

GULF MEDICAL PROJECTS COMPANY
PUBLIC SHAREHOLDING COMPANY

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2021**

GULF MEDICAL PROJECTS COMPANY (PJSC)

Condensed Consolidated Interim Financial Statements

For the Three Months Period Ended 31 March 2021

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**Review Report on Condensed Consolidated Interim
Financial Statements to the Board of Directors of
Gulf Medical Projects Company
Public Shareholding Company**

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of **Gulf Medical Projects Company (PJSC) (the "Company") and Its Subsidiary (together referred to as the "Group")** which comprise the condensed consolidated interim statement of financial position as at 31 March 2021 and the condensed consolidated interim statement of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 31 March 2021 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The condensed consolidated interim financial statements of the Group for the three months period ended 31 March 2020 were reviewed by another auditor who expressed an unmodified conclusion on 28 May 2020. Furthermore, the consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on consolidated financial statements on 7 February 2021.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL



Ali Hasan Shalabi
Licensed Auditor No. 34

Sharjah, 6 May 2021


GULF MEDICAL PROJECTS COMPANY (PJSC)
 Condensed Consolidated Interim Statement of Financial Position
 As at 31 March 2021

EXHIBIT A


	Note	31 March 2021 (Unaudited) AED '000'	31 December 2020 (Audited) AED '000'
ASSETS			
Non-Current Assets			
Property and equipment	4	738,727	744,537
Intangible assets	5	2,035	2,141
Right-of-use assets	6	1,479	--
Investment properties	7	86,924	86,924
Investments at fair value through other comprehensive income (FVTOCI)	8	138,811	134,047
Total Non-Current Assets		967,976	967,649
Current Assets			
Inventories	9	13,728	13,985
Due from an associate	10	2,547	2,709
Investments at fair value through profit or loss (FVTPL)	8	27,464	129
Accounts receivable and others	11	142,938	174,964
Cash and bank balances	12	88,787	147,540
Total Current Assets		275,464	339,327
TOTAL ASSETS		1,243,440	1,306,976
EQUITY AND LIABILITIES			
Equity			
Share capital	13	698,916	698,916
Reserves		288,402	288,402
Cumulative change in fair value of investment measured at fair value through other comprehensive income		(169,405)	(174,169)
Retained earnings		198,385	259,468
Net equity attributable to equity holders of the parent company		1,016,298	1,072,617
Non-controlling interest	14	40,959	38,104
Total Equity – Exhibit C		1,057,257	1,110,721
Non-Current Liabilities			
Employees' end of service benefits	15	18,545	18,800
Lease liabilities	16	642	--
Bank loans	17	--	11,750
Total Non-Current Liabilities		19,187	30,550
Current Liabilities			
Accounts payable and others	18	119,157	118,705
Lease liabilities	16	839	--
Bank loans	17	47,000	47,000
Total Current Liabilities		166,996	165,705
TOTAL EQUITY AND LIABILITIES		1,243,440	1,306,976

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements were approved for issue
 on behalf of the Board of Directors on 6 May 2021



 Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi
 (Chairman)



 Salem Abdullah Salem Al - Hosani
 (Vice Chairman)

GULF MEDICAL PROJECTS COMPANY (PJSC)
 Condensed Consolidated Interim Statement of Income
 For the Three Months Period Ended 31 March 2021 (Unaudited)

EXHIBIT B

	Note	Three months period ended	
		31 March 2021 AED '000'	31 March 2020 AED '000'
Revenue	20	124,778	130,799
Cost of revenue	21	(89,561)	(96,407)
Gross profit		35,217	34,392
Fair value gain/(loss) of investments at FVTPL		1,308	(27)
Loss from an associate		(14)	(286)
Other income		4,168	5,483
Administrative expenses	22	(25,620)	(24,921)
Finance cost		(290)	(761)
Profit for the Period – Exhibit C & D		14,769	13,880
Attributable To :			
Equity holders of the parent company		11,914	11,961
Non-controlling interest		2,855	1,919
Total		14,769	13,880
Basic earnings per share (AED)	23	0.017	0.017

