

DALLAH HEALTH CARE HOLDING COMPANY
(A Saudi Closed Joint Stock Company)

INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED SEPTEMBER 30, 2012 AND THE
INDEPENDENT AUDITORS' REVIEW REPORT

DALLAH HEALTH CARE HOLDING COMPANY
(A Saudi Closed Joint Stock Company)
Interim financial statements (unaudited)
For the three-month and nine-month periods ended September 30, 2012

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INDEPENDENT AUDITORS' REVIEW REPORT

October 23, 2012

To the Shareholders of Dallah Healthcare Holding Company
(A Saudi Closed Joint Stock Company)

Scope of review

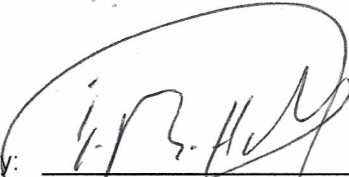
We have reviewed the accompanying interim balance sheet of Dallah Healthcare Holding Company (the "Company") as of September 30, 2012 and the related interim statement of income for the three-month and nine-month periods ended September 30, 2012, and the interim statements of cash flows and changes in shareholders' equity for the nine-month period ended September 30, 2012, and the notes which form an integral part of these interim financial statements. These interim financial statements, which were prepared by the Company and presented to us with all information and explanations which we required, are the responsibility of the Company's management.

We conducted our limited review in accordance with the standard of review of interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial accounting matters. The scope of the limited review is substantially less than an audit conducted in accordance with generally accepted auditing standards generally accepted in Saudi Arabia, the objective of which is the expression of an opinion on the interim 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 accounting principles generally accepted in Saudi Arabia appropriate to the circumstances of the Company.

PricewaterhouseCoopers

By: 
Ibrahim R. Habib
License Number 383

PricewaterhouseCoopers, Kingdom Tower, P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia
T: +966 (1) 465-4240, F: +966 (1) 465-1663, www.pwc.com/middle-east

DALLAH HEALTHCARE HOLDING COMPANY
(A Saudi Closed Joint Stock Company)
Interim balance sheet (unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	As at September 30,	
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	89,187,845	32,489,643
Accounts receivable, net	152,493,581	114,187,463
Inventories, net	37,779,109	31,292,735
Prepayments and other assets, net	57,315,606	45,293,586
Property held for sale	-	7,933,819
Deferred underwriting expenses	8,672,313	5,308,722
Due from related parties	2,936,394	22,844,504
	348,384,848	259,350,472
Non-current assets		
Investments in subsidiary	-	6,470,620
Available for sale investments	11,961,561	10,220,882
Property and equipment, net	407,438,098	365,829,617
	419,399,659	382,521,119
Total assets	767,784,507	641,871,591
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	50,802,977	47,857,617
Short-term murabaha	53,178,505	12,111,450
Accrued expenses and other liabilities	40,292,152	25,829,377
Due to related parties	655,497	14,021,101
Liabilities against capital leases - current portion	612,740	1,217,205
Dividends payable	-	60,000,000
Zakat payable	7,869,881	7,487,148
	153,411,752	168,523,898
Non-current liabilities		
Liabilities against capital lease	-	4,112,740
Employees' termination benefits	46,302,259	37,422,895
	46,302,259	41,535,635
Total liabilities	199,714,011	210,059,533
Shareholders' equity		
Share capital	330,000,000	330,000,000
Statutory reserve	23,671,662	10,219,887
Fair value reserve	(2,872,263)	(4,612,942)
Retained earnings	217,271,097	96,205,113
Total shareholders' equity	568,070,496	431,812,058
Total liabilities and shareholders' equity	767,784,507	641,871,591

The notes on pages 7 to 12 form an integral part of these interim financial statements.

