

**L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' LIMITED REVIEW REPORT**

**FOR THE THREE-MONTH PERIOD AND YEAR ENDED
31 DECEMBER 2015**

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2015

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**LIMITED REVIEW REPORT
TO THE SHAREHOLDERS OF L'AZURDE COMPANY FOR JEWELRY
(A SAUDI JOINT STOCK COMPANY)**

Scope of review

We have reviewed the accompanying interim consolidated balance sheet of L'azurde Company for Jewelry - a Saudi Joint Stock Company (the "Company") and its subsidiaries (together the "Group") as at 31 December 2015 and the related interim consolidated statement of income for the three-month period and year then ended, and the interim consolidated statements of cash flows and changes in shareholders' equity for the year then ended. These interim consolidated financial statements are the responsibility of the Group's management and have been prepared by them and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A limited review consists principally of applying analytical procedures to financial data and information, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

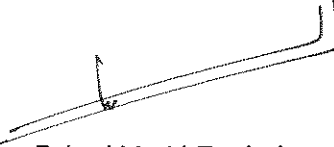
Conclusion

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

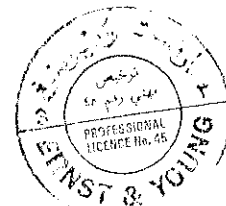
Emphasis of a matter

We draw attention to note 1 to the interim consolidated financial statements which states that the interim consolidated financial statements of the Group for the three-month period ended 31 December 2014 was not subject to a review. Accordingly, we are unable to comment on whether there are any material modifications required on the comparative information presented for the three-month period ended 31 December 2014 for them to be in conformity with the accounting standards generally accepted in the Kingdom of Saudi Arabia.

For Ernst & Young


Fahad M. Al-Toaimi
Certified Public Accountant
Registration No. 354

Riyadh: 4 Ramadan 1437H
(9 June 2016)



L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	<i>Note</i>	<i>31 December 2015</i> <i>(Audited)</i> <i>SR</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR</i>
CURRENT ASSETS			
Cash and cash equivalents		173,438,279	62,554,885
Cash margin deposits		116,672,019	221,063,348
Accounts receivables		389,908,346	279,793,242
Inventories		975,644,876	977,530,359
Prepayments and other receivables		36,580,839	30,502,895
TOTAL CURRENT ASSETS		1,692,244,359	1,571,444,729
NON-CURRENT ASSETS			
Property, plant and equipment		75,197,606	65,669,260
Intangible assets		-	299,999
TOTAL NON-CURRENT ASSETS		75,197,606	65,969,259
TOTAL ASSETS		1,767,441,965	1,637,413,988
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other liabilities		111,214,761	62,509,955
Short-term loans		1,114,782,660	1,049,615,311
Zakat and income tax liability		18,034,654	13,152,593
TOTAL CURRENT LIABILITIES		1,244,032,075	1,125,277,859
NON-CURRENT LIABILITIES			
Employees' terminal benefits		31,398,243	28,938,869
Deferred tax liability		991,046	-
TOTAL NON-CURRENT LIABILITIES		32,389,289	28,938,869
TOTAL LIABILITIES		1,276,421,364	1,154,216,728
SHAREHOLDERS' EQUITY			
Share capital	7	430,000,000	300,000,000
Statutory reserve		10,056,720	52,509,121
Retained earnings		89,855,476	151,709,362
Foreign currency translation reserve		(38,891,595)	(21,021,223)
TOTAL SHAREHOLDERS' EQUITY		491,020,601	483,197,260
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,767,441,965	1,637,413,988

The interim consolidated financial statements have been approved by the Board of Directors on 9 June 2016 and issued on their behalf by:

Selim Chidiac
Chief Executive Officer

Ayman Gamil
Chief Financial officer

The accompanying notes from 1 to 11 form an integral part of these interim consolidated financial statements.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2015

