ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017

TOGETHER WITH
INDEPENDENT AUDITORS' REVIEW REPORT

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

Condensed interim consolidated financial statements

for the three months period ended 31 March 2017

(Unaudited)

	PAGE
Independent auditors' review report	2
Interim consolidated statement of financial position	3
Interim consolidated statement of income	4
Interim consolidated statement of comprehensive income	5
Interim consolidated statement of changes in equity	6
Interim consolidated statement of cash flows	7
Selected notes to the condensed interim consolidated financial statements	8-43

Dr. Mohamed Al-Amri & Co.
Accountants & Consultants

P.O. Box 784, Jeddah, 21421
Tel.: +966 12 639 4477
Fax: +966 12 639 4058
info@alamri.com

Independent Auditor's Report on Review of Unaudited Condensed Interim Consolidated Financial Statements

To the shareholders of
Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)

Riyadh- Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Abdullah Al-Othaim Marketing Company** (A Saudi Join Stock Company) (the "Company" or "Group") consisting of the interim consolidated statement of financial position as of March 31, 2017, and the related interim consolidated statements of income, other comprehensive income, cash flows and changes in equity for the three-month period then ended, and a summary of significant accounting policies and other selected explanatory notes from (1) to (28).

Management of the Company is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with the International Accounting Standard 34 – ("IAS 34") *Interim Financial Reporting* endorsed in the Kingdom of Saudi Arabia .

Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (2410), "*Review of Interim Financial Information Performed by the Independent Auditor*", endorsed in the Kingdom of Saudi Arabia. A review of the condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.

Jamal Al-Amri
Certified Public Accountant
License Number 331

د. محمد العمري وشركاه - محاسبون قانونيون
س. ت : ١٠١٠٤٢٣٩٨٢
Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

May 11, 2017 (G)
Shaban 15, 1438 (H)

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION INTERIM *(Unaudited)*
(Saudi Riyals)

	Notes	As of 31 March2017	As of 31 December 2016	As of 01 January 2016
ASSETS				
Non-current assets				
Properties, plants and equipment, net	9	**1,337,659,090**	1.270.231.031	991,713,090
Investment properties, net	10	**452,389,779**	675.996.361	637,508,707
Intangible assets, net	11	**9,061,451**	9,511,008	11,309,235
Biological assets, net	12	**-**	-	796,900
Investments in associates	13	**212,763,010**	205,413,942	212,962,008
Financial assets at fair value through other comprehensive income	14	**14,527,248**	14,991,495	16,645,447
Total non-current assets		**2,026,400,578**	2,176,143,837	1,870,935,387
Current assets				
Inventories, net		**768,463,148**	646,565,658	568,657,150
Prepayments and other receivables, net		**209,145,122**	172,822,363	215,187,625
Trade receivables, net		**5,119,850**	9,479,278	9,718,549
Held-for-trading financial assets at fair value through income		**61,468,117**	61,649,646	-
Investment properties held-for-sale	15	**222,469,711**	**-**	**-**
Cash and cash equivalents	16	**297,050,092**	312,443,839	323,856,291
Total current assets		**1,563,716,040**	1,202,960,784	1,117,419,615
TOTAL ASSETS		**3,590,116,618**	3,379,104,621	2,988,355,002
LIABILITIES AND EQUITY				
EQUITY				
Paid-in share capital		**450,000,000**	450,000,000	450,000,000
Statutory reserve		**67,568,635**	67,568,635	44,565,425
Retained earnings		**781,165,052**	721,019,506	605,948,981
Other reserves		**-**	-	717,505
Fair value reserve		**(2,978,838)**	(2,514,591)	(860,639)
Exchange differences from translation of foreign operations		**(3,996,999)**	(4,002,834)	-
Company's share of associates' other comprehensive income		**1,194,920**	1,281,853	-
Equity attributable to shareholders' of the parent		**1,292,952,770**	1,233,352,569	1,100,371,272
Non – controlling interests		**29,803,932**	31,090,624	32,674,549
Total equity		**1,322,756,702**	1,264,443,193	1,133,045,821
Non-current liabilities				
Long term loans and murabahas	17	**369,233,334**	412,286,670	399,500,000
Obligation for employees' end-of-service benefits	19	**87,932,475**	84,058,872	69,457,661
Total non-current liabilities		**457,165,809**	496,345,542	468,957,661
Current liabilities				
Trade payables		**1,192,020,366**	1,077,495,396	909,847,919
Short term loans and Murabahas	17	**50,108,594**	-	20,061,386
Current portion of long term loans and murabahas	17	**177,213,332**	187,213,333	192,213,333
Accruals and other payables		**375,383,701**	339,991,876	255.253.997
Provision for zakat		**15,468,114**	13,615,281	8.974.885
Total current liabilities		**1,810,194,107**	1,618,315,886	1,386,351,520
TOTAL LIABILITIES		**2,267,359,916**	2,114,661,428	1,855,309,181
TOTAL LIABILITIES AND EQUITY		**3,590,116,618**	3,379,104,621	2,988,355,002

The accompanying notes from (1) to (28) form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements

Vice-president, financial affairs	**President**	**Chairman**
Marwan A. Ibrahim	Abdulaziz A. Al-othaim	Abdullah S. Al-othaim

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF INCOME *(Unaudited)*
(Saudi Riyals)

	Note	For the three-month period ended 31 March 2017	2016
Net sales	23 - B	**1,875,710,474**	1,606,156,663
Cost of sales		**(1,555,578,920)**	(1,340,680,103)
Gross profit		**320,131,554**	265,476,560
Rental income, net	23 - B	**16,714,437**	15.475.555
Selling and marketing expenses		**(247,594,059)**	(205.935.722)
General and administrative expenses		**(24,808,669)**	(24,902,783)
Operating profit		**64,443,263**	50,113,610
Company's share in profit (loss) of associates	13	**7,436,001**	(1,205,428)
Income from held-for-trading investments		**329,346**	-
Loss on disposal of assets	22	**(3,495,280)**	-
Financing charges		**(4,461,930)**	(2,799,625)
Other income, net		**(1,996,010)**	892,981
Income before zakat and taxes		**62,255,390**	47,001,538
Zakat and taxes		**(1,852,833)**	(1,050,000)
Net income for the period		**60,402,557**	45,951,538
Net income attributable to:			
Shareholders of the Parent		60,145,546	46,621,421
Non-controlling interests		257,011	(669,883)
Earnings per share:	21		
Basic and diluted Earnings per share attributable to the Shareholders' of the Parent		**1.34**	1.02

The accompanying notes from (1) to (28) form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements

Vice-president, financial affairs	**President**	**Chairman**
Marwan A. Ibrahim	Abdulaziz A. Al-othaim	Abdullah S. Al-othaim

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*
(Saudi Riyals)

	Notes	For the three-month period ended 31 March 2017	2016
Net income for the period		**60,402,557**	45,951,538
Other comprehensive income :			
Items not to be reclassified to income in subsequent periods:			
Net change in fair value of financial assets at fair value through other comprehensive income	14	**(464,247)**	(1,426,102)
Items to be reclassified to income in subsequent periods:			
Exchange differences on translation of foreign operations		**5,835**	-
The company's share of associates' other comprehensive income		**(86,933)**	-
Changes in fair value of hedges		**-**	(717,505)
Other comprehensive income for the period		**(545,345)**	(2,143,607)
Total comprehensive income for the period		**59,857,212**	43,807,931
Comprehensive income attributable to:			
Shareholders of the parent		**59,600,201**	44,477,814
Non- controlling interests		**257,011**	(669,883)

The accompanying notes from (1) to (28) form an integral part and should be read in conjunction with these condensed interim consolidated financial statements.

Vice-president, financial affairs	**President**	**Chairman**
Marwan A. Ibrahim	Abdulaziz A. Al-othaim	Abdullah S. Al-othaim

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Unaudited)*
(Saudi Riyals)

	Paid-in share capital	Statuary reserve (note 20)	Retained earnings	Other reserves	Fair value reserve	Exchange differences from translation of foreign operations	The company's share of associates' other comprehensive income	Equity attributable to shareholders of the parent	Non-controlling interests	Total equity
For the three-month period ended 31 March, 2017										
Balance at 1 January 2017	**450,000,000**	**67,568,635**	**721,019,506**	**-**	**(2,514,591)**	**(4,002,834)**	**1,281,853**	**1,233,352,569**	**31,090,624**	**1,264,443,193**
Net income for the period	-	-	60,145,546	-	-	-	-	60,145,546	257,011	60,402,557
Items of other comprehensive income	-	-	-	-	(464,247)	5,835	(86,933)	(545,345)	-	(545,345)
Total comprehensive income for the period	**-**	**-**	**60,145,546**	**-**	**(464,247)**	**5,835**	**(86,933)**	**59,600,201**	**257,011**	**59,857,212**
Non- controlling interests- disposals during the period	-	-	-	-	-	-	-	-	(1,543,703)	(1,543,703)
Balance as at 31 March 2017	**450,000,000**	**67,568,635**	**781,165,052**	**-**	**(2,978,838)**	**(3,996,999)**	**1,194,920**	**1,292,952,770**	**29,803,932**	**1,322,756,702**
For the three-month period ended 31 March 2016										
Balance at 1 January 2016	450,000,000	44,565,425	605,948,981	717,505	(860,639)	-	-	1,100,371,272	32,674,549	1,133,045,821
Net income for the period	-	-	46,621,421	-	-	-	-	46,621,421	(669,883)	45,951,538
Items of other comprehensive income	-	-	-	(717,505)	(1,426,102)	-	-	(2,143,607)	-	(2,143,607)
Total comprehensive income for the period	-	-	46,621,421	(717,505)	(1,426,102)	-	-	44,477,814	(669,883)	43,807,931
Cash dividends	-	-	(90,000,000)	-	-	-	-	(90,000,000)	-	(90,000,000)
Non-controlling interests- additions during the period	-	-	-	-	-	-	-	-	250,000	250,000
Balance at 31 March 2016	450,000,000	44,565,425	562,570,402	-	(2,286,741)	-	-	1,054,849,086	32,254,666	1,087,103,752

The accompanying notes from (1) to (28) form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements.

