

**FITAIHI HOLDING GROUP COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**  
For the year ended December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders  
Fitaihi Holding Group Company  
(A Saudi Joint Stock Company)  
Jeddah, Kingdom of Saudi Arabia

### Opinion

We have audited the consolidated financial statements of Fitaihi Holding Group Company ("the Company" or "the Parent Company") and its Subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2019, consolidated statement of profit or loss and consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes from (1) to (31), including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements taken as a whole present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters include:

Application of the International Financial Report Standard No. (16) "Leases"	
Key audit matter	How the matter was addressed
<p>The Group applied the International Standard for Financial Report No. (16) "Leases", which adopted in Saudi Arabia for the first time on January 1, 2019, and this new standard replaces the requirements of International Accounting Standard No. 17 "Leases".</p> <p>The management has conducted a detailed analysis of each lease to determine the required changes to current accounting policies and to determine the required controls, especially with regard to determining whether the contract falls under the definition of a lease.</p> <p>The International Financial Report Standard (16) ("leases") essentially amends the accounting treatment of operating leases at the beginning, recognizing the right of use the leased assets and obligations corresponding to the amount deducted from the lease payments over the lease.</p> <p>The Group applied the International Financial Report Standard No. (16) "Leases" by assessing whether the contract was lease or contained rent, at the beginning of the contract."</p> <p>The Group recognize the right of use asset and the corresponding lease obligation for all lease agreements in which the tenant is, except for short-term leases (defined by leases of 12 months or less) and rents for low-value assets. For these leases, the Group recognize rental payments as an operating expense on a straight line basis over the lease period unless there is another systematic basis for the timeline in which the economic benefits of the leased asset are utilized.</p> <p>The lease obligation is initially measured at the current value of rental payments that were not made at the start date, discounted by using the implied price in the lease. If this price can't be easily determined, the group uses the increased borrowing rate.</p>	<p>We performed the following audit procedures related to implementation of the International Financial Report Standard No. (16) "Leases":</p> <ul style="list-style-type: none"> <li>- Review the management's assessment of the impact of the International Financial Report Standard No. (16) "leases", in terms of classifying and measuring the right of use assets and obligations corresponding to the right of use assets and understanding the approach of implementation.</li> <li>- Assess the accuracy and data of the lease by testing, and on the basis of the sample, the lease data obtained by the management by review the documents of the lease contract.</li> <li>- Test the lease schedules, on the basis of the sample, by recalculating the right to use assets and obligations against the right to use assets, and we also tested the accounting accuracy of individual rental schedules and how to collect them to obtain the total of adjustment applied to the consolidated financial statements as at December 31, 2019.</li> <li>-Assess the appropriateness of the additional borrowing rate used to calculate rental obligations.</li> <li>-Assess the adequacy and appropriateness of relevant disclosures in consolidated financial statements.</li> </ul>
<p>Refer to note (4-2-1) for accounting policies and note (9) for relevant disclosures.</p>	

Impairment of investment in associate	
Key audit matter	How the matter was addressed
<p>As of December 31, 2019, the Group has investments in associate companies of SR 289,9 million (2018: SR 314,3 million).</p> <p>On the date of each financial report, the Group evaluates whether there is an indication of an impairment in the value of these investments, and if this occurs, the Group calculates the amount of impairment as the difference between the recoverable value of the associate company and its book value. The Group recorded impairment loss in investment by SR 24,8 million in Al-Jouf Agricultural Development Company for the year ended December 31, 2019.</p> <p>The impairment of investments has considered a key audit matter as the valuation is subject to personal judgment.</p>	<p>We performed the following audit procedures regarding Impairment of investment in associate:</p> <ul style="list-style-type: none"> <li>-Evaluating the methodology used by management of group to determine the recoverable value in accordance with the applicable accounting standard, and we have tested the computational accuracy of the model used.</li> <li>-Test the accuracy and relevance of input data to supporting evidence.</li> <li>-Verification of the ownership of investments.</li> <li>-Assess the adequacy and appropriateness of relevant disclosures in consolidated financial statements.</li> </ul>
Refer to note (4-14) for accounting policies and note (10) for relevant disclosures.	

Inventory evaluation	
Key audit matter	How the matter was addressed
<p>As of December 31, 2019, the group inventory balance reached 150,5 million Saudi Riyals (2018: 157,8 million Saudi Riyals) after deducting slow moving provision of 0,3 million Saudi Riyals (2018: 3,2 million Saudi Riyals).</p> <p>Inventory is stated at lower of cost or net realizable value. The Group, when necessary, record a slow-moving provision. The Group determines the aging level of the inventory items by taking into account their nature, age, and expectations of being sold using their experience and other qualitative factors. The management also reviews the inventory evaluation on each financial report.</p> <p>We considered this as a key audit matter due to the value of the inventory balance and because of the important judgments and assumptions that management used when determining the slow-moving provision and the required write-off level.</p>	<p>We performed the following audit procedures related to inventory valuation:</p> <ul style="list-style-type: none"> <li>- Evaluate the design and implementation and testing the efficiency of the main controls related to the group procedures for creating and monitoring the provision for slow-moving inventory.</li> <li>- Evaluate the Group's accounting policy for slow-moving inventory by performing a retrospective test and comparing previous estimates with actual results.</li> <li>- Inquiries about any slow-moving inventory are determined during our attendance at the actual inventory physical count in the selected locations.</li> <li>- Test the net realizable value of the inventory by taking into account the actual posting of sales at year end and the assumptions used by the management to verify whether the inventory was valued at the lower of cost or net realizable value.</li> </ul>
Refer to note (4-17) for accounting policies and note (12) for relevant disclosures.	

Revenue recognition	
Key audit matter	How the matter was addressed
<p>Revenue is an important component of the Group's performance and profitability, and most sales of the Group are performed directly. Constant pressure on the Group to meet expectations and objectives may contribute to revenue misrepresentations. In addition, the auditing standards stipulate the importance of assessing the risks of management overriding internal controls when proving the verification of revenues, and for which corresponding risks may arise, by recognizing revenues with more than their actual value.</p> <p>The recognition of revenue was considered a key audit matter due to the importance of the amount of revenue and the inherent risks in recognizing revenue greater than its actual value.</p>	<p>We performed the following audit procedures regarding revenue recognition:</p> <ul style="list-style-type: none"> <li>- Evaluate the appropriateness of the Group accounting policies for revenue recognition by taking the related accounting standards into consideration.</li> <li>- Assess the design and implementation and testing the efficiency of the Group's controls, including error control controls intended to recognize revenue in accordance with the Group's policy.</li> <li>- Verify that sales transactions take place near the year end to assess whether revenue has been recognized in the correct period.</li> <li>- Assess the adequacy and appropriateness of relevant disclosures in consolidated financial statements.</li> </ul>
Refer to note (4-5) for accounting policies.	

### **Other Information:**

Group's Management is responsible for the other information mentioned in the annual report. Other information consists of information included in the group annual report other than the consolidated financial statements and our report on them. This annual report is expected to be available to us after our report.

Our opinion on the consolidated financial statements does not cover other information, and we will not express any form of assurance about it. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above as it becomes available and, in doing so, consider whether the other information is not materially consistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we performed we conclude that there is material misstatement of this information, we are required to report that fact.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with the International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and the Regulations for Companies, and responsible for the internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 the Group's management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain a reasonable assurance about whether the consolidated 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 ISAs endorsed in 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 consolidated financial statements.

As part of an audit in accordance with ISAs 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Group's management.
- Conclude on the appropriateness of the Group'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 group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or businesses within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicated 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.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence and, where applicable, related safeguards.

From the matters we communicated with those charged with governance, we determined those matters were of most significance in the audit of the consolidated financial statements for the current period, and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.,

M. A. Al-Amri

Dr. Mohamed A. Al-Amri  
Certified Public Accountant  
Registration No. 60



29/07/1441H  
24/03/2020G



**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Financial Position**  
Expressed in Saudi Riyals

	Note	December 31, 2019	December 31, 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	(7)	64,127,789	66,602,147
Intangible assets	(8)	-	-
Right of use assets	(9)	16,550,550	-
Investment in associates	(10)	289,917,788	314,321,255
Investments in equity instruments at fair value through other comprehensive income	(11)	82,760,913	53,147,535
<b>Total Non-current assets</b>		<b>453,357,040</b>	<b>434,070,937</b>
<b>Current assets</b>			
Inventory	(12)	150,454,393	157,832,058
Accounts receivable and other debit balances	(13)	5,431,032	6,638,208
Cash and cash equivalents	(14)	45,448,403	66,422,962
<b>Total Current assets</b>		<b>201,333,828</b>	<b>230,893,228</b>
<b>Total assets</b>		<b>654,690,868</b>	<b>664,964,165</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	(15)	550,000,000	550,000,000
Statutory reserve	(16)	50,192,223	50,192,223
Retained earnings		2,504,171	35,770,631
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income		4,840,949	(3,493,268)
<b>Equity attributable to shareholders of the parent company</b>		<b>607,537,343</b>	<b>632,469,586</b>
Non-controlling Interests	(17)	5,093,167	5,418,199
<b>Total equity</b>		<b>612,630,510</b>	<b>637,887,785</b>
<b>Non-current Liabilities</b>			
Lease obligations - Non current	(9)	8,149,619	-
Employee benefit obligations	(18)	4,319,299	7,424,218
<b>Total Non-current Liabilities</b>		<b>12,468,918</b>	<b>7,424,218</b>
<b>Current Liabilities</b>			
Lease obligations - current	(9)	7,210,551	-
Accounts payable and other credit balances	(19)	17,977,885	14,474,776
Zakat payable	(24)	4,403,004	5,177,386
<b>Total current Liabilities</b>		<b>29,591,440</b>	<b>19,652,162</b>
<b>Total Liabilities</b>		<b>42,060,358</b>	<b>27,076,380</b>
<b>Total equity and liabilities</b>		<b>654,690,868</b>	<b>664,964,165</b>

The accompanying notes from (1) to (31) form an integral  
Part of these consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Profit or Loss**  
Expressed in Saudi Riyals

	Note	December 31, 2019	December 31, 2018
Net sales		98,027,945	115,011,074
Cost of sales		(52,853,465)	(62,018,020)
<b>Total sales profit</b>		<b>45,174,480</b>	<b>52,993,054</b>
Net profit of investments	(20)	7,842,326	5,708,506
Group share of the results of associate companies	(10)	19,594,442	27,002,105
Impairment of investment in associate	(10)	(24,838,641)	-
<b>Gross profit</b>		<b>47,772,607</b>	<b>85,703,665</b>
<b>Expenses</b>			
Selling and distribution expenses	(21)	(34,625,342)	(40,416,587)
General and administrative expenses	(22)	(17,485,089)	(28,602,480)
Provision of Slow moving inventory	(12)	-	(4,983,208)
		<b>(52,110,431)</b>	<b>(74,002,275)</b>
<b>(Loss)/ profit from operation</b>		<b>(4,337,824)</b>	<b>11,701,390</b>
Other (expenses)/ income	(23)	(713,206)	715,166
<b>(Loss)/ income before Zakat</b>		<b>(5,051,030)</b>	<b>12,416,556</b>
Zakat	(24)	(4,808,532)	(5,296,906)
<b>Net (loss)/ income for the year</b>		<b>(9,859,562)</b>	<b>7,119,650</b>
<b>attributable to :</b>			
Shareholders of the parent company		(9,542,757)	7,771,362
Non - controlling interests		(316,805)	(651,712)
<b>Net (loss)/ income for the year</b>		<b>(9,859,562)</b>	<b>7,119,650</b>
<b>Earnings per share:</b>			
Basic and diluted (loss)/ profit earnings per share	(25)	(0,17)	0,14
Attributable to shareholders of the Parent company.			

