

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS

31 DECEMBER 2017



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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

Opinion

We have audited the financial statements of Societe Generale Saudi Arabia, A Saudi Closed Joint Stock Company (the "Company"), which comprise the balance sheet as at 31 December 2017, and the statement of income, statement of cash flows and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia and the provisions of Companies' Law and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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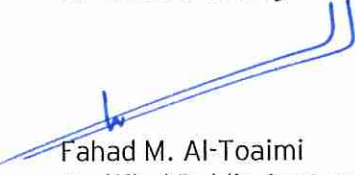
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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

for Ernst & Young


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

Riyadh: 12 Rajab 1439H
(29 March 2018)



Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

BALANCE SHEET
As at 31 December 2017

	<i>Notes</i>	2017 SR	2016 SR
ASSETS			
CURRENT ASSETS			
Bank balances and cash	3	50,989,501	52,095,523
Due from a related party	8	3,138,395	6,696,502
Prepayments and other receivables	4	977,487	1,062,556
TOTAL CURRENT ASSETS		55,105,383	59,854,581
NON-CURRENT ASSETS			
Property and equipment	5	909,942	1,047,923
Deferred tax asset	7	69,786	71,570
TOTAL NON-CURRENT ASSETS		979,728	1,119,493
TOTAL ASSETS		56,085,111	60,974,074
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Accruals and other payables	6	2,087,670	2,235,446
Income tax payable	7	371,552	398,455
TOTAL CURRENT LIABILITIES		2,459,222	2,633,901
NON-CURRENT LIABILITY			
Employees' terminal benefits		573,578	390,632
TOTAL LIABILITIES		3,032,800	3,024,533
SHAREHOLDERS' EQUITY			
Share capital	9	50,000,000	50,000,000
Statutory reserve		910,582	794,955
Retained earnings		2,141,729	7,154,586
TOTAL SHAREHOLDERS' EQUITY		53,052,311	57,949,541
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		56,085,111	60,974,074

The attached notes 1 to 16 form part of these financial statements.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

STATEMENT OF INCOME

For the year ended 31 December 2017

	<i>Notes</i>	2017 SR	2016 SR
REVENUE			
Service fees	8	11,778,107	12,669,261
Arranging fees		127,529	178,702
		<u>11,905,636</u>	<u>12,847,963</u>
EXPENSES			
General and administrative	10	(10,823,306)	(11,679,966)
		<u>1,082,330</u>	<u>1,167,997</u>
INCOME FROM MAIN OPERATIONS			
Other income	11	445,942	391,224
		<u>1,528,272</u>	<u>1,559,221</u>
NET INCOME BEFORE TAX			
Income tax charge	7	(370,213)	(407,368)
Deferred tax (charge) reversal	7	(1,784)	71,570
		<u>1,156,275</u>	<u>1,223,423</u>
NET INCOME FOR THE YEAR			
EARNINGS PER SHARE			
Attributable to income from main operations	12	<u>0.22</u>	<u>0.23</u>
Attributable to net income for the year	12	<u>0.23</u>	<u>0.24</u>

The attached notes 1 to 16 form part of these financial statements.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Notes	2017 SR	2016 SR
OPERATING ACTIVITIES			
Net income before tax		1,528,272	1,559,221
<i>Adjustments for:</i>			
Depreciation	5	323,734	308,117
Foreign exchange gain		-	187,383
Gain on disposal of property and equipment		(46,000)	-
Provision for employees' terminal benefits		190,446	179,372
		<u>1,996,452</u>	<u>2,234,093</u>
<i>Changes in operating assets and liabilities:</i>			
Due from a related party		3,558,107	(1,766,944)
Prepayments and other receivables		85,069	206,767
Accruals and other payables		(147,776)	(1,417,097)
		<u>5,491,852</u>	<u>(743,181)</u>
Cash generated from (used in) operations		5,491,852	(743,181)
Income tax paid	7	(397,116)	(313,198)
Employee terminal benefits paid		(7,500)	-
		<u>5,087,236</u>	<u>(1,056,379)</u>
Net cash (used in) from operating activities		5,087,236	(1,056,379)
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(185,753)	(447,157)
Proceeds from disposal of property and equipment	11	46,000	-
Maturity of time deposits with original maturity of more than three months		-	45,567,661
		<u>(139,753)</u>	<u>45,120,504</u>
Net cash (used in) from investing activities		(139,753)	45,120,504
FINANCING ACTIVITY			
Dividends paid		(6,053,505)	-
		<u>(6,053,505)</u>	<u>-</u>
Cash used in financing activity		(6,053,505)	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,106,022)</u>	<u>44,064,125</u>
Cash and cash equivalents at the beginning of the year		<u>52,095,523</u>	<u>8,031,398</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	<u>50,989,501</u>	<u>52,095,523</u>
<i>Supplementary information</i>			
Special commission income received		<u>399,942</u>	<u>145,734</u>