Vice-president, financial affairs	**President**	**Chairman**
Marwan A. Ibrahim	Abdulaziz A. Al-othaim	Abdullah S. Al-othaim

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS ***(Unaudited)***
(Saudi Riyals)

	For the three-month period ended 31 March	
	2017	**2016**
OPERATING ACTIVITIES		
Net income before zakat and tax	**62,255,390**	47,001,538
Adjustments		
Financing charges	**4,461,930**	2,799,625
Depreciation & Amortization	**42,823,573**	33,072,571
Provision for obsolete and slow moving inventories	**4,117,942**	4,964,385
Provision for doubtful debts	**1,901,386**	546,531
Loss (Gain) on sale of Properties, plants and equipment	**346,166**	(23,477)
Loss on sale of biological assets	**-**	31,095
Loss on disposal of assets	**3,495,280**	-
Share in (profits) losses of associates	**(7,436,001)**	1,205,428
Income from held-for- trading investments at fair value through income	**(329,346)**	-
Changes in:		
Inventories	**(128,359,284)**	(88,809,867)
Trade receivables	**4,359,428**	(3,016,636)
Prepayments and other receivables	**(38,224,145)**	3,591,418
Trade payables	**114,524,970**	117,894,980
Accruals and other payables	**35,391,825**	49,315,955
Obligation for employees' end-of-service benefits, net	**3,873,603**	2,723,959
Net cash from operating activities	**103,202,717**	171,297,505
INVESTING ACTIVITIES		
Additions to Properties, plants and equipment	**(104,318,571)**	(124,100,637)
Additions to investment properties	**(6,855,642)**	(23,421,754)
Additions to biological assets	**-**	(259,392)
Proceeds from sale of properties, plants and equipment	**960,677**	718,949
Proceeds from sale of biological assets	**-**	28,330
Net proceeds from sale of held-for-trading investments at fair value through income	**510,875**	-
Net cash used in investing activities	**(109,702,661)**	(147,034,504)
FINANCING ACTIVITIES		
Proceeds from loans and murabahas	**55,828,256**	74,639,503
Repayments of loans and murabahas	**(58,772,999)**	(122,677,738)
Non-controlling interests	**(1,543,703)**	250,000
Financing charges paid	**(4,461,930)**	(2,799,625)
Net cash used in financing activities	**(8,950,376)**	(50,587,860)
Net change in cash and cash equivalents	**(15,450,320)**	(26,324,859)
Cash and cash equivalents at the beginning of period	**312,443,839**	**323,856,291**
Exchange differences	**56,573**	**-**
Cash and cash equivalent at the ending of period	**297,050,092**	297,531,432
Non-cash transactions		
Investment in associate companies against a due from related parties	**-**	(5,632,570)

The accompanying notes from (1) to (28) form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements,

Vice-president, financial affairs	**President**	**Chairman**
Marwan A. Ibrahim	Abdulaziz A. Al-othaim	Abdullah S. Al-othaim

1- ORGANIZATION AND ACTIVITY

Abdullah Al-Othaim Markets Company (the "Company") is a Saudi joint stock company registered in Riyadh under Commercial Register Number 1010031185, on 7 Rajab 1400H (corresponding to 21 May 1980). The Company was transferred from a limited liability company into a joint stock company according to the Ministerial Decree No.227/G on 3 Ramadan 1428H (corresponding to 15 September 2007).

The main activities of the Company include wholesale and retail trade of food, fish, meat, agricultural products, livestock and household items. The Company is also engaged in establishing, managing, operating and maintaining supermarkets, commercial complexes, and bakeries, providing cooked and uncooked catering services, and managing training and educational centers, in addition to acquiring lands to build buildings on them and investing these properties either through renting or sale .The Company also provides import, export and marketing services.

The share capital of the Company amounts to SAR 450,000,000 divided into 45,000,000 shares with a nominal value of SAR 10 each.

The Company's head office is based in Riyadh -Al-Rabwah, Eastern Ring Road -P.O. Box 41700

The Company's fiscal year begins on January 1 and ends on December 31 of each Gregorian year.

2- FIRST TIME ADOPTION OF IFRSs

In 1433H (2012), the Saudi Organization for Certified Public Accountants ("*SOCPA*") approved a plan for the transition to the International Accounting Standards and the International Auditing Standards. According to *SOCPA's* decision, the adoption of the IFRSs approved by *SOCPA* was effective as of the beginning of 2017 for the joint stock companies listed in the stock exchange market., Thus, the first annual financial statements that will be prepared in accordance with IFRSs are those of the year 2017. Accordingly, 1/1/2016 is the date of transition to IFRSs as it represents the beginning of the comparative period for the first annual financial statements prepared in accordance with IFRSs.

The most significant changes resulting from the transition to IFRSs are as follows:

- Ceasing the consolidation of "Riyadh Food Industries Co." results with the Group's financial statements as of the date of transition to IFRSs on 1/1/2016 and the accounting for the investment under IAS 28 "*Investments in Associates and Joint Ventures*" . The opening statement of financial position was prepared as at 1 January 2016 with the exclusion of the financial statements of Riyadh Food Industries Co. from the consolidated financial statements since the Group does not meet control criteria in accordance with IFRS 10 "*Consolidated financial statements*"
- Adjustment of the overall presentation and disclosure to be consistent with the IFRSs.
- Addition of the statement of comprehensive income.
- Addition of further disclosures to the condensed interim consolidated financial statements.
- Amendment and addition of certain accounting policies to be consistent with IFRSs.
- Capital work under progress related to investment properties was reclassified under investment properties as the work represent investment properties under construction.
- In accordance with the previous policies regarding the calculation of employee end-of-service benefits obligation, the end-of-service benefits obligation is calculated based on the employee's tenure in service as required by the Saudi Arabian Labor Law. As per IFRSs, accounting for the obligation amount involves making reliable estimates for the cost incurred by the Company against the end-of-service benefits that are expected to be earned by the employee as result of the expected service period using actuarial assumptions. As a result, the end-of-service benefits obligation was increased by SAR 3,314,836 and the same amount was recognized in retained earnings at the date of transition to IFRSs.

3- BASIS OF PREPARATION AND CONSOLIDATION:

A- Basis of preparation

The unaudited condensed interim consolidated financial statements were prepared in accordance with IAS 34 "*Interim Financial Reporting*" and IFRS 1 "*First-time adoption of IFRSs*" using the accounting policies which the Company expects to adopt in the annual consolidated financial statements of 2017.

The term "IFRSs" that appears in these notes indicates the standards and interpretations issued by the International Accounting Standards Board ("IASB"), and the other standards and issues approved by *SOCPA* for application in the KSA, in addition to the disclosures added by *SOCPA* to some of these standards as per the IFRS adoption document issued by *SOCPA*. Other standards and issues mean the standards and technical opinions approved by *SOCPA* regarding issues not covered by IFRSs such as Zakat.

Some of the information and notes which are considered essential to the understanding of the unaudited condensed interim consolidated financial statements that are usually included in the consolidated annual financial statements prepared in accordance with IFRSs, were disclosed along with the adjustments and explanations of the effect of adoption of IFRSs on equity, income and comprehensive income mentioned in note 8 (*The Financial Effect of IFRSs Adoption*). Except for the abovementioned, the unaudited condensed interim consolidated financial statements do not include all the notes usually enclosed with the consolidated annual financial statements Accordingly, these condensed interim consolidated financial statements shall be read in conjunction with the consolidated annual financial statements of2016 , which were prepared in conformity with the accounting standards generally accepted in Saudi Arabia.

B -Basis of consolidation

The unaudited condensed interim consolidated financial statements are comprised of the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investees and has the ability to affect those returns through its power over the investees, specifically, the Group controls an investee if and only if the Group has all of the following:

1) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee.
2) Exposure or rights to variable returns from its involvement with the investee, and
3) The ability to exercise its power over the investee to influence its returns.

Generally, there is an assumption that the majority of voting rights result in control, In support of this assumption, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements which grants the parent company the ability to direct the relevant activities.
- The Group's voting rights and any potential voting rights.

The Group re-assesses whether it has control over an investee if the facts and circumstances indicate any changes in one or more of the three control elements. The consolidation of the subsidiary begins from the date when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. The assets, liabilities, revenues and expenses of a subsidiary acquired during the year are recognized in the consolidated financial statements from the date the Group obtains control until such control ceases to exist.

Gains or losses and each of the other comprehensive income items are attributed to the shareholders of the parent company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to make their accounting policies consistent with the Group's accounting policies. All assets, liabilities equity, revenues, expenses and cash flows related to intra-Group transactions are entirely eliminated upon consolidation of the financial statements.

Changes in Group's ownership interests in any subsidiary that do not result in loss of control are treated as equity transactions.

(All amounts are presented in Saudi riyals unless otherwise indicated)

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.
The unaudited condensed interim consolidated financial statements include the balances and results of Abdulla Al-Othaim Markets Company and its following subsidiaries (together, "The Group") as at 31 March 2017:

Name of Company	Effective ownership percentage 31 March 2017
Haley Holding Company	100%
Universal Marketing Centre Company	100%
Seven Services Company	100%
Bayt Al Watan Company	100%
Marafeq Al Tashgheel Company	100%
Al Othaim Markets - Egypt	100%
Thamarat Al Qassim Company	100%
Shurofat Al Jazeerah Company	100%
Mueen Recruitment Company	68%

Haley Holding Company:
A limited liability company that operates under commercial registration number 1010314228 issued in Riyadh city on 9 Ramadan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, vehicles spare parts, computer services (application systems and data bases), import and export services, marketing, maintenance of training and entertaining centers and catering.

Universal Marketing Centre Company:
A limited liability company that operates under commercial registration number 1010314201 issued in Riyadh city on 9 Ramadan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, computer services (application systems and data bases), import and export services, marketing, . Maintenance of training and entertaining centers and catering.

Seven Services Company:
A limited liability company that operates under commercial registration number 1010320848 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, wholesale and retail trading of ready-made clothes, sport clothes, jewelry, sewing tools, bags, leather products, decorations, dropped ceilings, vehicles spare parts, agricultural produce, in addition to providing importing and exporting services on behalf of others, establishing agriculture projects and operating and managing bakeries and cafes.

Bayt Al Watan Company:
A limited liability company that operates under commercial registration number 1010320847 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, and retail and whole sales trading of fruits and vegetables, fish, dairy products, ghee, olive, halawa, pasta, soft drinks, in addition to providing importing, exporting and marketing services for others, maintenance of training, entertainment and sports, general contracting (construction, maintenance, demolition and restoration) and electrical and electronic work.

Marafeq Al Tashgheel Company:
A limited liability company that operates under commercial registration number 1010321917 issued in Riyadh on 15 Muharram 1433H (corresponding to 10 December 2011). The main activities of the company are contracting of buildings, and construction, demolition and restoration of highways, roads, streets and bridges and reinforcing and carpentry.

Al Othaim Markets - Egypt:
A Joint stock company that operates under commercial registration number 55010 issued in Egypt on 20 Thu Al-Hijjah 1432H (corresponding to 16 November 2011). The main activities of the company are wholesale and retail trading and general trade.

Thamarat Al Qassim Company:
A limited liability company that operates under commercial registration number 1010378315 issued in Riyadh on 30 Rajab 1434H (corresponding to 9 June 2013). The main activities of the company agriculture, fodder, livestock and poultry breeding, in addition to import and export and marketing ; and acquisition of lands to construct buildings thereon and invest them by sale or lease out and utilizing properties for the interest of the Company.

Mueen Recruitment Company:
A closed joint stock company that operates under commercial registration number 1010435202 issued in Riyadh on 6 Ramadan 1436H (corresponding to 23 June 2015). The main activities of the company providing labor services regarding house workers and workers for both public and private sectors under an authorization from the Ministry of Labor No, UMM 24 issued on 23 Thul Hijja 1436H (corresponding to 16 October 2015).

Shurofat Al Jazeerah Company:
A limited liability company that operates under commercial registration number 1010228732 issued in Riyadh on 2 Safar 1428H (corresponding to 19 November 2007). The main activities of the company are general contracting and operating commercial complexes.

