

**FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE AND SIX-MONTHS  
PERIODS ENDED 30 JUNE 2021**

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2021

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## INDEPENDENT AUDITOR'S REVIEW REPORT

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

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Fitaihi Holding Group Company - A Saudi Joint Stock Company (" the Company") and its subsidiaries ("the Group") as at 30 June 2021, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-months periods then ended and the interim condensed consolidated financial statements of changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

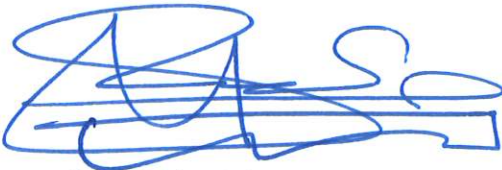
### Scope of Review

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

### Conclusion

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

For BDO Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb  
Certified Public Accountant  
Registration No. 514



08/01/1443 (H)  
16/08/2021(G)

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
(EXPRESSED IN SAUDI RIYALS)

|   | Note | 30 June<br>2021<br>(Unaudited) | 31 December<br>2020<br>(Audited) |
|---|------|--------------------------------|----------------------------------|
| <b>ASSETS</b>   |      |                                |                                  |
| <b>Non-current assets</b>   |      |                                |                                  |
| Property and equipment  | (5)  | 52,743,873                     | 54,667,944                       |
| Right of use assets   | (6)  | 1,358,978                      | 1,995,993                        |
| Investment in associates  | (7)  | 202,233,596                    | 272,002,334                      |
| Investments in equity instruments at fair value through other comprehensive income                        | (8)  | 138,009,640                    | 102,518,824                      |
| <b>Total non-current assets</b>   |      | <b>394,346,087</b>             | <b>431,185,095</b>               |
| <b>Current assets</b>   |      |                                |                                  |
| Inventory   |      | 111,841,646                    | 115,963,382                      |
| Trade and other receivables   |      | 4,884,664                      | 4,538,322                        |
| Investments at fair value through profit or loss  | (9)  | 275,891,423                    | -                                |
| Cash and cash equivalents   | (10) | 18,286,196                     | 97,118,513                       |
| <b>Total current assets</b>   |      | <b>410,903,929</b>             | <b>217,620,217</b>               |
| <b>Total assets</b>   |      | <b>805,250,016</b>             | <b>648,805,312</b>               |
| <b>EQUITY AND LIABILITIES</b>   |      |                                |                                  |
| <b>Equity</b>   |      |                                |                                  |
| Share capital   | (11) | 550,000,000                    | 550,000,000                      |
| Statutory reserve   |      | 53,192,332                     | 53,192,332                       |
| Retained earnings   |      | 155,435,162                    | 19,322,965                       |
| Revaluation reserve of investments in equity instruments at fair value through other comprehensive income |      | 28,316,258                     | 3,736,019                        |
| <b>Equity attributable to shareholders of the parent company</b>  |      | <b>786,943,752</b>             | <b>626,251,316</b>               |
| Non-controlling interests   |      | -                              | -                                |
| <b>Total equity</b>   |      | <b>786,943,752</b>             | <b>626,251,316</b>               |
| <b>Non-current liabilities</b>  |      |                                |                                  |
| Net of Employee defined benefit obligations   | (12) | 1,515,625                      | 1,201,146                        |
| <b>Total non-current liabilities</b>  |      | <b>1,515,625</b>               | <b>1,201,146</b>                 |
| <b>Current liabilities</b>  |      |                                |                                  |
| Current portion of lease obligations  |      | 1,370,213                      | 1,370,213                        |
| Trade and other payables  |      | 10,910,888                     | 12,028,520                       |
| Zakat   | (13) | 4,509,538                      | 7,954,117                        |
| <b>Total current liabilities</b>  |      | <b>16,790,639</b>              | <b>21,352,850</b>                |
| <b>Total liabilities</b>  |      | <b>18,306,264</b>              | <b>22,553,996</b>                |
| <b>Total equity and liabilities</b>   |      | <b>805,250,016</b>             | <b>648,805,312</b>               |

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehja Abdelhamid

Signature: 

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature: 

Chairmant

Name: Ahmed Hassan Fitaihi

Signature: 

The accompanying notes (1) to (18) form an integral part of these interim condensed consolidated financial statements

