

ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	PREVIOUS QUARTER	% CHANGE
Sales/Revenue	301.85	315.52	-4.332	298.93	0.976
Gross Profit (Loss)	82.85	75.35	9.953	84.31	-1.731
Operational Profit (Loss)	13.46	0.64	2,003.125	18.16	-25.881
Net Profit (Loss) after Zakat and Tax	-15.52	1.93	-	0.63	-
Total Comprehensive Income	-15.39	1.92	-	0.61	-

All figures are in (Millions) Saudi Arabia, Riyals

ELEMENT LIST	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
Sales/Revenue	861.51	894.13	-3.648
Gross Profit (Loss)	226.86	202.45	12.057
Operational Profit (Loss)	28.32	-7.95	-
Net Profit (Loss) after Zakat and Tax	-46.96	-2.49	1,785.943
Total Comprehensive Income	-46.86	-2.57	1,723.346
Total Share Holders Equity (after Deducting Minority Equity)	535.48	657.22	-18.523
Profit (Loss) per Share	-0.85	-0.05	

All figures are in (Millions) Saudi Arabia, Riyals

ACCUMULATED LOSSES	CAPITAL	PERCENTAGE %
77,837,021	550,000,000	14.15

All figures are in (Millions) Saudi Arabia, Riyals

ELEMENT LIST	EXPLANATION
Increase (Decrease) in Net Profit for Current Quarter Compared to the Same Quarter of the Previous Year is Attributed to	<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 13.7 million mainly resulted from:</p> <p>Increased market competition that resulted in declining the Average Daily Room rate for the existing hotels, despite of the increase in the Occupancy rate.</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 1.9 million.</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 expenses by SAR 52.7 million and increased financial charges by SAR 23.6 million and reduction in rent expenses by SAR 65.7 million during the current quarter, which collectively resulted in a decrease in net profit by SAR 10.6 million.</p> <p>3- Decline in the Company's share in net result of joint ventures by SAR 2 million.</p> <p>4- Increased financial charges by SAR 1.9 million.</p> <p>5- During the current quarter the company didn't reverse any provisions while for the same quarter of the last year, the Provision for zakat was reversed by SAR 1.6 million.</p> <p>6- Decreased other income by SAR 1.1 million.</p> <p>Also, it is worth noting that Cutting Cost initiatives adopted by management during 2018 that led to a reduction in the operating expenses as follows :</p> <p>Decreased direct cost by SAR 8.1 million ( Including a reduction in Salaries and related benefits expenses by SAR 5.5 million and other miscellaneous expenses by SAR 2.6 million).</p> <p>Decreased general and administration expenses by SAR 1.4 million mainly from salaries and related benefits expenses.</p> <p>Decreased selling and marketing expenses by SAR 4 million.</p>
Increase (Decrease) in Net Profit for Current Quarter Compared to the Previous Quarter is Attributed to	<p>The reasons for the decrease in Net profit in current quarter as compared with previous quarter of the same year are as follows:</p> <p>1- Decreased other income by SAR 6.2 million , mainly due to the reimbursement in previous quarter 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 &amp; Agriculture after the Company made a claim to refund the fine amount.</p> <p>2- Decline in the Company's share in net results of joint ventures by SAR 4.5 million.</p> <p>3- Increased general and administration expenses by SAR 3.2 million .</p>
Increase (Decrease) in Net Profit for Current Period Compared to the Similar Period of the Previous Year is Attributed to	<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 32.6 million mainly resulted from:</p> <p>Increased market competition that resulted in declining the Average Daily Room rate for the existing hotels, despite of the increase in the Occupancy rate.</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 7.5 million.</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 expenses by SAR 155.5 million and increased financial charges by SAR 70.2 million and reduction in rent expenses by SAR 195.3 million, which collectively resulted in an increase in net loss of SAR 30.4 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 2.6 million.</p> <p>4- Increased financial charges by SAR 5.4 million.</p> <p>5- During the current period the company didn't reverse any provisions while for the same period of last year, the Provision for zakat was reversed by SAR 1.6 million.</p> <p>Also, it is worth noting that Cutting Cost initiatives adopted by management during 2018 that led to a reduction in the operating expenses as follows :</p> <p>Decreased direct cost by SAR 17.2 million ( Including a reduction on salaries and related benefits expenses by SAR 9.2 million, utilities expenses by SAR 2.7 million , maintenance expenses by SAR 1.8 million and other miscellaneous expenses by SAR 3.5 million).</p> <p>Decreased general and administration expenses by SAR 7.7 million mainly from salaries and related benefits expenses.</p> <p>Decreased selling and marketing expenses by SAR 4 million.</p>
Basis of the External Auditor's Opinion	Unmodified opinion
Modification, Qualification or Emphasis of a Matter as Stated within the External Auditor Opinion	NA
Reclassification of Comparison Items	NA
Additional Information	<p>Total revenues during current quarter amounted to SAR 301.85 million compared to SAR 315.52 million for the same quarter of last year with a decrease of 4.3%.</p> <p>Gross Profit during current quarter amounted to SAR 82.85 million compared to SAR 75.35 million for the same quarter of last year with an increase of 10%.</p> <p>Operational Profit during the current quarter amounted to SAR 13.46 million compared to SAR 0.64 million for the same quarter of last year with an increase of 2003.1%.</p> <p>Net loss during current quarter amounted to SAR 15.52 million compared to Net profit amounted to SAR 1.93 million for the same quarter of last year. and compared to Net profit amounted to SAR 0.63 million for the previous quarter.</p> <p>Total comprehensive loss during current quarter amounted to SAR 15.39 million compared to total comprehensive income amounted to SAR 1.92 million for the same quarter of last year. and compared to total comprehensive income amounted to SAR 0.61 million for the previous quarter.</p> <p>Total revenues during current period amounted to SAR 861.51 million compared to SAR 894.13 million for the same period of last year with a decrease of 3.6%.</p> <p>Gross profit during current period amounted to SAR 226.86 million compared to SAR 202.45 million for the same period of last year with an increase of 12.1%.</p> <p>Operational Profit during current period amounted to SAR 28.32 million compared to Operational loss amounted to SAR 7.95 million for the same period of last year.</p> <p>Net loss during the current period amounted to SAR 46.96 million compared to SAR 2.49 million for the same period of last year with an increase of 1785.9%.</p> <p>Total comprehensive loss during current period amounted to SAR 46.86 million compared to SAR 2.57 million for the same period of last year with an increase of 1723.3%.</p> <p>Loss per share for the current period amounted to SAR 0.85 , compared to SAR 0.05 for the same period of last year.</p> <p>Total Shareholders Equity ( No Minority interests ) during the current period amounted to SAR 535.48 million compared to SAR 657.22 million of the same period of last year with a decrease of 18.5%.</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 September 2019.</p>