

ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	PREVIOUS QUARTER	% CHANGE
Sales/Revenue	298.93	307.62	-2.824	260.73	14.651
Total Profit (Loss)	84.31	70.13	20.219	59.7	41.222
Profit (Loss) Operational	18.16	-1.24	-	-3.31	-
Net Profit (Loss) after Zakat and Tax	0.63	3.1	-79.677	-32.06	-
Total Comprehensive Income	0.61	3.1	-80.322	-32.08	-

All figures are in (Millions) Saudi Arabia, Riyals

ELEMENT LIST	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
Sales/Revenue	559.66	578.61	-3.275
Total Profit (Loss)	144.01	127.11	13.295
Profit (Loss) Operational	14.86	-8.59	-
Net Profit (Loss) after Zakat and Tax	-31.44	-4.42	611.312
Total Comprehensive Income	-31.47	-4.49	600.89
Total Share Holders Equity (after deducting minority equity)	550.87	655.3	-15.936
Profit (Loss) per Share	-0.57	-0.08	

All figures are in (Millions) Saudi Arabia, Riyals

ACCUMULATED LOSSES	CAPITAL	PERCENTAGE %
62,319,172	550,000,000	11.33

ELEMENT LIST	EXPLANATION
Reason for increase (decrease) in net profit for current quarter compared to the same quarter of the previous year	<p>The reasons for the decrease in Net profit in current quarter as compared with the same quarter of the last year are as follows:</p> <p>1- Decreased revenues by SAR 8.7 million mainly resulted from:</p> <p>Increased market competition that resulted in declining the Average Daily Room rate for the existing hotels.</p> <p>Closure of a number of low performing locations included Entertainment centers and restaurants which incurred operational losses , resulting in decreased revenue of SAR 2.6 million.</p> <p>2- Increased financial charges by SAR 1.6 million.</p> <p>3- Although the implementation of IFRS 16 has a negative impact on the net profit in the current quarter with total amount of SAR 10.4 million which contributed in increasing the financial charges by SAR 23.9 million and depreciation expense by SAR 52.4 million and reduction in rent expense by SAR 65.9 million; however, the net profit for current quarter compared with the same quarter of the last year decreased by SAR 2.5 million only due to the following:</p> <p>Cutting Cost initiatives adopted by management during 2018 that led to a reduction in the operating expenses, so the direct cost decreased by SAR 9.4 million (Including a reduction in Salaries and related benefits expenses by SAR 4.4 million and other miscellaneous expenses by SAR 5 million), General and administration expenses also decreased by SAR 5.4 million (Including a reduction on Salaries and related benefits expenses by SAR 4 million and other miscellaneous expenses by SAR 1.4 million)</p> <p>Increased in the Company's share in net result of joint ventures by SAR 4.2 million.</p>
Reason for increase (decrease) in net profit for current quarter compared to the previous quarter	<p>The reasons for the increase in Net profit in current quarter as compared with previous quarter of the same year are as follows:</p> <p>1- Increased revenues by SAR 38.2 million mainly resulted from:</p> <p>Increase in the revenues of Entertainment centers due to the seasonality in the Company's operations as Eid AlFitr holiday occurred during the current quarter. In addition, the overall performance has improved due to the increase in the number of visitors in the existing entertainment centers.</p> <p>The increase in the demand for hotels in the Western and Eastern regions.</p> <p>2- Increased in the Company's share in net results of joint ventures by SAR 6.2 million.</p> <p>3- Increased other income by SAR 5.7 million , mainly due to the reimbursement from the ministry of labor and social development under the Combined Invoice initiatives "Contrast difference", also refunded the fines which were imposed previously by ministry of Environment, Water & Agriculture after the Company made a claim to refund the fine amount.</p>