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(UNAUDITED)  
(EXPRESSED IN SAUDI RIYALS)

|   | Note   | For the three- month period<br>from 1 April to 30 June |                     | For the six - month period<br>ended 30 June |                     |
|---|--------|--|---------------------|---|---------------------|
|   |        | 2021   | 2020                | 2021  | 2020                |
|   |        | Unaudited  | Unaudited           | Unaudited                                   | Unaudited           |
| Net sales   |        | 13,948,289   | 9,383,736           | 27,652,811                                  | 22,169,102          |
| Cost of sales   |        | (7,840,851)  | (8,528,956)         | (15,457,092)                                | (15,893,002)        |
| <b>Gross profit of sales</b>  |        | <b>6,107,438</b>                                       | <b>854,780</b>      | <b>12,195,719</b>                           | <b>6,276,100</b>    |
| Gain from equity instruments at fair value through other comprehensive income                           |        | 15,128,589   | 4,681               | 15,160,668                                  | 5,663               |
| Gain from investment at fair value through profit or loss   |        | 823,465  | -                   | 891,423                                     | -                   |
| Share of the results of associate company   | (7)    | 4,283,070  | (3,764,162)         | 11,763,951                                  | (1,604,271)         |
| Gain from sale of shares of an associate company  |        | -  | -                   | 125,701,957                                 | -                   |
| <b>Gross profit / (loss)</b>  |        | <b>26,342,562</b>                                      | <b>(2,904,701)</b>  | <b>165,713,718</b>                          | <b>4,677,492</b>    |
| Selling and distribution expenses   |        | (3,487,644)  | (2,676,507)         | (7,169,209)                                 | (7,189,346)         |
| General and administrative expenses   |        | (4,330,159)  | (3,888,751)         | (8,445,236)                                 | (7,409,797)         |
| <b>Profit / (loss) from operation</b>   |        | <b>18,524,759</b>                                      | <b>(9,469,959)</b>  | <b>150,099,273</b>                          | <b>(9,921,651)</b>  |
| Other expenses  |        | (268,292)  | (52,183)            | (486,420)                                   | (122,271)           |
| <b>Profit / (Loss) before Zakat</b>   |        | <b>18,256,467</b>                                      | <b>(9,522,142)</b>  | <b>149,612,853</b>                          | <b>(10,043,922)</b> |
| Zakat   | (13)   | (1,250,656)  | (2,025,578)         | (2,500,656)                                 | (3,225,578)         |
| <b>Net profit / (loss) for the period from continuing operations</b>                                    |        | <b>17,005,811</b>                                      | <b>(11,547,720)</b> | <b>147,112,197</b>                          | <b>(13,269,500)</b> |
| Net loss for the period from discontinuing operations   |        | -  | (5,598,958)         | -   | (6,464,874)         |
| <b>Net Profit/(loss) for the period</b>   |        | <b>17,005,811</b>                                      | <b>(17,146,678)</b> | <b>147,112,197</b>                          | <b>(19,734,374)</b> |
| Attributable to:  |        |  |                     |   |                     |
| Shareholders of the parent company  |        |  |                     |   |                     |
| Profit / (Loss) for the period of continuing operations   |        | 17,005,811   | (11,547,720)        | 147,112,197                                 | (13,269,500)        |
| (Loss) for the period of discontinuing operations   | (14-1) | -  | (5,319,939)         | -   | (6,012,672)         |
|   |        | <b>17,005,811</b>                                      | <b>(16,867,659)</b> | <b>147,112,197</b>                          | <b>(19,282,172)</b> |
| Non-controlling interest  |        |  |                     |   |                     |
| (Loss) for the period of discontinuing operations   |        | -  | (279,019)           | -   | (452,202)           |
|   |        | <b>17,005,811</b>                                      | <b>(17,146,678)</b> | <b>147,112,197</b>                          | <b>(19,734,374)</b> |
| <b>Other comprehensive income:</b>  |        |  |                     |   |                     |
| Items that will not to be reclassified subsequently to profit or loss condensed consolidated            |        |  |                     |   |                     |
| Net gain / (losses) from equity instruments at fair value through other comprehensive income            |        | 16,875,228   | 403,463             | 24,580,239                                  | (19,043,181)        |
| <b>Other comprehensive income:</b>  |        |  |                     |   |                     |
| <b>Net other comprehensive income / (loss) for the period attributable to</b>                           |        | <b>33,881,039</b>                                      | <b>(16,743,215)</b> | <b>171,692,436</b>                          | <b>(38,777,555)</b> |
| Shareholders of the parent company  |        | 33,881,039   | (16,464,196)        | 171,692,436                                 | (38,325,353)        |
| Non-controlling interest  |        | -  | (279,019)           | -   | (452,202)           |
|   |        | <b>33,881,039</b>                                      | <b>(16,743,215)</b> | <b>171,692,436</b>                          | <b>(38,777,555)</b> |
| <b>Basic and diluted earnings Gain/ (losses) per share from continuous and discontinuous operations</b> | (15)   |  |                     |   |                     |
| Net profit / (loss) attributable to shareholders of the parent company                                  |        | 0.31   | (0.31)              | 2.67  | (0.35)              |
| <b>From continuous operations</b>   |        |  |                     |   |                     |
| Net profit / (loss) attributable to shareholders of the parent company                                  |        | 0.31   | (0.21)              | 2.67  | (0.24)              |

