FAWAZ ABDULAZIZ AL HOKAIR & CO.
AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
Interim Consolidated Financial Statements
(Unaudited)
For the six months period ended 30 September 2016
together with the
Independent Auditors' Review Report

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License No. 46/11/323 issued 11/3/1992

`REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders
Fawaz Abdulaziz Al Hokair & Co.
Riyadh, Saudi Arabia
A Joint Stock Company

Scope of Review

We have reviewed the accompanying interim consolidated balance sheet of Fawaz Abdulaziz Al Hokair & Co ("the Company") and its subsidiaries (collectively, "the Group") as at 30 September 2016, the related interim consolidated statements of income for three-months and six months periods then ended, the interim consolidated statements of cash flows and changes in equity for the six months period then ended and the attached notes 1 through 24 which form an integral part of the interim consolidated financial statements.

These interim consolidated financial statements are the responsibility of the Group's management and have been prepared by them and submitted to us together with all the information and explanations which we required. Our responsibility is to provide a conclusion on the review of these interim consolidated financial statements based on our review.

We conducted our review in accordance with Auditing Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review consists principally of analytical procedures applied to financial data and information and making inquiries of the Group's personnel responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Review conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial statements for them to be in conformity with the accounting standards generally accepted in the Kingdom of Saudi Arabia.

For KPMG Al Fozan & Partners
Certified Public Accountants

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License No. 371

Date: 18 Muharram 1438H
Corresponding to 19 October 2016

FAWAZ ABDULAZIZ AL HOKAIR & CO. AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 30 SEPTEMBER 2016
(Saudi Riyals)

	Notes	30 September 2016	30 Septmeber 2015
ASSETS			
Current assets:			
Cash and cash equivalents	5	370,394,604	328,834,947
Trade receivables, prepayments and other current assets	6	926,287,777	918,134,183
Amounts due from related parties	7	413,549,216	286,028,526
Inventories, net	8	2,146,634,517	2,223,745,420
Total current assets		3,856,866,114	3,756,743,076
Non-current assets:			
Investments in equity accounted investees	9	136,836,980	135,713,875
Investment - available for sale	10	94,000,000	94,000,000
Advances against investments	11	14,802,570	13,252,384
Investment property	12	71,752,274	76,752,274
Non-current portion of receivable from disposal of a subsidiary	16	280,000,000	-
Property and equipment		2,160,683,458	2,189,653,212
Intangible assets - Goodwill	13	804,560,265	804,560,265
Other intangible assets		138,821,206	158,709,475
Total non-current assets		3,701,456,753	3,472,641,485
Total assets		7,558,322,867	7,229,384,561
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	14	1,113,373,348	899,875,936
Current portion of long-term borrowings	15	465,208,139	387,810,149
Trade payables		564,947,773	670,430,195
Accrued expenses and other current payables		595,686,800	524,471,224
Amount due to a related party	7	191,870	2,637,366
Total current liabilities		2,739,407,930	2,485,224,870
Non-current liabilities:			
Long-term borrowings	15	1,853,933,404	2,038,859,623
Employees' end of service benefits		92,869,106	87,698,635
Total non-current liabilities		1,946,802,510	2,126,558,258
Total liabilities		4,686,210,440	4,611,783,128
Shareholders' equity:			
Share capital	18	2,100,000,000	2,100,000,000
Statutory reserve	19.1	141,875,641	80,295,155
Foreign currency translation reserve	19.2	(427,032,635)	(333,525,326)
Retained earnings		1,063,276,143	759,190,180
Total shareholders' equity		2,878,119,149	2,605,960,009
Non-controlling interest		(6,006,722)	11,641,424
Total equity		2,872,112,427	2,617,601,433
Total liabilities and equity		7,558,322,867	7,229,384,561

The attached notes 1 to 24 form an integral part of these interim consolidated financial statements.

FAWAZ ABDULAZIZ AL HOKAIR & CO. AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE-MONTHS AND SIX-MONTHS PERIOD ENDED 30 SEPTEMBER 2016
(Saudi Riyals)

	Notes	*For the three months period ended* 30 September 2016	30 September 2015	*For the six months period ended* 30 September 2016	30 September 2015
Continuing operations:					
Sales		**1,665,258,705**	2,102,212,033	**3,855,189,831**	3,972,624,564
Cost of sales		**(1,347,799,401)**	(1,483,387,807)	**(2,968,560,385)**	(2,840,837,720)
Gross profit		**317,459,304**	618,824,226	**886,629,446**	1,131,786,844
Selling and marketing expenses		**(45,168,707)**	(67,673,114)	**(110,377,757)**	(138,185,230)
General and administrative expenses		**(87,513,933)**	(93,177,673)	**(184,957,216)**	(189,589,889)
Depreciation and amortization		**(83,029,209)**	(83,616,726)	**(181,397,139)**	(163,729,012)
Operating income		**101,747,455**	374,356,713	**409,897,334**	640,282,713
Financial charges		**(41,112,436)**	(28,995,322)	**(86,590,896)**	(56,224,612)
Other income, net		**10,495,787**	7,591,467	**19,200,967**	9,384,336
Income before Zakat and Income-tax, Non-controlling interest and loss from discontinued operations		**71,130,806**	352,952,858	**342,507,405**	593,442,437
Discontinued operation:					
Loss from discontinued operations, net of tax	*16*	-	(30,395,843)	**(46,447,251)**	(49,519,094)
Income before Zakat and Income-tax and non-controlling interest		**71,130,806**	322,557,015	**296,060,154**	543,923,343
Zakat and income-tax charge	*17*	**(12,780,277)**	(12,352,248)	**(26,324,193)**	(23,883,142)
Income before Non-controlling interests		**58,350,529**	310,204,767	**269,735,961**	520,040,201
Non-controlling interest		**356,847**	463,610	**1,595,639**	1,429,812
Net income for the period		**58,707,376**	310,668,377	**271,331,600**	521,470,013
Earnings per share					
Attributable to operating income	*20*	**0.48**	1.78	**1.95**	3.05
Attributable to net income for the period	*20*	**0.28**	1.48	**1.29**	2.48
Earnings per share - continuing operations					
Attributable to operating income	*20*	**0.48**	1.78	**1.95**	3.05
Attributable to net income for the period	*20*	**0.28**	1.62	**1.51**	2.72

The attached notes 1 to 24 form an integral part of these interim consolidated financial statements.