Reason for increase (decrease) in net profit for current period compared to the similar period of the previous year	<p>The reasons for the increase of Net Loss in the current period as compared with the same period of last year are as follows:</p> <p>1- Decreased revenues by SAR 19 million mainly resulted from:</p> <p>Increased market competition that resulted in declining the Average Daily Room rate for the existing hotels.</p> <p>Closure of a number of low performing locations included Entertainment centers and restaurants which incurred operational losses , resulting in a decreased revenues of SAR 5.7 million.</p> <p>Direct Cost decreased due to the adoption of IFRS 16, which led to an increase in the Gross Profit.</p> <p>2- The company implemented IFRS 16 as of 1st January 2019 , The implementation of IFRS 16 replaced the rent expenses with depreciation of right of use assets and Financial Charges, which led to increased depreciation expense by SAR 102.9 million and increased financial charges by SAR 46.6 million and reduction in rent expense by SAR 129.6 million, which collectively resulted in an increase in net loss of SAR 19.9 million due to the implementation of IFRS 16 during the current period.</p> <p>3- Decline in the Company's share in net result of joint ventures by SAR 0.6 million.</p> <p>4- Financial charges increased by SAR 3.6 million.</p> <p>Also, it is worth noting that the Company has adopted many initiatives to reduce the operating, marketing and administrative expenses of the existing locations:</p> <p>Direct cost decreased by SAR 9.1 million (Including a reduction on Salaries and related benefits expenses by SAR 3.7 million, Food and beverage costs by SAR 4.5 million and other miscellaneous expenses by SAR 0.9 million).</p> <p>General and administration expenses decreased by SAR 6.3 million mainly from Salaries and related benefits expenses.</p>
Type of the external auditor's opinion	Unmodified opinion
External auditor's report containing reservation	NA
Reclassifications in quarter financial result	NA
Additional Information	<p>Total revenues during current quarter amounted to SAR 298.93 million compared to SAR 307.62 million for the same quarter of last year with a decrease of 2.8%.</p> <p>Gross Profit during current quarter amounted to SAR 84.31 million compared to SAR 70.13 million for the same quarter of last year with an increase of 20.2%.</p> <p>Operational Profit during the current quarter amounted to SAR 18.16 million compared to Operational loss amounted to SAR 1.24 million for the same quarter of last year with an increase of 1564.5%.</p> <p>Net profit during current quarter amounted to SAR 0.63 million compared to SAR 3.10 million for the same quarter of last year with a decrease of 79.7% and compared to Net loss amounted to SAR 32.06 million for the previous quarter in this year with an increase of 102%.</p> <p>Total comprehensive income during current quarter amounted to SAR 0.61 million compared to SAR 3.10 million for the same quarter of last year with a decrease of 80.3% and compared to total comprehensive loss amounted to SAR 32.08 million for the previous quarter in this year with an increase of 101.9%.</p> <p>Total revenues during current period amounted to SAR 559.66 million compared to SAR 578.61 million for the same period of last year with a decrease of 3.3%.</p> <p>Gross profit during current period amounted to SAR 144.01 million compared to SAR 127.11 million for the same period of last year with an increase of 13.3%.</p> <p>Operational Profit during current period amounted to SAR 14.86 million compared to Operational loss amounted to SAR 8.59 million for the same period of last year with an increase of 273%.</p> <p>Net loss during the current period amounted to SAR 31.44 million compared to SAR 4.42 million for the same period of last year with an increase of 611.3%.</p> <p>Total comprehensive loss during current period amounted to SAR 31.47 million compared to SAR 4.49 million for the same period of last year with an increase of 600.9%.</p> <p>Loss per share for the current period amounted to SAR 0.57 , compared to SAR 0.08 for the same period of last year.</p> <p>Total Shareholders Equity (No Minority interests) during the current period amounted to SAR 550.87 million compared to SAR 655.30 million of the same period of last year with a decrease of 15.9%.</p> <p>For further information on the impact of IFRS (16) standard, Please refer to note number 2.3 ,6 and 8 to the interim consolidated financial statements for the period ended 30 June 2019.</p>