	Note	For the three- month period ended 31 December		For the year ended 31 December	
		2015 (Unaudited) SR	2014 (Not reviewed) SR	2015 (Audited) SR	2014 (Audited) SR
Revenue:					
Gold		351,933,176	398,138,415	2,284,094,159	2,248,511,483
Operations		88,914,749	86,749,715	530,103,887	470,295,646
		<u>440,847,925</u>	<u>484,888,130</u>	<u>2,814,198,046</u>	<u>2,718,807,129</u>
Cost of revenue:					
Gold		(351,933,176)	(398,138,415)	(2,284,094,159)	(2,248,511,483)
Operations		(33,049,851)	(34,730,981)	(190,778,631)	(167,260,000)
		<u>(384,983,027)</u>	<u>(432,869,396)</u>	<u>(2,474,872,790)</u>	<u>(2,415,771,483)</u>
GROSS PROFIT		<u>55,864,898</u>	<u>52,018,734</u>	<u>339,325,256</u>	<u>303,035,646</u>
EXPENSES					
Selling and marketing		(14,281,701)	(20,125,831)	(137,402,874)	(123,417,092)
General and administration		(13,336,932)	(13,586,696)	(52,444,432)	(48,990,507)
		<u>(27,618,633)</u>	<u>(33,712,527)</u>	<u>(189,847,306)</u>	<u>(172,407,599)</u>
INCOME FROM MAIN OPERATIONS		<u>28,246,265</u>	<u>18,306,207</u>	<u>149,477,950</u>	<u>130,628,047</u>
Financial charges		(7,950,307)	(5,856,282)	(34,896,412)	(27,964,164)
Other (expenses) income, net		(5,267,360)	(1,477,000)	4,282,627	(3,132,931)
INCOME BEFORE ZAKAT AND INCOME TAX		<u>15,028,598</u>	<u>10,972,925</u>	<u>118,864,165</u>	<u>99,530,952</u>
Zakat		(3,009,137)	1,329,951	(14,311,093)	(13,240,413)
Income tax		(181,315)	-	(3,985,875)	-
NET INCOME FOR THE PERIOD/YEAR		<u>11,838,146</u>	<u>12,302,876</u>	<u>100,567,197</u>	<u>86,290,539</u>
Earnings per share:	5				
Attributable to income from main operations		<u>0.66</u>	<u>0.43</u>	<u>3.48</u>	<u>3.04</u>
Attributable to net income		<u>0.28</u>	<u>0.29</u>	<u>2.34</u>	<u>2.01</u>

The accompanying notes from 1 to 11 form an integral part of these interim consolidated financial statements.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (Audited) SR	2014 (Audited) SR
OPERATING ACTIVITIES		
Income before zakat and income tax	118,864,165	99,530,952
Adjustments for:		
Depreciation	9,901,048	9,930,262
Employees' terminal benefits expense	7,950,272	6,551,641
Gain on disposal of property, plant and equipment	(194,689)	(77,646)
Intangible assets written off	299,999	-
Impairment of prepayments	1,551,366	2,014,714
Melting costs and charge for slow moving inventory items	2,577,455	5,852,058
Doubtful debts reversal	(5,174,952)	(1,551,841)
	<u>135,774,664</u>	<u>122,250,140</u>
Changes in operating assets and liabilities:		
Accounts receivable	(104,940,152)	(116,885,583)
Inventories	(691,972)	(133,961,665)
Prepayments and other receivables	(7,629,310)	4,961,874
Accounts payable, accrued expenses and other liabilities	16,831,322	3,027,535
Proceeds from short-term gold loans, net	65,167,349	233,579,350
Cash margin deposits	104,391,329	(103,536,802)
	<u>208,903,230</u>	<u>9,434,849</u>
Net cash generated from operations	208,903,230	9,434,849
Zakat paid	(12,423,861)	(11,620,122)
Employees' terminal benefits paid	(5,490,898)	(1,352,490)
	<u>190,988,471</u>	<u>(3,537,763)</u>
Net cash generated from (used in) operating activities	190,988,471	(3,537,763)
INVESTING ACTIVITIES		
Short-term deposits	-	11,000,000
Purchase of property, plant and equipment	(23,405,207)	(11,374,391)
Proceeds from disposal of property, plant and equipment	4,170,502	1,432,855
	<u>(19,234,705)</u>	<u>1,058,464</u>
Net cash (used in) generated from investing activities	(19,234,705)	1,058,464
FINANCING ACTIVITIES		
Dividends paid	(43,000,000)	(62,827,057)
	<u>(43,000,000)</u>	<u>(62,827,057)</u>
Cash used in financing activities	(43,000,000)	(62,827,057)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	128,753,766	(65,306,356)
Cash and cash equivalents at the beginning of the year	62,554,885	134,421,715
Foreign currency translation adjustments, net	(17,870,372)	(6,560,474)
	<u>173,438,279</u>	<u>62,554,885</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	173,438,279	62,554,885