4- IFRSs APPLIED BY THE COMPANY

The opening statement of financial position as at 1 January 2016 and the accompanying unaudited condensed interim consolidated financial statements as at 31 March 2017 were prepared in accordance with the accounting policies which the company expects to apply to the annual consolidated financial statements as at 31 December 2017 "Accounting Policies", Specifically, the Group adopted the standards issued and approved by SOCPA and effective as of 31/12/2017. Furthermore, the Group early adopted certain issued standards and amendments that are expected to be approved by SOCPA at that date, including:

- IFRS 9 : "*Financial Instruments"*
- Amendment to IAS 1 "*Financial statement presentation*"
- Amendments to IAS 16 "*Properties, plant and equipment*"
- The annual improvements to IFRSs (2012-2014 cycle) which includes amendments to IFRS 5 and IFRS 7 and IAS 9 and IAS 34.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the prevailing market conditions (such as the current price), whether the price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability,

The principal market or most advantageous market should be accessible by the Company.

The fair value of an asset or a liability is measured by using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities are measured to reach the fair value or disclosed in the interim condensed consolidated financial statements, Assets and liabilities are classified in the fair value hierarchy below based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted market price (unadjusted) in an active market for an identical asset or liability.

- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Inputs that are unobservable for the asset or liability.

5- THE NEW AND AMENDED IFRSs THAT ARE TO BE ISSUED AND NOT APPLICABLE YET

The Company has not early adopted some of the new and amended standards and interpretations that were issued but not applicable yet as explained in note 26.

6- CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the unaudited condensed interim consolidated financial statements in conformity with the accounting policies applied requires the use of critical judgment, estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and the notes beside the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The key assumptions concerning the future and other key sources of uncertainty estimation at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. In making its assumptions and estimates, the Company relies on standards available when preparing the condensed interim financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group, Such changes are stated when they occur.

a. **Summary of Significant Adopted Accounting Policies**:

- The useful lives of Properties, plants and equipment are estimated by the Group for the purposes of accounting for depreciation based on the expected use of those assets. Management reviews the residual value and useful lives annually. Future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.
- The useful lives of intangible assets, they represent costs incurred to obtain the utilization rights of properties leased from the principal tenant (key money). These assets are amortized over their respective term of the lease contracts.
- The useful lives of biological assets, Biological assets are sheep and cows owned by the subsidiary, Thamarat Al Qassim Company. Prior to their disposal, biological assets are depreciated on a straight-line basis over their estimated useful life of 5 years.
- The Management makes a provision for receivables impairment based on its estimates on the recoverability of those receivables in accordance with the IFRS.
- The management estimates the provision to reduce the inventory value to its net realizable value if the inventory cost is not recoverable or the inventory was damaged or became obsolete in whole or in part, or if the selling price is lower than the cost, or if there are any factors that cause a decrease in the recoverable amount below the carrying value.
- The liability of the variable consideration of the sale incentives in accordance with the loyalty program (Iktissab) is estimated based on the usual practice and the Company's previous experience. This liability is reviewed when preparing the financial reports to reflect the potential value of the Group's liability toward the customers.
- The Management estimates the realizable value of the other financial assets to determine if they were impaired.
- The employees' end-of-service benefits obligation is determined according to a defined unfunded benefit plan and measured using actuarial evaluation. Actuarial evaluation includes many assumptions that may differ from the actual future developments. These assumptions include the determination of the discount rate and future salary increases and turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Thus, all assumptions are reviewed once a year or more as necessary.

b. Going concern
The Company has no doubts regarding its ability to continue its operations. Accordingly, these unaudited condensed interim consolidated financial statements have been prepared on a going concern basis.

7- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIE
These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention and the accrual basis of accounting, unless otherwise stated below.

The accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those expected to be used as at 31 December 2017, and they are the same accounting policies used in preparing the opening statement of financial position as at 1 January 2016 and the consolidated financial statements for the year ended 31 December 2016. The key accounting policies used by the company in preparing these unaudited condensed interim consolidated financial statements are as follows:

Financial assets and liabilities:
Financial assets and liabilities are recognized on the Group's consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments. Purchases or sales are recognized or de-recognized using the trade date accounting.
Financial asset:
When the Group acquires a financial asset, the financial asset is classified at amortized cost or at fair value through the other comprehensive income statement or at fair value through the income statement based on (a) the Group's business model for managing financial assets and (b) the contractual cash flows characteristics of the financial asset.
Initial measurement of the financial asset :
Subsequent measurement of the financial asset:
Financial asset is measured at initial recognition at fair value plus any transaction costs, except for financial assets at fair value through income which are measured at fair value, (without adding the transaction costs).
After initial recognition, the Group subsequently measures the financial assets based on the category under which the financial asset is classified:
- At amortized cost, if the Group's objective is to hold a group of financial debt instruments to collect the contractual cash flows at defined dates that are solely payments of principal and interest on the principal amount outstanding.
- At fair value through the statement of other comprehensive income, if the Group's objective is to hold a group of financial debit instruments to collect the contractual cash flows at defined dates and sell the financial asset; and result in contractual cash flows on defined dates that are solely payments of principal and interest on the principal amount outstanding.
- At fair value through other comprehensive income, if the Group uses this measurement option that is available in the IFRS 9, Financial instruments
- At fair value through the income statement, unless measured at amortized cost or at fair value through the statement of other comprehensive income

Financial assets are measured at amortized cost using the effective interest rate. Disposal gains and losses are recognized in the income statement when derecognizing the financial asset. As for the financial assets measured at fair value, they are measured at fair value while the valuation differences are presented through the statement of income, except when the Group chooses to measure the financial asset at fair value at the initial recognition through the statement of other comprehensive income, in this case, the valuation differences presented in the statement of other comprehensive income. Further, the dividends realized from such assets are recognized through the statement of income.
De-recognition of financial assets:
The financial asset is de-recognized when -and only when-:
- The contractual rights to receive cash flows from the financial asset expire, or
- The Group transfers the contractual rights to receive the cash flows of the financial asset and transfers substantially all the risks and rewards of ownership of the financial asset, or
- The Group retains the contractual rights to receive cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients and transfers substantially all the risks and rewards of ownership of the financial asset, or

- The Group transfers the contractual rights to receive the cash flows from the financial asset but neither transferres nor retains substantially all the risks and rewards of ownership of the financial asset and the Group surrendered control over the financial asset, or it retained the contractual rights to receive the cash flows from the financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients without transferring substantially all the risks and rewards of ownership of the financial asset, and the Group passed control over the financial asset.

When de-recognizing a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset acquired less any new liability assumed) is recognized in the statement of income.

B -Financial liabilities:
The Group classifies all its financial liabilities to be measured - subsequently -at amortized cost.

De-recognition of financial liabilities:
A financial liability (or a part of a financial liability) can only be removed from the statement of financial position when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expires.

C -Reclassification of financial assets and liabilities:
When the Group reclassifies a financial asset, it applies the reclassification prospectively from the date of the reclassification. The previously recognized gains, losses (including impairment losses and gains) or interests are not adjusted. Furthermore, reclassification of financial liabilities from one category to the other is not permitted.

D -Impairment :
For financial assets at amortized cost or financial assets at fair value through other comprehensive income, credit losses are measured over the next twelve months or over the whole life of the financial asset. The provision for losses is recognized in the statement of income.

Trade receivables:
Trade receivables represent the amounts due from customers for goods sold or services performed in the Group's normal course of business. Trade receivables are initially recognized at fair value represented by the exchange consideration . Subsequent to initial recognition, they are measured at amortized cost.

Cash and cash equivalents:
For purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits and cash at banks.

Property, plant and equipment:

A-Recognition and measurement:
- Property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses.
- Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.
- When the useful lives of property, plant and equipment items are different, they are accounted for as separate items.
- Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of such items and are recognized net in the consolidated statement of income.

B-Subsequent costs:
- The cost of the replaced part for a property, plant and equipment item is recorded in the value reported for that item when it is probable that future economic benefits will flow from that part to the Company and the cost of the item can be measured reliably. The value reported for the old replaced part is written off.
- Daily costs and expenses incurred by the Company for maintaining and operating the property, plant and equipment are charged to the consolidated statement of income when incurred.

C -Depreciation:
Depreciation charge is recognized in the consolidated statement of income using the straight-line method over the estimated useful life of each item of property, plant and equipment, except for land. Assets constructed on leased lands are depreciated over the lower of lease term, or over their respective useful lives. The depreciation of property, plant and equipment starts when they are available for use as intended by the management.
The estimated useful lives of property, plant and equipment and the useful lives during the current year are the same for the previous year as follows:

Item	Useful lives (year)
Machinery and equipment	10
Properties (buildings)	20-25
Motor vehicles	5-7
Computers	5-7
Furniture and fixtures	7
Leasehold improvements	10

The Company reviews the useful lives and residual values to all property, plant and equipment items at the end of each financial year and adjust them as necessary.

D -Capital work-in- progress:
Capital work-in progress are stated at cost and include the cost of construction, equipment and direct expenses. These are not depreciated until they become ready for their intended use by the Group where they are transferred to property, plant and equipment.
Investment properties:
The Group classifies an asset as an investment property if the purpose of holding it is to (a) earn rental income, or (b) increase the share capital or (c) both, At initial recognition, investment property is stated at cost, including expenditure that is directly attributable to the acquisition of investment properties, Upon subsequent measurement, the Group uses the cost module where the accumulative depreciation and accumulative impairment losses are deducted, and their fair value is disclosed as required by the IFRS at the date of preparing the consolidated financial statements.
The Group uses the straight-line method to depreciate investment properties over the estimated life of each of the investment property items. Assets built on leased lands are depreciated over the lower of the lease term or their respective useful lives. Depreciation charge is recorded in the consolidated statement of income.
Biological assets:
Biological assets represent sheep and cows owned by the Group before their disposal in 2016. At their initial recognition, they were measured at cost less any accumulated depreciation or accumulated impairment losses due to the lack of quoted market prices. Once the fair value of biological assets can be reliably measured, they are measured at fair value less sale cost. Biological assets are stated at the financial reporting date at cost of purchase or growing till the first production less accumulated depreciation.

Biological assets were depreciated, prior to their disposal, on a straight-line basis over their estimated useful lives of 5 years.
Non-financial assets:
Carrying amount of non-financial assets of the Group is reviewed at the end of each fiscal year to determine whether there is an indication of impairment. If such an indication exists, the recoverable amount of these assets is estimated. If the carrying amount of the assets exceeds their recoverable amount, the impairment loss for these assets is recognized in the consolidated statement of income.
The recoverable amount of an asset is :The higher of its fair value less the costs of disposal and its value in use. Value in use is : the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

In cases where the recoverable amount of the asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where an impairment loss is reversed when there are indications for such, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is immediately recognized as income in the consolidated statement of income,

Intangible assets:

Acquired intangible assets are measured at cost separately at the date of initial recognition. The cost of Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequent to initial recognition, intangible assets are stated at cost Items less accumulated amortization and accumulated impairment losses, if any. Internally generated Intangible assets, except for capitalized development costs, are not capitalized. Expenses are recognized in the consolidated statement of income when incurred, and the estimated useful lives of the intangible assets are estimated to be finite or infinite.