FAWAZ ABDULAZIZ AL HOKAIR & CO. AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 SEPTEMBER 2016
(Saudi Riyals)

	Notes	2016	2015
Cash flows from operating activities:			
Net income for the period		271,331,600	521,470,013
Adjustments for:			
Zakat and income-tax charge		26,324,193	23,883,142
Deferred tax - discontinued operations		-	(19,156,865)
Net movement in non-controlling interest		(3,430,483)	(5,794,730)
Depreciation and amortization		181,397,139	168,339,268
Provision for employees' end of service benefits		10,778,855	11,888,229
Provision against doubtful receivables		6,419,415	-
Provision against doubtful advances against investments		4,934,190	-
Provision against doubtful related party receivables		13,721,678	-
Provision for slow moving inventory		134,470,955	47,470,878
Write-off of property and equipment		-	1,652,215
Write-off of advance against investments		407,259	-
Loss/ (gain) on disposal of property and equipment		544,898	(16,935)
		646,899,699	749,735,215
Changes in operating assets and liabilities:			
Trade receivables, prepayments and other current assets		(108,524,672)	(11,391,812)
Due from related parties - net		(26,684,564)	(2,830,878)
Inventories		(160,092,858)	(252,177,856)
Trade payables		5,883,402	95,682,445
Accrued expenses and other current payables		54,896,867	(7,846,450)
Cash generated from operations		412,377,874	571,170,664
Zakat and income tax paid		(2,669,992)	(3,445,756)
Employees' end of service benefits paid		(6,845,917)	(2,946,218)
Net cash generated from operating activities		402,861,965	564,778,690
Cash flows from investing activities:			
Acquisition of property and equipment		(71,783,783)	(297,126,415)
Purchase of other intangible assets		830,410	(22,026,933)
Acquisition of a subsidiary, net of cash acquired		-	(12,279,505)
Disposal of discontinued operation, net of cash disposed of		(14,443,113)	-
Proceeds from disposal of property and equipment		39,000	31,550
Advances against investments		(6,944,419)	(3,751,483)
Net cash used in investing activities		(92,301,905)	(335,152,786)
Cash flows from financing activities:			
Proceeds from long term borrowings		-	(32,378,438)
Long term borrowings re-paid during the period		(214,883,475)	100,000,000
Short-term borrowings received during the period		19,831,177	66,585,706
Dividend paid		-	(210,000,000)
Net cash used in financing activities		(195,052,298)	(75,792,732)
Net increase in cash and cash equivalents		115,507,762	153,833,172
Foreign currency exchange translation differences		(41,971,426)	(104,955,861)
Cash and cash equivalents at the beginning of the period		296,858,268	279,957,636
Cash and cash equivalents at the end of the period		370,394,604	328,834,947
Significant non-cash transactions			
- Dividend payable		-	210,000,000
- Receivable from disposal of a subsidiary	16	350,000,000	-

The attached notes 1 to 24 form an integral part of these interim consolidated financial statements.

FAWAZ ABDULAZIZ AL HOKAIR & CO. AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 SEPTEMBER 2016
(Saudi Riyals)

	Share capital	Statutory reserve	Foreign currency translation reserve	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
30 September 2016							
Balance as at 1 April 2016	2,100,000,000	141,875,641	(425,675,840)	791,944,543	2,608,144,344	(2,576,239)	2,605,568,105
Net income for the period	-	-	-	271,331,600	271,331,600	(1,595,639)	269,735,961
Foreign currency translation loss realized on disposal of subsidiary ***(note 16)***	-	-	40,614,631	-	40,614,631	-	40,614,631
Foreign currency translation losses incurred during the period ***(note 19.2)***	-	-	(41,971,426)		(41,971,426)	(1,834,844)	(43,806,270)
Balance as at 30 September 2016	2,100,000,000	141,875,641	(427,032,635)	1,063,276,143	2,878,119,149	(6,006,722)	2,872,112,427
30 September 2015							
Balance as at 1 April 2015	2,100,000,000	80,295,155	(228,569,465)	447,720,167	2,399,445,857	17,436,154	2,416,882,011
Net income for the period	-	-	-	521,470,013	521,470,013	(1,429,812)	520,040,201
Dividend	-	-	-	(210,000,000)	(210,000,000)	-	(210,000,000)
Non-controlling interest arising on acquisition of a subsidiary	-	-	-	-	-	88,300	88,300
Foreign currency translation losses incurred during the period *(note 19.2)*	-	-	(104,955,861)	-	(104,955,861)	(4,453,218)	(109,409,079)
Balance as at 30 September 2015	2,100,000,000	80,295,155	(333,525,326)	759,190,180	2,605,960,009	11,641,424	2,617,601,433

The attached notes 1 to 24 form an integral part of these interim consolidated financial statements.

1 ORGANIZATION AND ACTIVITIES

Fawaz Abdulaziz Al Hokair & Co. (the "Company") is a listed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010076209 dated 20 Sha'ban 1410H (corresponding to 18 March 1990).