The accompanying notes from (1) to (31) form an integral  
Part of these consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Other Comprehensive Income**  
Expressed in Saudi Riyals

	<u>Note</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Net (loss)/ income for the year		(9,859,562)	7,119,650
<b>Items not to be classified to profit or loss in subsequent periods</b>			
Transfer from other comprehensive Income to retained earnings		(4,829)	1,980,236
Net gain /(loss) of investment in equity instruments at fair value	(11)	8,334,217	(26,873,611)
(Loss)/ gain of Re-measuring of defined benefit plan	(18)	(13,596)	1,172,883
Group share of Re-measuring of defined benefit plan in associates companies	(10)	1,036,495	5,222,750
<b>Net other comprehensive loss</b>		<u>(507,275)</u>	<u>(11,378,092)</u>
<b>attributable to:</b>			
Shareholders of the parent company		(182,243)	(10,795,199)
Non-controlling interest		(325,032)	(582,893)
		<u>(507,275)</u>	<u>(11,378,092)</u>

The accompanying notes from (1) to (31) form an integral  
Part of these consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)

**Consolidated Statement of Changes in Equity**  
For the year ended December 31, 2019  
Expressed in Saudi Riyals

	Share Capital	Statutory Reserve	Retained Earnings	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income	Equity attributable to shareholders of the parent company	Non - Controlling interests	Total equity
Balance as at January 1, 2018	550,000,000	49,415,087	61,719,355	23,380,343	684,514,785	6,001,092	690,515,877
Net income for the year	-	-	7,771,362	-	7,771,362	(651,712)	7,119,650
Changes in the other comprehensive income during the year	-	-	8,307,050	(26,873,611)	(18,566,561)	68,819	(18,497,742)
<b>Total comprehensive Loss</b>	-	-	<b>16,078,412</b>	<b>(26,873,611)</b>	<b>(10,795,199)</b>	<b>(582,893)</b>	<b>(11,378,092)</b>
Transfer to Statutory Reserve	-	777,136	(777,136)	-	-	-	-
Dividends	-	-	(41,250,000)	-	(41,250,000)	-	(41,250,000)
<b>Balance at December 31, 2018</b>	<b>550,000,000</b>	<b>50,192,223</b>	<b>35,770,631</b>	<b>(3,493,268)</b>	<b>632,469,586</b>	<b>5,418,199</b>	<b>637,887,785</b>
Balance as at January 1, 2019	550,000,000	50,192,223	35,770,631	(3,493,268)	632,469,586	5,418,199	637,887,785
Net loss for the year	-	-	(9,542,757)	-	(9,542,757)	(316,805)	(9,859,562)
Changes in the other comprehensive income during the year	-	-	1,026,297	8,334,217	9,360,514	(8,227)	9,352,287
<b>Total comprehensive Loss</b>	-	-	<b>(8,516,460)</b>	<b>8,334,217</b>	<b>(182,243)</b>	<b>(325,032)</b>	<b>(507,275)</b>
Dividends	-	-	(24,750,000)	-	(24,750,000)	-	(24,750,000)
<b>Balance at December 31, 2019</b>	<b>550,000,000</b>	<b>50,192,223</b>	<b>2,504,171</b>	<b>4,840,949</b>	<b>607,537,343</b>	<b>5,093,167</b>	<b>612,630,510</b>

The accompanying notes from (1) to (31) form an integral Part of these consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Cash Flows**  
Expressed in Saudi Riyals

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b><u>Cash flows from operating activities:</u></b>		
(loss)/ income before zakat	(5,051,030)	12,416,556
<b>Adjustments to reconcile (loss) / income before zakat to cash flows from operating activities:</b>		
Depreciation of Property and equipment	7,202,455	17,342,020
Depreciation of right of use assets	7,064,752	-
Amortization of intangible assets	-	352,407
Employees defined benefit obligations	1,424,060	1,905,436
(Gain) on disposal of Property and equipment	(59,999)	(60,000)
Finance charge of right of use assets	789,283	-
Provision of Slow moving inventory	-	4,983,208
Impairment loss of investment in associates	24,838,641	-
share of results of associate companies	(19,594,442)	(27,002,105)
	<u>16,613,720</u>	<u>9,937,522</u>
<b>Changes in working capital :</b>		
Accounts receivable and other debit balances	1,207,176	600,732
Inventory	7,377,665	29,879,412
Accounts payable and other credit balances	3,503,109	(9,725,504)
	<u>28,701,670</u>	<u>30,692,162</u>
Zakat paid	(5,582,914)	(6,636,006)
Employees defined benefit obligations Paid	(4,542,575)	(9,160,933)
<b>Net cash resulted from operating activities</b>	<u>18,576,181</u>	<u>14,895,223</u>
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from selling property and equipment	59,999	60,000
Purchase of property and equipment	(4,728,106)	(1,426,032)
Dividends received from investment in associate companies	20,195,763	17,543,850
Purchase of investments in equity instruments at fair value through other comprehensive income	(22,899,964)	(17,267,428)
Proceeds from selling of investments in equity instruments at fair value through other comprehensive income	1,615,974	5,542,492
<b>Net cash (used in) / resulted from investing activities</b>	<u>(5,756,334)</u>	<u>4,452,882</u>
<b><u>Cash flow from financing activities</u></b>		
Lease obligations	(9,044,406)	-
Dividends paid	(24,750,000)	(41,250,000)
<b>Net cash (used in) financing activities</b>	<u>(33,794,406)</u>	<u>(41,250,000)</u>
<b>(Decrease) in Cash and cash equivalents</b>	<u>(20,974,559)</u>	<u>(21,901,895)</u>
<b>Cash and cash equivalents - beginning of the year</b>	<u>66,422,962</u>	<u>88,324,857</u>
<b>Cash and cash equivalents - end of the year</b>	<u>45,448,403</u>	<u>66,422,962</u>

The accompanying notes from (1) to (31) form an integral  
Part of these consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY**  
(A Saudi Joint Stock Company)  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**  
Expressed in Saudi Riyals

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	<u>December31, 2019</u>	<u>December31, 2018</u>
<b>Non - cash transactions</b>		
Unrealized Gains / (Loss) from investments in equity instruments at fair value through other comprehensive income	8,334,217	(26,873,611)
Group's share of gains from re-measurement of defined benefit programs of the associate companies	1,036,495	5,222,750
(Loss)/ Gains from re- measurement of the defined benefit programs	(13,596)	1,172,883
Inventory write-off	2,883,301	2,039,835
Bad debt	34,679	-

The accompanying notes (1) through (31) form an integral Part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2019**

Expressed in Saudi Riyals

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**1- ORGANIZATION AND ACTIVITIES:**

Fitaihi Holding Group Company (“the company” or “the Parent Company”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Ministerial Resolution No. 1058 dated 9 Ramadan 1418 H and commercial registration number 4030085128 issued in Jeddah on 2 Shaaban 1412 H (corresponding to February 5, 1992).

The main activities of the Group and all of its branches are as follows:

- a. The activities of the holding companies the units that acquire the assets of owning a dominant shares of the capital for a group of subsidiary companies and whose main activity is the ownership of that group.
- b. Wholesaling of gold and precious equipment, retail sale of precious metals and gemstones.
- c. Buying and selling precious metals and gemstones.
- d. Import, sale and purchase of precious metals and gemstones.
- e. Holding auctions except for real estate and exchange.
- f. Welding and polishing workshops (jewelers).
- g. electronic trade.
- h. Wholesale and retail trade in sweets, chocolate, silverware, crystal, artificial flowers, gifts, antiques, household utensils, and Marriage carriages.
- i. Wholesale and retail trade in perfumes, cosmetics, gifts (lighters, button, pens, watches), wholesale trade in Chinese crystal, antiques, household utensils required, leather products, towels, linens, and clothes also wholesale trade in all kinds of foodstuffs and establishment and management of business centers.
- j. Wholesale trade in perfumes, cosmetics, gifts, household utensils, leather goods, haberdashery, linens, garments and fabrics.
- k. Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building facades and others, care and maintenance of highway parks.

The registered address of the company is the building of the Fitaihi Holding Group Company, Madinah Road, north of the emirate of Makkah Al-Mukarramah Region, PO Box 2606, Jeddah 21461, Kingdom of Saudi Arabia, the main center of the Company is located in Jeddah.

**2- BASIS OF PREPARATION**

**2-1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (“SOCPA”).

The approved International Standards are the International Standards as issued by the International Council in addition to the requirements and disclosures that SOCPA authority added to some of these standards, according to what was mentioned in the document of approval of the international standards for the financial reporting. Standards and other pronouncements are intended to be the standards and technical

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**2- BASIS OF PREPARATION (continued)**

**2-1 Statement of compliance (continued)**

opinions adopted by the Saudi Organization for Certified Public Accountants “SOCPA” for topics not covered by the International Financial Reporting Standards (IFRS).