Intangible assets with definite lives are amortized over the useful life. The Company conducts the needed tests to assess for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for the intangible assets with finite useful lives are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method and are treated as changes in accounting estimates. The amortization expenses for intangible assets with finite lives are recognized in the consolidated statement of income under an expenses category that match the intangible assets function.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the Cash-Generating Unit level. The valuation of infinite lives is reviewed each year to determine whether the infinite lives are still probable. If not, the infinite useful life is changed to finite prospectively.

Profit or loss resulting from the de-recognition of intangible assets are measured by the difference between the net proceeds of disposal and the asset's carrying amount, and they are included in the consolidated statement of income, upon de-recognition of the asset.

Intangible assets are the costs incurred to acquire the utilization rights of property site of markets leased from the original tenant (key money) which are amortized over the leases period, After the initial recognition, they are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is charged to the consolidated income statement on a straight-line basis over the useful life of each item of the intangible assets. The estimated useful lives of intangible assets over the current year and the previous years are amortized over the lease period.

Investments in associates:

- An associate is an entity over which the Group exercises significant influence, as an investor.
- When an entity holds- directly or indirectly 20% or more of the voting right in the investee, the Group is assumed to have a significant influence unless there is clear evidence that this is not the case.
- The significant influence is the ability to participate in financial and operational policies of the investee and not control or joint control over those policies.
- The Group’s investments in its associates are accounted for using the equity method.
- At initial recognition, the investment in an associate is recognized at cost, and the carrying amount is increased or decreased to recognize the Group’s share of the profit or loss of the investee after the date of acquisition. The Group’s share in the investee's profit or loss is recognized in the Group’s statement of income. Dividends received from the investee decreases the carrying amount of the investment. Other comprehensive income of the Group includes its share of the investee's other comprehensive income.
- The Group’s share of profit or loss of an associate is stated in the consolidated statement of income outside operating profit and represent the established share of profit or loss after tax (zakat) and equity of other owners in the associate.
- The financial statements of the associate are prepared for the same financial period as that of the Group, using consistent accounting policies.

After applying the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to its investment in an associate. The Group determines at the end of each fiscal year whether there is an objective evidence of impairment of the investment in an associate. If there is an evidence on impairment, the Group calculates the impairment as the difference between the associate's recoverable amount and its carrying amount. The loss is recognized in the consolidated statement of income. When losing the significant influence over an associate, the Group measures and recognizes the return on investment at fair value. Any differences between the carrying amount of the investment and the fair value are recorded in the consolidated statement of income.

Revenue recognition:
A- Sale revenue recognition:
Revenues are realized when it is likely that economic benefits will flow to the Group. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

B -Incentives and other benefits from suppliers:
- The opening fee income which are agreed with the suppliers are recognized upon the branch opening and are deducted from the sold goods cost.
- Incentives and earned benefits from suppliers are recognized on accrual basis as per the contracts signed with the suppliers. For the purposes of presentation, the incentives and earned benefits are deducted from the sold goods cost.

C- Other income:
- Rental income is recognized on an accrual basis in accordance with the leases terms.
- Dividends income are recognized when approved by the General Assemblies of the investees in the consolidated statement of income.
- Other revenues are recognized according to accrual principle and when the conditions to earn such revenues are fulfilled in accordance with the IFRSs.

D -Customer loyalty program (*Iktissab*):
The Company defers recognition of variable consideration of incentives arising from the Customer Loyalty Program (*Iktissab*) where the Group estimates this consideration based on usual practice and previous experience of the Group, Then, the consideration is recognized as a liability till it is utilized by the customer. The sale revenue is reduced by the amount of this liability being recognized as a deferred income. Subsequently, this liability is transferred to the income upon utilization or when the right to utilize expires. Meanwhile, the cost of revenue is recognized and represented by the cost of goods delivered to the customer.

Inventory and spare part:
A -Inventories:
Inventory is stated at the lower of cost or net realizable value. The cost is determined by using the weighted average costing method. Inventory Cost consist of costs incurred to get the inventories to the warehouses. Net realizable value is the estimated selling price in the ordinary course of business, less the expected costs of sale.

B- Agricultural stock :
The agricultural stock is measured at fair value less any sale cost at the harvest point. Current purchase prices from major suppliers of similar products are used as a guidance for the fair value.

C- Spare parts inventory :
Spare parts are charged to the property, plant and equipment when they meet their definition and conditions, otherwise, they are classified as inventory.

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuous use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell and depreciation is ceased.

Provisions:
Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event at the date of the financial position statement, and these obligations are likely to require an outflow of economic benefits and can be measured reliably. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks associated with the liability.

Employees 'end-of-service benefits obligations
Obligations for employees' end-of-service benefits is a compensation plan paid for employees at the end of their services. As per the Saudi Labor Law, the Group pays employees cash when their service ends based on the period of service, salary and reason for terminating the service.

Obligations recognized in the statement of financial position regarding the end-of-service benefits represent the current value of the defined benefits obligations at the end of the reporting period. The end-of-service benefits obligation is calculated by the management on annual basis using the expected credit unit method.
The cost of the current services of the defined benefits plan is recognized in the consolidated statement of income under employees' benefits cost. This cost reflects the increase in the defined benefits obligation resulting from the employee's service in the current year plus changes, reduction and settlement of benefits.
Past-service costs are recognized immediately in the consolidated statement of income.
The present value of the defined benefits obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligations. Where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses arising from previous changes in actuarial assumptions are charged or credited to equity in other comprehensive income statement in the period in which they arise.

Long-term borrowings:
A loan is recognized at net received amount and interests are recognized using the effective interest method. Interests on long term loans are recorded during the period in which they were incurred. As for interest of long-term loans to finance capital works, they are capitalized and considered part of these works cost.

Borrowing costs:
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the asset cost. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the consolidated statement of income in the period in which they are incurred by the Group.

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

Foreign currency transactions:
Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the financial period are translated into Saudi Riyals using the exchange rates prevailing at that date. As for non-monetary item in foreign currencies recorded at fair value, they are retranslated according the exchange rate prevailing at the date of determining its fair value. Non-monetary items in quoted currencies at historical cost are not retranslated.
Translation differences on settlement of non-monetary items and retranslation of, monetary items are included in the consolidated statement of income for that period. Translation differences resulting from non-monetary items like equity classified as financial assets through comprehensive income are recognized under cumulative changes in fair value in the other comprehensive income.

Assets and liabilities of foreign subsidiaries are translated into Saudi Riyals using the exchange rates prevailing at the date of the financial statements. Income and expenses are translated for each of the statement of income and the statement of other comprehensive income using the exchange rates prevailing at the transactions dates. The translation differences are recognized in the statement of other comprehensive income. These differences are recognized in the consolidated statement of income during the period at which foreign operations are disposed of. Goodwill and change in fair value resulting from acquisitions of foreign companies are treated as foreign companies' assets and liabilities and translated using the exchange rate prevailing at the financial reporting date.

Leases accounting:
A -The Group as lessee:
Rental payments are recognized in accordance with operational leases in the consolidated income statement except for service costs, like insurance and maintenance, as expenses using the straight-line basis over the lease period. Returns received or due as incentives for entering an operational lease contract are allocated on a straight-line basis over the term of the lease, unless there is another systematic basis that better reflect the time pattern of the lease benefit. Services like insurance and maintenance are recognized in the income statement when incurred.

B -The Group as a lessor:
Rental income from operating leases is recognized in the consolidated statement of income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Segments Information:
A business segment consists of assets and operations providing goods or services that are exposed to risks and returns different from those of other business segments which are measured according to the reports used by the management. A geographic segment relates to providing goods or services within an economic environment exposed to risks and returns different from those of other segments working in other economic environments.

Offset:
Financial assets and liabilities are offset and reported net in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and when the Group (i) intends to settle on a net basis, the assets and liabilities; or (ii) to realize the asset and to settle the liability simultaneously.

Zakat and taxes:
The Company is subject to the regulations of the General Authority of Zakat and Income Tax ("GAZIT") in the Kingdom of Saudi Arabia. As for subsidiaries outside the KSA, they are subject to the laws of countries they are registered in, Zakat is recognized according to the accrual basis. The zakat provision is calculated according to the zakat base. Any differences between the provision and the final assessment are recorded when realized and recognized at the time

(All amounts are presented in Saudi riyals unless otherwise indicated)

8- THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs

8A-1 Reconciliation of consolidated equity reported in accordance with previous GAAP (SOCPA) to consolidated equity in accordance with IFRSs as at 01 January 2016 (date of transition to IFRSs)

	Notes	SOCPA	Effect of transition to IFRSs	IFRSs
ASSETS				
Non-current assets				
Properties, plants and equipment, net	8B1-	1,226,961,725	(235,248,635)	991,713,090
Investment properties, net	8B1-	467,994,270	169,514,437	637,508,707
Intangible assets, net	8B1-	11,359,330	(50,095)	11,309,235
Biological assets, net		796,900	-	796,900
Investments in associates	8B1-	169,644,532	43,317,476	212,962,008
Financial assets at fair value through other comprehensive income		16,645,447	-	16,645,447
Total non-current assets		**1,893,402,204**	**(22,466,817)**	**1,870,935,387**
Current assets				
Inventories, net	8B2-	603,995,906	(35,338,756)	568,657,150
Prepayments and other receivables, net	8B2-	239,154,945	(23,967,320)	215,187,625
Trade receivables, net	8B2-	28,194,856	(18,476,307)	9,718,549
Cash and cash equivalents	8B2-	329,426,125	(5,569,834)	323,856,291
Total current assets		**1,200,771,832**	**(83,352,217)**	**1,117,419,615**
TOTAL ASSETS		**3,094,174,036**	**(105,819,034)**	**2,988,355,002**
LIABILITIES AND EQUITY				
EQUITY				
Share capital		450,000,000	-	450,000,000
Statutory reserve		44,565,425	-	44,565,425
Retained earnings	8B3-	610,213,817	(4,264,836)	605,948,981
Other reserves		717,505	-	717,505
Fair value reserve		(860,639)	-	(860,639)
Equity attributable to shareholders of the parent		**1,104,636,108**	**(4,264,836)**	**1,100,371,272**
Non – controlling interests	8B4-	68,116,120	(35,441,571)	32,674,549
Total equity		**1,172,752,228**	**(39,706,407)**	**1,133,045,821**
Non-current liabilities				
Long term loans and murabahas		399,500,000	-	399,500,000
Obligations for employees' end-of-service benefits	8B5-	69,944,667	(487,006)	69,457,661
Total non-current liabilities		**469,444,667**	**(487,006)**	**468,957,661**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs (Continued):

	Notes	SOCPA	Effect of transition to IFRSs	IFRSs
Current liabilities				
Trade payables	8B6-	927,325,129	(17,477,210)	909,847,919
Short term murabahas		20,061,386	-	20,061,386
Current portion of long term loans and murabahas		192,213,333	-	192,213,333
Notes payable	8B6-	31,240,285	(31,240,285)	-
Accruals and other payables	8B6-	271,338,511	(16,084,514)	255,253,997
Zakat provisions	8B6-	9,798,497	(823,612)	8,974,885
Total current liabilities		**1,451,977,141**	**(65,625,621)**	**1,386,351,520**
TOTAL LIABILITIES		**1,921,421,808**	**(66,112,627)**	**1,855,309,181**
TOTAL LIABILITIES AND EQUITY		**3,094,174,036**	**(105,819,034)**	**2,988,355,002**