The objectives of the Company as per its By-laws are to engage in the following activities:

- Wholesale and retail trading in readymade clothes for men, women and children, shoes, textiles, house and office furniture, perfumes, natural cosmetics, ornaments and beauty materials and their compounds and traditional jewelry;
- Wholesale and retail trading in sports wares, shoes and related accessories;
- Management and operation of optics centers, wholesale and retail trading in eye glasses and sun glasses, contact lenses, optical equipment and accessories;
- Trading agencies;
- Purchase of land and construction of buildings thereon for the purpose of running the Company's activities and business;
- Manufacture, wholesale and retail in Ibayas, robes, scarfs and other women embroidered gowns;
- Wholesale and retail trading in gold, silver, jewelry, precious stones, diamonds, gold ornaments and precious metals;
- Wholesale and retail trading in communication equipment and related accessories and spare parts, maintenance and operation through trading agencies;
- Retail trading in consumer food products;
- Own and operate restaurants, coffee shops, import food products and acquire related equipment; and
- Own and operate entertainment centers and acquire related equipment.

2. BASIS OF PREPARATION

a) Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the requirements of accounting standard on interim financial reporting issued by the Saudi Organization of Certified Public Accountants ('SOCPA'). These interim consolidated financial statements have been presented in condensed form and thus do not include all the information presented in the annual financial statements, therefore, these interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 March 2016.

b) Basis of measurement

These interim consolidated financial statements have been prepared on historical cost basis, except for investment available for sale which is stated at fair value; using the accrual basis of accounting and the going concern concept.

c) Functional and presentation currency

These interim consolidated financial statements are presented in Saudi Riyals (SR) which is the functional and reporting currency of the Group. All amounts have been rounded to the nearest Saudi Riyal unless otherwise stated.

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These interim consolidated financial statements include the assets, liabilities and the result of operations of the Company and the following subsidiaries:

Subsidiary Company	Country of incorporation	Direct and indirect shareholding percentage 2016	2015
Al Waheedah Equipment Co. Limited and its subsidiaries (i)	Kingdom of Saudi Arabia	**100**	100
Haifa B. Al Kalam & Partners International Co. for Trading and its subsidiaries (ii)	Kingdom of Saudi Arabia	**100**	100
Saudi Retail Co. Limited	Kingdom of Saudi Arabia	**100**	100
Wahba Trading Company Limited and its subsidiaries (iii)	Kingdom of Saudi Arabia	**100**	100
Kazakhstan Group (iv)	Republic of Kazakhstan	**100**	100
Al Farida Trading Agencies Company	Kingdom of Saudi Arabia	**70**	70
Retail Group Egypt	Arab Republic of Egypt	**98**	98
Retail Group Jordan and its subsidiary (v)	Hashemite Kingdom of Jordan	**95**	95
Nesk Trading Projects Company	Kingdom of Saudi Arabia	**100**	100
Global Leiva	Spain	**--**	100

In addition to the above, the Group, directly and indirectly, owns certain dormant entities which are not material to the Group. These entities are mentioned below.

(i) Al Waheedah Equipment Co, Limited directly and indirectly, owns certain operating subsidiaries in Azerbaijan and United Arab Emirates (INC brand) and certain dormant subsidiaries in United Arab Emirates.

(ii) Haifa B. Al Kalam & Partners International Co., directly and indirectly, owns certain operating subsidiaries in Georgia, Armenia, United States of America, Morocco, United Arab Emirates, United Kingdom and Balkan countries, and dormant subsidiaries in United Arab Emirates and British Virgin

(iii) Wahba Trading Company Limited, directly and indirectly, owns certain dormant subsidiaries in Kingdom of Saudi Arabia and United Arab Emirates.

(iv) Kazakhstan Group represents three entities namely Retail Management Kazakhstan, Fashion Retail Kazakhstan and Global Apparel Kazakhstan.

(v) During the year ended 31 March 2016, the Company established a subsidiary in Republic of Iraq through Retail Group Jordan.

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation (continued)

The principal activities of all of the above subsidiary companies are wholesale and retail trading. Indirect shareholding represents cross ownership among the subsidiary companies.

(vi) Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

All transactions and resulting balances between the Company and the subsidiaries and those arising between the subsidiaries are eliminated in preparing these interim consolidated financial statements. Any unrealized gains and losses arising from intra-group transactions are eliminated on consolidation.

(vii) Non-controlling interest
Non-controlling interest represents the interest in subsidiary companies, not held by the Company which are measured at their proportionate share in the subsidiary's identifiable net assets. Transactions with Non-controlling interest parties are treated as transactions with parties external to the Group.

e) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES

The accounting and risk management policies adopted by the Group for the preparation of these interim consolidated financial statements are consistent with those of the Group's annual consolidated financial statements for the year ended 31 March 2016. These accounting policies have been applied consistently to all the periods presented in the interim consolidated financial statements.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term highly liquid investments with original maturities of three month or less, if any, which are available to the Group without any restrictions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES (continued)

Trade receivables

Trade receivables are stated at original amounts less provisions made for doubtful debts. A provision against doubtful debts is established when there is objective evidence that the Group will not be able to collect the amounts due according to the original terms of receivables. Bad debts are written off when identified, against its related provisions.

The provisions are charged to interim consolidated statement of income and any subsequent recovery of receivable amounts previously written off are credited to interim consolidated statement of income.

Prepayments and other current assets

Prepayments and other current assets are stated at original amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value comprises estimated selling price in the ordinary course of business, less appropriate selling and distribution costs. Provision is made, where necessary, for obsolete, slow moving and defective stocks.