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

GULF MEDICAL PROJECTS COMPANY (PJSC)Condensed Consolidated Interim Statement of Comprehensive Income
For the Three Months Period Ended 31 March 2021 (Unaudited)**EXHIBIT B (CONTINUED)**

	Three months period ended	
	31 March 2021	31 March 2020
	AED '000'	AED '000'
Profit for the period	<u>14,769</u>	<u>13,880</u>
Other comprehensive income :		
Items that will not be reclassified subsequently to profit or loss		
Increase/(decrease) in fair value of investments at FVTOCI	<u>4,764</u>	<u>(55,675)</u>
Total other comprehensive income/(loss)	<u>4,764</u>	<u>(55,675)</u>
Comprehensive income/(loss) for the period - Exhibit C	<u><u>19,533</u></u>	<u><u>(41,795)</u></u>
Attributable to :		
Equity holders of the parent company	<u>16,678</u>	<u>(43,714)</u>
Non-controlling interest	<u>2,855</u>	<u>1,919</u>
Net Amount	<u><u>19,533</u></u>	<u><u>(41,795)</u></u>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

GULF MEDICAL PROJECTS COMPANY (PJSC)

Condensed Consolidated Interim Statement of Changes in Equity
For the Three Months Period Ended 31 March 2021 (Unaudited)

EXHIBIT C

Attributable to equity holders of the parent company

	Share capital AED '000'	Reserves AED '000'	Cumulative change in fair value of investment measured -FVTOCI AED '000'	Retained earnings AED '000'	Total AED '000'	Non-controlling interest AED '000'	Total AED '000'
Balance at 1 January 2020 (Audited)	698,916	284,947	(167,311)	299,736	1,116,288	31,289	1,147,577
Profit for the three months period ended 31 March 2020 - Exhibit B	--	--	--	11,961	11,961	1,919	13,880
Other comprehensive loss	--	--	(55,675)	--	(55,675)	--	(55,675)
Total comprehensive (loss)/income (Unaudited)	--	--	(55,675)	11,961	(43,714)	1,919	(41,795)
Cash dividends	--	--	--	(69,892)	(69,892)	--	(69,892)
Board of directors remuneration	--	--	--	(5,841)	(5,841)	--	(5,841)
Balance at 31 March 2020 (Unaudited)	698,916	284,947	(222,986)	235,964	996,841	33,208	1,030,049
Balance at 1 January 2021 (Audited)	698,916	288,402	(174,169)	259,468	1,072,617	38,104	1,110,721
Profit for the three months period ended 31 March 2021 - Exhibit B	--	--	--	11,914	11,914	2,855	14,769
Other comprehensive income	--	--	4,764	--	4,764	--	4,764
Total comprehensive income (Unaudited)	--	--	4,764	11,914	16,678	2,855	19,533
Cash dividends	--	--	--	(69,892)	(69,892)	--	(69,892)
Board of directors remuneration	--	--	--	(3,105)	(3,105)	--	(3,105)
Balance at 31 March 2021 (Unaudited) - Exhibit A	698,916	288,402	(169,405)	198,385	1,016,298	40,959	1,057,257

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GULF MEDICAL PROJECTS COMPANY (PJSC)
Condensed Consolidated Interim Statement of Cash Flows
For the Three Months Period Ended 31 March 2021(Unaudited)