**2-2 Functional currency**

The consolidated financial statements are presented in Saudi Riyal (SR), which is also the functional and presentational currency of the Group.

**2-3 Basis of Measurement**

The consolidated financial statements have been prepared under historical cost basis, except for the following:

- Investment in equity instruments is measured at fair value through other comprehensive income at fair value.
- The defined benefit obligation is recognized at the present value of future obligations using the Projected Unit Credit Method.

**3- BASIS OF CONSOLIDATION**

The Group’s consolidated financial statements include the financial statements of the Company and its Subsidiaries as set out in Note (4-21) “the Group” as of December 31, 2019.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to influence those returns by exercising its influence over the entity. In particular, the Group controls the entity if - and only if - the Group has:

- Control over the entity (existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its control over the investee to affect its returns

In general, there is an assumption that the majority of voting rights will lead to control. In order to reinforce this assumption and when the Group has a level below the majority of voting rights or similar rights in the investee company, the Group takes into account all relevant facts and circumstances when assessing whether the Group has influence over the investee, and these facts and conditions include the following:

- Contractual arrangements with others who are entitled to vote in the investee company.
- Rights arising from other contractual arrangements.
- Group voting rights and potential voting rights.



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**3- BASIS OF CONSOLIDATION (continued)**

The Group reassesses whether it is still exercising control over the investee, or not, when facts and circumstances indicate that there is a change in one or more of the three elements of control. The consolidation of the subsidiary begins from the date on which the Group controls the subsidiary and continues until the removal of the controls. The assets, liabilities, income and expenses of the subsidiary acquired or sold during the period are included in the consolidated financial statements from the date the Group acquires control until the date the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income is distributed between the shareholders of the Group's parent company and the non-controlling interests, even if this distribution may lead to a deficit balance in the non-controlling interests. If necessary, adjustments are made to the financial statements of subsidiaries in the event that there are significant differences between the parent company and the subsidiary in order to reconcile its accounting policies with the financial policies of the Group. All assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full when the financial statements are consolidated.

Proper accounting treatment has been done for any change in ownership interest in a subsidiary that does not result in a loss of control equity.

If the Group loses control of a subsidiary, it excludes the assets (including goodwill if any), liabilities and any other components of the subsidiary's equity, and any gain or loss resulting from loss of control is recorded in the consolidated statement of profit or loss. Any share of the investment is recognized at fair value.

**4- SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies applied by the Group in preparing the consolidated financial statements. The accounting policies below have been applied consistently to all periods presented in the consolidated financial statements:

**4-1 Business Goodwill**

These consolidated financial statements include consolidated statement of financial position, consolidated statement of profits or losses, consolidated other comprehensive income statement, consolidated statement of changes in equity, consolidated cash flow statement, and note to the consolidated financial statements of the Group, as they include the assets, liabilities and results of the company and its subsidiaries. The company and its subsidiaries are collectively referred to as the Group.

#### **4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **4-1 Business Goodwill (continued)**

###### **Subsidiaries**

Subsidiaries are companies controlled by the Group. The Group controls the company when it is exposed or has the right to various returns as a result of its participation in the company and has the ability to influence those returns through its control of the company.

Subsidiaries are consolidated from the date on which control commences and until the control of that control ceases, as the Group uses the acquisition method of accounting when control is transferred to the Group.

The acquisition cost is measured at the fair value of the determined assets acquired and the fair value of the equity interest previously held by the subsidiary. The increase in the acquisition cost plus the fair value of the non-controlling interests over the net value of the determined assets acquired and recognized as goodwill is recorded in the consolidated statement of financial position.

###### **Non-controlling interests**

Non-controlling interests are measured by their percentage of the net assets of the company acquired at the date of acquisition. If the business combination is achieved in stages, the carrying value at the date of acquisition of the previously held shares of the company acquired in the acquired company is re-measured at fair value on the date of the acquisition and any profits or losses arising from the re-measurement are recognized in profit or loss. Both transactions and unrealized profit or loss resulting from transactions between Group companies are eliminated. Accounting policies of subsidiaries are adjusted as necessary to ensure consistency with the policies adopted by the Group.

###### **Shares in companies using equity method**

The group's shares in equity-invested companies consist of shares in associated companies. Associates are those entities over which the group has a significant influence. An important influence is the ability to participate in decisions regarding the financial and operating policies of the investee, but it is not joint control or control of these policies.

The Group's investments in the associate are accounted for using the equity method. Under this method, investment in associates is recognized at cost. Subsequent to initial recognition, these financial statements include the group's share of the profits or loss and other comprehensive income of the investee companies accounted for using the equity method until the ceases date of the significant effect.

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**4-2 New International Financial Reporting Standards and Amendments**

**4-2-1 New International Financial Reporting Standards effective from 1 January 2019**

The Group has applied the following new and amended IASB Standards, effective January 1, 2019:

The Group has implemented the International Financial Report Standard No. (16) "Leases" as of January 2019, by assessing whether the contract involves rent and includes the right of control on the use of a specific asset for a period for a certain fee. The Group demonstrates the right of use asset and the corresponding lease obligation for all lease agreements in which the lessee is, except for short-term leases (defined by leases for 12 months or less) and rents for low-value assets. For these leases, the Group demonstrates rental payments as an operating expense on a fixed installment basis over the lease period unless there is another systematic basis for the timeline in which the economic benefits of the leased asset are exhausted.

The lease obligation is initially measured against the current value of rental payments that were not paid at the start date, discounted using the implied price in the lease. If this price can't be easily determined, the group uses the increased borrowing rate.

Rental payments included in the rental obligation measurement will include:

- Fixed rental payments (including fixed payments), minus any rental incentives,
- Variable rental payments based on an indicator or price, measured in principle by using the indicator or price at the start date,
- The amount expected to be paid by the lessee under residual value guarantees,
- Price of purchase options practices, if the lessee is reasonably certain to exercise options, and
- Pay fines to terminate the lease, if the lease reflects the practice of the option of terminating the lease.

The rental obligation is presented separately in the consolidated financial statements.

The lease obligation is measured later by increasing the book value to reflect the interest on the rental obligation (using the actual interest method) and by reducing the book value to reflect rental payments.

The group re-measures the lease obligation (and adjusts against the right of use the relevant asset) if:

- The terms of the lease have changed or the evaluation of the practice of the purchase option has changed, in which case the rental obligation is re-measured by deducting adjusted rental payments using a rate discount rate.

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**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-2 New International Financial Reporting Standards and Amendments (continued)**

**4-2-1 New International Financial Reporting Standards effective from 1 January 2019 (continued)**

- Rental payments have changed due to changes in index, price or change in expected payment according to the guaranteed remaining value, in which case the rental obligation is re-measured by deducting adjusted rental payments using the initial discount rate (unless rental payments change due to a change in price The prevailing interest, in which case a rate discount rate is used).

- The lease contract is amended and the adjustment of the lease as a separate lease has not been accounted for, in which case the lease obligation is re-measured by deducting adjusted rental payments using a rate discount rate.

The group did not make any such adjustments during the periods shown.

The right to use assets includes the initial measurement of the corresponding lease obligation, rental payments made on or before the day of commencement and any initial direct costs subsequently measured by cost minus accumulated depreciation and impairment losses.

The Group applied a single discount rate to a portfolio of reasonably similar rental contracts, the discount rate applied to liabilities against the right of use the leased assets as at January 1, 2019 is 4,5% as at December 31, 2019.

The right of use assets is depreciated over the lease period and the specified production, whichever is shorter for the asset. If the lease transfers the ownership of the specified asset or the cost of the asset's right of use the asset, it reflects that the group expects to exercise the purchase option, and the right to use the relevant asset is depreciated over the productive life of the asset. depreciation begins on the rental start date.

The right of use assets as a separate item is presented in the consolidated financial statements.

The Group applied IAS (36) the impairment in the value of assets to determine whether there has been any decline in the value of right of use asset.

**4-2-2 New International Financial Reporting and amendments not yet effective**

The following is a statement of some new standards and adjustments for applicable standards for years starting on or after January 1, 2020 with early allowed adoption, but the group did not apply them when preparing these consolidated financial statements:

-Amendments to the International Financial Report Standard No. (10) Consolidated Financial Statements.

-Amendments to IAS No. (28) investments in associate and joint ventures.

-International Financial Report Standard No. (17) Insurance Contracts.

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**4-2 New International Financial Reporting Standards and Amendments (continued)**

**4-2-2 New International Financial Reporting and amendments not yet effective (continued)**

Management believe that these new standards, interpretations and modifications will be applied in the Group's consolidated financial statements when they become applicable, and that the application of these new standards, interpretations and modifications is not expected to have a substantial impact on the Group's consolidated financial statements in the first application period.

**4-3 Classification of assets and liabilities as current or non-current**

The Group presents the assets and liabilities in the consolidated financial statements on a current or non-current basis.

The asset is classified under current assets in the case of:

- Expect the asset to be realized or there is an intention to sell or consume it during the Group's normal operating cycle, or
- The asset is held principally for trading, or
- It is expected that the asset will be realized within 12 months after the date of the consolidated statement of financial position, or
- Being in cash or cash equivalents, unless it is prohibited to exchange the asset or use it to settle an obligation within at least 12 months from the date of the consolidated statement of financial position.

All other assets are classified as non-current assets.

The obligation is considered as a current liability in the case of:

- The obligation is expected to be settled during the Group's normal operating cycle, or
- Maintaining the obligation mainly for the purpose of trading, or
- It is expected that the obligation will be settled within 12 months after the date of the consolidated statement of financial position, or
- The absence of an unrelated right, with a condition to postpone settlement of the obligation, for a period of at least 12 months after the date of the consolidated statement of financial position.

All other liabilities are classified as non-current liabilities.

**4-4 Fair value measurement**

The Group measures financial instruments such as investment in equity instruments at fair value at each consolidated financial statements.

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:

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**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-4 Fair value measurement (continued)**

- In the principal market for the assets or liabilities, or
- In the absence of the principal market, in the most advantage market for the assets or liabilities.

The principal market or most advantage one must be accessible by the Group.

The fair value of an asset or a liability is measured using the 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 nonfinancial 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.