8A-2 Reconciliation of consolidated equity reported in accordance with previous GAAP (SOCPA) to consolidated equity in accordance with IFRSs as at 31 March 2017:

	Notes	SOCPA	Effect of transition to IFRSs	IFRSs
ASSETS				
Non-current assets				
Properties, plants and equipment, net	8 B-1	1,346,947,053	(258,422,722)	1,088,524,331
Investment properties, net	8 B-1	462,352,110	192,618,281	654,970,391
Intangible assets, net	8 B-1	10,909,774	(50,095)	10,859,679
Biological assets, net		927,846	-	927,846
Investments in associates	8 B-1	182,217,662	34,453,984	216,671,646
Financial assets at fair value through other comprehensive income		15,219,347	-	15,219,347
Total non-current assets		**2,018,573,792**	**(31,400,552)**	**1,987,173,240**
Current assets				
Inventories, net	8 B-2	681,628,340	(29,125,708)	652,502,632
Prepayments and other receivables, net	8 B-2	230,616,185	(25,199,078)	205,417,107
Trade receivables, net	8 B-2	29,057,952	(16,322,768)	12,735,184
Cash and cash equivalents	8 B-2	299,297,295	(1,765,863)	297,531,432
Total current assets		**1,240,599,772**	**(72,413,417)**	**1,168,186,355**
TOTAL ASSETS		**3,259,173,564**	**(103,813,969)**	**3,155,359,595**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs (Continued):

	Notes	SOCPA	Effects of transition to IFRSs	IFRSs
LIABILITIES AND EQUITY				
EQUITY				
Share capital		450,000,000	-	450,000,000
Statutory reserve		44,565,425	-	44,565,425
Retained earnings	8B – 3	567,221,249	(4,650,847)	562,570,402
Fair value reserve		(2,286,741)	-	(2,286,741)
Equity attributable to shareholders of the parent		**1,059,499,933**	**(4,650,847)**	**1,054,849,086**
Non – controlling interests	8B - 4	60,444,288	(28,189,622)	32,254,666
Total equity		**1,119,944,221**	**(32,840,469)**	**1,087,103,752**
Non-current liabilities				
Long term loans and murabahas		356,446,668	-	356,446,668
Obligation for employees' end-of-service benefits	8B - 5	72,367,070	(185,450)	72,181,620
Total non-current liabilities		**428,813,738**	**(185,450)**	**428,628,288**
Current liabilities				
Trade payables	8B - 6	1,049,403,852	(21,660,953)	1,027,742,899
Short term murabahas		20,076,483	-	20,076,483
Current portion of long term loans and murabahas		187,213,333	-	187,213,333
Notes Payable	8B - 6	31,534,428	(31,534,428)	-
Accruals and other payables	8B - 6	321.104.012	(16.534.057)	304.569.955
Zakat provision	8B - 6	11.083.497	(1.058.612)	10.024.885
Dividends payable		90,000,000	-	90,000,000
Total current liabilities		**1,710,415,605**	**(70,788,050)**	**1,639,627,555**
TOTAL LIABILITIES		**2,139,229,343**	**(70,973,500)**	**2,068,255,843**
TOTAL LIABILITIES AND EQUITY		**3,259,173,564**	**(103,813,969)**	**3,155,359,595**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs (Continued):

8A-3 Reconciliation of consolidated equity reported in accordance with previous GAAP (SOCPA) to consolidated equity in accordance with IFRSs as at 31 December 2016

	Notes	SOCPA	Effect of transition to IFRSs	IFRSs
ASSETS				
Non-current assets				
Properties, plants and equipment, net	8B- 1	1,338,430,712	(68,199,681)	1,270,231,031
Investment properties, net	8B- 1	674,374,417	1,621,944	675,996,361
Intangible assets, net		9,511,008	-	9,511,008
Investments in associates	8B- 1	172,533,520	32,880,422	205,413,942
Financial assets at fair value through other comprehensive income		14,991,495	-	14,991,495
Total non-current assets		**2,209,841,152**	**(33,697,315)**	**2,176,143,837**
Current assets				
Inventories, net	8B- 2	680,512,374	(33,946,716)	646,565,658
Prepayments and other receivables, net	8B- 2	176,040,645	(3,218,282)	172,822,363
Trade receivables, net	8B- 2	36,423,363	(26,944,085)	9,479,278
Held-for-trading investments at fair value through profit and loss		61,649,646	-	61,649,646
Cash and cash equivalents	8B- 2	313,915,486	(1,471,647)	312,443,839
Total current assets		**1,268,541,514**	**(65,580,730)**	**1,202,960,784**
TOTAL ASSETS		**3,478,382,666**	**(99,278,045)**	**3,379,104,621**
LIABILITIES AND EQUITY EQUITY				
Share capital	8B- 3	450,000,000	-	450,000,000
Statutory reserve		67,568,635	-	67,568,635
Retained earnings		727,242,713	(6,223,207)	721,019,506
Fair value reserve		(2,514,591)	-	(2,514,591)
Exchange differences from translation of foreign operations		(4,002,834)	-	(4,002,834)
Company's share of associates' other comprehensive income		1,281,853	-	1,281,853
Equity attributable to shareholders of the parent		**1,239,575,776**	**(6,223,207)**	**1,233,352,569**
Non – controlling interests	8B- 4	57,992,785	(26,902,161)	31,090,624
Total equity		**1,297,568,561**	**(33,125,368)**	**1,264,443,193**
Non-current liabilities				
Long term loans and murabahas		412,286,670	-	412,286,670
Obligation for employees' end-of-service benefits	8B- 5	82,677,996	1,380,876	84,058,872
Total non-current liabilities		**494,964,666**	**1,380,876**	**496,345,542**
Current liabilities				
Trade payables	8B- 6	1,099,665,073	(22,169,677)	1,077,495,396
Current portion of long term loans and murabahas		187,213,333	-	187,213,333
Notes Payable	8B- 6	29.109.363	(29.109.363)	-
Accruals and other payables	8B- 6	355,304,575	(15,312,699)	339,991,876
Zakat provision	8B- 6	14,557,095	(941,814)	13,615,281
Total current liabilities		**1,685,849,439**	**(67,533,553)**	**1,618,315,886**
TOTAL LIABILITIES		**2,180,814,105**	**(66,152,677)**	**2,114,661,428**
TOTAL LIABILITIES AND EQUITY		**3,478,382,666**	**(99,278,045)**	**3,379,104,621**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) The financial effect of first-time adoption of IFRSs (Continued):

8A-4 Reconciliation of consolidated income reported in accordance with previous GAAP (SOCPA) to consolidated income in accordance with IFRSs for the three-month period ended 31/03/2016

	Notes	SOCPA	Effect of transition to IFRSs	IFRSs
Sales	8B- 7	1,640,022,125	(33,865,462)	1,606,156,663
Cost of sales	8B- 8	(1,360,654,817)	19,974,714	(1,340,680,103)
Gross profit		**279,367,308**	**(13,890,748)**	**265,476,560**
Rental income, net	8B- 9	15,980,037	(504.482)	15.475.555
Selling and marketing expenses	8B- 10	(216,782,834)	10,847,112	(205.935.722)
General and administrative expenses	8B- 11	(28,177,728)	3,274,945	(24,902,783)
Operating profit		**50,386,783**	**(273,173)**	**50,113,610**
Company's share in profits (losses) of Associates	8B- 12	7,658,065	(8,863,493)	(1,205,428)
Loss on disposal of assets	8B- 13	(15,600,826)	15,600,826	-
Financing charges	8B- 14	(3,186,033)	386,408	(2,799,625)
Other income, net	8B- 15	1,112,612	(219,631)	892,981
Net income before zakat and tax		**40,370,601**	**6,630,937**	**47,001,538**
Zakat and tax	8B- 16	(1,285,000)	235,000	(1,050,000)
Net income for the period		**39,085,601**	**6,865,937**	**45,951,538**
Net income for the period attributable to:				
Equity holders of the parent		47,007,432	(386,011)	46,621,421
Non-controlling interests		(7,921,831)	7,251,948	(669,883)

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs (Continued):

8A-5 **Reconciliation of consolidated income reported in accordance with previous GAAP (SOCPA) to consolidated income in accordance with IFRSs for the the year ended 31/12/2016**

	Notes	SOCPA	Effect of transition to IFRSs	IFRSs
Sales	8B- 7	7,171,729,236	(106,277,208)	7,065,452,028
Cost of sales	8B- 8	(5,900,068,018)	46,691,214	(5,853,376,804)
Gross profit		**1,271,661,218**	**(59,585,994)**	**1,212,075,224**
Rental income, net	8B- 9	68,955,069	(2,222,678)	66,732,391
Selling and marketing expenses	8B- 10	(980,111,054)	38,197,536	(941,913,518)
General and administrative expenses	8B- 11	(125,266,648)	20,280,042	(104,986,606)
Operating profit		**235,238,585**	**(3,331,094)**	**231,907,491**
Company's share in profits of associates	8B-12	25,365,154	(10,437,054)	14,928,100
Dividends from financial assets at fair value through other comprehensive income		345,928	-	345,928
Income from held-for trading investments		649,646	-	649,646
Loss on disposal of assets	8B- 13	(20,026,315)	15,600,828	(4,425,487)
Financing charges	8B- 14	(17,233,432)	2,221,229	(15,012,203)
Other income, net	8B- 15	1,685,062	2,267,854	3,952,916
Income before zakat and tax		226,024,628	6,321,763	232,346,391
Zakat and tax	8B- 16	(8,365,856)	259,275	(8,106,581)
Net income for the year		**217,658,772**	**6,581,038**	**224,239,810**
Net income for the year attributable to:				
Equity holders of the parent		230,032,106	(1,958,371)	228,073,735
Non-controlling interests		(12,373,334)	8,539,409	(3,833,925)

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST- TIME ADOPTION OF IFRSs (Continued):

8A-6 Reconciliation of consolidated comprehensive income reported in accordance with previous GAAP (SOCPA) to consolidated comprehensive income in accordance with IFRSs for the three month period ended 31/03/2016

	SOCPA	Effect of transition to IFRSs	IFRSs
Net income for the period	**39.085.601**	6.865.937	45,951,538
Other comprehensive income			
Items not to be reclassified to income in subsequent periods			
changes in fair value of financial assets at fair value through other comprehensive income	-	(1,426,102)	(1,426,102)
Items to be reclassified to income in subsequent periods			
Changes in fair value of hedges	**-**	(717.505)	(717.505)
Other comprehensive income for the period	**-**	**(2.143.607)**	**(2.143.607)**
Total comprehensive income for the period	**39.085.601**	**4.722.330**	**43.807.931**

8A-7 Reconciliation of consolidated comprehensive income reported in accordance with previous GAAP (SOCPA) to consolidated comprehensive income in accordance with IFRSs for the year ended 31-12-2016

	SOCPA	Effect of transition to IFRSs	IFRSs
Net income for the year	**217,658,772**	**6,581,038**	**224,239,810**
Other comprehensive income :			
Items not to be reclassified to income in subsequent periods			
changes in fair value of assets at fair value through other comprehensive income	**-**	(1,653,952)	(1,653,952)
Items to be reclassified to income in subsequent periods			
Company's share of associates' other comprehensive income	-	1,281,853	1,281,853
Exchange differences on translation of foreign operations	-	(4,002,834)	(4,002,834)
Other comprehensive income for the year	**-**	**(4,374,933)**	**(4,374,933)**
Total comprehensive income for the year	**217,658,772**	**2,206,105**	**219,864,877**

8A-8 Adjustment on cash flow statements

There are no material differences between the presentation of the statement of cash flow in accordance with IFRSs and SOCPA.