DALLAH HEALTHCARE HOLDING COMPANY
(A Saudi Closed Joint Stock Company)
Interim income statement (unaudited)
For the three-month and nine-month periods ended September 30, 2012
(All amounts in Saudi Riyals unless otherwise stated)

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2012	2011	2012	2011
Operating revenues	143,712,506	115,666,619	458,878,258	385,460,253
Cost of operating	(94,484,032)	(78,075,419)	(284,551,847)	(246,867,453)
Gross profit	49,228,474	37,591,200	174,326,411	138,592,800
Operating expenses				
Selling and marketing	(2,525,824)	(1,527,989)	(6,559,972)	(5,351,308)
General and administrative	(17,181,649)	(14,261,699)	(49,370,625)	(43,685,112)
Provision for doubtful debts	(5,636,227)	(4,154,686)	(18,491,915)	(13,247,273)
Provision for inventory obsolescence	-	(750,042)	-	(2,269,305)
Income from operations	23,884,774	16,896,784	99,903,899	74,039,802
Other income (expenses)				
Other income	1,750,381	807,708	4,804,213	8,581,375
Financial charges	(706,051)	(1,039,604)	(2,061,931)	(1,573,324)
Income before zakat	24,929,104	16,664,888	102,646,181	81,047,853
Zakat	(993,008)	(1,178,427)	(3,659,701)	(3,177,708)
Net income for the period	23,939,096	15,486,461	98,986,480	77,870,145
Earnings per share				
Operating income	0.72	0.51	3.03	2.24
Net income for the period	0.73	0.47	3.00	2.36

The notes on pages 7 to 12 form an integral part of these interim financial statements.

DALLAH HEALTHCARE HOLDING COMPANY
(A Saudi Closed Joint Stock Company)
Interim cash flow statement (unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	For the nine-month period ended September 30,	
	2012	2011
Cash flows from operating activities		
Net income for the period	98,986,480	77,870,145
<u>Adjustments for non-cash items</u>		
Depreciation	21,153,472	18,049,849
Provision for doubtful debts	16,500,392	15,527,692
Provision for employees' termination benefits, net	6,072,209	1,950,305
Loss (gain) on sale of property and equipment	18,384	7,916
Provision for inventory obsolescence	-	2,269,305
Zakat provision	3,659,701	3,177,708
<u>Changes in working capital</u>		
Accounts receivable	(44,736,624)	(23,503,471)
Prepayment and other assets	(7,212,724)	(19,389,530)
Property held for sale	7,933,819	-
Inventories	(7,329,411)	2,155,719
Due from related parties	(457,904)	(9,656,188)
Accounts payable	368,869	(10,035,296)
Accrued expenses and other liabilities	(8,381,688)	3,609,654
Due to related parties	(374,607)	(32,564)
Zakat paid	(3,811,825)	(4,394,373)
Net cash generated from operating activities	82,388,543	57,606,871
Cash flow from investing activities		
Additions to property and equipment	(48,473,181)	(50,256,677)
Proceeds from sale of property and equipment	138,870	4,510
Net cash utilized in investing activities	(48,334,311)	(50,252,167)
Cash flow from financing activities		
Paid dividends	-	(120,000,000)
Liabilities against capital leases	(3,500,000)	5,329,945
Short-term murabaha	(23,871,996)	12,111,450
Deferred underwriting expenses	(2,467,842)	(3,095,972)
Net movement in shareholders' current account	-	63,993,415
Net cash utilized in financing activities	(29,839,838)	(41,661,162)
Net change in cash and cash equivalents	4,214,394	(34,306,458)
Cash and cash equivalents at beginning of the period	84,973,451	66,796,101
Cash and cash equivalents at end of the period	89,187,845	32,489,643
Supplementary information for non-cash transactions		
Increase in capital from retained earnings		31,614,942
Increase in capital from statutory reserve		30,385,058
Assets acquired through increase in capital		(120,000,000)
Write-off of bad debts	6,219,601	13,120,730
Unrealized gain (loss) in available for sale investments	298,683	(676,851)
Write-off bad debts of other receivables	-	398,005

The notes on pages 7 to 12 form an integral part of these interim financial statements.