All assets and liabilities that are measured at fair value or disclosed in the financial statements are categorized into a hierarchy of fair value levels listed below and on the basis of significant lower level inputs to measure the fair value as a whole:

Level 1: Quoted prices (unadjusted) in an active market for similar assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

With respect to the assets and liabilities that are recognized in the consolidated financial statements at fair value frequently, the Group determines whether the transfer between the hierarchical levels to measure the fair value has been done by reassessing the classification (based on significant lower level inputs to measure the fair value as a whole) at the end of each financial year.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of assets and liabilities and a hierarchy of levels of fair value measurement mentioned above. The disclosures related to the fair value of financial instruments and non-financial assets that are measured at fair value, or their fair value are disclosed in the relevant notes.

**4.5 Revenue recognition**

Revenue is recognized when economic benefits are expected to flow to the Group and can be measured correctly, regardless of the date the revenue was collected. Revenue is measured at the fair value of the consideration received or receivable after taking into account the terms of payment contained in the contractual obligations, excluding taxes or fees. The Group has determined that it acts as a primary party in all of its revenue arrangements.

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**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-5 Revenue recognition (continued)**

The following are the specifications that must be fulfilled before revenue is achieved:

**Selling of Goods**

Revenue from selling of goods is recognized when the potential risks and expected gains of these sales are transferred from the Group's responsibility to the buyer's responsibility, with the possibility of realizing the revenue, usually when the goods are delivered to the buyer.

**Dividend**

Revenue is recognized when the Group is entitled to receive these distributions, and this is usually done when shareholders in the investee companies approve it.

**4-6 Expenses**

All expenses, including operating expenses, general and administrative expenses and other expenses, are recognized and included in the consolidated statement of profits or losses in the financial period in which those expenses were realized.

Selling and distribution expenses are those expenses that relate to sales and distribution staff and other incidental expenses related thereto, and all other expenses are classified as general and administrative expenses.

**4-7 Zakat**

The Parent Company measures and verifies the zakat provision for each financial year separately in accordance with the regulations of the General Authority of Zakat and Tax ("GAZT") on the basis of the accrual principle. The zakat provision is charged separately in the consolidated statement of profit or loss. Any additional amounts payable, if any, will be recorded at the same year upon completion of the final assessment.

**4-8 Foreign currencies**

The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Company's functional currency. For each entity, The Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

**Transactions and Balances**

Transactions in foreign currency are initially recorded by the entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the consolidated statement of profits or losses with the exception of monetary items that are designated as part of the hedge of the Group's net investment in foreign operations. These are recognized as other comprehensive income until the net investment is disposed of, at which time, the cumulative difference amount resulted is reclassified to profit or loss in the consolidated statement of profit or loss.

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**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-8 Foreign currencies (continued)**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

**4-9 Cash dividends and non-cash distributions to shareholders of the parent company**

Cash or non-cash distributions to shareholders of the Parent Company are recognized as liabilities upon approval of the distribution. As per by company laws in kingdom of Saudi Arabia, a distribution is authorized when it is approved by the shareholders.

The amount distributed is deducted directly from shareholders' equity and recognized as a liability.

Non-cash dividends, if any, are measured at the fair value of the assets to be distributed and a fair value re-measurement is recognized directly in the consolidated equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liabilities and the carrying amount of the assets distributed is recognized in the consolidated statement of profit or loss.

**4-10 Property and equipment**

Items of property and equipment are initially recorded at cost less accumulated depreciation and accumulated impairment losses. Work in progress is not depreciated.

The cost includes the cost of the part of the property and equipment and borrowing costs of long-term construction projects if recognition requirements are met. When significant parts of property and equipment are replaced at specified intervals, the Group recognizes those parts as individual assets with a specific useful life and consumption. Likewise, when a thorough examination is performed, its costs are recognized in the carrying value of property and equipment as a replacement cost if the recognition conditions are met. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss when incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:



**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-10 Property and equipment (continued)**

<b><u>Property and equipment</u></b>	<b><u>Annual depreciation rate</u></b>
Buildings	3% - 5%
Decoration	15%
Control devices, elevators and air conditioners	20%
Furniture and fixture	12.5% - 25%
Vehicles	20% - 25%
Equipment	20% - 25%
Leasehold improvements	20%

The recognition of any item of property and equipment (“the asset”) is canceled upon its disposal or when no economic benefit is expected from its use or sale in the future. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in the consolidated statement of profit or loss upon disposal.

The residual value, useful lives, and methods of depreciation of property and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, if necessary.

**4-11 Work in progress**

Capital work-in-progress represents all costs relating directly and indirectly to the construction in progress and is capitalized as property and equipment when ready for the intended use. Work in progress is not depreciated.

**4-12 Right of use assets and Leases obligations**

The group evaluates whether the contract is rent or contains rent, at the beginning of the contract the group will prove the right-of-use asset and the corresponding lease obligation in relation to all lease agreements in which the tenant is, except for short-term leases and low-value asset rentals.

**a) Right-of-use assets**

The lease is recognized as a right-of-use asset with its corresponding obligations on the date when the leased assets are ready for use by the Group. Each lease payment is allocated between the commitment and the cost of financing. The cost of financing is recognized in the consolidated profit or loss statement over the lease term. The assets of the right of use are depreciated over the productive life of the asset and the duration of the lease, whichever is shorter, and on a straight line basis.

The right-of-use assets are measured at the beginning of the cost and consist of:

- The amount of the initial measurement of the lease obligation,
- Any lease payments made in or prior to the start date of the lease minus the rental incentives received;
- Any initial direct costs, and
- Recovery costs, where applicable.

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**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-12 Right of use assets and Leases obligations (continued)**

**b) Lease obligations**

On the date of commencement of the lease, the group records rental obligations measured in the current value of rental payments made over the duration of the lease. Rental payments include fixed payments (including core fixed payments) minus any receivable rental incentives, variable rental payments based on an indicator or rate and amounts expected under residual value guarantees. Rental payments include the price of exercising the purchase option when there is reasonable certainty that the group will exercise this right in addition to penalty payments for the cancellation of the lease if the terms of the lease provide for the company's practice of cancellation. For variable rental payments that do not depend on an index or rate, they are recorded as an allowance in the period during which they are paid. Rental payments are deducted using the interest rate included in the lease or the group's increased borrowing rate.

**c) Short-term leases and leases with low value assets**

Short-term leases are leases with a lease of 12 months or less. Low value assets are items that do not meet the group capitalization limits and are considered to be not material to the group's financial position statement as a whole. Short-term lease payments and low-value asset leases are recognized on a straight line basis in the consolidated profit or loss statement.

**4-13 Intangible assets**

Intangible assets acquired individually are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in consolidated statement of profit or loss at the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of amortization of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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 assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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**4- SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4-13 Intangible assets (continued)**

Amortization is calculated on a straight-line basis over the estimated useful life of the intangible assets as follows:

<b>Intangible assets</b>	<b>Annual amortization rate</b>
Programs	20%
others	25%

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in the consolidated statement of profit or loss when the intangible asset is disposed.

**4-14 Investment in associates**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The group's investments in the associate company are accounted for using the equity method. Under this method, investment in associate companies is recognized at cost. The investment book value is adjusted to determine the changes in the group's share of the company's net assets on the date of the acquisition. The goodwill or joint ventures are included in the investment book value and are not tested separately to ensure that there is no impairment in its value.

The consolidated comprehensive income statement reflects the group's share of the results of the associate company's operations. Any change in the other comprehensive income of those investments is presented as part of the group's other comprehensive income. In addition, when there is a direct fixed change in the ownership equity of the associate company, the Group records its share of any changes, when applicable, in the statement of changes in equity. Unrealized profit and loss resulting from transactions between the group and the associate company is excluded based on the group's share in the associate company.

Total share of the group in the earnings or losses of the associate company recognized in the consolidated profit or loss statement separate of operating profit and represents the profit or loss and non-controlling interest in the subsidiaries of the associates.

The financial statements of the associate company are prepared in the same period as the group's consolidated financial statements. If necessary, adjustments are made to bring accounting policies in line with those of the group.

#### **4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4-14 Investment in associates (continued)**

After applying the equity method, the group determines whether it is necessary to prove the loss of the impairment in investment of the associate company. The Group determines on the date of each report whether there is any objective evidence that

investment in the associate company has impaired its value. When this is the case, the Group calculates the amount of impairment as the difference between the recoverable value of the associate company and its book value and the loss is recognized as "impairment losses in associate company", in the statement of profit or loss.

When the significant impact on the associate company is lost, the Group measures and demonstrates any investments held at fair value. Any difference between the book value of associate company when the significant impact loss and the fair value of the retained investments and the earnings of the disposed is recognized in profit or loss.

##### **4-15 Financial Instruments**

###### **Financial assets**

The Group classifies financial assets according to the following categories:

- Those that are subsequently measured at fair value (whether through other comprehensive income, profits or losses), and
- Those that are measured at amortized cost.

The classification depends on the company's business model of managing its financial assets and the contractual terms of cash flows.

All financial assets that are not classified as measured at amortized cost or fair value through other comprehensive income, as described below, are measured at fair value through profit or loss. Net gains and losses, which include any interest or dividend income, are recognized in profit or loss.

###### **Financial assets at amortized cost**

A financial asset is measured at amortized cost, using the effective interest method, if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

When assessing whether an asset is held within a business model with the objective to hold assets to collect contractual cash flows, the company takes into account:

- Management policies, Group objectives, and the performance of those policies in practice.
- Risks that affect the performance of the business model (and the financial assets held within the business model), and in particular, the way those risks are managed.
- How management evaluates the performance of the portfolio.

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**4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-15 Financial Instruments (Continued)**

- Whether the management strategy focuses on earning contract commission income.
- The degree of recurrence of any sales of expected assets.
- The reason for any asset sales.

Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss arising from discontinued operation is recognized in the profit or loss.

Financial assets classified as loans and receivables are measured at amortized cost in accordance with IFRS 9 Financial Instruments, as they are held in the business model for collecting contractual cash flows. These cash flows consist of principal and interest payments only.

**Investments in Debt Instruments at Fair Value Through Other Comprehensive Income**

Investments in debt instruments that meet the following conditions are measured at fair value through other comprehensive income:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates a cash flows that are solely payments of principal and interest on the principal amount outstanding

Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. All other changes in the carrying amount of these instruments are recognized in other comprehensive income and accumulated under the investment valuation reserve in equity instruments. When these instruments are disposed of, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to the statement of profit or loss.