Investments in equity accounted investees

Equity accounted investees are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is generally presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Investees are initially recognized at cost, and are accounted for using the equity method. These interim consolidated financial statements include the Group's share of income and expenses and equity movement of the investees from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee. If the investee company subsequently achieves net income equal to the net losses made during the period then the application of the equity method will resume. The Group's share of profits or losses of the investee companies is recognized in the interim consolidated statement of income.

Investments - Available for sale

Investments - available for sale principally consist of less than 20% share in quoted and unquoted equity securities, which are not held for trading purposes and where the Group does not have any significant influence or control. These are initially recognized and subsequently re-measured at fair value. Any changes in fair value are recognized in equity as fair value reserve until the investment is disposed. Any significant and prolonged decline in value of the available for sale investments, if any, is charged to the interim consolidated statement of income. On derecognition or impairment. the cumulative gain or loss previously reported in equity is included in the interim consolidated statement of income for the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES (continued)

Investments - Available for sale (continued)

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the interim consolidated balance sheet date. For investments where there is no active market, including investments in unquoted private equity, fair value is determined using valuation techniques. Otherwise the cost is considered to be the fair value for these investments.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the interim consolidated statement of income when incurred.

Depreciation is charged to the interim consolidated statement of income on a straight-line basis over the estimated useful lives of individual item of property and equipment except for land and capital work in progress. The estimated useful life of property and equipment is as follow:

	Years
Buildings	33
Leasehold improvements	8
Furniture and office equipment	10
Motor vehicles	4

Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed.

Other intangible assets

Other intangible assets represent software implementation cost, key money, trademarks and other deferred charges, and are amortized using the straight line method over the estimated period of benefit. The estimated period of amortization of the principal classes of other intangible assets is as follows:

	Years
Software implementation cost	25
Key money	10
Deferred charges	4

Trademarks are not subject to amortization. These are tested for impairment on annual basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES (continued)

Impairment of non-current assets
Property and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment loss is recognized as an expense in the interim consolidated financial statements in the period in which the impairment is identified..

Accounts payable and accruals
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
A provision is recognized if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit, will be required to settle the obligation.

Zakat and income-tax
Zakat is provided in accordance with the Regulations of the General Authority of Zakat and Income Tax ("GAZT") in the Kingdom of Saudi Arabia and on an accrual basis. The provision is charged to the interim consolidated statement of income. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for corporate tax is computed in accordance with tax regulations of the respective countries and charged to the interim consolidated statement of income.

Deferred income tax is provided for foreign subsidiaries, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted in the respective countries at the reporting date.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Withholding tax, if any, is withheld in accordance with regulations of GAZT and is paid to the GAZT within the prescribed time.

3. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES (continued)

Investment properties

Investment properties (real estate contributions) are properties held either to earn rental income or for capital appreciation or for both, but not for sale or use in the ordinary course of business. Investment properties are accounted for under the cost model and are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the straight-line method over the useful life of 19 years.

Dividends

Interim dividends are recorded as and when declared and approved by the Board of Directors. Final dividends are recorded in the period in which they are approved the shareholders.

Employees' end-of-service benefits

Employees' end of service benefits, calculated in accordance with Saudi Arabian labour regulations, are accrued and charged to the interim consolidated statement of income. The liability is calculated at the current value of the vested benefits to which the employee is entitled, should his services be terminated at the interim consolidated balance sheet date. Foreign subsidiaries have pension schemes for their eligible employees in relevant foreign jurisdictions.

Revenue recognition

Sales represent the earned value of goods supplied by the Group during the period, net of discounts and are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably normally on delivery to the customers.

Dividends are recognized when declared or when the Group's right to receive the payment is established.

Other income is recognized when earned.

Expenses

Selling and marketing expenses are those arising from the Group's efforts underlying the marketing, selling and distribution of the Group's products. All other expenses, excluding cost of sales and financial charges, are classified as general and administrative expenses. Allocations of common expenses between cost of sales and selling, marketing, general and administrative expenses, when required, are made on a consistent basis.

Leasing

Rental proceeds under operating leases are recognized as income on a straight line basis over the term of the operating leases. Rentals payments under operating leases are charged as expenses in the interim consolidated statement of income on a straight line basis over the term of the operating leases.

Foreign currency translation

Transactions and balances

Transactions denominated in foreign currencies are translated to the Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the interim consolidated balance sheet date are translated to the Saudi Riyals at the exchange rate ruling at that date. Exchange difference arising on translation are recognized in the interim consolidated statement of income currently.

3. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES (Continued)

Foreign currency translation (continued)

Foreign subsidiaries and associates

Assets and liabilities of subsidiaries and share of net assets of joint ventures and equity accounted investees, where functional currency is other than SR, are translated at current exchange rates prevailing at the balance sheet date. Components of equity of subsidiaries, other than retained earnings, are translated at exchange rates prevailing at the date of occurrence of each component.

Statement of income of subsidiaries and share of results of joint ventures and equity accounted investees are translated at average exchange rates.

Currency Translation Adjustments ("CTA") arising from translation of foreign operations are recognised in the statement of changes in equity. However, in case of a non-wholly owned subsidiary, the relevant proportion of CTA is allocated to NCI within equity.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in producing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cashflows of which can be clearly distinguished from rest of the Group and which:
- represents a separate major line of business or geographical area of operations:
- is part of a single co-ordinated plan to dispose of a separate line of business or geograpical area of operations; or
- is a subsidiairy acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as discontinued operation, the comparative statement of income is re-presented as if the operation had been discontinued from the start of the comparative period.

