

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

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

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
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AND INDEPENDENT AUDITOR'S REVIEW REPORT**

INDEX

	<u>Page</u>
- Independent auditor's review report	2
- Interim condensed consolidated statement of financial position	3
- Interim condensed consolidated statement of profit or loss and other comprehensive income	4
- Interim condensed consolidated statement of changes in equity	5
- Interim condensed consolidated statement of cash flows	6-7
- Notes to the Interim condensed consolidated financial statements	8-19

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 September 2021, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-months periods then ended and the interim condensed consolidated financial statements of changes in equity and cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes. 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



03/04/1443(H)
08/11/2021(G)

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(EXPRESSED IN SAUDI RIYALS)**

	Note	30 September 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property and equipment	(5)	42,564,315	54,667,944
Right of use assets	(6)	1,035,191	1,995,993
Investment in associates	(7)	209,851,605	272,002,334
Investments at fair value through other comprehensive income	(8)	151,864,670	102,518,824
Total non-current assets		405,315,781	431,185,095
Current assets			
Inventory		110,835,387	115,963,382
Trade and other receivables		4,373,530	4,538,322
Investments at fair value through profit or loss	(9)	2,019,297	-
Cash and cash equivalents	(10)	13,350,919	97,118,513
Assets classified as held for sale	(11)	7,971,173	-
Total current assets		138,550,306	217,620,217
Total assets		543,866,087	648,805,312
EQUITY AND LIABILITIES			
Equity			
Share capital	(12)	275,000,000	550,000,000
Statutory reserve		53,192,332	53,192,332
Retained earnings		162,359,645	19,322,965
Revaluation reserve of investments at fair value through other comprehensive income		35,273,387	3,736,019
Equity attributable to shareholders of the parent company		525,825,364	626,251,316
Non-controlling interests		-	-
Total equity		525,825,364	626,251,316
Non-current liabilities			
Employee defined benefit obligations	(13)	1,662,063	1,201,146
Total non-current liabilities		1,662,063	1,201,146
Current liabilities			
Current portion of lease obligations		1,178,939	1,370,213
Trade and other payables		9,725,826	12,028,520
Zakat	(14)	5,473,895	7,954,117
Total current liabilities		16,378,660	21,352,850
Total liabilities		18,040,723	22,553,996
Total equity and liabilities		543,866,087	648,805,312

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 (20) form an integral part of these interim condensed consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
(EXPRESSED IN SAUDI RIYALS)**

	Note	For the three- month period from 1 July to 30 September		For the nine - month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Net sales		9,451,966	9,920,241	37,104,777	32,089,343
Cost of sales		(5,429,239)	(5,077,288)	(20,886,331)	(20,970,290)
Gross profit of sales		4,022,727	4,842,953	16,218,446	11,119,053
Gain from investment at fair value through other comprehensive income		-	7,096,806	15,160,668	7,102,469
Net Profit of investment at fair value through profit or loss		259,736	-	1,151,159	-
Share of the results of associate company	(7)	7,618,010	7,432,613	19,381,961	5,828,342
Gain from sale of investment in an associate company		-	31,194,934	125,701,957	31,194,934
Gross profit		11,900,473	50,567,306	177,614,191	55,244,798
Selling and distribution expenses		(3,404,939)	(3,381,012)	(10,574,148)	(10,570,358)
General and administrative expenses		(4,116,808)	(3,005,422)	(12,562,044)	(10,415,219)
Profit from operation		4,378,726	44,180,872	154,477,999	34,259,221
Gain from the sales of property and equipment		3,787,609	-	3,787,609	-
Other (expenses)		(277,495)	(97,372)	(763,915)	(219,643)
Profit before Zakat		7,888,840	44,083,500	157,501,693	34,039,578
Zakat	(14)	(964,357)	(6,022,640)	(3,465,013)	(9,248,218)
Net profit for the period from continuing operations		6,924,483	38,060,860	154,036,680	24,791,360
Net (loss) for the period from discontinuing operations		-	-	-	(6,464,874)
Net Profit for the period		6,924,483	38,060,860	154,036,680	18,326,486
Attributable to:					
Shareholders of the parent company					
Profit for the period of continuing operations		6,924,483	38,060,860	154,036,680	24,791,360
(Loss) for the period of discontinuing operations	(15-1)	-	-	-	(6,012,672)
		6,924,483	38,060,860	154,036,680	18,778,688
Non-controlling interest					
(Loss) for the period of discontinuing operations		-	-	-	(452,202)
		6,924,483	38,060,860	154,036,680	18,326,486
Other comprehensive income:					
Items that will not to be reclassified subsequently to profit or loss condensed consolidated					
Net gain / (losses) from investment at fair value through other comprehensive income		6,957,129	8,024,174	31,537,368	(11,019,007)
Net other comprehensive income for the period attributable to		13,881,612	46,085,034	185,574,048	7,307,479
Shareholders of the parent company		13,881,612	46,085,034	185,574,048	7,759,681
Non-controlling interest		-	-	-	(452,202)
		13,881,612	46,085,034	185,574,048	7,307,479
Basic and diluted earnings from continuous and discontinuous operations	(16)				
Net profit attributable to shareholders of the parent company		0.17	0.69	3.08	0.34
From continuous operations					
Net profit attributable to shareholders of the parent company		0.17	0.69	3.08	0.45