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:



Authorized Board Member

Name: Ibrahim Hassan Almadhon


Signature:



Chairman

Name: Ahmed Hassan Fitaihi

Signature:



The accompanying notes (1) to (18) form an integral part of these interim condensed consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
(EXPRESSED IN SAUDI RIYALS)**

|   | Share capital | Statutory reserve | Retained earnings / accumulated losses | 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 |
|---|---------------|-------------------|--|---|---|-----------------------------|--------------|
| For the Six-month period ended 30 June 2021 (Unaudited) | 550,000,000   | 53,192,332        | 19,322,965                             | 3,736,019   | 626,251,316   | -                           | 626,251,316  |
| Balance as at 1 January 2021 (audited)                  | -             | -                 | 147,112,197                            | -   | 147,112,197   | -                           | 147,112,197  |
| Net Profit for the period                               | -             | -                 | -                                      | 24,580,239  | 24,580,239  | -                           | 24,580,239   |
| Changes in other comprehensive income during the period | -             | -                 | -                                      | -   | -   | -                           | -            |
| Total comprehensive income                              | -             | -                 | 147,112,197                            | 24,580,239  | 171,692,436   | -                           | 171,692,436  |
| Dividends   | -             | -                 | (11,000,000)                           | -   | (11,000,000)  | -                           | (11,000,000) |
| Balance at 30 June 2021 (unaudited)                     | 550,000,000   | 53,192,332        | 155,435,162                            | 28,316,258  | 786,943,752   | -                           | 786,943,752  |
| For the Six-month period ended 30 June 2020 (Unaudited) | 550,000,000   | 50,192,223        | 2,504,171                              | 4,840,949   | 607,537,343   | 5,093,167                   | 612,630,510  |
| Balance as at 1 January 2020 (audited)                  | -             | -                 | (19,282,172)                           | -   | (19,282,172)  | (452,202)                   | (19,734,374) |
| Net (loss) for the period                               | -             | -                 | -                                      | (19,043,181)  | (19,043,181)  | -                           | (19,043,181) |
| Changes in other comprehensive loss during the period   | -             | -                 | -                                      | (19,043,181)  | (19,043,181)  | -                           | (19,043,181) |
| Total comprehensive (loss)                              | -             | -                 | (19,282,172)                           | (19,043,181)  | (38,325,353)  | (452,202)                   | (38,777,555) |
| Balance at 30 June 2020 (unaudited)                     | 550,000,000   | 50,192,223        | (16,778,001)                           | (14,202,232)  | 569,211,990   | 4,640,965                   | 573,852,955  |

Chief Executive Officer  
Chief Financial Officer

Name: Yasser Yehia Abdelhamid  
Signature: 

Authorized Board Member

Name: Ibrahim Hassan Almadhon  
Signature: 

Chairman

Name: Ahmed Hassan Fitaibi  
Signature: 

The accompanying notes (1) to (18) form an integral part of these interim condensed consolidated financial statements