Offsetting

Financial assets and liabilities are offset and reported net in the interim consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4. INTERIM RESULTS

The operations and revenues of the Group are affected by seasonal changes during the year. Therefore, the results of operations for the six months interim period ended 30 September 2016, may not provide an accurate indication of the actual results for the full year.

(Saudi Riyals)

5. CASH AND CASH EQUIVALENTS

	2016	2015
Cash at banks - in current accounts	**339,557,983**	305,185,833
Cash in hand	**30,836,621**	23,649,114
	370,394,604	328,834,947

6. TRADE RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	Note	2016	2015
Prepayments		**480,446,050**	342,058,105
Advances to suppliers and contractors		**187,731,487**	212,636,397
Trade receivables		**2,734,624**	30,274,093
Other current assets	*6.1*	**261,795,031**	333,165,588
		932,707,192	918,134,183
Provision against doubtful receivables		**(6,419,415)**	-
		926,287,777	918,134,183

6.1 This includes current portion of receivable against disposal of subsidiary *(note 16)* amounting to SR 70 million (2015: nil).

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties includes associates, affiliates, shareholders and key management personnel of the Group. During the six months period ended 30 September 2016, the Group transacted with its related parties on terms by management in the ordinary course of business. The significant transactions are as follows:

Transactions:	2016	2015
Rental payments including advances	**242,971,962**	159,172,229
Salaries and benefits of key management personnel of the Company	**4,242,000**	4,212,000
Shop fits, design and construction works	**17,670,804**	47,565,795
Payments made on behalf of an associate	**1,369,702**	6,146,330
Board of Directors' and board committees remuneration and compensation	**2,786,000**	1,421,000
Printing and advertisement	**2,836,255**	7,087,933
Other income - Rental income from Musharika Venture *(note 12)*	**7,000,000**	10,000,000

(Saudi Riyals)

7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Amounts due from related parties as at 30 September consist of the following:

Related parties	Nature of transactions	Relationship	2016	2015
Arabian Centers Company	Rental	Affiliate	**253,845,788**	177,087,770
Fawaz Abdulaziz Al Hokair Real Estate Co	Construction work	Affiliate	**85,534,022**	22,059,481
FG 4 Limited	Expense paid on behalf	Equity accounted investee	**24,572,355**	23,202,652
Egyptian Centers for Real Estate Development	Rental	Affiliate	**29,554,312**	20,315,083
International Shop Fittings Limited	Purchase of shop fits and designs	Equity accounted investee	**31,497,813**	37,892,944
Burberry Saudi Co. Ltd.	Payments	Equity accounted investee	**2,266,604**	5,470,596
			427,270,894	286,028,526
Provision against doubtful related party balances			**(13,721,678)**	-
			413,549,216	286,028,526

Amount due to a related party as at 30 September consists of the following:

Hajen Company Limited	Printing and advertisement	Affiliate	**191,870**	2,637,366

8. INVENTORIES

	2016	2015
Goods available for sales	**2,300,714,284**	2,265,607,657
Good in transit	**91,180,645**	69,983,490
Provision for inventory shortages	**(286,432,511)**	(116,593,772)
	2,105,462,418	2,218,997,375
Supplies and consumables	**79,520,329**	62,652,995
Provision for slow-moving supplies and comsumables	**(38,348,230)**	(57,904,950)
	2,146,634,517	2,223,745,420

9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Note	Ownership %	Country of incorporation	2016	2015
International Shop Fittings Limited	*9.1*	51	United Arab Emirates	**37,892,944**	37,892,944
Amwal Al Khaleejia Al Oula	*9.2*	25	Kingdom of Saudi Arabia	**38,412,239**	37,415,000
Investate Reality BSC		13.9	Kingdom of Bahrain	**33,743,119**	32,841,863
Burberry Saudi Co. Limited		25	Kingdom of Saudi Arabia	**26,717,538**	27,376,288
FG4 Limited		50	United Arab Emirates	**71,140**	187,780
				136,836,980	135,713,875

(Saudi Riyals)

9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (Continued)

9.1 During the year ended 31 March 2014, the Group participated in establishing International Shop Fittings Limited, a limited liability company registered in United Arab Emirates. The objective of the entity is to design, manufacture and sell store shop fits and decorations. The Group does not exerts effective control over the operating and financial policies of the entity, accordingly the investment has been accounted for as an equity accounted investee.

9.2 During the year ended 31 March 2015, one of the Group's subsidiary acquired 25% equity interest in Amwal Al Khaleejia Al Oula, a limited liability company registered in the Kingdom of Saudi Arabia. The entity has been established for the sole purpose of investing in and holding shares in United Trading and Marketing Company Limited (U-Mark), a Saudi closed joint stock company.

10. INVESTMENT - AVAILABLE FOR SALE

Investment - available for sale represents investment of 9.3% (2015: 9.3%) equity in Trade Center Co. Limited. Trade Center Co. is not a listed entity and there are no other external indicators of fair value available due to which the cost is considered as the most appropriate measure of fair value.

11. ADVANCES AGAINST INVESTMENTS

Advances against investments represent advances made by the Company and its subsidiaries in various entities which are either under formation or yet to commence their operations. During the six months period ended 30 September 2016, a provision against doubtfulful advances have been recorded amounitng to SR 4.9 million (2015: nil). In addition, advances amounting to SR 0.41 million (2015: nil) were written-off.

