balance, June 30, 2013	448,500,000	107,146,299	42,077,397	1,469,435	173,809,711	-	773,002,842
Balance, January 1, 2012	381,000,000	-	31,581,729	1,469,435	91,074,481	47,625,000	552,750,645
Net income for the period	-	-	-	-	58,468,555	-	58,468,555
Dividends (Note 13)	-	-	-	-	-	(47,625,000)	(47,625,000)
Balance, June 30, 2012	381,000,000	-	31,581,729	1,469,435	149,543,036	-	563,594,200

The accompanying notes form an integral part of these interim financial statements

**NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013**

1. ORGANIZATION AND ACTIVITIES

National Medical Care Company (the "Company") is a Saudi joint stock company, registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration No. 1010194785 dated Muharram 9, 1425 (corresponding to February 29, 2004). The Company carries out its activities through the following branches:

- Riyadh Care Hospital under commercial registration No. 1010195325 dated Muharram 22, 1425 (corresponding to March 14, 2004).
- National Hospital under commercial registration No. 1010195327 dated Muharram 22, 1425 (corresponding to March 14, 2004).
- Care Pharmaceutical Distribution and Medical Supplies under commercial registration No. 1010301247 dated Safar 14, 1432 (corresponding to January 19, 2011).

The principal activity of the company is in establishing, owning, equipping hospitals and medical centers, health units, managing, maintenance, operating, wholesale and retail trade in medicines, equipment and medical supplies, representing the companies and the ownership of equipped medical vehicles and the non-equipped required to perform it function and provide all kind of medical services as well as services and works that may assist in achieving its purposes or complementary and the ownership of land and real estate.

Based on the company's previous decision to offer its shares for public subscription and transform the company from a Saudi closed joint stock company to a Saudi joint stock company. The capital Market Authority announced its Board decision dated December 23, 2012 which includes the approval of issuance of 6.75 million shares for public subscription at 10 riyals per share. The Company has transformed from a closed joint stock company to a joint stock company by increasing its share capital by SR 67.5 million (Note 8).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with the standard of interim financial reporting issued by the Saudi Organization for Certified Public Accountants. The significant accounting policies followed by the company in preparing the interim financial statements , summarized below, consists with the policies in the audited financial statements for the year ended December 31, 2012. The interim financial statements and notes accompanying should be read with the audited financial statements and notes related, for the year ended in December 31, 2012. In addition, results for the six months ended 30, June 2013 are not necessarily indicator of the results that may be expected for the financial year ending December 31, 2013.

Accounting convention

The interim financial statements are prepared under the historical cost convention, accrual basis and going concern assumption.

NATIONAL MEDICAL CARE COMPANY
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management's estimates

The preparation of interim financial statements in conformity with generally accepted accounting standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the period, although these estimates are based on management's best available information and knowledge in the interim financial statements preparation date, actual results ultimately may differ from those estimates.

Revenue and sales

Revenue is recognized when services are rendered and the Company issues the invoice to customers which is recorded at net amount after discount.

Sales are recognized upon delivery of goods to customers and issuing the invoices.

Accrued revenue

The accrued revenue represents earned revenue for rendered services without issuing invoices to customers.

Cash and cash equivalent

Cash and cash equivalent consist of bank balances, cash on hand and investments convertible to cash with maturities of three months or less from the date of acquisition.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the marketing of the Company's services and marketing and selling goods.

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue as required under generally accepted accounting standards in the Kingdom of Saudi Arabia. Allocations between general and administrative expenses and cost of revenue, when required, are made on a consistent basis.

Projects under construction

Projects under construction is recorded in cost and mainly represents expansions in existing hospitals and establishing medical centers.

Inventories

Inventories are stated at lower of cost or net realizable value. Cost is determined using weighted average cost method except medicines and drugs as its cost are based on first-in first-out (FIFO) method. Management believes that there is no difference in the cost of medicines and drugs if the weighted average cost is used.

NATIONAL MEDICAL CARE COMPANY
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method.

The estimated useful life of principal classes of assets are as follows:

	<u>Years</u>
Buildings	33
Buildings improvements	10
Medical equipment and supplies	6
Elevators and communications equipment	6-7
Furniture, fixtures and office equipment	6-7
Computers and software	5
Vehicles	5

Intangible assets

Intangible assets represent the total cost incurred for medical licenses and amortized over three years from the date of obtaining the license.

Impairment of assets

The Company regularly reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash -generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Borrowing costs

Borrowing costs directly attributable to acquisitions or construction of qualifying assets, which are the assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such times the asset is substantially ready for their intended use or sale. All other borrowing costs are charged against income in the period in which they are incurred.

NATIONAL MEDICAL CARE COMPANY
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of income.

Provision

A provision is recorded in the financial statements when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

End-of-service indemnities

End of service indemnities, required by Saudi Arabian labor law, are provided in the financial statements based on the employees' length of services.

Zakat

The Company is subject to the Regulations of the Department of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis. Zakat charge is computed on the zakat base or adjusted net income, whichever is higher. The provision is charged to interim income statement. Any difference in the estimate is recorded when the final assessment is approved at which time the provision is cleared.