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE  
(EXPRESSED IN SAUDI RIYALS)

|  | <i>For the six - month period<br/>ended 30 June</i> |                    |
|--|---|--------------------|
|  | 2021<br>Unaudited                                   | 2020<br>Unaudited  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |                    |
| Net profit /(loss) before zakat  | 149,612,853   | (10,043,922)       |
| Lose for the period from discontinued operation  | -   | (6,239,874)        |
| <b>Adjustments to reconcile profit /(loss) before zakat to cash flows from operating activities:</b>     |   |                    |
| Depreciation of property and equipment   | 2,109,067   | 2,434,925          |
| Amortization of right of use assets  | 637,015   | 3,028,831          |
| (Gain) on disposal property and equipment  | (50,870)  | -                  |
| Amortization of intangible assets  | -   | 334,724            |
| Employees defined benefit obligations  | 334,364   | 563,632            |
| Provision of slow moving inventory   | -   | 3,359,800          |
| Share of results of associate company  | (11,763,951)  | 1,269,547          |
| Gain from investment in equity instruments at fair value through other comprehensive income              | (15,160,668)  | (5,663)            |
| Gain from investment at fair value through profit or loss  | (891,423)   | -                  |
| Gain from sale of shares of an associate company   | (125,701,957)                                       | -                  |
| Finance charge of right of use assets  | -   | 103,451            |
| Impairment for available for sale financial assets   | -   | 4,203,843          |
| <b>Changes in work in capital</b>  |   |                    |
| Trade and other receivables  | (346,342)   | (2,955,032)        |
| Inventory  | 4,121,736   | (1,561,566)        |
| Trade and other payables   | (1,117,632)   | 4,498,208          |
| Zakat paid   | (5,945,235)   | -                  |
| Employees defined benefit obligations paid   | (19,885)  | (400,388)          |
| <b>Net cash (used in) operating activities</b>   | <b>(4,182,928)</b>                                  | <b>(1,409,484)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |   |                    |
| Purchase for property and equipment  | (184,996)   | (2,150,167)        |
| Purchase for investments in equity instruments at fair value through other comprehensive income          | (11,336,335)  | (2,767,796)        |
| Dividends received from investments in associate companies   | 7,219,838   | 2,102,000          |
| Dividends received from investments in fair value equity instruments                                     | 15,128,589  | 5,663              |
| Purchase of Investment at fair value through profit or loss  | (275,000,000)                                       | -                  |
| Proceeds from sale of investment share in associate company  | 200,014,808   | -                  |
| Proceeds from sale of investments in equity instruments at fair value through other comprehensive income | 457,837   | -                  |
| Proceeds from sale of property and equipment   | 50,870  | -                  |
| Disposal right of use assets   | -   | 1,443,213          |
| Payments for discontinuous operation   | -   | (1,769,393)        |
| <b>Net cash (used in) investing activities</b>   | <b>(63,649,389)</b>                                 | <b>(3,136,480)</b> |

The accompanying notes (1) to (18) form an integral part of these interim condensed consolidated financial statements

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (CONTINUED)  
(EXPRESSED IN SAUDI RIYALS)

|  | <i>For the six - month period<br/>ended 30 June</i> |                    |
|--|---|--------------------|
|  | 2021<br>Unaudited                                   | 2020<br>Unaudited  |
| <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>  |   |                    |
| Dividends paid   | (11,000,000)  | -                  |
| Lease obligations  | -   | (4,497,041)        |
| <b>Net cash (used in) financing activities</b>   | <b>(11,000,000)</b>                                 | <b>(4,497,041)</b> |
| Net change in cash and cash equivalents  | (78,832,317)  | (9,043,005)        |
| Cash and cash equivalents at the beginning of the period   | 97,118,513  | 45,448,403         |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>18,286,196</b>                                   | <b>36,405,398</b>  |
| <b><u>Non - cash transactions</u></b>  |   |                    |
| Unrealized gains /(losses) from investments in equity instruments at fair value through other comprehensive income | 24,580,239  | (19,043,181)       |
| Cash flows from discontinuous operations   | -   | 18,563,842         |

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman

Name: Ahmed Hassan Fitaihi

Signature:

The accompanying notes (1) to (18) form an integral part of these interim condensed consolidated financial statements



**FITAIHI GROUP HOLDING COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021  
(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 Ramadan 9, 1418 H and commercial registration number 4030085128 issued in Jeddah on Shaaban 2, 1412 H (corresponding to February 5, 1992).

The main activities of the Company and its subsidiaries are as follows:

- a) The activities of the holding companies (the units that acquire the assets of owning 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) A wholesale of carpets and rugs, retail of blankets, linens and napkin.
- e) Import, sale and purchase of precious metals and gemstones.
- f) Holding auctions except for real estate and exchange.
- g) Welding and polishing workshops (jewelers).
- h) Electronic trading.
- i) Wholesale and retail trade in sweets, chocolate, silverware, crystal, artificial flowers, gifts, antiques, household utensils, and Marriage carriages.
- j) 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.
- k) Wholesale trade in perfumes, cosmetics, gifts, household utensils, leather goods, haberdashery, clothes and fabrics.
- l) 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.