12. INVESTMENT PROPERTY

Investment property (real estate contribution) represents investment in real estate Musharika Venture by the Group of 16.7% (2015:16.7%). The venture is for the construction and management of Galleria Mall. The investment is amortized over the period of 19 years being the legal term life of the real estate

Following is the movement in the investment property for the period ended 30 September:

	2016	2015
Cost		
At the beginning and end of the period	**104,252,274**	104,252,274
Accumulated amortization		
At the beginning of the period	**30,000,000**	25,000,000
Charge for the period	**2,500,000**	2,500,000
At the end of the period	**32,500,000**	27,500,000
Net book value	**71,752,274**	76,752,274

(Saudi Riyals)

13. INTANGIBLE ASSETS - GOODWILL

	Notes	**2016**	2015
Nesk Trading Projects Company	*13.1*	**417,796,779**	417,796,779
Wahba Trading Company Limited	*13.2*	**61,437,764**	61,437,764
Models Own Holding Limited	*13.3*	**5,817,109**	5,817,109
Business	*13.4*	**319,508,613**	319,508,613
		804,560,265	804,560,265

13.1 On 10 Dhul-Qadah 1433H (corresponding to 26 September 2012), the Group completed the acquisition process of Nesk Trading Projects Company, a limited liability company registered in the Kingdom of Saudi Arabia, and operates fashion retail stores all over the Kingdom with franchise rights of a number of international fashion brands including Stradivarius, Mango, Okaidi, Women' Secret, Gerty Weber and Ikks.

The Group acquired an effective 100% equity interest in Nesk Trading Projects Company through a tender offer by the Group for cash in an aggregate amount of SR 730 million having net acquisition cost of SR 661.2 million after deducting net cash acquired amounting to SR 68.8 million.

The acquisition has been accounted for using the purchase method of accounting, and accordingly, the purchase price paid bas been allocated to the assets and liabilities based on fair values of the assets acquired and liabilities assumed, as determined by both parties. The excess of the consideration paid over the fair value of the assets acquired, including separately identifiable intangible assets, and liabilities assumed has been allocated to Goodwill.

13.2 During April 2009, the Group acquired 100% equity ownership in Wahba Trading Company Limited. At the date of acquisition, the fair value of net assets of the subsidiary was SR 118.6 million and the cost of acquisition was SR 180 million accordingly, a goodwill amounting to SR 61.4 million arose at the acquisition of this subsidiary.

13.3 During the year ended 31 March 2016, the Group completed the acquisition of 51% equity interest in Models Own Holding Limited, registered in England and Wales, through its indirectly 51% owned subsidiary named Express Fashion Trading Limited registered in the United Arab Emirates for a purchase price of SR 12.3 million (equivalent to GBP 2 million). The acquisition has been accounted for using the purchase method of accounting, and accordingly, the purchase consideration has been allocated based on the provisional fair values of the assets acquired and liabilities assumed as determined by both parties. The excess of the consideration paid over the fair value of the assets acquired, including separately identifiable intangible assets, and liabilities assumed has been allocated to Goodwill amounting to SR 5.8 million.

13.4 On 20 Dhul-Qadah 1435H (corresponding to 15 September 2014), the Group signed an agreement with Danah Group Trading Establishment, a sole proprietorship registered in the Kingdom of Saudi Arabia to acquire the business of fashion retail and franchise rights of the international fashion brand "Mango" in the Kingdom of Saudi Arabia. The consideration paid by the Group for this business acquisition amounted to SR 378 million. The related business acquisition has been accounted for using the purchase method of accounting, and accordingly, the consideration paid has been allocated based on the fair values of the assets acquired. The excess of the consideration paid over the fair value of the assets acquired has been allocated to Goodwill.

14. SHORT-TERM BORROWINGS

The Group has short-term Murabaha facilities with local and foreign commercial banks amounting to SR 1,350 million (2015: SR 1,577 million). As at 30 September 2016 , the outstanding balance of these facilities was SR 1,113.4 million (2015: SR 899.9 million). The facilities are secured by promissory notes by the Group and utilized for working capital management.

15. LONG-TERM BORROWINGS

15.1 Murabaha financing

Facitlity 1

The Group signed a long-term Murabaha financing agreement with International Finance Corporation ("IFC"), a member of World Bank Group, amounting to USD 50 million (SR 187.5 million) on 1 October 2011. During the year ended 31 March 2013, the Group agreed with IFC to increase the Murabaha facility amount by USD 25 million (SR 93.75 million). As per the terms of the agreement, the term of the Murabaha facility is for a period of five and half years. The Muranaha facility is secured by promissory notes issued by the Group. The facility is repayable in equal semi-annual installments commencing after the two years from the date of the first disbursement. The Group has fully utilized this facility. The Murabaha facility carries markup at LIBOR plus agreed margin per annum. The outstanding balance as at 30 September 2016 was SR 70.1 million (2015: SR 139.7 million).

Facitlity 2

On 4 June 2014, the Group signed a long-term Master Murabaha Facility Agreement (the "Agreement") of SR 1 billion with various local and regional banks. As per the Agreement, the term of the Murabaha facility is for a period of 7 years. The Murabaha facility is repayable in equal 12 installments commencing on December 2015 and ending on June 2021. As at 30 September 2016, the Company has fully utilized this facility. The Murabaha facility carries markup at SIBOR plus agreed margin per annum. The outstanding balance as at 30 September 2016 was SR 833.3 million (2015: SR 1,000 million).

Facility 3

On 16 October 2014, the Group signed a long-term Master Murabaha Facility Agreement (the "Agreement") of SR 712.5 million (equivalent to USD 190 million) with a foreign bank. As per the Agreement, the term of the Murabaha facility is for a period of 5 years. The Murabaha facility is repayable in equal quarterly installments commencing on January 2016 and ending on October 2019. The facility is secured by promissory notes by the Group. As at 30 September 2016 , the Group has fully utilized this facility. The Murabaha facility carries markup at LIBOR plus agreed margin per annum. The outstanding balance as at 30 September 2016 was SR 578.9 million (2015: SR 712.5 million).