EXHIBIT D

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	AED '000'	AED '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period – Exhibit B	14,769	13,880
Adjustments for:		
Depreciation of property and equipment	6,285	7,644
Depreciation of right-of-use assets	209	--
Amortization	106	85
Fair value (gain)/loss of revaluation of investments at FVTPL	(1,308)	27
Loss from an associate	14	286
Provision for impairment of accounts receivable	7,578	6,214
Gain on sale of property and equipment	(30)	(334)
Employees end of service benefits	1,027	1,438
	<hr/>	<hr/>
Operating cash flows before changes in operating assets and liabilities	28,650	29,240
Decrease/(increase) in inventories	257	(1,457)
Decrease in due from an associate	148	162
Decrease in accounts receivable and others	24,448	6,603
Increase/(decrease) in accounts payable and others	452	(8,096)
Settlements of employees end of service benefits	(1,282)	(413)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	52,673	26,039
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in fixed deposits	62,036	65,965
Purchase of property and equipment	(475)	(2,408)
Proceeds from sale of property and equipment	30	491
Purchase of investments at FVTPL	(26,027)	--
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	35,564	64,048
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(207)	--
Repayments of bank loans	(11,750)	(13,300)
Cash dividends paid	(69,892)	(69,892)
Board of directors remuneration paid	(3,105)	(5,841)
	<hr/>	<hr/>
Net Cash Used in Financing Activities	(84,954)	(89,033)
Net increase in cash and cash equivalents	3,283	1,054
Cash and cash equivalents at beginning of period	73,279	47,375
	<hr/>	<hr/>
Cash and Cash Equivalents at end of Period - Note 24	<u>76,562</u>	<u>48,429</u>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

GULF MEDICAL PROJECTS COMPANY (PJSC)

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

1. STATUS AND ACTIVITIES

Gulf Medical Projects Company – Sharjah (hereinafter referred to as the “**Company**”) is a public shareholding company incorporated in Sharjah by an Amiri Decree No.48/79 issued by His Highness The Ruler of Sharjah on 2 August 1979.

The main activities of the company and its subsidiary (collectively referred to as “**the Group**”) are general hospital, general clinic, import, hospitals management, construction of medicine product factories, trading in medical equipment and its instruments, medicine and medical tools.

The Company is domiciled in Sharjah city and its registered address is P.O. Box : 5385, Sharjah, United Arab Emirates.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed consolidated interim financial statements for the three months period ended 31 March 2021 have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" and also comply with the applicable requirements of the laws in the UAE.

Condensed consolidated interim financial statements does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated audited financial statements as at and for the year ended 31 December 2020. In addition, results for the three months period ended 31 March 2021 for the Group are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2021.

2.2 Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention except for investment properties, land and financial instruments which has been measured on the basis of fair value/valuation.

These condensed consolidated interim financial statements are presented in Arab Emirates Dirham (AED), which is the Group’s Functional Currency. Amounts in the condensed consolidated interim financial statements are rounded to the nearest Thousand Arab Emirates Dirham (AED. '000').

2.3 Use of estimates, assumptions and judgements

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as that were applied to consolidated financial statements for the year ended 31 December 2020.

GULF MEDICAL PROJECTS COMPANY (PJSC)

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

2. BASIS OF PREPARATION (CONTINUED)

2.4 Financial risk management

The Group's financial risk management objective and policies are consistent with those disclosed in audited consolidated financial statements for the year ended 31 December 2020.

2.5 Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the parent company and entity controlled by the Company (its subsidiary). Control is achieved when the Group has :

- The Group has power over the investee.
- The Group is exposed, or has rights, to variable returns from its involvement with the investee.
- The Group has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts circumstances whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the period is included in the condensed consolidated interim statement income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the equity holders of the parent company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies.

All intragroup balances and income, equity and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group ownership interests in subsidiaries that do not result in the Group losing control over subsidiaries are accounted for as equity transactions. The carrying amounts of the Group interests and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

The details of the subsidiary is as follows :

<u>Company</u>	<u>% of ownership</u>		<u>Principal activities</u>	<u>Country of incorporation</u>
	<u>31 March 2021</u>	<u>31 March 2020</u>		
Al Zahra (Pvt.) Hospital Dubai (L.L.C)	68.38	68.38	General Hospital	UAE

GULF MEDICAL PROJECTS COMPANY (PJSC)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited annual consolidated financial statements for the year ended 31 December 2020.

The new revised relevant IFRSs effective from 1 January 2021 had no significant impact on the condensed consolidated interim financial position or performance of the Group during the period.