During the current period, The Group’s management canceled the commercial register of Riyadh branches NO.1010222334, 1010384632 and 1010115028.

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**

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard, “Interim Financial Reporting” “IAS 34” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020 (“The last annual consolidated financial statements”) In addition, results for the interim period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

### **2.2. Functional and presentation currency**

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

### **2.3. Basis of Measurement**

The Interim condensed consolidated financial statements have been prepared under historical cost basis, except for, if mentioned otherwise.

### **2.4. Basis of consolidation**

The Group’s Interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries “the Group” as of 30 June 2021.

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 (example: 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

## **2. BASIS OF PREPARATION (Continued)**

### **2.4. Basis of consolidation (Continued)**

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.

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 Interim condensed consolidated financial statements (unaudited) 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 Interim condensed consolidated statement of profit or loss. Any share of the investment is recognized at fair value.

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**2. BASIS OF PREPARATION(Continued):**

**2.4. Basis of consolidation (Continued)**

| <u>Company name</u>   | <u>Country of incorporation</u> | <u>Ownership percentage direct as of June 30, 2021</u> | <u>Ownership percentage direct as of December 31, 2020</u> | <u>Activity</u>  |
|---|---------------------------------|--|--|--|
| Sodouq International Holding Company for Investment (one person company)* | Jeddah- KSA                     | 100%   | 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)                               | Jeddah- KSA                     | 100%   | 100%   | Buying and selling precious metals and gemstones, Welding and polishing workshops (jewelers) and electronic trade. 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.                        |
| Saudi Tawteen for Maintenance & Operation                                 | Jeddah- KSA                     | 100%   | 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. |

\* On 3 January 2021, The Board of Directors members of Fitaihi Holding Group decided to liquidate Sodouq International Holding Company for Investment (One person Company). The statutory procedures have not yet been completed.

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**3. USE OF JUDGMENT, ESTIMATES**

In preparing these condensed Interim consolidated financial statements, it requires to management made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group accounting policies and methods of calculation, and key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ending on 31 December 2020.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements are in line with those followed in preparing the annual consolidated financial statements of the Group for the year ending on December 31, 2020. There are a number of amendments to standards, which are effective from January 1, 2021 but they do not have a material effect on the condensed interim consolidated financial statements. The Group did not apply any early standards, interpretation or modification issued but did not come into effect and management believes that it will not affect the financial standards significantly.

**5. PROPERTY AND EQUIPMENT**

During the six month period ending June 30, 2021, The Group additions to property and equipment by amount SAR 185 thousand (the six-month period ending 30 June 2020: SAR 1.6 million).

**6. RIGHT OF USE ASSETS**

|  | <b>30 June<br/>2021<br/><u>(Unaudited)</u></b> | <b>31 December<br/>2020<br/><u>(Audited)</u></b> |
|--|--|--|
| Net carrying amount as at the beginning of the period/year | 1,995,993                                      | 16,550,550                                       |
| Disposables / Adjustments                                  | -  | (12,855,876)                                     |
| Amortization during the period/year                        | <u>(637,015)</u>                               | <u>(1,698,681)</u>                               |
| Net carrying amount as at the end of the period/year       | <b><u>1,358,978</u></b>                        | <b><u>1,995,993</u></b>                          |

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7. INVESTMENTS IN ASSOCIATE

Investments in associates consist of the following:

|  | <u>Country of incorporation</u> | <u>Main Activity</u>                  | <u>Ownership %</u>  |                         | <u>30 June 2021</u> | <u>31 December 2020</u> |
|--|---------------------------------|---------------------------------------|---------------------|-------------------------|---------------------|-------------------------|
|  |                                 |                                       | <u>30 June 2021</u> | <u>31 December 2020</u> | <u>(Unaudited)</u>  | <u>(Audited)</u>        |
| International Medical Center Company     | KSA                             | Management and operation of hospitals | 19.25%              | 19.25%                  | 202,233,596         | 197,689,483             |
| Al-Jouf Agricultural Development Company | KSA                             | Agricultural production               | -%                  | 14.01%                  | -                   | 74,312,851              |
|  |                                 |                                       |                     |                         | <u>202,233,596</u>  | <u>272,002,334</u>      |

