

ELEMENT	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	% CHANGE CURRENT	PREVIOUS QUARTER	% CHANGE PREVIOUS
Net profit (loss)	3.1	14.8	-79.05	-7.5	-
Gross profit (loss)	70.1	77.6	-9.66	57	22.98
Operational profit (loss)	-1.2	10.7	-	-7.4	83.78

All figures are in (Thousands) Saudi Arabia, Riyals

ELEMENT	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	% CHANGE
Net profit (loss)	-4.4	22.8	-
Gross profit (loss)	127.1	142	-10.49
Operational profit (loss)	-8.6	16.6	-
Earning or loss per share, Riyals	-0.08	0.42	-

All figures are in (Thousands) Saudi Arabia, Riyals

ELEMENT	EXPLANATION
Reasons of increase (decrease) for quarter compared with same quarter last year	<p>The decrease in Net profit in current Quarter as compared with the same Quarter of the last year is due to the following:</p> <ol style="list-style-type: none"> 1- Although there is an increase in revenues, this increase resulted from the opening of new entertainment centers and hotels which are still in rump up period and did not contribute to increase the net profit yet due to the recording of their pre-operating expenses , operating, administrative and marketing expenses. It is worth to mention that there is a decline in demand from individuals and corporate sector on existing hotels on conferences, meetings and exhibitions. Also the increase in market competition resulted in the decline of Average Daily Room rate and occupancy rate. 2- The seasonality in the Companys operation which negatively affected the revenues and profit of existing hotels and entertainment centers as the Spring school holiday has been canceled this year while part of this holiday occurred at the beginning of April 2017. 3- Decline in the Companys share in net result of joint venture. 4- There is an increase in other income due to the reversal of provision for doubtful debts as some doubtful debts were collected during the second quarter of this year.

<p>Reasons of increase (decrease) for period compared with same period last year</p>	<p>The Reason of Occurring Net Loss in current period as compared with the same period of the last year is due to the following:</p> <p>1- Although there is an increase in revenues, this increase resulted from the opening of new entertainment centers and hotels which are still in rump up period and did not contribute to increase the net profit yet due to the recording of their pre-operating expenses , operating, administrative and marketing expenses. It is worth to mention that there is a decline in demand from individuals and corporate sector on existing hotels on conferences, meetings and exhibitions. Also, the increase in market competition resulted in the decline of Average Daily Room rate and occupancy rate.</p> <p>2- The seasonality in the Companys operation which negatively affected the revenues and profit of existing hotels and entertainment centers as the Spring school holiday has been canceled this year while part of this holiday occurred at the end of March and beginning of April 2017.</p>
<p>Reasons of increase (decrease) for quarter compared with previous quarter</p>	<p>The increase in Net profit in current quarter as compared with the last quarter of the same year is due to the following:</p> <p>1- Improvement of revenues due to the increase in the demand for hotels in the Western and Eastern regions.</p> <p>2- Increase in other revenues due to the reversal of provisions for doubtful debts as some doubtful debts were collected during the second quarter of this year.</p> <p>3- This increase was partially offset by the decline in the Companys share in net result of joint venture.</p>
<p>Other notes</p>	<p>Total revenues during current quarter amounted to SR 307.6 million compared to SR 289.4 million for the same quarter of last year with an increase of 6.3%.</p> <p>Gross Profit during current quarter amounted to SR 70.1 million compared to SR 77.6 million for the same quarter of last year with a decrease of 9.7%.</p> <p>Operational Loss during the current quarter amounted to SR -1.2 million compared to SR 10.7 million Operational Profit for the same quarter of last year with a decrease of 111.2%.</p>

Net profit during current quarter amounted to SR 3.1 million compared to SR 14.8 million for the same quarter of last year with a decrease of 79.1% and compared to -7.5 million for the previous quarter in this year with an increase of 141.3%.

Total comprehensive income during current quarter amounted to SR 3.1 million compared to SR 14.8 million for the same quarter of last year with a decrease of 79.1% and compared to -7.6 million for the previous quarter in this year with an increase of 140.8%.

Total revenues during current period amounted to SR 578.6 million compared to SR 547.7 million for the same period of last year with an increase of 5.6%.

Gross profit during current period amounted to SR 127.1 million compared to SR 142 million for the same period of last year with a decrease of 10.5%.

Operational loss during current period amounted to SR -8.6 million compared to SR 16.6 million Operational Profit for the same period of last year with a decrease of 151.8%.

Net loss during the current period amounted to SR -4.4 million compared to SR 22.8 million net Profit for the same period of last year with a decrease of 119.3%.

EPS for the current period amounted to SR -0.08, compared to SR 0.42 for the same period of last year.

Total Shareholders Equity (No Minority interests during the current period) amounted to SR 655.3 million compared to SR 708.4 million of the same period of last year with a decrease of 7.5%.

The company adopted IFRS 9 and IFRS 15 as at January 1, 2018 and resulted in a decrease in the Shareholders Equity by SR 7.5 million and SR 2.3 million respectively.

The External Auditors reviewed the Financial Statements and issued an unmodified review Conclusion.