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) The financial effect of first-time adoption of IFRSs (Continued):

8-B The following is a summary of the nature of the adjustments made to the financial statements as of 01/01/2016 (the date of transition) and as of 31/03/2016 and as at 31/12/2016. The amounts for these adjustments show the cumulative effect of the differences between IFRSs and the accounting standards generally accepted in Saudi Arabia on those dates.

8B-1 Adjustments to Non-current Assets

	As of 1 January 2016	As of 31 March 2016	As of 31 December 2016
- Increase in balances of investments in associates as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack control	43,317,476	34,453,984	32,880,422
- (decrease) in balances of Properties, plants and equipment as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate	(65,734,198)	(65,804,441)	(66,577,737)
- Reclassification of properties, plants and equipment acquired by the Company for investment or leasing to others under investment properties	(169,514,437)	(192,618,281)	(1,641,463)
- Reclassification of properties، plants and equipment acquired by the Company for investment or leasing to others under investment property	169,514,437	192,618,281	1,641,463
-(Decrease) in balances of intangible assets as a result of excluding Riyadh Food Industries from consolidation due to lack of control and the recognition of the remaining investment as an investment in associate	(50,095)	(50,095)	-
Net adjustments to non-current assets	**(22,466,817)**	**(31,400,552)**	**(33,697,315)**

8B-2 Adjustments of Current Assets-

(Decrease) in balances of cash and cash equivalents as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the investment as an investment in an associate,	(5,569,834)	(1,765,863)	(1,471,647)
- (Decrease) in inventory balances as a result of the exclusion of Riyadh Food Industries from consolidation due to lack of control and recognition of the remaining investment as an investment in an associate,	(35,338,756)	(29,125,708)	(33,946,716)
- (Decrease) in balances of trade receivables due to exclusion of Riyadh Food Industries from consolidation due to lack of control and the recognition of the remaining investment as an investment in associate,	(18,476,307)	(16,322,768)	(26,944,085)
- (decrease) in balances of prepayments and other receivables due to exclusion of Riyadh Food Industries from consolidation due to lack of control and recognition of the remaining investment as an investment in associate,	(23,967,320)	(25,199,078)	(3,218,282)
Net adjustments to Current Assets	**(83,352,217)**	**(72,413,417)**	**(65,580,730)**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) The financial effect of first IFRS time adoption (Continued):

8B-3 Adjustments to equity holders of the parent

	As of 1 January 2016	As of 31 March 2016	As of 31 December 2016
- Effect of excluding the difference between the value paid and the fair value of the interest acquired in Riyadh Food Industries Company,	(950,000)	(950,000)	(950,000)
- (decrease) in balances of retained earnings as a result of the recognition of the actuarial valuation differences of the employees' end-of-service obligation, Disclosure (8B – 5)	(3,314,836)	(3,700,847)	(5,273,207)
Net adjustments to shareholders' equity	**(4.264.836)**	**(4,650,847)**	**(6,223,207)**

8B – 4 Adjustments to Non-controlling Interests

	As of 1 January 2016	As of 31 March 2016	As of 31 December 2016
- (Decrease) in non-controlling interests due to the exclusion of Riyadh Food Industries from consolidation due to lack of control and the actuarial recognition of the remaining investment as an investment in an associate	(35,441,571)	(28,189,622)	(26,902,161)
Net adjustment to non-controlling interests	**(35,441,571)**	**(28,189,622)**	**(26,902,161)**

8B - 5 Adjustments to non-current liabilities

	As of 1 January 2016	As of 31 March 2016	As of 31 December 2016
- (decrease) in balances of the obligation for employees' end-of-service benefits as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate.	(3,801,842)	(3,886,297)	(3,892,331)
- Increase in the balance of the obligation for employees 'end-of-service benefits as a result of the recognition of the actuarial valuation differences of the liability for employees' end-of-service benefits,	3,314,836	3,700,847	5,273,207
Net adjustments to non-current liabilities	**(487,006)**	**(185,450)**	**1,380,876**

8B – 6 Adjustments to current liabilities-

	As of 1 January 2016	As of 31 March 2016	As of 31 December 2016
- (Decrease) in balances of trade payables due to the exclusion of Riyadh Food Industries from the consolidation process due to the lack of control and the recognition of the remaining investment as an investment in an associate,	(17,477,210)	(21,660,953)	(22,169,677)
- (decrease) in balances of accruals and other creditors due to exclusion of Riyadh Food Industries from consolidation due to lack of control and the recognition of the remaining investment as an investment in associate,	(16,084,514)	(16,534,057)	(15,312,699)
- (Decrease) on balances of notes payable due to the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate,	(31,240,285)	(31,534,428)	(29,109,363)
- (decrease) in Zakat provision due to the exclusion of Riyad Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate.	(823,612)	(1,058,612)	(941,814)
Net adjustments to current liabilities	**(65,625,621)**	**(70,788,050)**	**(67,533,553)**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs (Continued):

8B – 7 Adjustments to Net Sales

	For Three months ended March 31, 2016	For the year ended December 31, 2016
- (decrease) in net sales as a result of the exclusion of Riyadh Food Industries from consolidation due to lack of control and the recognition of the remaining investment as investment in associate,	(33,865,462)	(106,277,208)
Net Adjustments to net of Sales	**(33,865,462)**	**(106,277,208)**

8B – 8 Adjustments to Cost of Sales

(Increase) in cost of sales resulting from adjustments to actuarial valuation of end-of-service obligation,	(18,358)	(114,642)
- A decrease in the cost of sales as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate,	19,993,072	46,805,856
Net adjustments to cost of sales	**19,974,714**	**46,691,214**

8B - 9 Adjustments on rental income, net-

(Decrease) in rental income resulting from reclassification from marketing expenses to lease expenses	(315,510)	(1,152,667)
- (Decrease) in rental income arising from changes in actuarial valuation of employees' end-of-service obligation,	(188,972)	(1,070,001)
Net adjustments to rental income, net	**(504,482)**	**(2,222,678)**

8B- 10 Adjustments on selling and marketing expenses-

(Increase) in selling and marketing expenses resulting from actuarial adjustments to end-of-service obligation	(112,710)	(501,589)
- (Increase) in selling and marketing expenses resulting from reclassification of administrative and general expenses to selling and marketing expenses,	-	(6,750,000)
- A decrease in selling and marketing expenses resulting from reclassification of marketing expenses to rental income, net	315,510	1,152,677
- A decrease in selling and marketing expenses as a result of the exclusion of Riyadh Food Industries from the consolidation process due to the absence of control and the recognition of the remaining investment as an investment in an associate,	10,644,312	44,296,448
	10,847,112	**38,197,536**

8B - 11 Adjustments to administrative and general expenses-

(Increase) in administrative and general expenses resulting from actuarial valuation adjustments to employees' end-of-service obligation,	(65,944)	(272,140)
- A decrease in selling and marketing expenses resulting from reclassification of administrative and general expenses to selling and marketing expenses,	-	6,750,000
- A decrease in general and administrative expenses due to the exclusion of Riyadh Food Industries from the consolidation process due to the absence of control and the recognition of the remaining investment as an investment in an associate.	3,340,889	13,802,182
	3,274,945	**20,280,042**

(All amounts are presented in Saudi riyals unless otherwise indicated)

8) THE FINANCIAL EFFECT OF FIRST-TIME ADOPTION OF IFRSs (Continued):

8B - 12 The Company's share in the losses of associates

	For Three months ended March 31, 2016	For the year ended December 31, 2016
- Increase in the Company's share in the losses of associates as a result of the recognition of the remaining investment in Riyadh Food Industries as an investment in an associate,	(8,863,493)	(10,437,054)
	(8,863,493)	**(10,437,054)**

8B - 13 Impairment losses on properties, machinery, and equipment

- Impairment losses on Properties, plants and equipment as a result of the exclusion of Riyadh Food Industries from consolidation due to lack of control and the recognition of the remaining investment as an investment in an associate.	15,600,826	15,600,828
	15,600,826	**15,600,828**

8B- 14 Finance charges

- (decrease) in financing costs as a result of excluding Riyadh Food Industries from consolidation due to lack of control and the recognition of the remaining investment as an investment in an associate,	386,408	2,221,229
	386,408	**2,221,229**

8B – 15 Other Income, Net-

(decrease) in other income as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate,	(219,631)	2,267,854
	(219,631)	**2,267,854**

8B – 16 Zakat-

(Decrease) in Zakat as a result of the exclusion of Riyadh Food Industries from the consolidation process due to lack of control and the recognition of the remaining investment as an investment in an associate.	235,000	259,275
	235,000	**259,275**

(All amounts are presented in Saudi riyals unless otherwise indicated)

9. PROPERTIES, PLANTS AND EQUIPMENT, NET

	properties								
	Lands	**Buildings**	**Machinery and equipment**	**Motor Vehicles**	**Computers**	**Furniture and fixtures**	**Leasehold improvements**	**Projects under construction**	**Total**
Cost									
1 January 2017	425,165,608	363,890,589	393,589,225	105,936,001	132,163,199	208,931,606	207,084,708	91,037,931	1,927,798,867
Additions	-	5,512,278	26,979,249	9,793,826	6,182,500	6,144,364	4,035,502	45,670,852	104,318,571
Transferred from Projects under construction	-	23,155,732	996,231	-	1,015,669	1,712,089	13,670,815	(40,550,536)	-
Disposals	-	-	(1,774,121)	(4,003,422)	(72,620)	(351,938)	(407,988)	-	(6,610,089)
Foreign currency translation adjustments - Subsidiaries	-	-	(26,723)	(1,085)	(12,679)	(6,047)	(15,277)	4,419	(57,392)
As of 31 March 2017	**425,165,608**	**392,558,599**	**419,763,861**	**111,725,320**	**139,276,069**	**216,430,074**	**224,367,760**	**96,162,666**	**2,025,449,957**
Accumulated depreciation									
1 January 2017	-	83,518,589	202,506,778	66,231,347	73,503,176	118,667,041	113,140,905	-	657,567,836
Charged during the period	-	5,190,778	10,546,994	3,279,660	4,893,652	6,007,459	4,462,960	-	34,381,503
Disposals	-	(13,350)	(1,055,290)	(1,636,962)	(147,241)	(1,162,512)	(136,463)	-	(4,151,818)
Foreign currency translation adjustments- Subsidiaries	-	-	(2,599)	(458)	(1,823)	(478)	(1,296)	-	(6,654)
As of 31 March 2017	**-**	**88,696,017**	**211,995,883**	**67,873,587**	**78,247,764**	**123,511,510**	**117,466,106**	**-**	**687,790,867**
Net book value									
31 March 2017	**425,165,608**	**303,862,582**	**207,767,978**	**43,851,733**	**61,028,305**	**92,918,564**	**106,901,654**	**96,162,666**	**1,337,659,090**
31 Dec, 2016	425,165,608	280,372,000	191,082,447	39,704,654	58,660,023	90,264,565	93,943,803	91,037,931	1,270,231,031

a - The title to most of lands was transferred to the Company and the transfer of title for the rest of the lands with a value of 37 million Saudi riyals is being completed by Abdullah Al Othaim Real Estate Investment and Development Company.

b- The land as at 31 March 2017 includes SR 202.8 million for which buildings were constructed at a cost of SR 56.5 million (2016 million SR 202.8 million representing the value of land on which buildings were built at a cost of SR 44.8 million), pledged to some banks against bank facilities

c - The Company has capitalized financing costs on capital works under Construction amounted to SR 798 thousand for the period ended 31 March 2017 (2016 - SR 546 thousand).