**Investments in equity Instruments at Fair Value Through Other Comprehensive Income**

Upon initial recognition, the Group can make an irreversible selection (as per each instrument) to determine that the investment in equity instruments will be treated at fair value through other comprehensive income. This is not permitted if the investment is held for the purpose of trading.

A financial asset is held for trading if:

- It is acquired primarily for the purpose of selling or repurchasing in the near term.
- The investment is part of a profit-taking portfolio in the short term. or
- If it is derivative instruments.

Investments in equity instruments are measured through other comprehensive income, initially at fair value, in addition to transaction costs. Thereafter, they are measured at fair value, recognizing the gains and losses resulting from changes in the fair value in the other comprehensive income. It is never reclassified to profit or loss and there is no impairment will be recorded in the statement of profit or loss.

**4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-15 Financial Instruments (Continued)**

**Investments in equity Instruments at Fair Value Through Other Comprehensive Income (continued)**

Dividend income is recognized in the statement of profit or loss when the group has the right to receive the dividend, unless the dividend clearly represents a recovery of part of the investment cost.

The investment revaluation reserve includes the net cumulative change in the fair value of the investment in equity measured at fair value through other comprehensive income. When these financial instruments are disposed of, the amount accumulated in the fair value is transferred from the reserve to the retained earnings.

The Group has elected to present changes in the fair value in other comprehensive income for all equity investments previously classified as available for sale financial investments, as these investments are not held for trading.

**Impairment of financial assets**

The Impairment of financial assets is measured using the "expected credit losses" model. The "expected credit losses" model is applied to financial assets measured at amortized cost and to debt instruments measured at fair value through other comprehensive income and not to investments in equity instruments.

The Group applies the simplified approach in calculating the Impairment. expected credit losses are estimated on the financial assets using the experience of the historical credit loss of the group, while adjusting them to general economic conditions and evaluating both the current trend and expectations of conditions at the date of the report, including the time value of money wherever it is appropriate.

The measurement of expected credit losses is evidence of the probability of default, or the default given loss (i.e. the size of the loss if there is a default). The assessment of the probability of default is based on historical data that is modified by information that expected the future as described above.

The Group recognizes profit or loss in the impairment separately in the statement of profit or loss, and provisions for losses for financial assets that are measured at amortized cost are deducted from the total carrying amount of the financial assets.

**Disposal of the Financial Assets**

The Group de-recognizes the financial asset only when the contractual rights to cash flows from the asset expire or transfer the financial asset and the risks and rewards of ownership to another entity. If the Group does not transfer or substantially retain all the risks and rewards of ownership of the asset, the Group continues to recognize its held share in the assets and liabilities associated with the financial asset to the amounts it may have to pay.

**4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-15 Financial Instruments (Continued)**

**Financial liabilities**

**Initial Recognition and Measurement**

Financial liabilities are classified as either at amortized cost or fair value through profit or loss.

All of the Group's financial liabilities are classified and measured at amortized cost, using the effective interest method. The Group does not have financial liabilities at fair value through profit or loss.

**De-recognition of Financial Obligations**

The Group remove the recognition of financial liabilities only when these liabilities are fulfilled, canceled or expired.

**4-16 Offset**

The financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when a legal right exists and the Group has the intention to settle the assets and liabilities recorded on a net basis to achieve the assets and settle the liabilities at the same time.

**4-17 Inventory**

Inventory is stated at lower of cost and net realizable value and the cost is calculated according to the following principles:

- Diamond jewelry at the actual cost price per piece.
- Goldsmiths and raw materials of gold by weight and gemstones based on weighted average.
- Clothing, shoes, antiques, gifts, perfumes, cosmetics and other goods on a weighted average basis.

The net realizable value is the estimated selling price less all costs that may be incurred to get the product disposed of.

**4-18 Impairment of non-financial assets**

At each reporting date, the group assess non-financial assets whether there is an indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss or reversal of impairment loss .

Recoverable amount is the higher of fair value less costs to sell and value in use, and is determined for the single asset unless the asset generates cash flows that are largely independent of expenditures generated from other assets or Groups of assets. If the recoverable amount of an 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks

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**4-SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-18 Impairment of non-financial assets (Continued)**

specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

The group basis its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including depreciation of inventory, are recognized in the consolidated statement of profit or loss, in the expense category consistent with the function of the impaired asset.

For assets, excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

**4-19 Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the obligation amount. In cases where the Group expects to recover some or all of the provisions, i.e. under an insurance contract, the recoveries are recognized as a separate asset only when the recovery process is confirmed. The expense related to the provision is presented in the consolidated statement of profit or loss after deducting any recoverable amounts.

If the effect of time value of money is material, provisions are deducted using the current pre-tax rate, which, when appropriate, reflects the risks associated with that obligation. When the discount is used, the increase in the provision due to the passage of time is recognized as finance costs.



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**4-SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-20 Employee Benefits obligations**

The present value of the defined benefit cost to employees is determined by an actuary, and it is paid at the end of the service in accordance with the law applied in the Kingdom of Saudi Arabia.

The re-measurement of defined benefit liability, which comprise of actuarial gains and losses, the effect of the asset level (excluding the amounts included in the net returns on the net defined benefit obligations) and the returns on the plan assets (excluding the amounts involved in the net returns on the net defined benefit obligations), are immediately recognized in the consolidated statement of financial position and within the retained earnings through the consolidated statement of other comprehensive income. The re-measurement is not reclassified to profit or loss in subsequent periods.

Post-employment costs are recorded in the consolidated statement of profit or loss at either:

- The date the plan was modified, or the date the plan was reduced, or
- On the date that the Group records the related restructuring costs - whichever occurs first.

Net interest is calculated by applying the discount rate to the net liability or principal of the defined benefit obligation. The Group records the following changes in the net benefit obligation defined under "cost of sales", "general and administrative expenses" and "selling and distribution expenses" in the consolidated statement of profit or loss (according to position):

- Service costs which consists of service costs, Post -employment costs, and profits and losses related to reducing the duration of the Plan or routine adjustments.
- Net interest expense or income.

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**4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-21 Group information**

Below are the details of the subsidiaries:

<u>Company name</u>	<u>Country of incorporation</u>	<u>Ownership percentage as of December 31, 2019</u>	<u>Activity</u>
Sodouq International Holding Company for Investment	Jeddah-KSA	Direct 100%	The activities of the holding companies the units that acquire the assets of owning a dominant shares of the capital for a group of subsidiary companies and whose main activity is the ownership of that group.
Fitaihi Retail Company One person company (previously: Medmak Gulf Real Estate Investment Company Limited)	Jeddah-KSA	Direct 100%	Buying and selling precious metals and gemstones, Welding and polishing workshops (jewelers) and electronic trade. And retail trade in perfumes, cosmetics, gifts (lighters, button, pens, watches), wholesale trade in Chinese crystal, antiques, household utensils required, leather products, towels, linens, and clothes also wholesale trade in all kinds of foodstuffs and establishment and management of business centers.
Luxury Goods Trading Company Limited	Jeddah-KSA	Direct 80%	Buying and selling precious metals, gemstones and jewelry.
Mahabbat Commercial Company*	Jeddah-KSA	Direct 100%	Wholesale and retail trade in accessories, watches, household utensils, cutlery, antiques, mirrors and ready-to-wear.
Saudi Tawteen for Maintenance & Operation	Jeddah-KSA	Direct 100%	Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building facades and others, care and maintenance of highway parks.

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**4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4-21 Group information (continued)**

The subsidiaries do not have traditional investments or loans as of December 31, 2019 and 2018. There was no interest income for the two years ended December 31, 2019 and 2018.

\*On December 31, 2018, the Board of Directors decided to liquidate Mahabbat Commercial Company, and all the statutory procedures have not yet been completed until the reporting date.

**5-USE OF JUDGMENT AND ESTIMATES**

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgments**

In applying the Group's accounting policies, management has made the following judgments, which have a significant impact on the amounts recognized in the consolidated financial statements:

**Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 described below. The Group based its assumptions and estimates on available information when the consolidated financial statements were prepared. Existing information and assumptions about future, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**A) Useful lives of Property and Equipment**

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

**B) Intangible Assets**

Costs that have long-term future benefits are classified as intangible assets and amortized over the estimated period of use. The carrying amount of the intangible assets is reviewed when events or changes in circumstances indicate that the carrying amount cannot be recovered. In the event that such evidence exists and the carrying amount is greater than the estimated recoverable amount, the assets are impaired to the recoverable amount, which represents their present value. The excess of the carrying amount over the estimated recoverable amount is charged to the consolidated statement of profit or loss.

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**5-USE OF JUDGMENT AND ESTIMATES (continued)**

**C) Impairment of Non-Financial Assets**

An impairment occurs when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs of sell calculation is based on available data from binding sales transactions, conducted at arms' length, for similar assets or observable market prices less incremental costs of sell of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are extracted from its budget for the next five years and do not include restructuring activities that the Group is not yet committed to significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**D) Defined Benefit Plan**

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee 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. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management takes into account interest rates on corporate bonds registered in currencies consistent with the currencies in which the specified post-employment benefit obligation is at least and with a rating of (AA) or higher according to what is defined by recognized international rating agencies. It is estimated, when necessary, with the rate of return to match the expected duration of the defined benefit obligation. The quality of the bonds in question is also reviewed. Those bonds with high credit margins are excluded from the bond analysis on which the discount rate was determined, as they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

**E) Measuring the fair value of financial instruments**

When the fair value of the financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on the prices traded in active markets, the fair value is determined by using valuation methods including the discounted cash flow method. Inputs to these methods are made through observable markets where possible, and when this is not feasible, a degree of diligence is required to determine the fair value. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions relating to these factors can affect the fair value of the financial instruments.

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**6-SEGMENT REPORTING**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group is affiliated with the business sector due to the fact that most of its activities are practiced in the Kingdom of Saudi Arabia.