The accompanying notes from 1 to 11 form an integral part of these interim consolidated financial statements.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital SR	Statutory reserve SR	Retained earnings SR	Foreign currency translation reserve SR	Total SR
Balance at 31 December 2013 (Audited)	300,000,000	43,880,067	136,874,934	(14,460,749)	466,294,252
Net income for the year	-	-	86,290,539	-	86,290,539
Transferred to statutory reserve	-	8,629,054	(8,629,054)	-	-
Dividends (note 8)	-	-	(62,827,057)	-	(62,827,057)
Foreign currency translation adjustments, net	-	-	-	(6,560,474)	(6,560,474)
Balance at 31 December 2014 (Audited)	300,000,000	52,509,121	151,709,362	(21,021,223)	483,197,260
Transferred to share capital (note 7)	130,000,000	(52,509,121)	(77,490,879)	-	-
Net income for the year	-	-	100,567,197	-	100,567,197
Transferred to statutory reserve	-	10,056,720	(10,056,720)	-	-
Dividends (note 8)	-	-	(74,873,484)	-	(74,873,484)
Foreign currency translation adjustments, net	-	-	-	(17,870,372)	(17,870,372)
Balance at 31 December 2015 (Audited)	430,000,000	10,056,720	89,855,476	(38,891,595)	491,020,601

The accompanying notes from 1 to 11 form an integral part of these interim consolidated financial statements.

L'azurde Company for Jewelry and its Subsidiaries (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
31 DECEMBER 2015

1 ACTIVITIES

L'azurde Company for Jewelry (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010221531 and dated 26 Jumad Thani 1427H (corresponding to 22 July 2006). The Company is engaged in the production, manufacturing, forming and forging golden wares, jewelry, and precious stones and golden alloys, in accordance with the ministerial resolution number 1354/S dated 15 Rabi Thani 1429H (corresponding to 21 April 2008). The Company is also engaged in distribution of glasses, watches, accessories, pens, perfumes, leather products and export of gold wares, alloys and silver.

The comparative information for the three month period ended 31 December 2014 is not reviewed.

The Company carries out its activities through various branches in the Kingdom of Saudi Arabia and Kuwait and also through subsidiaries in the United Arab Emirates, the Arab Republic of Egypt and the State of Qatar. All these branches and subsidiaries are also engaged in the trading of jewelry, gold and silver products.

An interim period forms an integral part of the entire year. Due to the seasonality of the Group's business, interim results may not be an indicator of the results of the whole financial year.

The Company effectively owns and controls the following subsidiaries:

<i>Subsidiary company</i>	<i>Direct and indirect shareholding %</i>	<i>Principal field of activities</i>	<i>Commercial registration number</i>	<i>Country of incorporation</i>
ORO Egypt Company ("ORO")	100	Gold production and trading	7877	Arab Republic of Egypt
L'azurde Company for Jewellery LLC ("LCJ LLC")	100	Gold production and trading	14997	Arab Republic of Egypt
L'azurde Company for Jewelry LLC	100	Gold trading	1039193	United Arab Emirates
L'azurde Jewellery LLC	100	Gold trading	1060233	United Arab Emirates
L'azurde Company for Jewellery LLC ("LCJ LLC") (*)	98	Gold trading	60716	State of Qatar
Almujwharat Almasiah LLC	100	Trading of sunglasses and silver products	1010236734	Kingdom of Saudi Arabia
Kenaz LLC	100	Trading of watches and perfumes	1010352574	Kingdom of Saudi Arabia

(*) The direct ownership of the Company in LCJ LLC is 49%, however, based on the agreement with the nominee shareholder of LCJ LLC, the Company is entitled to 98% of the economic benefits of LCJ LLC.