(All amounts are presented in Saudi riyals unless otherwise indicated)

10. INVESTMENT PROPERTIES, NET

Investment properties represent commercial centers, exhibitions, buildings and their lands which are mainly dedicated for investment and lease to other parties, The movement in such was as follows:

	As of 31 March 2017	As of 31 December 2016	As of 1 January 2016
Cost			
Opening Balance	819,373,810	754,323,686	694,173,389
Additions	6,855,642	65,050,124	62,628,125
Transfers to properties, plants and equipment	-	-	(2,477,828)
Transfers to held for sale investment properties–(current assets)	(226,453,229)	-	-
Balance at the end of period	**599,776,223**	**819,373,810**	**754,323,686**
Accumulated depreciation			
Opening Balance	143,377,449	116,814,979	94,537,982
Additions	7,992,513	26,562,470	22,957,715
Transfers to properties, plants and equipment	-	-	(680,718)
Transfers to Held for sale investment properties–(current assets)	(3,983,518)	-	-
Ending Balance	**147,386,444**	**143,377,449**	**116,814,979**
Net Book Value	**452,389,779**	**675,996,361**	**637,508,707**

- The fair value of investment properties amounted to SAR 1,296,858,432 (fulfilling disclosure requirements as per the IFRSs). The fair value of investment properties was determined by an independent qualified expert during September and October 2016, taking into consideration that there were no significant differences between the fair value measurement as at the valuation date and the interim financial reporting date as at 31 March 2017.
- As at 31 March 2017, lands include an amount of SAR 85.4 million (2016: SAR 85.4 millions) representing land on which buildings are constructed at a cost of SAR 9.3 million and SAR 2.6 million, respectively, mortgaged to certain banks against bank facilities.
- During the period, the commercial center owned by the Company in Ha’il with an area of 65,110 square meter was reclassified to investment properties for sale under current assets (note 15).

(All amounts are presented in Saudi riyals unless otherwise indicated)

11. INTANGIBLE ASSETS, NET

Intangible assets comprise the costs incurred to acquire the utilization rights of property site of markets leased from the original tenant (key money) which are amortized over the leases period which is 10 to 15 years, The movement in intangible assets was as follows:

	As of 31 March 2017	As of 31 December 2016	As of 1 January 2016
Cost			
Opening Balance	19,597,230	19,597,230	19,597,230
Balance at the end of period	19,597,230	19,597,230	19,597,230
Accumulated amortization			
Opening Balance	10,086,222	8,287,995	6,489,768
Charged during the period / year	449,557	1,798,227	1,798,227
Ending Balance	**10,535,779**	**10,086,222**	**8,287,995**
Net Book Value	**9,061,451**	**9,511,008**	**11,309,235**

12. BIOLOGICAL ASSETS, NET

Biological assets represent sheep and cows owned by the Thamarat Al Qassim Company (subsidiary) before their disposal in 2016, Biological assets, prior to disposal, were depreciated on a straight line basis over the estimated useful lives of 5 years, The movement in biological assets was as follows:

	As of 31 March 2017	As of 31 December 2016	As of 1 January 2016
Cost			
Opening Balance	-	1,368,520	1,603,667
Additions during the year	-	979,686	2,544
Disposals during the year	-	(2,348,206)	(237,691)
	-	-	**1,368,520**
Accumulated depreciation			
Opening Balance	-	571,620	370,401
Additions during the year	-	330,472	299,333
Disposal during the year	-	(902,092)	(98,114)
	-	-	**571,620**
Net Book Value	-	-	**796,900**

(All amounts are presented in Saudi riyals unless otherwise indicated)

13. INVESTMENTS IN ASSOCIATES

Details of the significant data of the Company's associates are as follows:

Company	Activity	Capital	Country of Incorporation	Functional Currency	Ownership As of 31 March 2017	Ownership As of 31 December 2016	Ownership As of 1 January 2016
Abdullah Al-Othaim for Real Estate Investment and Development company	Real-estate investment	1,000,000,000	Kingdom of Saudi Arabia	SAR	13.654%	13.654%	13.654%
Alwousta Food Services Company	Food services	100,000,000	Kingdom of Saudi Arabia	SAR	25%	25%	25%
OSM. Trading company	Wholesale	544,600	United Arab Emirates	USD	50%	50%	50%
Riyadh Foods Industries Company	Food industries	100,000,000	Kingdom of Saudi Arabia	SAR	55%	55%	55%

Summary of movements in investment in associates:

-	For the period/ year ending 31 March 2017	31 December 2016	1 January 2016
Opening Balance	205,413,942	212,962,008	178,831,391
Share in associate’s net profit	7,436,001	14,928,100	25,965,004
Additions	-	5,632,572	35,073,105
Share in associate’s other comprehensive income	-	(717,505)	717,508
Share in foreign currency translation differences	(86,933)	1,281,853	-
Cash dividends received	-	(28,673,086)	(27,625,000)
	212,763,010	**205,413,942**	**212,962,008**

(All amounts are presented in Saudi riyals unless otherwise indicated)

Investments Balances are as follows:

Company	**As of 31 March 2017**	**As of 31 December 2016**	**As of 1 January 2016**
Abdullah Al-Othaim for Real Estate Investment and Development Company	**153,734,003**	146,145,287	143,765,088
Alwousta Food Services Company	**24,180,258**	24,419,906	24,348,858
OSM Trading Company	**1,968,326**	1,968,326	1,530,586
Riyadh Foods Industries Company	**32,880,423**	32,880,423	43,317,476
Total	**212,763,010**	205,413,942	212,962,008

- Investment in an associate represents investment in the capital of Abdulla Al-Othaim for Investment and Real Estate Development at 13.6538% considering that the remaining percentage is owned by Al-Othaim Holding Company and Mr. Abdullah Saleh Al-Othaim and his family members.
- Investment in Riyadh Food Industries as per the equity method was added after the exclusion of its financial statements from the consolidated financial statements of the Group which were prepared according to the IFRSs since the Group has a significant influence (not control) over the Company's decision.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As of 31 March 2017	**As of 31 December 2016**	**As of 1 January 2016**
Opening Balance	**14,991,495**	16,645,447	17,457,077
Net change in the fair value of financial assets at fair value through other comprehensive income	**(464,247)**	(1,653,952)	(811,630)
	14,527,248	14,991,495	16,645,447

15. HELD FOR SALE INVESTMENT PROPERTIES

Investment properties held for sale represent net carrying amount of the shopping mall in Ha'il city, which the shareholders' general assembly approved in its meeting held on 19 April 2017 (22 Rajab 1438H) the sale of this mall at the sum of SAR 361,265,067.

16. CASH AND CASH EQUIVALENTS

	As of 31 March 2017	**As of 31 December 2016**	**As of 1 January 2016**
Cash on hand	**48,657,374**	52,959,302	71,222,089
Cash at banks	**248,392,718**	259,484,537	252,634,202
Total	**297,050,092**	312,443,839	323,856,291

(All amounts are presented in Saudi riyals unless otherwise indicated)

17. LOANS AND MURABAHAS

17-A Short term loans and murabahas

	As of 31 March 2017	**As of 31 December 2016**	**As of 1 January 2016**
Islamic murabaha facilities	50,108,594	-	20,061,386
	50,108,594	-	20,061,386

The Islamic bank facilities (murabaha) are secured by a promissory note in the name of Abdullah Al-Othaim Markets Company, with maturity dates of less than one year, renewable in nature and are used to finance the working capital. The Islamic bank facilities (murabaha) are available for use but were not used as at 31 March 2017 at SAR 290 million (2016: SAR 270 million).

A) **Long-term loans and murabahas**

	As of 31 March 2017	**As of 31 December 2016**	**As of 1 January 2016**
Opening Balance	**546,446,666**	599,500,003	591,713,333
Less: Short-term dues	**(177,213,332)**	(187,213,333)	(192,213,333)
Long-term dues	**369,233,334**	412,286,670	399,500,000

The profile of long term loans and murabaha which are outstanding at the date of the consolidated interim condensed financial statements is as follows:

Loan	**Purpose of loan**	**Guarantee**	**Outstanding balance as of 31 March 2017**	**Loan tenure**	**Repayment Method**
Short term facilities in form of murabaha loans amounting SR 300 million	Financing new branches	Transfer title deeds of lands with a total carrying value of SR 119 million	178,200,000	Five years	Quarterly
Facilities in form of long term murabaha loans amounting SR 75 million	Financing new branches	Promissory note	5,000,000	45 months	Quarterly
Facilities in form of long term murabaha loans amounting SR 184 million	Financing new branches and a mall in Ha'il city	Promissory note	129,080,000	5 years	Quarterly
Islamic murabahas long-term deposits SR 306 million	Financing new branches	Transfer title deeds of lands with a total carrying value of SR 101.3 million	234,166,666	- loan with an amount of SR106 million (3 years) - Loan with an amount of SR 200 million (5 years)	Quarterly

(All amounts are presented in Saudi riyals unless otherwise indicated)

18. RELATED PARTIES

Transactions with related parties are transactions made with the parent company, associates, subsidiaries, major shareholders and key management of the Company. The management of the Group approved a policy for prices and conditions for transactions with related parties. Transactions with related parties represent mainly income, rental expenses and purchases of inventories.