15. LONG-TERM BORROWINGS *(continued)*

15.1 Murabaha financing (Continued)

Facility 4

On 13 April 2015, the Group signed an amendment of a facility agreement (the "Agreement") that was originally signed on 24 December 2013 with a local bank to allow for an increase in the overall facility amount from SR 235 million to SR 335 million. The amended facility Agreement includes total amount of SR 100 million as medium-term loan. The medium-term loan is repayable in equal 18 quarterly installments commencing on October 2015 and ending on January 2020. The facility is secured by promissory notes by the Group. As at 30 September 2016, the Group has fully utilized the medium-term loan. The outstanding balance of this loan as at 30 September 2016 was SR 78.7 million (2015: SR 100 million).

Facility 5

On 28 December 2015, the Group has signed a long-term Master Murabaha Facility Agreement (the "Agreement") of SR 281.1 million (AED 275.6 million) with a foreign bank. As per the Agreement, the term of the Murabaha facility is for a period of 6 years. The Murabaha facility is repayable in equal semi-annual installments commencing on 28 June 2017 and ending on 28 December 2021. The facility is secured by promissory notes by the Group. As at 30 September 2016, the Group has fully utilized this facility. The Murabaha facility carries markup at Emirates Interbank Offered Rate (EIBOR) plus agreed margin per annum.

Murabaha facility agreements contain covenants, which among other things, require certain financial ratios to be maintained. The Group ensures that it is always in compliance with the loan covenants prescribed in such agreements. In case of breach of covenant at any point of time, the management ensures that it reconciles its position with the lending banks and that it has obtained a formal waiver from the related lender.

The above Murabaha facilities are disclosed net of related unamortized upfront fees (including commitment fees) amounting to SR 23.3 million as at 30 September 2016 (2015: SR 26.5 million).

15.2 *Sukuk*

On 24 June 2014, the Group issued Sukuk amounting to SR 500 million at par value of SR 1 million each without discount or premium, maturing in 2019. The Sukuk issuance bear a rate of return based on SIBOR plus an specified margin payable quarterly in arrears from the net income received under the Sukuk assets.

(Saudi Riyals)

16. LOSS FROM DISCONTINUED OPERATIONS

Pursuant to the decision of the Board of Directors in their meeting held on 29 June 2016, the Group has disposed of Global Leiva and its subsidiaries ("the Disposed Entities") as per the terms of the sale purchase agreement dated 29 June 2016 for a total consideration of SR 375 million receivable in 5 annual equal installments starting from 29 June 2017 onwards. Management rights have been transferred by the Group and accordingly, the Group has lost its power to direct the relevant activities of the Disposed Entities.

The sale was made at the net book value of the Disposed Entities of SR 350 million and included a mark up of SR 25 million for deferred payments, accordingly no gain or loss is recognized on the sale transaction. The sale consideration is secured by a personal guarantee from the Chairman of the Company's Board of directors who has 15% stake in the buying entity.

The results from the operations of the Global Leiva and its subsidiaries have been disclosed as 'Loss from discontinued operations' in these interim consolidated financial statements until 29 June 2016 i.e. the date of disposal. In accordance with the generally accepted accounting principles in Saudi Arabia, the comparative figures have also been reclassified and disclosed as 'Loss from discontinued operations' in 2015.

Results of the discontinued operation until the date of disposal are as follows:

	From 01 April to 29 June 2016	From 01 April to 30 September 2015
Sales	**61,243,158**	231,276,917
Direct Costs	**(93,058,130)**	(199,868,145)
Selling and marketing expenses	**(11,224,045)**	(48,959,349)
General and administrative expenses	**(14,965,394)**	(46,837,767)
Depreciation and amortization	**(2,461,243)**	(4,610,256)
Financial Charges	**(1,405,294)**	(642,123)
Other income	**800**	964,763
Income tax charge, net of deferred tax	**15,422,897**	19,156,866
Loss from discontinued operations	**(46,447,251)**	(49,519,094)
Loss per share from discontinued operation *(note 20)*	**(0.22)**	(0.24)
Cash flows from discontinued operations		
Cash flows from operating activities	**18,501,678**	7,083,395
Cash flows from investing activities	**(1,696,577)**	(8,249,859)
Cash flows from financing activities	**(7,776,567)**	-

(Saudi Riyals)

16. LOSS FROM DISCONTINUED OPERATION *(Continued)*

Details of assets and liabilities disposed are as follows:

	As at 29 June 2016	As at 30 September 2015
Assets:		
Cash and cash equivalents	**14,443,113**	2,632,457
Trade receivables, prepayments and other current assets	**155,510,686**	137,884,430
Inventories, net	**124,696,930**	94,699,163
Property and equipment, net	**68,051,690**	69,608,496
Intangible assets, net	**14,243,711**	11,950,326
Foreign currency translation reserve	**40,614,631**	35,671,917
Total assets	**417,560,761**	352,446,789
Liabilities:		
Trade payables	**32,105,080**	43,511,049
Accrued expenses and other current liabilities	**37,259,462**	35,454,189
Total liabilities	**69,364,542**	78,965,238
Net assets deconsolidated	**348,196,219**	273,481,551
Intangible assets - recorded in financial statements of the Company	**1,803,781**	-
	350,000,000	273,481,551
Non-current portion	**280,000,000**	-
current portion	**70,000,000**	-
Receivable from disposal of a subsidiary	**350,000,000**	-

17. ZAKAT AND INCOME TAX

Zakat and income tax are provided for and charged to the interim consolidated statement of income on an estimated based on the interim results and the position as at the date of interim balance sheet. Differences resulting from the final annual zakat and income tax calculation are adjusted at year end.