3. CASH AND CASH EQUIVALENT

The cash and cash equivalent at June 30, comprise of the following:

	2013	2012
	SR	SR
Cash in hand	617,061	365,880
Cash at banks	29,488,495	28,350,106
Investment funds	200,542,038	6,249
	230,647,594	28,722,235

Investment funds above represent low-risk and high liquid investments in accordance with the Islamic Shari'a. As at June 30, 2013 the company has approximately SR 200 million in various investment funds.

NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

4. TRADE RECEIVABLES, NET

	2013 SR	2012 SR
Account receivables – Trade	148,037,213	119,462,405
Account receivable – Related party (Note 5)	57,968,148	106,971,931
Provision for doubtful	(24,604,536)	(20,296,265)
	<u>181,400,825</u>	<u>206,138,071</u>

The total balance includes trade receivables amounting to SR 113,728,504 (2012: SR 149,168,930) owed by government and semi-government, and represents approximately 55% of the total receivables balance (2012: approximately 66%).

The movement of provision for doubtful debts is as follows:

	2013 SR	2012 SR
January 1	20,815,395	15,264,079
Provided during the period	7,695,788	9,520,183
Collections during the period	(3,906,647)	(4,487,997)
June 30	<u>24,604,536</u>	<u>20,296,265</u>

5. RELATED PARTIES TRANSACTIONS

Related parties represent associated companies, shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by those parties. Pricing policies and terms of these transactions are approved by the Company's management.

Related party	Nature of relationship
General Organization for Social Insurance	Shareholder
Arab Company for Medical Supply (Owned by Fal Holding Arabia Co. Ltd.)	Affiliate

The significant transactions with related parties included in interim income statement for the period ending June 30 are as follows:

	2013 SR	2012 SR
General Organization for Social Insurance – Medical Services	72,681,315	71,566,404
Arabian Medical Marketing Company Limited – Supplier	<u>138,326</u>	<u>182,339</u>

Due from / to related parties in the interim balance sheet as at June 30 is as follows:

NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

5. RELATED PARTIES TRANSACTIONS (Continued)

Due from related party

	2013 SR	2012 SR
General Organization for Social Insurance	57,968,148	106,971,931

Due to related party

	2013 SR	2012 SR
Arabian Medical Marketing Company Limited	97,965	108,583

Compensation of Key Management Personnel

The remuneration of directors and other members of key management during the period was as follows:

	2013 SR	2012 SR
Board of Directors remuneration and other allowances	830,000	835,500

6. LOANS

- A. On June 27, 2012, the Company has obtained a long-term financing (Tawarruq) amounting to SR 21,988,000 includes profit margin of SR 1,988,000 based on financing agreement signed with a bank on July 18, 2010 with a financing limit of SR 286 million. Loan balance as at June 30, 2013 amounted to S.R 20,985,718. The financing cost is SIBOR plus 2% payable in 8 quarterly installments starting September 2014. This finance is secured by any guarantees required by the bank from time to time.
- B. On October 1, 2012 the company received a short-term Murabaha contract within the same financing agreement above amounted to SR 10,328,611 includes a profit margin of SR 328,611 and is repayable on 30 September 2013. Loan balance as at June 30, 2013 amounted to S.R 10,083,056.
- C. On October 10, 2012 the company has obtained a long-term loan for financing projects amounted to S.R 154,112,000, the company received the first part of this loan which amounted to S.R 66,572,100 on April 28,2013. First installment due after 5 years of the contract date. This loan is secured against real estate mortgage.

**NATIONAL MEDICAL CARE COMPANY
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013**

7. ZAKAT

The interim income statement is charged by approximate amount of zakat based on management estimates and any difference from zakat calculation is adjusted at the end of the year.

The Company has filed its zakat return for all financial years till 2012 and paid zakat due based on these returns. The Company has received assessments of DZIT for all financial years till 2005. Also the Company has obtained the final zakat certificate up to 2012.

The Company received zakat assessment for 2006 and 2007 from DZIT that includes additional payment amounted to SR 0.9 million. The Company has booked additional provision amounted to SR 1,985,146 to meet any future commitment.

8. SHARE CAPITAL

On Zul Qaidah 30, 1433 (corresponding to 16 October 2012) it was approved in the Extraordinary General Assembly meeting to increase the Company's share capital from 381 million to SR 448.5 million by increasing the number of shares from 38.1 million shares to 44.85 million shares with a nominal value of SR 10 per share, which has been approved by the Capital Market Authority on December 23, 2012, through public subscription of 6.75 million shares during the period from Rabi Al-Awal 23, 1434 (corresponding to February 4, 2013) to Rabi Al-Awal 29, 1434 (corresponding to February 10, 2013). The subscription was issued with premium of SR 17 per share with a net amount of SR 107,146,299 after deducting subscription cost. The net premium had been transferred to the statutory reserve in accordance with Article 98 of the Saudi Companies Regulations.

9. STATUTORY RESERVE

In accordance with the Regulations for Companies in Saudi Arabia and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10 percent of the annual net income until the reserve equals 50 percent of the share capital. The net premium amounted to SR 107,146,299 have been transferred to the statutory reserve during the period. This reserve is not available for dividend distribution.