Related party	Nature of relationship
Al-Othaim Holding Company	Founding Shareholder
Abdullah Al-Othaim for Real Estate Investment and Development Company	Associate
Alwousta Food Services Company	Associate
Riyadh Foods Industries Company	Associate
General Organization of Social Insurance	Board member
OSM Trading Company	Associate
Nahj Alkhayal Co.	Related party
Members of the board of directors	Related party

Transactions with related parties for the three month period ended 31 March 2016 are as follows:

Related party	Rent expense	Rent revenue	Merchandising purchases
Al-Othaim Holding Company	27,500	177,512	-
Abdullah Al-Othaim for Real Estate Investment and Development Company	2,535,693	9,302,706	-
Alwousta Food Services Company	-	87,500	-
Riyadh Foods Industries Company	-	-	20,419,805
General Organization of Social Insurance	1, 429, 908	-	-
OSM Trading Company	-	-	23, 907, 170

Transactions with related parties for the three month period ended 31 March 2017 are as follows:

Related party	Rent expense	Rent revenue	Merchandising purchases	Manpower services
Al-Othaim Holding Company	27,500	177,512	-	-
Abdullah Al-Othaim for Real Estate Investment and Development Company	7,050,342	16,304,389	-	-
Alwousta Food Services Company	-	87,500	-	-
Riyadh Foods Industries Company	-	-	24,686,708	74,295
General Organization of Social Insurance	1,414,195	-	-	-
Nahj Alkhayal Co.	-	45,500	-	-

(All amounts are presented in Saudi riyals unless otherwise indicated)

Board members and senior executives benefits:

	Charged to income	
	As of 31 March 2017	**As of 31 March 2016**
Short term benefits	**2,074,125**	2,870,628
Post-employment benefits	**54,309**	72,125
	2,128,434	**2,942,753**

Below are the balances due from and to related parties

Due from related Parties:

	As of 31 March 2017	**As of 31 December 2016**	**As of 1 January 2016**
Abdullah Al-Othaim for Real Estate Investment and Development Company	**5,495,536**	2,501,884	-
OSM Trading Company	**1,175,310**	-	-
Nahj Alkhayal Company	**-**	62,960	-
Al-Othaim Holding Company	**-**	73,830	-
	6,670,846	2,638,674	-

Due to related parties

	As of 31 March 2017	**As of 31 December 2016**	**As of 1 January 2016**
Al Riyadh Foods Industries Company	**5,883,964**	3,466,896	2,767,134
OSM Trading Company	**-**	12,337,120	21,971,503
	5,883,964	15,804,016	24,738,637

19. OBLIGATION FOR END-OF-SERVICE BENEFITS

	As of 31 March 2017	**As of 31 December 2016**
Opening Balance	**84,058,872**	69,457,661
Additions	**5,503,402**	17,241,477
payments	**(1,629,799)**	(2,640,266)
	475 ,932 ,87	872 ,058 ,84

20. STATUTORY RESERVE

In accordance with the Company bylaws and the applicable “Companies Law” in the Kingdom of Saudi Arabia, the Company transfers 10% of the annual net income to a statutory reserve until such reserve reaches 30% of the share capital. This reserve is not available for distribution to the shareholders as dividends. However, it can be used to absorb the Company losses or increase its capital.

(All amounts are presented in Saudi riyals unless otherwise indicated)

BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY

Earnings per share related to profit and loss of the ordinary shareholders of the parent company for the three-month period ended 31 March 2017 and 2016 are calculated based on the weighted average number of shares outstanding during such periods. Diluted earnings per share is the same as the basic earnings per share since the Group does not have any issued dilutive instruments.

Basic and diluted Earnings per share attributable to the shareholders of the of the parent Company:

	For the three months ended 31 March	
	2017	**2016**
Net income	**60,145,546**	46,621,421
Weighted-average number of shares	**45,000,000**	45,000,000
Basic and diluted Earnings per share	**1.34**	1.02

21. LOSS ON DISPOSAL OF ASSETS

During the period ended on 31 March, 2017, a fire incident occurred at one of the branches at resulted in losses of SR 3.5 million. This branch is covered by an insurance policy. The required actions to obtain compensation from the insurance company are in progress.

22. SEGMENT INFORMATION

The Group is engaged mainly in retail and whole trading of food supplies, in addition to leasing commercial centers for the purpose of investment for sale or leasing for the benefit of the Group. The Group operates in the Kingdom of Saudi Arabia. The segments results are reviewed by the parent company's CEO, Income, profits, assets and liabilities are measured using the same accounting principles used in preparing the consolidated financial statements.

a. The selected information for each business sector for the three months ended 31 March 2017 are summarized below:

	Retail and wholesale	Real estate and leasing (rents)	Other	Total
Property plant and equipment, Net	1,288,333,775	-	49,325,315	1,337,659,090
Investment properties	-	452,389,779	-	452,389,779
Intangible assets, net	9,061,451	-	-	9,061,451
Total assets	**2,511,741,217**	**833,186,047**	**245,189,352**	**3,590,116,616**
Total liabilities	**2,206,139,529**	**36,568,956**	**24,651,431**	**2,267,359,916**
Sales outside the group	1,875,710,474	-	-	1,875,710,474
Rental income from operating lease-outside the group	-	37,603,220	-	37,603,220
Sales inside the group	5,181	-	24,628,444	24,633,625
Total revenue and net rental income	315,666,387	16,714,437	4,466,167	336,845,991
Operating Income	**47,075,179**	**16,714,437**	**653,647**	**64,443,263**

(All amounts are presented in Saudi riyals unless otherwise indicated)

b. Distribution of retail and wholesale sales revenues and rental income on geographical regions as follows:

	Coverage of areas in the Kingdom and abroad for the three months period ended 31 March 2017			
Geographical area	**Retail and wholesale**	**percentage**	**Leasing ***	**percentage**
Central region - Saudi Arabia	1,270,324,891	67.72%	15,046,838	40.02%
Eastern Region - Saudi Arabia	169,161,590	9.02%	12,484,077	33.2%
Southern Region - Saudi Arabia	201,879,763	10.76%	1,394,502	3.71%
Northern Region - Saudi Arabia	168,380,152	8.98%	8,488,444	22.57%
Western Region - Saudi Arabia	52,062,086	2.78%	189,359	0.5%
Egypt	13,901,991	0.74%	-	-
Total	**1,875,710,474**	**100%**	**37,603,220**	**100%**

*Total amounts are shown before deduction of expenses relating to rental income amounting to SR 20.89 million.

23. CONTINGENCIES AND COMMINTMENTS

a- The Company has contingent liabilities and capital commitments as follows:

	As of 31 March 2017	**As of 31 December 2016**
Letters of credit	45,868,111	33,491,601
Letters of guarantee	48,518,675	47,127,761
Commitments on capital projects under construction	108,580,604	124,778,491

b- There are commitments outstanding under long-term non-cancellable operating leases for its branches and commercial centers as follows:

	As of 31 March 2017	**As of 31 December 2016**
Up to one year	71,148,706	67,734,216
From one year to five years	231,864,765	220,512,673
More than 5 years and up to 29 years	279,112,273	301,768,480

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Financial assets in the Company's balance sheet are comprised mainly of financial assets at fair value through other comprehensive income, trade and other receivables, investments for trade at fair value through income, cash and cash equivalents, loans and murabaha, trade payables, accrued payments and other payables,

(All amounts are presented in Saudi riyals unless otherwise indicated)

Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company did not undertake significant transactions in currencies other than Saudi Riyal and US Dollar, As the Saudi Riyal is pegged to the US Dollar, they are not considered to represent significant currency risk. The Company management monitors currency rates and believes that currency risk is insignificant.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The financial instruments of the Company that may be exposed to credit risks principally include cash at banks and receivables. The Company deposits its money in financial institutions that have high trustworthiness and high credit capacity. Also, the Group has a policy on the volume of deposited funds in each bank. The management doesn't expect to incur significant credit risks resulting from that. Also, the management does not expect to have significant credit exposure coming from trade receivables because of its wide customer base operating in different activities and various sites. The management monitors outstanding trade receivables periodically, in addition to guarantees provided by customers to cover any receivables expected to be irrecoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting commitments associated with financial commitments. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient funds are available to meet any commitments as they arise. The Company's financial liabilities comprise payables, accruals and other payable balances. The Company limits liquidity risk by ensuring the availability of bank facilities, in addition to aligning the period of collecting customers' balances and the periods of settling suppliers' balances and other payable balances.

Financial Liabilities Maturity Schedule:

	As of 31 March 2017			
	Less than one year	**From 1 to 5 years**	**More than 5 years**	**Total**
loans and murabahas	227,321,926	369,233,334	-	569,555,260
Trade payables and other payables	1,567,404,067	-	-	1,567,404,067
Zakat provision	15,468,114	-	-	15,468,114
	1,810,194,107	**369,233,334**	**-**	**2,179,427,441**

	As of 31 December 2016			
	Less than one year	**From 1 to 5 years**	**More than 5 years**	**Total**
loans and murabahas	187,213,333	412,286,670	-	599,500,003
Trade payables and other payables	1,417,487,272	-	-	1,417,487,272
Zakat provision	13,615,281	-	-	13,615,281
	1,618,315,886	**412,286,670**	**-**	**2,030,602,556**

As of 1 January 2016

(All amounts are presented in Saudi riyals unless otherwise indicated)

	Less than one year	From 1 to 5 years	More than 5 years	Total
loans and Murabahas	212,374,719	399,500,000	-	611,774,719
Trade payables and other payables	1,165,101,916		-	1,165,101,916
Zakat provision	8,974,885		-	8,974,885
	1,386,351,520	**399,500,000**	**-**	**1,785,851,520**

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Differences can arise between the book values and the fair value estimates. The fair value definition is the measurement based on the market and assumptions that market participants use.

Interest rate risk

The financial instruments are exposed to the risk of changes in value due to changes in interest rates of the Company's financial assets and liabilities of variable interest rates. The effective interest rates and the periods, during which the rates or maturities of financial assets and liabilities are restated, were indicated in the related notes.

25. NEW AND REVISED IFRS

IFRS 15 *Revenue from Contracts with Customers'*

IFRS 15, which was issued on 15 May 2014, applies to the financial periods starting from 1/1/2018. It establishes a single comprehensive model to account for revenue arising from contracts with customers. As per IFRS 15, the Company's revenues are recognized when the obligation is met through transferring control over the services associated with a certain commitments to the client. The standard includes more restricting instructions to deal with certain scenarios, and it also requires extensive disclosures.

IFRS 16 *Leases*

The International Accounting Standards Board ("IASB") issued IFRS 16 in January 2016 which is applicable for the financial periods starting on and after 1/1/2019 with early adoption permitted for companies applying IFRS 15. The standard aims to provide adequate information for the users of financial statements to evaluate the effect of rentals on the entity's position, financial performance and cash flows.

IFRS 16 determines the way of recognizing, measuring, presenting and disclosing leases. Lessees will be required to recognize assets and liabilities for all leases with a term of 12 months or less, unless the underlying asset is of low value. Lessors continue to classify leases as operating or financing in IFRS 16 regarding accounting for lessors without any significant difference from the previous IAS17 .

Possible effect of new and amended IFRSs that were issued but not yet applicable:

The Company is conducting an extensive assessment to reach a reasonable valuation of the effect of applying these standards to the recorded amounts and disclosures in the Company's financial statements. This will be disclosed when the Company completes this assessment.

26. EVENTS SUBSEQUENT TO THE DATE OF THE INTERIM FINANCIAL REPORT

The shareholders' general assembly, in its meeting held on 22 Rajab 1438H (corresponding to 19 April 2017) approved the Board of Director's recommendation to distribute dividends for the financial year ended 31 December 2016 of SAR 90 million at SAR 2 per share. Furthermore, it approved to pay an amount of SAR 1, 522, 856 as remunerations to the Board members for the financial year 2016. It also approved amending the Company's articles of association to be consistent with the requirements of the Companies' Regulations . In addition, it approved the sale of the commercial center owned by the Company in Hail of a total area of 65, 110 square meter at SAR 361,265,067 (as detailed in note 15).

27. APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed interim consolidated financial statements were approved by the Audit Committee under an authorization from the Board of Directors at 12 sha'aban 1438H (corresponding to 8 May 2017).