DALLAH HEALTHCARE HOLDING COMPANY
(A Saudi Closed Joint Stock Company)
Interim statement of changes in shareholders' equity (unaudited)
For the three-month and nine-month periods ended September 30, 2012
 (All amounts in Saudi Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value reserve</u>	<u>Retained earnings</u>	<u>Total</u>
January 1, 2012	330,000,000	13,773,014	(3,170,946)	128,183,265	468,785,333
Net income for the period	-	-	-	98,986,480	98,986,480
Transferred to statutory reserve	-	9,898,648	-	(9,898,648)	(9,898,648)
Net movement during the period	<u>-</u>	<u>-</u>	<u>298,683</u>	<u>-</u>	<u>298,683</u>
September 30, 2012	<u>330,000,000</u>	<u>23,671,662</u>	<u>(2,872,263)</u>	<u>217,271,097</u>	<u>568,070,496</u>
January 1, 2011	148,000,000	32,817,930	(3,936,091)	177,736,925	354,618,764
Increase in share capital	182,000,000	(30,385,058)	-	(31,614,942)	120,000,000
Net income for the period	-	-	-	77,870,145	77,870,145
Transferred to statutory reserve	-	7,787,015	-	(7,787,015)	-
Dividends	-	-	-	(120,000,000)	(120,000,000)
Net movement during the period	<u>-</u>	<u>-</u>	<u>(676,851)</u>	<u>-</u>	<u>(676,851)</u>
September 30, 2011	<u>330,000,000</u>	<u>10,219,887</u>	<u>(4,612,942)</u>	<u>96,205,113</u>	<u>431,812,058</u>

The notes on pages 7 to 12 form an integral part of these interim financial statements.

DALLAH HEALTHCARE HOLDING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the interim financial statements (unaudited) for the three-month and nine-month periods ended September 30, 2012

(All amounts in Saudi Riyals unless otherwise stated)

1 GENERAL INFORMATION

Dallah Healthcare Holding Company (the "Company") was incorporated in the kingdom of Saudi Arabia as a limited liability company under commercial registration No. 1010128530 dated 13 Rabi II 1415H (corresponding to September 18, 1994) in Riyadh. The Company's board of directors declared Dallah Healthcare Holding as a Saudi Joints Stock Company on 14 Jumad I 1429H (corresponding to May 20, 2008).

The objectives of the Company are to operate, manage and maintain the healthcare facilities, wholesale and retail of medicals, surgical equipment, artificial parts, handicapped and hospital equipments in the Kingdom of Saudi Arabia.

The accompanying interim financial statements includes all adjustments which consisting primarily of normal recurring dues and that the Company's management deems necessary to display the preliminary lists of the financial position and the results of income and cash flows fairly. The results of the initial period are not necessarily an accurate indicator of the Company's annual results, financial statements should be read in primary and related disclosures with the audited annual financial statements and notes thereto for the year ended December 31, 2001.

On 11 Rabi Alawal 1432H (corresponding to February 14, 2011) the shareholders of the Company resolved in their Extraordinary General Assembly meeting to increase the share capital from SR 148 million to SR 330 million by increasing the number of shares from 14,800,000 shares to 33,000,000 shares at SR 10 per share. The increase incurred through transferring SR 31.6 million from retained earnings and SR 30.4 million from the statutory reserve, in addition, SR 120 million, which represents a difference in the fair value of the parcels of land transferred to the Company from one of the shareholders and the parcels of land that include the land of the hospital and accommodation and buildings construction on them which were transferred from the same shareholders to the Company. All the legal formalities related to the increase in share capital were finalized during the year ended December 31, 2011.

The accompanying interim financial statements were approved by the Company's Board of Directors on 23 Dul Hijjah 7, 1433H (corresponding to October 23, 2012).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The accompanying interim financial statements have been prepared under the historical cost convention on the accrual basis of accounting as modified by revaluation of available-for-sale investment to fair value and compliance with the accounting standards promulgated by the Saudi Organization for Certified Public Accountants ("SOCPA").

The interim financial statements have been prepared in accordance with interim financial reports standards promulgated by the SOCPA. The accounting policies applied in the preparation of these interim financial statements are in line with those policies used in the preparation of the annual financial statements for the year ended December 31, 2011. Significant accounting policies are summarized as follows.

2.2 Critical accounting estimates and judgments

The preparation of interim financial statements in conformity with generally accepted accounting principles requires the use of certain critical 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 revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management makes estimates and assumptions concerning the future which, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Provision for doubtful debts

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. For significant individual amounts, assessment is made at individual basis. Amounts which are not individually significant, but are overdue, are assessed collectively and a provision is recognized considering the length of time considering the past recovery rates.