The Company has made an in-principle decision to seek an initial public offering (IPO) during 2016. The Board of Directors of the Company has approved the application to the related authorities to obtain the approval on offering 30% of the Company's shares to public by way of an IPO.

As of the date of the signing of these financial statements, the Company has obtained the approval from Capital Market Authority for offering 30% of the Company's shares to public by way of an IPO.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 DECEMBER 2015

2 BASIS OF CONSOLIDATION

These interim consolidated financial statements include the assets and liabilities and the results of operations of the Company and its subsidiaries (the "Group") listed in note 1 above.

A subsidiary company is that in which the Group has, directly or indirectly, long-term investment comprising an interest of more than 50% in the voting capital and/or over which it exerts practical control. A subsidiary is consolidated from the date on which the Group obtains control till the date that control ceases.

Subsidiaries' financial statements are prepared for the same period using accounting policies consistent with those used by the Company.

Non-controlling interests represent the portion of profit or loss and net assets that are not held by the Group and are presented separately in the interim consolidated statement of income and within equity in the interim consolidated balance sheet, separately from the shareholders' equity, if material.

All significant inter-company transactions have been eliminated on consolidation.

3 SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with standard on Interim Financial Reporting issued by Saudi Organization for Certified Public Accountants. The significant accounting policies adopted and significant estimates made in preparation of the interim consolidated financial statements are consistent with those adopted in the preparation of annual consolidated financial statements for the year ended 31 December 2014 and should be read in conjunction with those annual financial statements.

Significant accounting policies adopted by the Group are summarized as follows:

Accounting convention

The accompanying interim consolidated financial statements have been prepared under the historical cost convention modified to include the measurement of gold asset and liability accounts at market value.

Use of estimates

The preparation of interim consolidated financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reported period. The actual results ultimately may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cash on hand and investments that are readily convertible into known amounts of cash and have maturity of three months or less when placed.

Accounts receivable

Accounts receivable are stated at original invoice amount or gold quantity less a provision for any uncollectible amounts. When collected, accounts receivable are settled in cash or gold. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered uncollectible.

Inventories

Inventory consists of gold and other items. Gold is valued at market price. Other inventory items are stated at the lower of cost and market value. The cost of other inventory items is determined as follows:

Raw material, consumables and other manufacturing material	-	purchase cost on weighted average basis.
Work in progress and finished goods	-	cost of direct material, labor and overheads based on a normal level of activity.
Re-sellable goods	-	specific identification basis.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories (continued)

Appropriate provisions are made for slow moving inventories. An appropriate provision is also made to cover the expected melting costs of all non-sellable inventory items that would be melted to be used again in production. It is the Group's policy to charge such provisions under cost of sales in the interim consolidated statement of income.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment in value. Freehold land is not depreciated. The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvements, or the term of the lease.

Expenditure for repair and maintenance are charged to the interim consolidated statement of income. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Impairment of non-financial assets

The Group periodically reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered any impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of the asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment is recognized in the interim consolidated statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does 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 recognized as income immediately.

Accounts payable and accruals

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

Provisions

Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

Zakat and income tax

Zakat is provided for on behalf of the Company and its effectively wholly owned subsidiaries in accordance with the Saudi Arabian fiscal regulations. The foreign subsidiaries provide for income tax liabilities, if any, in accordance with tax regulations of the country in which they operate. Zakat and income tax provisions are charged to the interim consolidated statement of income.