10. CAPITAL COMMITMENTS

During 2009, the Company signed two agreements. One of them for the expansion of National Hospital in Riyadh and establishing of family medical center and the other one is for the supervision of the construction work with total value for both contracts of SR 313,7 million. The cost incurred till June 30, 2013 amounted to SR 270 million (June 30, 2012: SR 170,8 million).

NATIONAL MEDICAL CARE COMPANY
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

11. EARNINGS PER SHARE

Earnings per share are calculated by dividing the operating income and net income by the weighted average number of outstanding shares for the three months period ended June 30, 2013 amounted to 44,85 million shares and for the six months period ended June 30, 2013 amounted to 42,6 million shares (for the three and six months periods ended June 30, 2012: SR 38,1 million shares).

12. SEGMENTAL INFORMATION

The segment information relating to the Company's business activities that is approved by the management as a basis for the preparation of the financial information and is consistent with internal reporting methods. Segments results and assets include items related directly to specific sector and items can be distributed to different sectors according to certain bases.

The Company main business activities are as follows:

- Inpatient and surgeries
- Outpatient clinics
- Other medical sections
- Pharmacies
- General administration\ pharmaceutical medical distribution

The segmental information for the period ended June 30 is as follows:

	Inpatient and surgeries department SR	Outpatient clinics department SR	Other medical section department SR	Pharmacies SR	General administration\ pharmaceutical medical distribution SR	Total SR
2013						
Revenue and sales	62,457,662	35,317,822	110,490,894	54,630,245	24,661,320	287,557,943
Gross profit	15,557,939	8,807,668	27,524,825	15,118,588	562,510	67,571,530
Net Profit	13,849,298	7,838,758	24,501,609	15,118,588	(8,001,531)	53,306,722
Properties and equipment	69,605,672	39,361,798	123,136,498	-	19,077,090	251,181,058
Total assets	115,714,084	65,552,179	204,728,007	101,533,698	558,513,654	1,046,041,622
Total liabilities	17,592,985	9,986,732	31,130,540	15,491,540	198,836,982	273,038,780

NATIONAL MEDICAL CARE COMPANY
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013

12. SEGMENTAL INFORMATION (Continued)

	Inpatient and surgeries department	Outpatient clinics department	Other medical section department	Pharmacies	General administration\ pharmaceutical medical distribution	Total
2012	SR	SR	SR	SR	SR	SR
Revenue and sales	61,848,416	31,918,152	113,368,864	53,869,986	5,133,556	266,138,974
Gross profit	17,653,431	9,211,960	32,362,637	14,040,180	(137,830)	73,130,378
Net profit	15,903,150	8,302,963	29,154,144	14,040,180	(8,931,882)	58,468,555
Properties and equipment	67,755,388	34,684,129	124,186,501	-	7,600,491	234,226,709
Total assets	115,828,957	59,917,709	212,320,979	100,982,235	230,919,009	719,968,889
Total liabilities	16,660,666	8,578,305	30,538,474	14,498,168	86,099,076	156,374,689

13. DIVIDENDS

The General assembly approved in their meeting on April 16, 2013, the recommendation of the Board of Directors to distribute dividend of SR 65,032,500 SR as SR 1.45 per share (2012: S.R 47,625,000 as S.R 1.25 per share).

14. FAIR VALUES RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The listed financial instruments in the financial position statement mainly include cash and cash equivalents, trade receivables, other assets, bank facilities, trade payables, accrued expenses and other liabilities.

Commission rate risk

This represents risks resulting from the fluctuations of the financial instruments as a result of changes in the market commission rates. The Company does not have significant assets or liabilities associated with commission rates, except for the bank facilities. Management believes that the risks related to the fluctuation in commission rates resulting from the bank facilities, if any, are not significant as at June 30, 2013.

Credit risk

It is the risk that other parties will fail to discharge their obligations and cause the other party to incur a financial loss. The Company is not exposed to a significant concentration in credit risk. Customers' receivables are reviewed continuously, aging analysis is performed and allowances are made against any doubtful debts. The receivables balance is stated net of allowance for doubtful debts. The Company keeps its cash funds at local banks with sound credit rating.

**NATIONAL MEDICAL CARE COMPANY
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2013**

**14. FAIR VALUES RISK MANAGEMENT AND FINANCIAL INSTRUMENTS
(Continued)**

Liquidity risk

It is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity is managed by periodically ensuring its availability in amounts sufficient to meet any future commitments.

Currency risk

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign currency exchange rates, and believes that the Company is not exposed to significant currency risk since the Company's functional currency is the Saudi Riyal and the U.S. dollar in addition to Japanese Yen.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties is an arm's length transaction. As the company's financial instruments are compiled under the historical cost convention, differences can arise between the book value and fair value estimate. Management believes that the fair value the company's financial assets and liabilities is not materially different from its carrying value.

15. COMPARATIVE FIGURES

Certain figures for the comparative period have been reclassified to conform with the presentation of the current period.

16. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements have been approved by the Board of Directors on July 18, 2013.