DALLAH HEALTHCARE HOLDING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the interim financial statements (unaudited) for the three-month and nine-month periods ended September 30, 2012

(All amounts in Saudi Riyals unless otherwise stated)

(b) Provision for inventories obsolescence

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively, and an allowance applied according to the inventory type and the degree of ageing or obsolescence based on expected selling prices.

2.3 Investments

(a) Subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Unrealized gains on transactions between the Groups' subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Unrealized losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred. The accounting policies related to subsidiaries have been changed when necessary to comply with the accounting policy of the Company. During the period ended September 30, 2011 an investment in a subsidiary was not consolidated due to the decision of the shareholders to liquidate this subsidiary. The liquidation was carried out during the last quarter in 2011 as well as the legal formalities.

(b) Available-for sale investments

Available-for-sale investments principally consist of less than 20% equity investments in certain quoted/unquoted investments including investments in mutual funds. These investments are included in non-current assets unless management intends to sell such investments within twelve months from the balance sheet date. These investments are initially recognized at cost and are subsequently re-measured at fair value at each reporting date as follows:

- (i) Fair values of quoted securities are based on available market prices at the reporting date adjusted for any restriction on the transfer or sale of such investments; and
- (ii) Fair values of unquoted securities are based on a reasonable estimate determined by reference to the current market value of other similar quoted investment securities or is based on the expected discounted cash flows. Where information is not available and there is no indication of impairment in the investment value, and cost is considered the fair value.

Cumulative adjustments arising from revaluation of these investments are reported as separate component of equity as fair value reserve until the investment is disposed.

2.4 Segment reporting

(a) Business segment

A business segment is group of assets, operations or entities:

- (i) Engaged in revenue producing activities;
- (ii) Results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- (iii) Financial information is separately available.

(b) Geographical segment

A geographical segment is group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

DALLAH HEALTHCARE HOLDING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the interim financial statements (unaudited) for the three-month and nine-month periods ended September 30, 2012

(All amounts in Saudi Riyals unless otherwise stated)

2.5 Foreign currency translations

(a) Reporting currency

The interim financial statements of the Company are presented in Saudi Riyals which is the reporting currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the interim income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments with maturities of three months or less from the purchase date.

2.7 Accounts receivable

Accounts receivable are carried at original invoice amount less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Such provisions are charged to the interim income statement. When account receivable is uncollectible, it is written-off against the provision for doubtful debts. Any subsequent recoveries of amounts previously written-off are credited against in the interim income statement.

2.8 Inventories

Inventories are carried at the lower of cost or net realizable value. Cost is determined using weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The provision is provided for obsolescence inventories.

2.9 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation except construction in progress which is carried at cost. Depreciation is charged to the interim income statement, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

	Number of years
• Buildings	16 - 33
• Leasehold improvements	Shorter of estimated useful life (5) or lease period
• Machinery and equipment	3 - 10
• Medical equipment	6 - 8
• Furniture and fixtures	5 - 10
• Motor vehicles	4

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the interim income statement.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the interim income statement as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

DALLAH HEALTHCARE HOLDING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the interim financial statements (unaudited) for the three-month and nine-month periods ended September 30, 2012**

(All amounts in Saudi Riyals unless otherwise stated)

2.10 Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are Company at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current assets other than intangible assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of operations. Impairment losses recognized on intangible assets are not reversible.

2.11 Accounts payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

2.12 Provisions

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

2.13 Zakat

The Company is subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax (the "DZIT"). Provision for zakat for the Company is charged to the interim income statement. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined. The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

2.14 Employees' termination benefits

Employees' termination benefits required by Saudi Labor and Workman Law are accrued by the Company and charged to the interim income statement. The liability is calculated; as the current value of the vested benefits to which the employee is entitled, should the employee leave at the interim balance sheet date. Termination payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

2.15 Revenues

Revenues are recognized upon providing the services to customers and sales in recognized upon delivery of products to customers.

2.16 Selling, marketing and general and administrative expenses

Selling, marketing and general and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under generally accepted accounting principles. Allocations between selling, marketing and of general and administrative expenses, cost of revenues, when required, are made on a consistent basis.