The activities of the Parent Company (Fitaihi Holding Group Company), and its Subsidiaries, Luxury Goods Trading Company Limited, Mahabbat commercial company, and Fitaihi Retail Company, are concentrated in the trade of gold, jewelry, precious commodities, clothing, furnishings and accessories. The activity of Sodouq International Holding Company for Investment is in investment activities. The following table presents segment information for the year ended 31 December:

<u>2019</u>	<u>Commercial activity</u>	<u>Investing activity</u>	<u>Real state activity</u>	<u>Total</u>
Revenue	98,027,945	2,598,127	-	100,626,072
Gross profit	45,174,480	2,598,127	-	47,772,607
Net (Loss) for the year	(5,294,614)	(4,564,948)	-	(9,859,562)
Assets	208,279,727	446,411,141	-	654,690,868
Liabilities	37,719,756	4,340,602	-	42,060,358
<u>2018</u>	<u>Commercial activity</u>	<u>Investing activity</u>	<u>Real state activity</u>	<u>Total</u>
Revenue	115,011,074	32,710,611	-	147,721,685
Gross profit	52,993,054	32,710,611	-	85,703,665
Net (Loss) Profit for the year	(13,024,628)	20,144,278	-	7,119,650
Assets	178,100,348	486,863,817	-	664,964,165
Liabilities	27,076,380	-	-	27,076,380

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**7-PROPERTY AND EQUIPMENT**

	Lands	Buildings	Decoration	Control devices, elevators and air conditioners	Furniture and fixture	vehicles	Equipment	Leasehold improvements	Work in progress	<b>Total</b>
<b>Cost</b>										
January 1, 2018	28,382,843	115,269,103	136,827,810	33,313,494	32,081,302	2,780,716	12,151,934	1,430,376	603,319	<b>362,840,897</b>
Additions	-	-	-	-	3,104	-	-	-	1,422,928	<b>1,426,032</b>
Disposals	-	-	-	-	-	(92,550)	-	-	-	<b>(92,550)</b>
Transfers to intangible assets	-	-	1,441,063	-	246,931	-	-	138,552	(1,826,546)	<b>-</b>
December 31, 2018	<b>28,382,843</b>	<b>115,269,103</b>	<b>138,268,873</b>	<b>33,313,494</b>	<b>32,331,337</b>	<b>2,688,166</b>	<b>12,151,934</b>	<b>1,568,928</b>	<b>199,701</b>	<b>364,174,379</b>
January 1, 2019	28,382,843	115,269,103	138,268,873	33,313,494	32,331,337	2,688,166	12,151,934	1,568,928	199,701	<b>364,174,379</b>
Additions	-	-	1,791,276	103,180	109,873	-	-	113,045	2,610,732	<b>4,728,106</b>
Disposals	-	-	(40,981,778)	(799,052)	(1,780,237)	(459,654)	(1,883,467)	-	-	<b>(45,904,188)</b>
December 31, 2019	<b>28,382,843</b>	<b>115,269,103</b>	<b>99,078,371</b>	<b>32,617,622</b>	<b>30,660,973</b>	<b>2,228,512</b>	<b>10,268,467</b>	<b>1,681,973</b>	<b>2,810,433</b>	<b>322,998,297</b>
<b>Accumulated depreciation</b>										
Balance January 1, 2018	-	86,128,915	121,439,085	30,671,517	27,709,048	2,685,622	10,969,292	719,283	-	<b>280,322,762</b>
Depreciation	-	1,966,554	10,081,341	1,113,639	2,977,922	68,559	861,353	272,652	-	<b>17,342,020</b>
Disposals	-	-	-	-	-	(92,550)	-	-	-	<b>(92,550)</b>
Balance December 31, 2018	-	<b>88,095,469</b>	<b>131,520,426</b>	<b>31,785,156</b>	<b>30,686,970</b>	<b>2,661,631</b>	<b>11,830,645</b>	<b>991,935</b>	-	<b>297,572,232</b>
Balance January 1, 2019	-	88,095,469	131,520,426	31,785,156	30,686,970	2,661,631	11,830,645	991,935	-	<b>297,572,232</b>
Depreciation	-	1,827,958	2,999,365	721,293	1,113,916	26,531	321,284	192,108	-	<b>7,202,455</b>
Disposals	-	-	(40,981,778)	(799,052)	(1,780,237)	(459,650)	(1,883,462)	-	-	<b>(45,904,179)</b>
Balance December 31, 2019	-	<b>89,923,427</b>	<b>93,538,013</b>	<b>31,707,397</b>	<b>30,020,649</b>	<b>2,228,512</b>	<b>10,268,467</b>	<b>1,184,043</b>	-	<b>258,870,508</b>
<b>Net book value</b>										
December 31, 2019	<b>28,382,843</b>	<b>25,345,676</b>	<b>5,540,358</b>	<b>910,225</b>	<b>640,324</b>	-	-	<b>497,930</b>	<b>2,810,433</b>	<b>64,127,789</b>
December 31, 2018	<b>28,382,843</b>	<b>27,173,634</b>	<b>6,748,447</b>	<b>1,528,338</b>	<b>1,644,367</b>	<b>26,535</b>	<b>321,289</b>	<b>576,993</b>	<b>199,701</b>	<b>66,602,147</b>

Work in progress includes cost of equipment and improvements to the Group's exhibitions.

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**7- PROPERTY AND EQUIPMENT (continued)**

The depreciation is allocated among expenses as follows:

	<b>December 31, 2019 SR</b>	<b>December 31, 2018 SR</b>
Selling and distribution expenses (Note 21)	5,519,792	8,092,604
General and administrative expenses (Note 22)	1,682,663	9,249,416
	<b>7,202,455</b>	<b>17,342,020</b>

**8-INTANGIBLE ASSETS**

	<b>Programs (A)</b>	<b>Others (B)</b>	<b>Total</b>
<b>Cost :</b>			
Balance at the beginning of the year	5,465,117	17,896,765	23,361,882
Additions	-	-	-
Disposal	<b>(5,465,117)</b>	-	<b>(5,465,117)</b>
Balance at the end of the year	-	<b>17,896,765</b>	<b>17,896,765</b>
<b>Accumulated amortization</b>			
Balance at the beginning of the year	5,465,117	17,896,765	23,361,882
Amortization of the year	-	-	-
Disposal	<b>(5,465,117)</b>	-	<b>(5,465,117)</b>
Balance at the end of the year	-	<b>17,896,765</b>	<b>17,896,765</b>
<b>Net book value:</b>			
<b>December 31, 2019</b>	-	-	-
<b>December 31, 2018</b>	-	-	-

A) During 2018, the Group decided to fully amortize the accounting program.

B) Intangible assets include amounts paid to open a new showroom for new branches, which is expected to result in future benefits, and are carried at cost less accumulated amortization.

The amortization is allocated among expenses as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Selling and distribution expenses (Note 21)	-	-
General and administrative expenses (Note 22)	-	352,407
	-	<b>352,407</b>

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**9- RIGHT OF USE ASSETS**

The right-of-use rented assets is measured with the same value of obligations for Obligations for right-of-use rented assets adjusted to the value of the rents due and the prepaid rents recognized as at December 31, 2018.

The following is an explanation the impact of application of the International Financial Report Standard No. (16) "Leases" on the Group's consolidated financial of statement position as at January 1, 2019:

**Right of use assets - movement during the year as follow:**

	<u>2019</u>
<b>Cost :</b>	
Balance at 1 January 2019	21,795,121
Additions	3,437,384
Disposables/Adjustments	(1,617,203)
Balance at 31 December 2019	<u>23,615,302</u>
<b>Accumulated amortization</b>	
Balance at 1 January 2019	-
Amortization of the year	7,064,752
Balance at 31 December 2019	<u>7,064,752</u>
<b>Net book value:</b>	
<b>December 31, 2019</b>	<u>16,550,550</u>

**Obligations for right-of-use rented assets - movement during the year as follow:**

	<u>December 31, 2019</u>
Obligations for right-of-use rented assets - Non-current	8,149,619
Obligations for right-of-use rented assets - current	7,210,551
<b>Total</b>	<u>15,360,170</u>

The total interest expense from lease obligations recognized at the year ended at December 31, 2019 is SR 789 thousands (2018: None) (note 23).



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**10- INVESTMENTS IN ASSOCIATE COMPANIES**

Investments in associates consist of the following:

	<u>Country of incorporation</u>	<u>Main Activity</u>	<u>Ownership %</u>		<u>31 December 2019</u>	<u>31 December 2018</u>
			<u>2019</u>	<u>2018</u>		
International Medical Center Company (Note (A- (1, 2 and 3)) below)	KSA	Management and operation of hospitals	19,25%	19,34%	195,748,188	185,123,452
Al-Jouf Agricultural Development Company (Note (B- (1, 2, 3, 4)) below)	KSA	Agricultural Production	14,01%	14,01%	119,008,241	129,197,803
					<u>314,756,429</u>	<u>314,321,255</u>
Deduct: impairment (Al-Jouf Agricultural Development Company)					<u>(24,838,641)</u>	<u>-</u>
					<u>289,917,788</u>	<u>314,321,255</u>

The share of results for the year consists following:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
The company's share of the results of the International Medical Center Company	21,418,503	22,660,017
The company's share of the results of Al-Jouf Agricultural Development Company	(2,914,592)	5,011,557
The change in ownership equity of associate - International Medical Center Company	1,760,000	-
Amortization of intangible assets (Note B-4)	<u>(669,469)</u>	<u>(669,469)</u>
	<u>19,594,442</u>	<u>27,002,105</u>

The movement in the impairment of the group investment in the Al-Jouf Agricultural  
Development Company is as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Balance in the beginning of the year	-	-
Charge during the year	<u>24,838,641</u>	<u>-</u>
Balance at the end of the year	<u>24,838,641</u>	<u>-</u>

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**10- INVESTMENTS IN ASSOCIATE COMPANIES (CONTINUED)**

A-1 The movement in the investment balance in the International Medical Center Company is as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Balance at the beginning of the year	185,123,452	171,026,226
Group's share of the results of the associate	21,418,503	22,660,017
Group's share of other comprehensive income	1,335,996	4,777,059
The change of ownership equity *	1,760,000	-
Dividends received	(13,889,763)	(13,339,850)
Balance at the end of the year	<u>195,748,188</u>	<u>185,123,452</u>

\*The Extraordinary General Assembly of International Medical Center Company (Saudi closed joint Stock Company) as held in May 22, 2019, approve to increase share capital from SR 689,930,100 to SR 750,000,000 by transfer SR 56,882,400 from retained earnings in addition to SR 3,187,500 which subscribed by a new shareholder ( The amount of SR 12,750,000 was paid and the difference of the paid will be stated in shareholders' equity) as the current shareholders waived the priority right of the shares of the proposed increase in capital to the new shareholder and thus the group shares in ownership decreased to 19,25%.