The share of results for the year consists following:

|  | <u>For the period From 1 April to 30 June</u> |                         | <u>For the six-month period ended June 30</u> |                         |
|--|---|-------------------------|---|-------------------------|
|  | <u>2021 (Unaudited)</u>                       | <u>2020 (Unaudited)</u> | <u>2021 (Unaudited)</u>                       | <u>2020 (Unaudited)</u> |
| Share of the results of the International Medical Center Company | 4,283,070                                     | (5,260,527)             | 11,763,951                                    | (3,850,428)             |
| Share of the results of Al-Jouf Agricultural Development Company | -   | 1,663,732               | -   | 2,580,891               |
| Amortization of intangible assets                                | -   | (167,367)               | -   | (334,734)               |
|  | <u>4,283,070</u>                              | <u>(3,764,162)</u>      | <u>11,763,951</u>                             | <u>(1,604,271)</u>      |

On March 2, 2021, the group sold its entire share in Al-Jouf Agricultural Development Company (an associate company), based on the decision of the Board of Directors, and the group achieved profits amounting to SAR125.7 million as follows:

|                              | <u>Amount</u>      |
|------------------------------|--------------------|
| Proceeds from sale of shares | 200,014,808        |
| Book value of shares sold    | (74,312,851)       |
|                              | <u>125,701,957</u> |

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**8. INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

|   | 30 June<br>2021<br><u>(Unaudited)</u> | 31 December<br>2020<br><u>(Audited)</u> |
|---|---------------------------------------|---|
| <b><u>Cost</u></b>  |                                       |   |
| Balance as at the beginning of the period/year  | 98,782,805                            | 77,919,964                              |
| Additions during the period/year  | 11,336,335                            | 20,862,841                              |
| Disposal during the period/year   | (425,758)                             | -                                       |
| Balance as at the end of the period/year  | <u>109,693,382</u>                    | <u>98,782,805</u>                       |
| <b><u>Unrealized gains / (losses) on investments in equity instruments at fair value through other comprehensive income</u></b> |                                       |   |
| Balance as at the beginning of the period/year  | 3,736,019                             | 4,840,949                               |
| Net movement during the period/year   | 24,580,239                            | (1,104,930)                             |
| Balance as at the end of the period/year  | <u>28,316,258</u>                     | <u>3,736,019</u>                        |
| Net book value as at the end of the period/year   | <u>138,009,640</u>                    | <u>102,518,824</u>                      |
| - All equity are listed in the stock market.  |                                       |   |

**9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The fair value of investments at fair value through profit or loss as of 30 June 2021 amounted to SAR 275,892,423 through investing 161,849 units in Riyadh SAR Diversified Trading Fund. The market fair value of the unit as of 30 June 2021 amounted to SAR 1,705 per unit.

**10. CASH AND CASH EQUIVALENTS**

|               | 30 June<br>2021<br><u>(Unaudited)</u> | 31 December<br>2020<br><u>(Audited)</u> |
|---------------|---------------------------------------|---|
| Cash on hand  | 36,936                                | 35,394                                  |
| Cash at banks | 18,249,260                            | 97,083,119                              |
|               | <u>18,286,196</u>                     | <u>97,118,513</u>                       |

**11. SHARE CAPITAL**

As on 30 June 2021 and 31 December 2020, the capital consists of 55 million shares, each fully paid-up valued at 10 Saudi riyals each share.

The Board of Directors recommended at the meeting held on 4 March 2021 to reduce the capital by 50%, so that the capital becomes SAR 275,000,000 (two hundred seventy five million Saudi riyals) instead of SAR 550,000,000 (five hundred and fifty million Saudi riyals). The process of reducing the capital and the number of shares is subject to the approval of the official authorities and the extraordinary general assembly. The CMA approved the company's request to reduce its capital (which exceeds the company's need) by 50% from SAR 550,000,000 to SAR. 275,000,000 shares, so that the number of shares decreased by the shareholder approval by 41,629% based on extraordinary general assembly meeting held on 7 July 2021, in accordance with the provisions of Article (145) of the Companies Act, the period of objection of creditors begins from Thursday, 8 July 2021 and for 60 days ending at the end of Sunday, 5 September 2021.