Deferred income tax is provided for foreign subsidiaries subject to tax, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted in the respective countries at the reporting date.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating leases

Operating leases payments are recognized as expense in the interim consolidated statement of income on a straight line basis over the lease term.

Employees' terminal benefits

Provision is made for amounts payable to the Company's employees under the Saudi Arabian labor law applicable to employees' accumulated periods of service at the interim consolidated balance sheet date.

Dividends distribution

Final dividends are recognized as a liability at the time of their approval by the General Assembly. Interim dividends are recorded when approved by the Board of Directors.

Revenue recognition

Revenue from the sale of gold is recognized when the significant risks and rewards of ownership have passed to the buyer; it is probable that economic benefits associated with the transaction will flow to the Group; the sale price can be measured reliably; the Group has no significant continuing involvement; and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Based on the above, sales are recognized when goods are invoiced (at the then gold market prices) and delivered to customers.

Other income is recognized when earned.

Expenses

Selling and marketing expenses are those that specifically relate to salesmen, warehousing and delivery vehicles as well as doubtful debt expense. All other expenses are classified as general and administration expenses.

Gold revaluation

Transactions denominated in gold are recorded in Saudi Riyals at the relevant market rates prevailing at the time of the respective transactions. Asset and liability balances denominated in gold are revalued, and recorded in Saudi Riyals, at the market price ruling at the balance sheet date. Realized gains and losses and unrealized losses from revaluation of gold related items are recognized in the interim consolidated statement of income. Unrealized gain from gold revaluation is deferred until it is realized in the subsequent periods.

Foreign currency

Transactions

Transactions in foreign currencies are translated into Saudi Riyals at the relevant exchange rates prevailing at the time of the respective transactions. Assets and liabilities in foreign currency at the balance sheet date are translated into Saudi Riyals at exchange rates prevailing at that date. Realized and unrealized exchange differences on foreign currencies are recognized in the interim consolidated statement of income.

Foreign operations translations

Financial statements of the foreign subsidiaries are translated into Saudi Riyals using the exchange rates at each balance sheet date, for assets and liabilities, and the average exchange rates for each period for revenues, expenses, gains and losses. Components of equity, other than retained earnings, are translated at the rates ruling at the date of occurrence of each component. Foreign currency translation adjustments, if material, are recorded as a separate component of the shareholders' equity.

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

L'azurde Company for Jewelry and its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

31 DECEMBER 2015

4. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Group include major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. There were no significant transactions with the related parties during the current or prior period. Following is the detail of the related party balance as at end of the period:

	<i>Balances</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
Amount payable to L'azurde Holding Company, immediate parent company	<u>2,827,551</u>	<u>-</u>

Certain senior employees of the Group have been granted a management incentive plan by the immediate parent company of the Group whereby these employees are entitled to units at the fair value of the Company's shares (from the perspective of selected employees) at the grant date, with their values linked to the equity price of the Company. As at the reporting date, the Group has made deductions amounting to SR 2,827,551 (31 December 2014: nil) from these selected employees on behalf of the immediate parent company being the partial purchase consideration of the units acquired by the selected employees. The above arrangement has no other impact on the interim consolidated statement of income and interim consolidated balance sheet of the Group.

5. EARNINGS PER SHARE

Earnings per share is calculated based on the weighted average number of shares outstanding during the period. The weighted average number of shares outstanding at 31 December 2015 is 43 million shares. The weighted average number of shares outstanding during the three-month period and the year ended 31 December 2014 and 2015 have been adjusted to reflect the bonus element for the shares issued during 2015.

The earnings per share attributable to income from main operations has increased by 14 per cent to SR 3.48 per share for the year ended 31 December 2015 from SR 3.04 per share for the year ended 31 December 2014.

6. SEGMENTAL INFORMATION

These are attributable to the Group's activities and business lines approved by management to be used as a basis for the financial reporting and are consistent with the internal reporting process. The segments' results and assets comprise items that are directly attributable to a certain segment and items that can be reasonably allocated between the various business segments.