A-2 The following is the details of the results of the International Medical Center Company's for the year ended December 31:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Revenue	1,200,889,342	1,178,681,333
Cost of revenue	(885,075,820)	(848,778,871)
Selling and distribution expenses	(1,655,105)	(2,171,152)
General and administrative expenses	(206,855,224)	(212,480,849)
Other income , net	13,789,362	17,097,225
Finance costs	(1,620,844)	(165,491)
Net profit before zakat and non-controlling interests	<u>119,471,711</u>	<u>132,182,195</u>
Zakat	(8,233,134)	(14,974,580)
Non-controlling interest	9,615	(11,185)
Net Income	<u>111,248,192</u>	<u>117,196,430</u>
Other comprehensive income that will not be reclassified to income in subsequently		
Gains of re-measure the defined benefit plans	6,939,195	24,706,677
Net comprehensive income for the year	<u>118,187,387</u>	<u>141,903,107</u>
The share of the net change in the equity of the associate	<u>22,754,499</u>	<u>27,437,076</u>

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**10- INVESTMENTS IN ASSOCIATE COMPANIES (continued)**

A-3 The following is the statement of financial position of the International Medical Center Company as of December 31:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Non-current assets	846,999,272	576,994,277
Current assets	532,775,007	648,042,610
Non Current liabilities	(204,026,384)	(146,613,210)
Current liabilities	(236,789,504)	(198,418,750)
Non-controlling interest	(71,910)	(59,323)
<b>The net assets of the associate</b>	<b>938,886,481</b>	<b>879,945,604</b>
The share in the net assets of the associate is 19,25% (2018: 19,34%).	180,762,880	170,138,144
Amounts paid in excess of the share of the group assets when purchasing the investment	14,985,308	14,985,308
<b>Book value as of December 31</b>	<b>195,748,188</b>	<b>185,123,452</b>

B. The group investment in Al-Jouf Agricultural Development Company (Saudi closed Joint Stock Company) is 14,01% (2018: 14,01%), the group obtained significant influence over the company's Board of Directors, and reclassified the investment into an investment in associate using the equity method through other comprehensive income.

B-1 The movement in the investment balance in Al-Jouf Agricultural Development Company (a Saudi joint stock company) is as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Balance at the beginning of the year	129,197,803	128,614,024
Group share of the results of the associate	(2,914,592)	5,011,557
Group share of other comprehensive income	(299,501)	445,691
Amortization of intangible assets (Note B-4)	(669,469)	(669,469)
Impairment loss in investment	(24,838,641)	-
Dividends received	(6,306,000)	(4,204,000)
<b>Balance at the end of the year</b>	<b>94,169,600</b>	<b>129,197,803</b>

- The fair market value of Al-Jouf Agricultural Development Company (Saudi Joint Stock Company) as of December 31, 2019, was SR 672 million (2018: SR 648 million), as the share price as of December 31, 2019 was SR 22,4 Saudi Arabia (2018: SR 21,60). The fair market value of the Group's share in Al-Jouf Agricultural Development Company as of December 31, 2019, amounted to SR 94 million (2018: SR 91 million).

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**10- INVESTMENTS IN ASSOCIATE COMPANIES (continued)**

B-2 The following is the details of the results of Al-Jouf Agricultural Development Company's for the year ended December 31:

	<u>2019</u>	<u>2018</u>
Revenue	224,447,971	358,934,363
Cost of revenue	(183,955,192)	(255,559,513)
Selling and distribution expenses	(22,769,589)	(35,978,520)
General and administrative expenses	(17,364,265)	(17,850,872)
Other income and expenses , net	(15,174,016)	(5,289,044)
Finance costs	(597,774)	(519,553)
<b>Net (loss)/ profit before zakat</b>	<b>(15,412,865)</b>	<b>43,736,861</b>
Zakat	(5,385,842)	(7,974,099)
<b>Net (loss)/ income</b>	<b>(20,798,707)</b>	<b>35,762,762</b>
<b>Other comprehensive (loss)/ income that will not be reclassified to income in subsequently (loss)/ gains of re-measure the defined benefit plans</b>	<b>(2,137,259)</b>	<b>3,180,475</b>
<b>Net comprehensive (loss)/ income for the year</b>	<b>(22,935,966)</b>	<b>38,943,237</b>
<b>The share of the net change in the equity of the associate</b>	<b>(3,214,095)</b>	<b>5,457,248</b>

B-3 The following is the statement of financial position of Al-Jouf Agricultural Development Company as of December 31:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Non-current assets	542,247,953	565,663,848
Current assets	231,859,074	281,429,589
Non-current liabilities	(87,499,794)	(87,211,722)
Current liabilities	(60,363,920)	(65,702,436)
<b>The net assets of the associate</b>	<b>626,243,313</b>	<b>694,179,279</b>
The share in the net assets of the associate is 14,01% (2018: 14,01%).	87,757,586	97,277,679
Intangible assets - relationship with the customer (note B-4)	7,624,618	8,294,087
Intangible assets - trademark	6,042,000	6,042,000
Goodwill	17,472,329	17,472,329
Amounts paid in excess of the Company's share of assets from purchases	111,708	111,708
	<b>119,008,241</b>	<b>129,197,803</b>
Impairment in investment	(24,838,641)	-
<b>Book value as of December 31</b>	<b>94,169,600</b>	<b>129,197,803</b>

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**10- INVESTMENTS IN ASSOCIATE COMPANIES (continued)**

B-4 Intangible assets represent a relationship with the customer and resulted from the purchase of the investments that is expected to result in future benefits, and is shown net cost after deduct the accumulated amortization and impairment (if any), and is amortized by the straight-line method. Over a period of fifteen years from the date of material influence, the movement in intangible assets was as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Total intangible assets - customer relationship	10,042,043	10,042,043
Amortization for the beginning of the year	(1,747,956)	(1,078,487)
Amortization for the year	(669,469)	(669,469)
Amortization at the end of the year	(2,417,425)	(1,747,956)
Net intangible assets - customer relationship	<b>7,624,618</b>	<b>8,294,087</b>

**11-INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b><u>2019</u></b>	<b><u>2018</u></b>
	Equity shares included in the financial market	Equity shares included in the financial market
<b>Cost</b>		
Balance at the beginning of the year	56,640,803	42,935,631
Additions during the year	22,899,964	17,267,428
Disposal during the year	(1,620,803)	(3,562,256)
Balance at the end of the year	<b>77,919,964</b>	<b>56,640,803</b>
Unrealized gains on investments in equity instruments at fair value through other comprehensive income		
Balance at the beginning of the year	(3,493,268)	23,380,343
Net movement	8,334,217	(26,873,611)
Balance at the end of the year	<b>4,840,949</b>	<b>(3,493,268)</b>
Net book value at the end of the year	<b>82,760,913</b>	<b>53,147,535</b>

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**12- INVENTORY**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Gold jewelry	128,239,081	134,624,156
Gold and jewelry materials	8,519,062	9,154,606
Various goods	8,133,580	10,656,484
Boxes and packaging tools	5,901,231	6,618,674
	<u>150,792,954</u>	<u>161,053,920</u>
Provision for slow moving inventory	(338,561)	(3,221,862)
	<u>150,454,393</u>	<u>157,832,058</u>

Movement of the Provision for slow moving inventory as follow:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Balance at the beginning of the year	3,221,862	278,489
Charged during the year	-	4,983,208
Write- off during the year	(2,883,301)	(2,039,835)
Balance at the end of the year	<u>338,561</u>	<u>3,221,862</u>

**13-ACCOUNTS RECEIVABLES AND OTHER DEBIT BALANCES**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Trade receivables	144,298	301,666
Prepayments expenses	1,650,114	3,602,198
Advances to suppliers	1,343,317	1,154,343
Other receivables	2,340,700	1,662,077
	<u>5,478,429</u>	<u>6,720,284</u>
Provision for doubtful debt	(47,397)	(82,076)
	<u>5,431,032</u>	<u>6,638,208</u>

**14-CASH AND CASH EQUIVALENT**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash on hand	279,280	439,978
Cash in banks	45,169,123	65,982,984
	<u>45,448,403</u>	<u>66,422,962</u>

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**15- CAPITAL**

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
55 Million shares ( SR 10 per share)	<u>550,000,000</u>	<u>550,000,000</u>

**16- STATUTORY RESERVE**

In accordance with the law of the Company's By-Laws in the Kingdom of Saudi Arabia and the Articles of Association of the Company, at least 10% of the annual net income must be set aside for the statutory reserve, and the ordinary general assembly may decide to discontinue such retirement when the total reserve reaches 30% of capital.

**17- NON-CONTROLLING RIGHTS**

The non-controlling interests represent the part of the profit or loss and the net assets not owned by the Group that are presented as a separate item in the consolidated statement of profit or loss and in the consolidated other comprehensive income statement shown in equity in the consolidated statement of financial position independently of the equity in the parent company.