Zakat status of the Company and its local subsidiaries
The Company has filed its zakat returns with GAZT for all years up to and including the year ended 31 March 2015 and received the zakat certificate. The zakat returns for the years from 31 March 2008 to 31 March 2015 are under review of GAZT.

During the year ended 31 March 2012, the Company received zakat assessment for the years ended 31 March 2002 to 2007, which showed additional claims from GAZT amounting to SR 10 million. The Company has objected on certain items amounted to SR 4 million and accordingly submitted a letter of guarantee for the objected amount and received the final zakat certificate for the said years. The Company has also filed an appeal against the remaining amount of SR 6 million which is under process as at 30 September 2016 and the outcome of the appeal cannot be determined at this stage. However, based on the grounds of the appeal, the management and tax advisors of the Company are confident of a favourable outcome and accordingly no provision against this additional liability has been made in these interim consolidated financial statements.

17. ZAKAT AND INCOME TAX (continued)

Income tax status of foreign subsidiaries

The income tax returns have been filed with the relevant tax authorities for all years up to the year ended 31 March 2015 for the subsidiaries in Jordan. Egypt, Morocco, Armenia and United States of America. For the subsidiary in Georgia, the income tax returns have been filed for all years up to the year ended 31 March 2014. The income tax returns for above subsidiaries are under review by the relevant tax authorities. For the subsidiaries in Kazakhstan, Azerbaijan and Balkan Countries the income tax returns have been filed up to the year ended 31 December 2015. The income tax returns are under review by the relevant tax authorities. There are no pending adverse assessments relating to income tax in any of the subsidiaries.

18. SHARE CAPITAL

The Company's share capital consists of 210 million shares (2015: 210 million shares) of SR 10 each fully paid and issued amounting to SR 2,100 million (2015: SR 2,100 million).

19. RESERVES

19.1 Statutory reserve:

In accordance with the By-laws of the Company, the Company must transfer atleast 10% of its net income for the year to the statutory reserve until such reserve equals 50% of the share capital. This reserve is not available for dividend distribution.

19.2 Foreign currency translation reserve:

Foreign currency translation reserves represent exchange translation difference in respect of receivables from foreign subsidiaries and net investment in foreign operations, mainly Commonwealth of Independent States (CIS Countries) and Egypt. The Group has reversed the reserves amounting to SR 40.6 million in respect of disposal of a subsidiary and recorded further loss of SR 41.97 million during the six months period ended 30 September 2016 (2015: SR 11.2 million) mainly in respect of receivables from Kazakhstan, Azerbaijan and Georgia subsidiaries. Such receivables are part of the Company's net investment in these subsidiaries. Settlement for such receivables is not planned and it is unlikely to occur in the foreseeable future.

20. EARNINGS PER SHARE

Earnings per share attributable to operating income and net income was calculated by dividing operating and net income for the period by the number of outstanding ordinary shares during the period amounting to 210 million (2015: 210 million) shares.

21. SEGMENT INFORMATION

The Company and its subsidiaries mainly sell fashion apparels and operate through their various retail outlets scattered in the Kingdom of Saudi Arabia. Further, the Company operates through certain subsidiaries in the international markets, in Jordan, Egypt, Republic of Khazkhstan, United States of America, Republic of Azerbaijan, Georgia, Armenia, Morocco, Balkan countries, Republic of Iraq, United Arab Emirates and England.

Since the Company and its subsidiaries carry out their activities through one business segment in various geographical areas, segment reporting is provided by geographical area only.

The selected segment information is provided by geographical segments as follows:

	Domestic	**International**	**Intersegment elimination**	**Total**
		Saudi Riyals in '000'		
As at and for the period ended <u>30 September 2016 *(Unaudited)*</u>				
Total assets	**7,537,999**	**3,433,639**	**(3,413,315)**	**7,558,323**
Total liabilities	**4,162,810**	**2,612,298**	**(2,088,898)**	**4,686,210**
Sales	**3,300,778**	**573,426**	**(19,014)**	**3,855,190**
Depreciation and amortization	**139,428**	**41,969**	**-**	**181,397**
Finance charges	**86,129**	**461**	**-**	**86,590**
Net income / (loss)	**315,675**	**(44,207)**	**(136)**	**271,332**

	Domestic	International	Intersegment elimination	Total
		Saudi Riyals in '000'		
As at and for the period ended <u>30 September 2015 *(Unaudited)*</u>				
Total assets	7,091,983	2,133,229	(1,995,827)	7,229,385
Total liabilities	4,221,216	2,695,192	(2,304,625)	4,611,783
Sales	3,399,509	590,289	(17,174)	3,972,624
Depreciation and amortization	126,080	37,649	-	163,729
Finance changes	56,037	188	-	56,225
Net income / (loss)	632,176	(110,565)	(141)	521,470

22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

At 30 September, the Group has contingent liabilities and capital commitments as follows:

	2016	2015
Letters of credit and guarantee	**984,446,372**	965,093,782
Capital commitment - property and equipment	**176,867,554**	203,889,855

(Saudi Riyals)

23. COMPARATIVE FIGURES

The major reclassification related to presentation of items included in 'Investment in equity accounted investees and others' based on their nature to:

Reported in 2015	Reclassified to	Amount
Investments and associates and others' - Trade Center Co. Limited	- Investment - Availabale for sale	94,000,000
Investments and associates and others' - Galleria	- Investment property	76,752,274
Investments and associates and others' - Other Investments	- Advances against investments	13,252,384

The comparative / previous period numbers have been reclassified to conform to current period's grouping / classification.

24. APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements were approved by the Board of Directors on 18 Muharram 1438H (corresponding to 19 October 2016).