2.17 Islamic murabaha

Islamic murabaha are recognized at the proceeds received, net of transaction costs incurred, if any. Murabaha costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of those assets. Other murabaha costs are charged to the interim income statement.

2.18 Earnings per share

Earnings per share from operating revenues and net income for the three-month and nine-month periods ended September 30, 2012 and 2011 are calculated based on the weighted average number of shares outstanding during the period amounting to 33 million shares.

DALLAH HEALTHCARE HOLDING COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the interim financial statements (unaudited) for the three-month and nine-month periods ended September 30, 2012

(All amounts in Saudi Riyals unless otherwise stated)

2.19 Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of net income for the year to a statutory reserve until such reserve equals 50% of the share capital. This reserve currently is not available for distribution to the shareholders.

2.20 Leases

a) Capital leases

The Company accounts for property and equipment acquired under capital leases by recording the assets and the related liabilities. These amounts are determined on the basis of the present value of minimum lease payments. Financial charges are allocated to the lease term in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation on assets under capital leases is charged to income applying the straight-line method at the rates applicable to the related assets.

b) Operating leases

Rental expenses under operating leases are charged to the interim income statement over the period of the respective lease. Rental income is recognized on the accrual basis in accordance with the terms of the contracts.

2.21 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by shareholders of the Company.

2.22 Reclassifications

Certain reclassifications have been made in the comparative period ended September 30, 2011 financial statements to conform with the period ended September 30, 2012 presentation.

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments carried on the interim balance sheet include cash and cash equivalents, available for sale investments, accounts receivable, due from/to related parties, prepayments and other assets, short-term murabaha, accounts payable and accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial asset and liability is offset and net amounts reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Risk management is carried out by senior management. The most important risks are currency risk, credit risk, liquidity risk and fair value risk.

3.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk as its transactions are principally in Saudi Riyals and US dollars.

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk. Cash is placed with banks with sound credit ratings. Accounts receivable are carried net of provision for doubtful debts.

3.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

DALLAH HEALTHCARE HOLDING COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the interim financial statements (unaudited) for the three-month and nine-month periods ended September 30, 2012**

(All amounts in Saudi Riyals unless otherwise stated)

3.4 Fair value

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

4 SEGMENTAL INFORMATION

The Company consists of the following main business segments:

- a) Dallah Hospital
- b) Dallah Pharma
- c) Head office

The following is a summary of selected financial information as at September 30 and for the nine-month period ended September 30, 2012 to the above-mentioned business segments:

	September 30, 2012 (Unaudited)			
	Dallah Hospital	Dallah Pharma	Head Office	Total
Operating revenues	408,814,102	33,652,490	16,411,666	458,878,258
Cost of operating	(255,548,906)	(17,194,140)	(11,808,801)	(284,551,847)
Gross profit	153,265,196	16,458,350	4,602,865	174,326,411
Net income (loss) for the period	95,912,053	9,939,540	(6,865,113)	98,986,480
Total assets	619,880,394	44,980,957	102,923,156	767,784,507
Total liabilities	118,322,259	16,213,738	65,178,014	199,714,011
	September 30, 2011 (Unaudited)			
	Dallah Hospital	Dallah Pharma	Head Office	Total
Operating revenues	350,496,626	23,917,341	11,046,286	385,460,253
Cost of operating	(223,292,132)	(14,525,585)	(9,049,736)	(246,867,453)
Gross profit	127,204,494	9,391,756	1,996,550	138,592,800
Net income (loss) for the period	79,941,849	6,583,428	(8,655,132)	77,870,145
Total assets	522,903,821	38,192,767	80,775,003	641,871,591
Total liabilities	96,514,380	13,586,099	99,959,054	210,059,533

5 SUBSEQUENT EVENTS

Subsequent to the date of this interim financial statement on Dhul Qadah 28, 1433H (corresponding to October 14, 2012) Capital Market Authority approved the issuance of 14,200,000 new shares of the company shares for initial public offering to increase its share capital from SR 330 million to SR 472 million. New shares are expected to be issued during the period from Muharram 5, 1434H (corresponding to November 19, 2012) to Muharram 11, 1434H (corresponding to November 25, 2012).