**18- EMPLOYEE BENEFIT OBLIGATIONS**

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Balance at the beginning of the year	7,424,218	15,852,598
Charged during the year	1,424,060	1,905,436
Charged to Other comprehensive income	13,596	(1,172,883)
Paid during the year	(4,542,575)	(9,160,933)
Balance at the end of the year	<u>4,319,299</u>	<u>7,424,218</u>

The following are the basis actuarial assumptions as of the report date:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Discount rate	3.08%	4.52%
Salary increase rate	3.00%	3.00%
Mortality rate	From 0,000594 To 0.024783	From 0,000594 To 0.024783
Employment turnover rate	From 5% to 25%	From 5% to 25%

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**18- EMPLOYEE BENEFIT OBLIGATION**

The table below show the sensitive of the resulted for any changes of any assumptions:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Discount rate +1%	4,048,204	7,034,005
Discount rate -1%	4,611,441	7,860,249
salary increase +1%	4,631,144	7,901,713
salary decrease -1%	4,025,663	6,989,703

**19- ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Trade payables	8,752,285	6,614,387
Accrued expenses	4,113,591	3,400,344
Advances from customers	1,672,946	1,942,382
Other credit balances	3,439,063	2,517,663
	<u>17,977,885</u>	<u>14,474,776</u>

**20- NET PROFIT OF INVESTMENT**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Dividends	7,842,326	5,708,506
	<u>7,842,326</u>	<u>5,708,506</u>

**21- SELLING AND DISTRIBUTION EXPENSES**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Salaries, wages and other benefits	14,126,430	14,868,722
Depreciation (Note 7)	5,519,792	8,092,604
Amortization of right-of-use assets	7,064,756	-
Amortization of intangible assets (Note 8)	-	352,407
Advertising and marketing	1,544,812	1,042,394
Rents **	1,353,961	9,669,599
Electricity and water	1,295,235	1,202,703
Bank collection (credit cards)	1,177,036	1,075,417
Others	2,543,320	4,112,741
	<u>34,625,342</u>	<u>40,416,587</u>

\*\* It is representing the lease of the group branch with short period rent contract that not affected by IFRS 16.



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**22- GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Salaries, wages and other benefits	11,977,411	15,491,566
Depreciation (Note 7)	1,682,663	9,249,416
Board of directors and committee benefit	640,000	600,000
Professional fees	755,623	1,249,801
Subscription fees	653,264	581,450
Others	1,776,128	1,430,247
	<b>17,485,089</b>	<b>28,602,480</b>

**23- OTHER (EXPENSES)/ INCOME**

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Financing interest - contract lease	(789,283)	-
Others	76,077	511,224
Rental income	-	203,942
	<b>(713,206)</b>	<b>715,166</b>

**24- ZAKAT PAYABLE**

1) The movement in zakat payable for the group as follow:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Balance at the beginning of the year	5,177,386	6,516,486
Charged during the year	4,808,532	5,296,906
Paid during the year	(5,582,914)	(6,636,006)
Balance at the end of the year	<b>4,403,004</b>	<b>5,177,386</b>

2) The Zakat status

**Fitaihi Holding Group Company**

The company completed its zakat status for the years ending December 31, 1999 until 2012.

The company filed the zakat returns for the years ended December 31, 2013 to 2018 and obtained the unrestricted zakat certificate. General Authority of Zakat and Tax did not issue zakat assessments for these years until the date of issuance of these consolidated financial statements.

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#### 24 - ZAKAT PAYABLE (continue)

##### **Subsidiary / Luxury Goods Trading Company Limited**

The company filed the zakat returns for the years ended December 31, 2013 to 2018 and obtained the unrestricted zakat certificate. The General Authority of Zakat and Tax issued the zakat assessment for the years ended December 31, 2014 to 2018, which claimed differences of SR 658,884. The company paid the amount of SR 46,017. Then General Authority of Zakat and Tax issued the adjusted zakat returns for the above years, which showed a difference of SR 607,758. The objection has been transferred to the Disputes Committee for study and decision, which is still under consideration by the Committee to date.

#### 25- EARNINGS /(LOSS) PER SHARE

The basic and diluted earnings per share are calculated by dividing net income for the year by the weighted average number of ordinary shares issued and outstanding at year end. The reduced earnings per share is equal to the basic earnings per share.

The following table reflects the net income data for the year and the number of shares used to calculate the basic and diluted earnings per share:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
(loss)/ Profit for the year attributable to equity holders of the parent company (SR)	<u>(9,542,757)</u>	<u>7,119,650</u>
Weighted average number of common shares outstanding (share)	<u>55,000,000</u>	<u>55,000,000</u>
Basic and diluted loss earnings per share from the profit for the year attributable to shareholders of the parent company (SR)	<u>(0,17)</u>	<u>0,14</u>

#### 26-RELATED PARTIES' TRANSACTIONS

The related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The following are the transactions with related parties during the year:

A) Dr. Mohamed Ahmed Hassan Fitaihi owns 20% of the capital of the subsidiary (Luxury Goods Trading Company Limited) and he is the CEO. The total salary, benefits and rewards received from this company during the year amounted to SR 356,200 (2018: SR 972,000), He was appointed as CEO of Fitaihi Retail Company on May 13, 2019 and The total salary, benefits and rewards received from that company during the year amounted to SR 955,349. The share of Dr. Mohamed Ahmed Hassan Fitaihi appears as minority interest in the consolidated statement of financial position.

B) The company's senior management consists of senior executives and board members who have powers and responsibilities to plan, direct and supervise the company's activities. The total salaries and benefits of senior management and senior executives amounted to SR 2,894,882 (2018: SR 3,262,709). And the total remuneration to the members of the Board of Directors during the year amounted SR600,000 (2018: SR600,000), and remuneration for a single member of the Audit Committee during the year 40,000 Saudi Riyals.

C) The company's sales to the International Medical Center Company (an associate company) during the year amounted to SR 1,838,782 (2018: SR 2,834,370).

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#### **27-RISK MANAGEMENT OBJECTIVES AND POLICIES**

Risks are part of the Group's activities and are managed through a continuous mechanism consisting of identifying the risks, evaluating, and following up according to the restrictions and other approved controls. The risk management process is necessary in relation to the Group's ability to achieve profits. The Group is exposed to market risks, commission rate risks, currency risks, credit risks and liquidity risks.

##### **Market risk**

Market risk is the risk of fluctuation in the fair value of financial instruments as a result of changes in the market price. Market prices include three types of risk: commission rate risk, currency risk, commodity price risk and other price risks such as equity price instrument risk. Financial instruments that are affected by market risk are available for sale investments. The group believe that their exposure to risk is immaterial.

##### **Interest rate risk**

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. The Group is subject to Interest rate risk on its assets and liabilities on which an interest is paid. The sensitivity of the consolidated statement of profit or loss is the effect of the hypothetical changes in commission rates on the Group's income for one year, with other variables remaining constant, based on financial liability with variable prices held as at December 31, 2019, a hypothetical change of 10 basis points in the weighted average prices commission rates for financial assets balances and variable-rate financial liability as at 31 December 2019 and 31 December 2018 has no material impact on the net commission expense.

##### **Foreign Currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the risks of currency exchange fluctuations in its normal business cycle. The risks related to currency fluctuations associated with financial instruments are concentrated in currency fluctuations of the Group's foreign investments, as the main Group's investments in the stock market are concentrated on the Egyptian Stock Exchange, and therefore their fair value is affected by the exchange rate of the Egyptian pound from one period to another. According to the economic and political conditions in the Egypt, the Group considers that most of its investments are for long-term strategic purposes.

##### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to fulfill its obligation and cause the other party to incur a financial loss. The Group works to reduce credit risk. The management believes that credit risk is limited, given that the Group's sales are in cash.

##### **Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its operational or financial obligations when they are due. Liquidity requirements are monitored on monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

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#### **27- RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

##### **Liquidity risk (continued)**

The current financial liabilities of the Group consist of trade payables, accrued expenses, advances from customers, other payables and Zakat payable, expected that in practice, all these financial liabilities are to be paid within 12 months of the date of the consolidated statement of financial position, and the Group expects to have sufficient funds to do so.

The non-current financial liabilities of the Group consist of defined benefit obligations for employees, the defined benefit obligations of employees are paid according to the actual timing of the end of the employee service period.

##### **Equity Price Risk**

The Group is exposed to market price risks on its investments in shares traded and arising from the uncertainty in the future value of shares traded. Reports on investment in shares traded are regularly reported to senior management.

##### **Capital Risk Management**

For the purpose of managing the Group's capital risk, capital includes share capital, investment valuation reserve in equity instruments at fair value through other comprehensive income, retained earnings, and statutory reserve attributable to shareholders of the Parent Company. The main objective of capital management is to maximize shareholders' equity.

The Group manages and adjusts the capital structure in light of changes in economic conditions and the requirements of financial pledges. In order to maintain or amend the capital structure, the Group may adjust dividends paid to shareholders or issue shares.

The Group does not have a capital structure with specific objectives or rates that should be achieved in connection with the management of capital risk. The overall strategy of the Group remains unchanged from the previous year. The Group's capital structure includes share capital and all investment valuation reserve in equity instruments at fair value through other comprehensive income.

#### **28- FAIR VALUE 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 two market participants at the measurement dates. The Group's financial assets consist of cash and cash equivalents, trade and other receivables, their financial liabilities consist of trade and other payables. As at 31 December 2019, there were no other financial instruments measured at fair value.

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#### **29- PARENT COMPANY BRANCHES**

<b>Branch name</b>	<b>Branch commercial registration number</b>	<b>Date</b>	<b>City</b>
Saudi Tawteen for Maintenance & Operation	4030231204	17/8/1433 H	Jeddah
Sodouq International Holding Company for Investment	4030174070	11/11/1428 H	Jeddah
Fitaihi Retail Company One person company	4030174452	24/11/1428 H	Jeddah
Branch of Fitaihi Retail Company	1010115028	21/3/1414 H	Riyadh
Branch of Fitaihi Retail Company	1010222334	25/7/1427 H	Riyadh
Branch of Fitaihi Retail Company	1010384632	22/9/1434 H	Riyadh
Branch of Fitaihi Retail Company	4030085129	2/8/1412 H	Jeddah
Branch of Fitaihi Retail Company	4030085130	2/8/1412 H	Jeddah
Branch of Fitaihi Retail Company	4030085131	2/8/1412 H	Jeddah
Branch of Fitaihi Retail Company	4030145447	11/9/1424 H	Jeddah
Branch of Fitaihi Retail Company	4030173628	25/10/1428 H	Jeddah
Branch of Fitaihi Retail Company	4030252765	21/9/1434 H	Jeddah
Branch of Fitaihi Retail Company	4030272500	11/8/1435 H	Jeddah
Branch of Fitaihi Retail Company	4030278855	26/1/1436 H	Jeddah
Branch of Fitaihi Retail Company	4030287194	7/4/1437 H	Jeddah
Branch of Fitaihi Retail Company	4030292611	29/3/1438 H	Jeddah
Branch of Fitaihi Retail Company	4030317582	13/4/1440 H	Jeddah

#### **30-COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation.

#### **31- APPROVAL OF THE FINANCIAL STATEMENTS**

These consolidated financial statements were approved by the Board of Directors on 24 March 2020.