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**12. EMPLOYEE DEFINED BENEFIT OBLIGATIONS**

The employees defined benefit obligation includes only the defined benefit obligation. The movement in the defined benefit obligation is as follows:

|  | <b>30 June<br/>2021<br/>(Unaudited)</b> | <b>31 December<br/>2020<br/>(Audited)</b> |
|--|---|---|
| Balance as at the beginning of the period/year | 1,201,146                               | 4,319,299                                 |
| <b>Included in profit or loss</b>              |   |   |
| Charged during the period/year                 | 334,364                                 | 696,798                                   |
| <b>Included in Other comprehensive income</b>  |   |   |
| Actuarial (gains) / (losses)                   | -                                       | (110,965)                                 |
| <b>Movement in cash</b>                        |   |   |
| Disposals of sale of subsidiary                | -                                       | (1,219,733)                               |
| Paid during the period/year                    | (19,885)                                | (2,484,253)                               |
| Balance as at the end of the period/year       | <b>1,515,625</b>                        | <b>1,201,146</b>                          |

The employees defined benefit obligation was measured based on the actuarial valuation study conducted at the end of the previous year.

**13. ZAKAT PAYABLE**

|  | <b>30 June<br/>2021<br/>(Unaudited)</b> | <b>31 December<br/>2020<br/>(Audited)</b> |
|--|---|---|
| Balance as at the beginning of the period/year | 7,954,117                               | 4,403,004                                 |
| Charged during the period/year                 | 2,500,656                               | 5,952,893                                 |
| Charged for prior years                        | -                                       | 4,798,220                                 |
| Paid during the period/year                    | (5,945,235)                             | (6,676,253)                               |
| Disposal from the sale of the subsidiary       | -                                       | (523,747)                                 |
| Balance as at the end of the period/year       | <b>4,509,538</b>                        | <b>7,954,117</b>                          |

**The Zakat status**

- The Group finalized its zakat status for the years ending December 31, 1999 until 2015, and the year ended on December 31, 2018.
- The Group submitted the zakat return for the two years ending on December 31, 2016 and 2017 and obtained the unrestricted zakat certificate for the year 2017 and The General Authority of Zakat, Tax and customs issued the assessment with differences amounting to SAR 2,001,223, where The Group has submitted an objection and The General Authority of Zakat, Tax and customs reject the objection, The group escalated the objection to the Tax Dispute Settlement Committee to consider it and issue a decision regarding the dispute which is still under consideration by the committee to date.
- The Group submitted its zakat declaration for the years ending on December 31, 2020, 2019 and paid the zakat due for its share in the foreign investment for the period. The Group obtained an unrestricted zakat certificate for the period 2020, The General Authority of Zakat, Tax and customs has not issued the Zakat assessment for the aforementioned year to date.



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**14. LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS**

On 10 June 2020, the Board of Directors decided to sell the group's 80% ownership in the capital of its subsidiary, (Luxury Goods Company Ltd) and the group's share of the fair value of the subsidiary amounted to SAR 14.36 million, resulting in a loss amounting to SAR 4.2 million.

**14-1 Loss for the period from discontinuing operations**

|  | For the period From<br>1 April to 30 June |                     | For the six-month period<br>ended June 30 |                     |
|--|---|---------------------|---|---------------------|
|  | 2021<br>(Unaudited)                       | 2020<br>(Unaudited) | 2021<br>(Unaudited)                       | 2020<br>(Unaudited) |
| Revenue  | -   | 3,394,684           | -   | 8,631,983           |
| Expenses   | -   | (4,714,799)         | -   | (10,668,014)        |
| Loss of impairment of assets classified<br>as held for sale  | -   | (4,203,843)         | -   | (4,203,843)         |
| <b>Loss before zakat</b>                                     | -   | (5,523,958)         | -   | (6,239,874)         |
| Zakat  | -   | (75,000)            | -   | (225,000)           |
| <b>loss for the period from discontinuing<br/>operations</b> | -   | (5,598,958)         | -   | (6,464,874)         |

**14-2 Cash flows from discontinuous operations**

The statement of cash flows includes the following discontinuous operations:

|                                      | For the period six month ended 30 June |                     |
|--------------------------------------|--|---------------------|
|                                      | 2021<br>(Unaudited)                    | 2020<br>(unaudited) |
| Cash flows from operating activities | -                                      | 3,649,449           |
| Cash flows from investing activities | -                                      | (506,754)           |
| Cash flows from financing activities | -                                      | (2,502,462)         |
|                                      | -                                      | <b>640,233</b>      |

**15. EARNINGS PER SHARE**

The basic and diluted earnings per share are calculated by dividing net income/(loss) for the period Attributable to shareholders of the parent company by the weighted average number of ordinary shares, The issued shares amounted to 55 million shares as of 30 June 2021 (30 June 2020: 55 million shares).