The attached notes 1 to 16 form part of these financial statements.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017

	<i>Share Capital</i> SR	<i>Statutory reserve</i> SR	<i>Retained earnings</i> SR	<i>Total</i> SR
Balance at 1 January 2016	50,000,000	672,613	6,053,505	56,726,118
Net income for the year	-	-	1,223,423	1,223,423
Transfer to statutory reserve	-	122,342	(122,342)	-
Balance at 31 December 2016	<u>50,000,000</u>	<u>794,955</u>	<u>7,154,586</u>	<u>57,949,541</u>
Net income for the year	-	-	1,156,275	1,156,275
Transfer to statutory reserve	-	115,627	(115,627)	-
Dividends paid	-	-	(6,053,505)	(6,053,505)
Balance at 31 December 2017	<u>50,000,000</u>	<u>910,582</u>	<u>2,141,729</u>	<u>53,052,311</u>

The attached notes 1 to 16 form part of these financial statements.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2017

1 ACTIVITIES

Societe Generale Saudi Arabia (the "Company") is a Saudi Closed Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia. The Company obtained a service investment license numbered 102030093963 dated 16 Shawwal 1430H (corresponding to 5 October 2009) from the Saudi Arabian General Investment Authority. The Company is registered under commercial registration number 1010279178 dated 18 Muharram 1431H (corresponding to 4 January 2010). The Company has also obtained a license number 14182-30 dated 1 Ramadan 1430H (corresponding to 22 August 2009) from the Capital Market Authority ("CMA").

The Company is owned 96% by Societe Generale ("SG"), registered in France, and 4% by SG's subsidiaries. In 2014, the Company received approval from the CMA in respect of its application to cancel certain licensed activities. The Company is now licensed to provide advisory and arranging services.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia. According to the transition plan to International Accounting Standards approved by the board of Saudi Organization for Certified Public Accountants (SOCPA), effective 1 January 2018, the Company's financial statements will be prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements that are issued by SOCPA. Upon IFRS adoption, the Company will be required to comply with the requirements of IFRS 1 - First-time Adoption of International Financial Reporting Standards which require the Company to analyze the impacts and incorporate certain adjustments on the comparative figures and its opening balances. The significant accounting policies adopted are as follows:

Accounting convention

The financial statements are prepared under the historical cost convention.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consist of time deposits with original maturity of three months or less, bank balances and cash on hand.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment are depreciated on a straight line basis over the estimated useful lives of the assets.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax is provided for in accordance with Saudi Arabian fiscal regulations. The provision is charged to the statement of income.

Deferred tax liabilities and assets are recognised for all temporary differences at current rates of taxation. The carrying amount of any deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the near future to allow all or part of the deferred tax asset to be utilised. The deferred tax is charged to the statement of income.

Accounts receivable

Accounts receivable are stated at original invoice amount less allowance for any uncollectible amounts. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Accruals and other payables

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

Provisions

Provisions are recognised when the Company 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.

Employees' terminal benefits

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

Statutory reserve

As required by the articles of association of the Company and in compliance with Saudi Arabian Regulations for Companies, 10% of the net income for the year after income tax has been transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of the share capital. The reserve is not available for distribution.

