

ELEMENT LIST	CURRENT YEAR	PREVIOUS YEAR	%CHANGE
Sales/Revenue	1,110.02	1,150.95	-3.556
Gross Profit (Loss)	272.08	227.53	19.579
Operational Profit (Loss)	8.39	-49.84	-
Net Profit (Loss) after Zakat and Tax	-142.99	-76.05	88.021
Total Comprehensive Income	-142.52	-77.45	84.015
Total Share Holders Equity (after Deducting Minority Equity)	439.81	582.33	-24.474
Profit (Loss) per Share	-2.6	-1.38	

All figures are in (Millions) Saudi Arabia, Riyals

ELEMENT LIST	EXPLANATION
Increase (Decrease) in Net Profit for Current Year Compared to Last 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 40.9 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 during the last year which incurred operational losses , resulting in a decreased revenues of SAR 8.8 million.</p> <p>2- The company implemented IFRS 16 in the first of January 2019 , The implementation of IFRS 16 replaced the rent expenses with “depreciation of right of use assets” and “Financial Charges” items, which led to increased depreciation of right of use assets expenses by SAR 200.2 million and increased financial charges by SAR 97.2 million, and not recorded rent expenses in accordance with the international accounting standard (number 17) by SAR 252.9 million, which collectively resulted in an increase in net loss of SAR 44.5 million due to the implementation of IFRS 16 during the current period.</p> <p>3- Non-recurring losses recorded during this year resulted from exiting and closure from a number of low performing locations included Hotels, Entertainment and commercial centers which incurred operational losses during 2019, amounted by SAR 35.0 million, In addition to the losses of these locations which resulted from the write off fixed assets and termination cost, collectively amounted by SAR 48.4 million, therefore total of non-recurring losses from these locations during the current period amounted by SAR 83.4 million. These will result in a positive impact on the company’s results in the next year 2020.</p> <p>4- Increased financial charges by SAR 4.3 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 the Cutting Cost initiatives adopted by management led to a reduction in the operating expenses during the current year, as follows :</p> <p>Decreased direct cost by SAR 34.5 million (Including a reduction on salaries and related benefits expenses by SAR 14.1 million, utilities expenses by SAR 5.5 million , maintenance expenses by SAR 4.9 million, depreciation of property and equipment expenses by SAR 2.3 million and other miscellaneous expenses by SAR 7.7 million).</p> <p>Decreased general and administration expenses by SAR 4.0 million mainly from salaries and related benefits expenses.</p> <p>Decreased selling and marketing expenses by SAR 9.6 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 period amounted to SAR 1110.02 million compared to SAR 1150.95 million for the same period of last year with a decrease of 3.56%.</p> <p>Gross profit during current period amounted to SAR 272.08 million compared to SAR 227.53 million for the same period of last year with an increase of 19.58%.</p> <p>Operational income during current period amounted to SAR 8.39 million compared to operating loss amounted to SAR 49.84 million for the same period of last year with a decrease of 116.83%.</p> <p>Net loss during current period amounted to SAR 142.99 million compared to SAR 76.05 million for the same period of last year with an increase of 88.02%.</p> <p>Total comprehensive loss during current period amounted to SAR 142.52 million compared to SAR 77.45 million for the same period of last year with an increase of 84.02%.</p> <p>Loss per share for the current period amounted to SAR 2.60 , compared to SAR 1.38 for the same period of last year.</p> <p>Total Shareholders Equity (No Minority interests) during the current period amounted to SAR 439.81 million compared to SAR 582.33 million of the same period of last year with a decrease of 24.47%.</p> <p>The accumulated losses of the company amounted to SAR 102.18 million as of 31-12-2019 which represent 18.58% of the Company’s share capital, accumulated losses increased due to the net loss during the current period, amounted to SAR 142.99 million.</p>