GULF MEDICAL PROJECTS COMPANY (PJSC)

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

4. PROPERTY AND EQUIPMENT

a) The details of this item are as follows :

Cost /Revaluation :	Land AED '000'	Hospital buildings AED '000'	Hospital furniture and equipment AED '000'	Motor vehicles AED '000'	Other furniture and equipment AED '000'	Capital work- in-progress AED '000'	Total AED '000'
At 1 January 2020	255,018	555,314	119,285	5,342	14,607	20,383	969,949
Additions during the year	--	567	6,073	823	202	80	7,745
Disposals during the year	--	--	(103)	(622)	(50)	--	(775)
Transfers	--	18,654	379	--	1,365	(20,398)	--
At 31 December 2020	255,018	574,535	125,634	5,543	16,124	65	976,919
Additions during the period	--	33	261	--	181	--	475
Disposals during the period	--	--	--	(600)	--	--	(600)
Balance at 31 March 2021	255,018	574,568	125,895	4,943	16,305	65	976,794
Accumulated Depreciation :							
At 1 January 2020	--	97,445	91,059	4,672	12,621	--	205,797
Charged for the year	--	15,535	9,857	622	1,175	--	27,189
Relating to disposals	--	--	(91)	(467)	(46)	--	(604)
At 31 December 2020	--	112,980	100,825	4,827	13,750	--	232,382
Charged for the period	--	3,960	1,988	77	260	--	6,285
Relating to disposals	--	--	--	(600)	--	--	(600)
Balance at 31 March 2021	--	116,940	102,813	4,304	14,010	--	238,067
Net Book Value :							
At 31 March 2021 - Exhibit A (Unaudited)	255,018	457,628	23,082	639	2,295	65	738,727
At 31 December 2020 - Exhibit A (Audited)	255,018	461,555	24,809	716	2,374	65	744,537

b) Land of AED. 255,018 thousand mentioned above includes AED. 250,481 thousand represents the fair value of a plot of land measuring 350,000 square feet registered with the concerned government department in the name of the subsidiary. This land is mortgaged with a local bank against the credit facilities granted by the bank.

c) Capital work-in-progress of AED. 65 thousand mentioned above represent the total cost incurred for the approach road.

GULF MEDICAL PROJECTS COMPANY (PJSC)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

5. INTANGIBLE ASSETS

This item consists of the following :

	<u>Software</u> AED '000'
Cost :	
At 1 January 2020	3,017
Additions	440
At 31 December 2020	<u>3,457</u>
Balance at 31 March 2021	<u>3,457</u>
Accumulated Amortization :	
At 1 January 2020	950
Charged for the year	366
At 31 December 2020	<u>1,316</u>
Charged for the period	<u>106</u>
Balance at 31 March 2021	<u>1,422</u>
Net book Value :	
At 31 March 2021 – Exhibit A (Unaudited)	<u>2,035</u>
At 31 December 2020 – Exhibit A (Audited)	<u>2,141</u>

6. RIGHT-OF-USE ASSETS

The movement of right-of-use assets are summarized as follows :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Cost :		
At 1 January	--	--
Addition during the period/year	1,688	--
Balance at end of the period/year	<u>1,688</u>	<u>--</u>
Accumulated Depreciation :		
At 1 January	--	--
Charged for the period/year	209	--
Balance at end of the period/year	<u>209</u>	<u>--</u>
Net book value at the end of the period/year – Exhibit A	<u>1,479</u>	<u>--</u>

7. INVESTMENT PROPERTIES

a) This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Fair value at 1 January	86,924	92,321
Decrease in fair value	--	(5,397)
Fair Value at end of the period/year – Exhibit A	<u>86,924</u>	<u>86,924</u>

GULF MEDICAL PROJECTS COMPANY (PJSC)

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

7. INVESTMENT PROPERTIES (CONTINUED)

b) Investment properties of AED. 86,924 thousand mentioned above represent the fair value at the review report date as per management estimate.

c) Investment properties represent investments in land and real estates in the United Arab Emirates.