Revenue recognition

Revenue is recognised in the statement of income as set out below:

Service fee income

Service fee income is recognised when the related services are performed.

Advisory and arranging income

Advisory service fees are accrued on a time proportionate basis, as the services are rendered.

Special commission income

Special commission income is accrued on an effective yield basis.

Expenses

All expenses except special commission expense are classified as general and administrative expenses. General and administrative expenses are expensed as incurred.

Special commission expense

Special commission expense is accrued on an effective yield basis.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating lease

Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

3 BANK BALANCES AND CASH

	2017 SR	2016 SR
Bank balances	50,984,608	6,431,810
Cash on hand	4,893	3,394
Time deposit with original maturity of three months or less	-	45,660,319
	<u>50,989,501</u>	<u>52,095,523</u>

Time deposit held with a local bank which earns special commission at 0.95% per annum and was matured during 2017.

4 PREPAYMENTS AND OTHER RECEIVABLES

	2017 SR	2016 SR
Prepaid expenses	834,315	769,344
Advance to employees	82,833	148,338
Special commission receivable	-	97,599
Others	60,339	47,275
	<u>977,487</u>	<u>1,062,556</u>

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31 December 2017

5 PROPERTY AND EQUIPMENT

The cost of property and equipment is depreciated on a straight-line basis over the following estimated useful lives:

	10 years	Furniture and fixtures	3 to 10 years			
Leasehold improvements		Vehicles	4 years			
IT (Information Technology) equipment	3 to 5 years					
	<i>Leasehold improvements</i>	<i>IT equipment</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>2017 Total</i>	<i>2016 Total</i>
	SR	SR	SR	SR	SR	SR
<i>Cost:</i>						
At 1 January	819,510	1,071,413	523,887	649,300	3,064,110	2,616,953
Additions during the year	119,857	65,896	-	-	185,753	447,157
Disposals during the year	-	-	-	(195,000)	(195,000)	-
At 31 December	<u>939,367</u>	<u>1,137,309</u>	<u>523,887</u>	<u>454,300</u>	<u>3,054,863</u>	<u>3,064,110</u>
<i>Accumulated Depreciation:</i>						
At 1 January	459,870	948,182	328,128	280,007	2,016,187	1,708,070
Charge for the year	84,448	54,112	71,528	113,646	323,734	308,117
Disposals for the year	-	-	-	(195,000)	(195,000)	-
At 31 December	<u>544,318</u>	<u>1,002,294</u>	<u>399,656</u>	<u>198,653</u>	<u>2,144,921</u>	<u>2,016,187</u>
<i>Net book value:</i>						
At 31 December 2017	<u>395,049</u>	<u>135,015</u>	<u>124,231</u>	<u>255,647</u>	<u>909,942</u>	
At 31 December 2016	<u>359,640</u>	<u>123,231</u>	<u>195,759</u>	<u>369,293</u>		<u>1,047,923</u>

6 ACCRUALS AND OTHER PAYABLES

	2017	2016
	SR	SR
Accruals and other payables	2,087,670	2,212,447
Due to a related party (note 8)	-	22,999
	<u>2,087,670</u>	<u>2,235,446</u>

7 INCOME AND DEFERRED TAX

Charge for the year

Income tax charge for the year amounted to SR 370,213 (2016: SR 407,368). Income tax has been provided for based on 20% of the adjusted taxable income of SR 1,858,014 (2016: SR 1,992,268). The differences between the financial and adjusted taxable income are mainly due to certain disallowed provisions.

The Company has recognized a deferred tax asset amounting to SR 69,786 (2016: SR 71,570) due to taxable temporary differences in the tax base of end of service provisions and property & equipment. The Company may utilize this against its future taxable profits.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31 December 2017

7 INCOME AND DEFERRED TAX (continued)

Movement in provision

	<i>Income tax</i>		<i>Deferred tax</i>	
	2017	2016	2017	2016
	SR	SR	SR	SR
At the beginning of year	398,455	304,285	(71,570)	-
Provided/(released) during the year	370,213	407,368	1,784	(71,570)
Payments during the year	(397,116)	(313,198)	-	-
At the end of the year	<u>371,552</u>	<u>398,455</u>	<u>(69,786)</u>	<u>(71,570)</u>

Status of assessments

The Company has filed its tax declarations all fiscal years up to 31 December 2016 with the General Authority of Zakat and Tax ("GAZT"). The assessments have been finalised by the GAZT up to 31 December 2013. The assessments for the year ended 31 December 2014 to 2016 have not yet been raised by GAZT.