**16. FINANACIAL INSTRUMENTS AND RISK MANAGEMENT**

Risks are part of the Group's activities and are managed through a continuous mechanism which consists of identifying risks, then evaluating and following them up in accordance with other approved restrictions and controls. The process of managing risk is essential to the group's ability to generate profits. The group is exposed to market risk, currency risk, credit risk and liquidity risk

**Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

## **16. FINANACIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

### **Foreign Currency risk**

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 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 in a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Group works to limit credit risk. Management believes that credit risk is limited given that the Group's sales are monetary.

### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with financial liabilities, as they fall due. Liquidity needs are monitored on a monthly basis and the management works to ensure that sufficient funds are available to meet any liabilities as they arise.

The Group's current financial liabilities amounting to SAR 17 million as of 30 June 2021 (31 December 2020: SAR 21 million) consist of lease liabilities - current portion, trade payables and other credit balances and Zakat payable. In practice, it is expected that all these financial liabilities will be settled within 12 months from the date of the condensed consolidated statement of financial position (Unaudited) and the Group expects to have sufficient funds to do so.

The Group's non-current financial liabilities amounting to SAR 1.5 million as of 30 June 2021 (31 December 2020: SAR 1.2 million) represented in the net defined benefit obligations to employees. The employee defined benefit obligation is paid according to the actual timing of the end of the employee's service life.

### **Stock 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 Top management.

### **Capital risk management**

For the purpose of managing the group's capital risk, equity consists of capital, statutory reserve attributable to the shareholders of the parent company, retained earnings and equity instruments valuation reserve at fair value through other comprehensive income. The main objective of capital management is to maximize shareholder equity.

The Group manages and adjusts its capital structure in light of changes in economic conditions and financial commitment requirements. In order to maintain or adjust the capital structure, the group may adjust dividends to shareholders or share reduction or issue new shares.

The Group does not have a capital structure with specific objectives or rates to be achieved in connection with managing capital risk. The overall strategy of the group remains the same, unchanged from the previous year. The group's capital structure consists of equity (consisting of equity capital and statutory reserve attributable to shareholders of the parent company, retained earnings and equity instruments valuation reserve at fair value through other comprehensive income).

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**16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Fair value**

The fair value is the price that would be received to sell an asset or paid to transfer any of the liabilities in a transaction under normal circumstances between market participants at the measurement date. As such, differences can arise between the carrying values and the fair value estimates. The definition of fair value is based on market-based measurement and assumptions used by market participants.

- **Level 1** - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date.
- **Level 2** - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** - inputs for the asset or liability that are not based on observable market data.

There were no transfers between Level 1, Level 2 and Level 3 during the period ending June 30, 2021.

All financial assets and financial liabilities of the Group are recorded at amortized cost, except for:

- investments in equity instruments at fair value through other comprehensive income, as they are listed in an active market and are evaluated according to level one (share price on the reporting date)
- Investments at fair value through profit or loss, which represents an investment in the Riyadh SAR Trading Fund, according to the second level, by determining the net assets for each unit.

**17. THE EFFECT OF CORONA VIRUS (COVID-19)**

The outbreak of the new Corona virus (Covid-19) is still continuing and developing, so it is now difficult to determine its impact and period on commercial and economic activities. The group considers that the spread of the virus cannot determine its impact on the group's financial statements. As the period and extent of the virus spread is unknown and depends on future developments, which are difficult to predict at the present time. Given the continuing economic uncertainty, it is not possible to provide a reliable estimate of the impact of this virus until the date of approval of these interim condensed consolidated financial statements. These developments could affect the future financial results, cash flows and financial condition of the group.

The Group's management continues to closely monitor the situation to update any developments that may affect its financial statements Accordingly, the Group's management believes that the outbreak of the epidemic and the resulting effects so far do not require any amendment to the interim condensed consolidated financial statements.

**18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

These interim condensed consolidated financial statements (Unaudited) were approved by the Board of Directors on 12/08/2021.