8. FINANCIAL ASSETS

Financial assets comprise of the following :

a) Investments at fair value through other comprehensive income (FVTOCI)

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Fair value at 1 January	134,047	161,076
Sales during the period/year	--	(20,171)
Increase/(decrease) in fair value	4,764	(6,858)
Fair value at end of the period/year – Exhibit A	138,811	134,047

Investments at FVTOCI represent investments in securities quoted in the local stock markets.

b) Investments at fair value through profit or loss (FVTPL)

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Fair value at 1 January	129	109
Purchases during the period/year	26,027	--
Increase in fair value	1,308	20
Fair Value at end of the period/year - Exhibit A	27,464	129

Investments at FVTPL represent investment in securities quoted in local and regional stock markets.

9. INVENTORIES

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Goods for sale (drugs and cosmetics)	7,096	7,001
General stores and hospital supplies	7,222	7,574
Provision for slow-moving items	(590)	(590)
Net Amount – Exhibit A	13,728	13,985

GULF MEDICAL PROJECTS COMPANY (PJSC)

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Group enters into various transactions with related parties. Related parties represent major shareholders, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. The prices and terms of these transactions are agreed with the Group's management.

- **Due from an Associate**

This item represents the amount due from Gulf Medical Commercial Agencies (LLC) – Sharjah. As per the management contract the associate is managed and financed by the Group in return for the yearly profit/(loss) generated by the associate which has been included in the condensed consolidated interim statement of income for the Group. The details of the movement in this account are as follows :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Balance at 1 January	2,709	3,676
Net funds received from an associate	(148)	(379)
Loss for the period/year transferred	(14)	(588)
Balance at end of the period/year – Exhibit A	<u>2,547</u>	<u>2,709</u>

- The following are the details of significant related parties transactions :

	<u>Three months period ended</u>	
	<u>31 March 2021</u> <u>(Audited)</u> AED '000'	<u>31 March 2020</u> <u>(Unaudited)</u> AED '000'
Purchases	817	9
Expenses	145	145

- The remuneration, salaries and other benefits of Board of Directors and other members of key management during the period are as follows :

	<u>Three months period ended</u>	
	<u>31 March 2021</u> <u>(Audited)</u> AED '000'	<u>31 March 2020</u> <u>(Unaudited)</u> AED '000'
Board of directors remuneration	3,105	5,841
Board of directors and committee expenses	42	67
Key management salaries and other related benefits	2,015	1,930

GULF MEDICAL PROJECTS COMPANY (PJSC)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Period Ended 31 March 2021

11. ACCOUNTS RECEIVABLE AND OTHERS

a) This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Accounts receivable	221,985	231,286
Provision for impairment of accounts receivable – Note 11(b)	<u>(92,421)</u>	<u>(95,557)</u>
Net Amount	129,564	135,729
Prepaid expenses	5,361	5,384
Recoverable tax	4,415	4,252
Post-dated cheques received	169	123
Refundable deposits	1,225	1,237
Interest receivable	4	67
Staff receivables	93	192
Margin held with banks	1,131	1,119
Advance payment	445	322
Others	531	26,539
Total - Exhibit A	<u><u>142,938</u></u>	<u><u>174,964</u></u>

b) The movement in provision for impairment of accounts receivable as follows :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Balance at 1 January	95,557	81,435
Addition during the period/year	7,578	28,838
Write off during the period/year	<u>(10,714)</u>	<u>(14,716)</u>
Balance at the end of the period/year – Note 11(a)	<u><u>92,421</u></u>	<u><u>95,557</u></u>

12. CASH AND BANK BALANCES

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Cash in hand	261	275
Bank balances - Current and call deposit accounts	76,301	73,004
Fixed deposits	<u>12,225</u>	<u>74,261</u>
Total - Exhibit A	<u><u>88,787</u></u>	<u><u>147,540</u></u>

13. SHARE CAPITAL

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Authorized share capital is 698,916,094 ordinary shares of AED. 1 each fully paid – Exhibit A	<u><u>698,916</u></u>	<u><u>698,916</u></u>

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14. NON-CONTROLLING INTEREST

a) The details of movement in this item during the period/year are as follows :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Balance at 1 January	38,104	31,289
Share of profit for the period/year	2,855	6,815
Balance at end of the period/year - Exhibit A	<u><u>40,959</u></u>	<u><u>38,104</u></u>

b) Non-controlling interest mentioned above represents the share of non-controlling as at the condensed consolidated interim statement of financial position date and are as follows:

	<u>31 March 2021</u> <u>(Unaudited)</u> %	<u>31 December 2020</u> <u>(Audited)</u> %
Share in Al Zahra (Pvt) Hospital Dubai (L.L.C)	<u><u>31.62</u></u>	<u><u>31.62</u></u>

15. EMPLOYEES' END OF SERVICE BENEFITS

The details of movement in this item during the period/year are as follows:

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Balance at 1 January	18,800	18,433
Current service cost	1,027	5,289
Settlements	(1,282)	(4,922)
Balance at end of the period/year – Exhibit A	<u><u>18,545</u></u>	<u><u>18,800</u></u>

16. LEASE LIABILITIES

The details of movement in this item during the period/year are as follows :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Balance at 1 January	--	--
Additions during the period/year	1,688	--
Lease liabilities for the period/year	8	--
Payments during the period/year	(215)	--
Balance at the end of the period/year	<u><u>1,481</u></u>	<u><u>--</u></u>
Non-Current – Exhibit A	642	--
Current – Exhibit A	839	--
Total	<u><u>1,481</u></u>	<u><u>--</u></u>

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17. BANK LOANS

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Non-current installments – Exhibit A	--	11,750
Current installments – Exhibit A	47,000	47,000
Total	<u>47,000</u>	<u>58,750</u>

18. ACCOUNTS PAYABLE AND OTHERS

This item consists of the following :

	<u>31 March 2021</u> <u>(Unaudited)</u> AED '000'	<u>31 December 2020</u> <u>(Audited)</u> AED '000'
Accounts payable	46,444	45,827
Uncollected portion of repayments to shareholders	1,091	1,091
Shareholders' dividends payable	191	191
Post -dated cheques issued	8,924	8,912
Accrued expenses	7,574	6,672
Provision for staff leave salaries and air passage	8,924	11,585
Accrued interest payable	262	355
Income received in advance	1,293	1,953
Staff payable	601	330
Other payables	43,853	41,789
Total - Exhibit A	<u>119,157</u>	<u>118,705</u>

19. SEGMENT INFORMATION

The Board of Directors are chief operating decision makers. Management determine the operation segments based on segments identified for the purpose of allocation resources and assessing performance.

The Group's reportable segments are organized into two major segments as follows :

- i) Health services and others Principally providing health, medical care and other related services.
- ii) Investments Principally concerned with Investment properties and investment in securities.

Performance of each segment is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of segment.

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19. SEGMENT INFORMATION (CONTINUED)

The financial analysis according to the business segments are as follows :

	<u>Health Services & others</u>		<u>Investments</u>		<u>Total</u>	
	<u>Three months period ended</u> <u>31 March 2021</u>	<u>31 March 2020</u> <u>(Unaudited)</u> <u>AED '000'</u>	<u>Three months period ended</u> <u>31 March 2021</u>	<u>31 March 2020</u> <u>(Unaudited)</u> <u>AED '000'</u>	<u>Three months period ended</u> <u>31 March 2021</u>	<u>31 March 2020</u> <u>(Unaudited)</u> <u>AED '000'</u>
Revenue :						
Total revenue	124,778	130,799	3,345	2,387	128,123	133,186
Result :						
Segment result	35,217	34,392	1,294	(313)	36,511	34,079
Unallocated administrative expenses					(25,910)	(25,682)
Operating profit					10,601	8,397
Other income	2,157	3,098	2,011	2,385	4,168	5,483
Profit from operation					14,769	13,880
Non-controlling interest					(2,855)	(1,919)
Profit for the period					11,914	11,961

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19. SEGMENT INFORMATION (CONTINUED)

	Health Services & others		Investments		Total	
	31 March 2021 (Unaudited) AED '000'	31 December 2020 (Audited) AED '000'	31 March 2021 (Unaudited) AED '000'	31 December 2020 (Audited) AED '000'	31 March 2021 (Unaudited) AED '000'	31 December 2020 (Audited) AED '000'
Other information :						
Segment assets	986,213	1,056,400	257,227	250,576	1,243,440	1,306,976
Segment liabilities	176,511	185,749	9,672	10,506	186,183	196,255
Capital expenditure	475	8,185	--	--	475	8,185

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20. REVENUE

a) This item consists of the following :

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED '000'	AED '000'
Revenue from contracts with customers - Exhibit B	<u>124,778</u>	<u>130,799</u>

b) **Disaggregation of revenue from contracts with customers**

Set out below is the disaggregation of the Group's revenue from contracts with customers.