The Group is organized into the following main business segments:

	<i>Retail</i>	<i>Wholesale</i>	<i>Total</i>
<i>(Audited)</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>As of and for the year ended 31 December 2015:</i>			
Revenue: Gold	-	2,284,094,159	2,284,094,159
Operations	84,187,994	445,915,893	530,103,887
Gross profit	26,903,361	312,421,895	339,325,256
Net book value of property, plant and equipment	6,701,722	68,495,884	75,197,606
Total assets	62,659,249	1,704,782,716	1,767,441,965
Total liabilities	7,830,610	1,268,590,754	1,276,421,364
<i>(Audited)</i>			
<i>As of and for the year ended 31 December 2014:</i>			
Revenue: Gold	-	2,248,511,483	2,248,511,483
Operations	73,194,779	397,100,867	470,295,646
Gross profit	22,781,598	280,254,048	303,035,646
Net book value of property, plant and equipment	6,538,778	59,130,482	65,669,260
Total assets	66,549,150	1,570,864,838	1,637,413,988
Total liabilities	10,389,528	1,143,827,200	1,154,216,728

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6. SEGMENTAL INFORMATION (continued)

The primary markets for the Group's products are the Kingdom of Saudi Arabia, Egypt, UAE and Qatar. Following is a geographical segment analysis of Group's total revenue and non-current assets:

Geographical segments

	<i>Kingdom of Saudi Arabia</i> SR	<i>Egypt</i> SR	UAE SR	<i>Qatar</i> SR	<i>Total</i> SR
<i>As of and for the year ended</i>					
<i>31 December 2015 (Audited)</i>					
Revenue: Gold	832,495,698	1,157,884,381	282,780,008	10,934,072	2,284,094,159
Operations	252,382,682	222,343,230	52,716,999	2,660,976	530,103,887
Non-current assets	44,686,209	23,836,942	6,674,455	-	75,197,606
<i>As of and for the year ended</i>					
<i>31 December 2014 (Audited)</i>					
Revenue: Gold	793,190,824	1,197,102,903	258,217,756	-	2,248,511,483
Operations	161,532,283	209,107,176	99,656,186	-	470,295,646
Non-current assets	41,410,993	17,256,663	7,301,603	-	65,969,259

7. SHARE CAPITAL

Share capital is divided into 43,000,000 shares (2014: 30,000,000 shares) of SR 10 each.

During 2015, the shareholders of the Company resolved to increase the capital of the Company to SR 430 million by transferring SR 52,509,121 and SR 77,490,879 from statutory reserve and retained earnings respectively to share capital. The legal formalities required to enforce the increase of the share capital were completed during May 2015.

8. DIVIDENDS

On 13 Sha'aban 1436H (corresponding to 31 May 2015) the Board of Directors recommended and approved to distribute interim cash dividends of SR 1 per share with total amount of SR 43 million.

On 5 Muharram 1437H (corresponding to 17 October 2015) the Board of Directors recommended and approved to distribute interim cash dividends of SR 0.741 per share totaling to SR 31,873,484.

On 18 Dhul Hijjah 1435H (corresponding to 12 October 2014) the Board of Directors recommended and approved to distribute interim cash dividends at SR 2.09 per share with total amount of SR 62,827,057. In the meeting dated 4 Rajab 1436H (corresponding to 23 April 2015), the general assembly approved dividends of SR 62,827,057 (SR 2.09 per share) which was paid to the shareholders during the previous year.

9. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. 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 or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Financial instruments comprise financial assets and financial liabilities. The Group's financial assets consist of cash and cash equivalents, cash margin deposits, accounts and other receivables. Financial liabilities of the Group consist of accounts and other payables, accruals and term loans.

The fair values of financial instruments of the Group at the balance sheet date are not materially different from their carrying values.

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10. CONTINGENT LIABILITIES

The Group's bankers have issued letters of guarantees amounting to SR 689,000 (2014: SR 855,000) in respect of its operations and are outstanding at the reporting date.

11. COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.