8 RELATED PARTY TRANSACTIONS AND BALANCES

The following are the details of major related party transactions during the year:

<i>Related parties</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>	
		2017	2016
		SR	SR
<i>Shareholder</i>			
Societe Generale – Paris	Service fees charged by the Company (a)	11,778,107	12,669,261
	Arranging fees (a)	127,529	178,702
<i>Affiliate</i>			
Societe Generale – Dubai	Expenses charged by SG Dubai (b)	79,298	396,508
	Payment made to SG Dubai	79,298	671,436
Societe Generale – Bangalore	Expenses charged by SG Bangalore (b)	91,997	123,870
	Payment made to SG Bangalore	104,365	100,871
<i>Board of Directors</i>	Board of Directors fees (note 10)	300,000	300,000
<i>Key management personnel</i>	Remuneration	4,169,839	3,539,603

- a) The Company has a transfer pricing agreement for the provision of general administrative and representative services in Saudi Arabia on behalf of SG Paris. The service fee is charged to SG Paris at cost plus 10% of all expenses (excluding income tax and any other expenses charged by SG Paris) incurred by the Company. Further, the Company entered into several arranging deals initiated by SG Paris.

Societe Generale Saudi Arabia
(A Saudi Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31 December 2017

8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- b) The Company also has a service level agreement with Societe Generale, Dubai for provision of human resources and information technology services to the Company and a service level agreement with Societe Generale Bangalore for bookkeeping services.

Amounts due from and due to a related party are shown on the balance sheet and in note 6, respectively.

9 SHARE CAPITAL

The authorised, issued and paid up share capital consists of 5,000,000 shares of SR 10 each in 2017 and 2016.

10 GENERAL AND ADMINISTRATIVE EXPENSES

	2017 SR	2016 SR
Salaries and employee related expenses	6,986,138	7,311,654
Professional and consulting fees	1,112,649	1,000,318
Travelling	466,481	461,232
Rent	424,652	415,194
IT related fees	368,974	1,108,959
Depreciation (note 5)	323,734	308,117
Board of Directors fees	300,000	300,000
Insurance	288,230	144,292
Postage and communication	162,375	168,908
Advertising and public relations	92,238	62,563
Others	297,835	398,729
	<u>10,823,306</u>	<u>11,679,966</u>

11 OTHER INCOME

	2017 SR	2016 SR
Special commission income	399,942	203,841
Gain on disposal of property and equipment	46,000	-
Foreign exchange gain	-	187,383
	<u>445,942</u>	<u>391,224</u>

12 EARNINGS PER SHARE

Earnings per share for the year is calculated by dividing the income from main operations and net income for the year by 5,000,000 shares outstanding at the end of the year.

13 RISK MANAGEMENT

Special commission rate risk

Special commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market rates. The Company does not have any floating special commission bearing financial assets or liabilities as at 31 December 2017.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals, US Dollars and Euro during the year. Since, Saudi Riyal is currently on a fixed parity with US Dollar, the management believes that the Company does not have significant currency risk exposure. As at the balance sheet date, the Company's exposure to Euro is not significant.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances and other receivables. The Company's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in releasing funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

14 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company's financial assets consist of bank balances and cash and other receivables. Its financial liabilities consist of accrued expenses and other payables.

The fair values of financial instruments are not materially different from their carrying values.

15 SEGMENT REPORTING

The segment information have not been disclosed since the Company has not entered into any significant commercial activity except representative services provided to SG. Segment information is therefore not assessed as relevant for the Company.

16 APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors has approved these financial statements on 11 Rajab 1439H (corresponding to 28 March 2018).