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED '000'	AED '000'
<u>Segments</u>		
Type of services		
Revenue from healthcare services	<u>124,778</u>	<u>130,799</u>
Geographical markets		
Revenue within UAE	<u>124,778</u>	<u>130,799</u>
Timing of revenue recognition		
Services and goods transferred at a point in time	<u>124,778</u>	<u>130,799</u>

c) **Performance obligations**

Information about the Group's performance obligations are summarized below :

Rendering of services

Health care services revenues primarily comprise fees charged for inpatient and outpatient medical services. Services include charges for accommodation, theatre, medical professional services, equipment, laboratory and pharmaceutical items used and recorded at the time of billing.

Sale of goods

Revenue from sale of goods represent the total revenue from sale of drug and cosmetics provided to customers and is recognized when control and benefits are transferred and billed.

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21. COST OF REVENUE

This item consists of the following :

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED '000'	AED '000'
Salaries and other related benefits	47,174	56,680
Supplies and services	35,787	31,998
Depreciation of property and equipment	6,285	7,644
Depreciation of right-of-use assets	209	--
Amortization	106	85
Total - Exhibit B	89,561	96,407

22. ADMINISTRATIVE EXPENSES

This item consists of the following :

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED '000'	AED '000'
Staff salaries and benefits	10,290	11,734
Board of directors and committee expenses	42	67
Electricity and water expenses	1,388	1,599
Advertising and publicity	2,731	523
Provision for impairment of accounts receivable	7,578	6,214
Government expenses	914	1,517
Telephone and postage	242	254
Insurance	340	343
Legal and professional fees	644	736
Banks and credit card charges	442	369
Miscellaneous expenses	1,009	1,565
Total - Exhibit B	25,620	24,921

23. BASIC EARNINGS PER SHARE

This item consists of the following :

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Profit for the period attributable to equity holders of the Parent Company (AED '000')	11,914	11,961
Weighted average number of shares outstanding (Share '000')	698,916	698,916
Basic earnings per share (AED) - Exhibit B	0.017	0.017

GULF MEDICAL PROJECTS COMPANY (PJSC)

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24. CASH AND CASH EQUIVALENTS

At 31 March 2021 and 2020 “cash & cash equivalents” included in the condensed consolidated interim statement of cash flows (Exhibit D) comprise the following items :

	<u>Three months period ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED '000'	AED '000'
Cash in hand	261	214
Bank balances – Current and call accounts	76,301	48,215
Total - Exhibit D	76,562	48,429

25. PROPOSED DIVIDEND AND DIRECTORS' REMUNERATION

- i) At the Annual General Meeting held on 7 March 2021, the shareholders approved 10% cash dividend proposed by the Board of Directors.
- ii) At the Annual General Meeting held on 7 March 2021, the shareholders approved the proposed Directors' remuneration amounting to AED. 3105 thousand for the year ended 31 December 2020.

26. CONTINGENT LIABILITIES/COMMITMENTS

i) *Contingent liabilities*

Contingent liabilities of the Group as at the condensed consolidated interim statement of financial position date amounted to AED. 1,306 thousand (Unaudited) [(31 December 2020: AED. 1,540 thousand) (Audited)] representing guarantees issued.

ii) *Commitments*

Commitments of the group as at the condensed consolidated interim statement of financial position date are as follows :

	<u>31 March 2021</u>	<u>31 December 2020</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	AED '000'	AED '000'
Capital purchases	2,681	2,700

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with those of current period presentation.