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

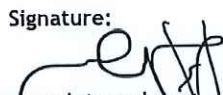
Signature:



Authorized Board Member

Name: Ibrahim Hassan Almadhon


Signature:



Chairman

Name: Ahmed Hassan Fitaihi

Signature:



The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(EXPRESSED IN SAUDI RIYALS)**

	Share capital	Statutory reserve	Retained earnings	Revaluation reserve of investments at fair value through other comprehensive income	Equity attributable to shareholders of the parent company	Non - controlling interests	Total equity
For the Nine-month period ended 30 September 2021 (Unaudited)							
Balance as at 1 January 2021 (audited)	550,000,000	53,192,332	19,322,965	3,736,019	626,251,316	-	626,251,316
Capital reduction (Note 12)	(275,000,000)	-	-	-	(275,000,000)	-	(275,000,000)
Net Profit for the period	-	-	154,036,680	-	154,036,680	-	154,036,680
Changes in other comprehensive income during the period	-	-	-	31,537,368	31,537,368	-	31,537,368
Total comprehensive income	-	-	154,036,680	31,537,368	185,574,048	-	185,574,048
Dividends	-	-	(11,000,000)	-	(11,000,000)	-	(11,000,000)
Balance at 30 September 2021 (unaudited)	275,000,000	53,192,332	162,359,645	35,273,387	525,825,364	-	525,825,364
For the Nine-month period ended 30 September 2020 (Unaudited)							
Balance as at 1 January 2020 (audited)	550,000,000	50,192,223	2,504,171	4,840,949	607,537,343	5,093,167	612,630,510
Net Profit for the period	-	-	18,778,688	-	18,778,688	(452,202)	18,326,486
Disposal of subsidiary	-	-	-	-	-	(4,640,965)	(4,640,965)
Changes in other comprehensive loss during the period	-	-	-	(11,019,007)	(11,019,007)	-	(11,019,007)
Total comprehensive income	-	-	18,778,688	(11,019,007)	7,759,681	(5,093,167)	2,666,514
Transfer to statutory reserve	-	1,877,869	(1,877,869)	-	-	-	-
Balance at 30 September 2020 (unaudited)	550,000,000	52,070,092	19,404,990	(6,178,058)	615,297,024	-	615,297,024

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:



Authorized Board Member

Name: Ibrahim Hassan Almadhon

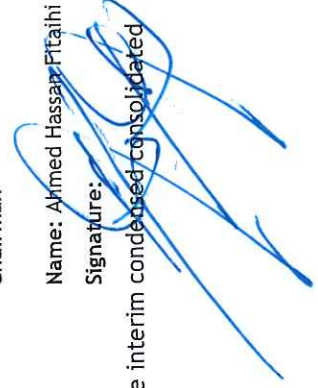
Signature:



Chairman

Name: Ahmed Hassan Fitaihi

Signature:



The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER
(EXPRESSED IN SAUDI RIYALS)**

	<i>For the nine- month period ended 30 September</i>	
	2021 (Unaudited)	2020 (Unaudited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit before zakat	157,501,693	34,039,578
(Loss) for the period from discontinued operation	-	(6,239,874)
Adjustments to reconcile Net profit to cash flows from operating activities:		
Depreciation of property and equipment	3,052,451	3,333,788
Amortization of right of use assets	960,802	3,281,344
Gain on disposal property and equipment	(3,787,609)	-
Amortization of intangible assets	-	502,102
Employees defined benefit obligations	480,802	823,926
Provision of slow moving inventory	-	3,359,800
Share of results of associate company	(19,381,961)	(6,330,444)
Gain from Investment at fair value through other comprehensive income	(15,160,668)	-
Net Profit of investment at fair value through profit or loss	(1,151,159)	-
Gain from sale of investment in associate company	(125,701,957)	(31,194,934)
Finance charge of right of use assets	-	125,387
impairment for available for sale financial assets	-	4,203,843
Changes in work in capital		
Trade and other receivables	164,792	(1,184,454)
Inventory	5,127,995	1,600,721
Trade and other payables	(2,302,694)	(584,310)
Zakat paid	(5,945,235)	(3,704,086)
Employees defined benefit obligations paid	(19,885)	(1,065,481)
Net cash (used in) Generated from operating activities	(6,162,633)	966,906
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase for property and equipment	(184,966)	(2,150,167)
Purchase for investments at fair value through other comprehensive income	(18,234,238)	(4,794,584)
Net change in investments at fair value through profit or loss	(868,137)	-
Dividends received from investments in associate companies	7,219,838	4,204,000
Dividends received from investments at fair value	15,128,589	-
Proceeds from sale of investment in associate company	200,014,808	64,124,230
Proceeds from sale of investments at fair value through other comprehensive income	457,837	-
Proceeds from sale of property and equipment	5,052,582	-
Proceeds from sale of a subsidiary company	-	8,481,355
Net cash generated from investing activities	208,586,313	69,864,834

The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated Financial statements

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (CONTINUED)
(EXPRESSED IN SAUDI RIYALS)

	<i>For the nine - month period ended 30 September</i>	
	2021 Unaudited	2020 Unaudited
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividends paid	(11,000,000)	-
Capital reduction	(275,000,000)	-
Lease obligations paid	(191,274)	(4,440,499)
Net cash (used in) financing activities	(286,191,274)	(4,440,499)
Net change in cash and cash equivalents	(83,767,594)	66,391,241
Cash and cash equivalents at the beginning of the period	97,118,513	45,448,403
Cash and cash equivalents at the end of the period	13,350,919	111,839,644
<u>Non - cash transactions</u>		
Unrealized gains /(losses) in investments at fair value through other comprehensive income	31,537,368	(11,019,007)

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 (20) 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)**

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 September 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 September 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

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.

2. BASIS OF PREPARATION (Continued)

2.4. 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 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.

FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)

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 September 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 been completed and cancelled date 21 October 2021.

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)**

3. USE OF JUDGMENT, ESTIMATES

In preparing these Interim condensed 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 and estimates 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 nine month period ending September 30, 2021, The Group additions to property and equipment by amount SAR 185 thousand (the nine-month period ending 30 September 2020: SAR 1.6 million).
- On July 12, 2021, the group sold land and residential building for SAR 5 million, resulting in capital gains of SAR 3.7 million.
- On August 12, 2021, the Group's management disposed property and equipment costing SAR 53.8 million fully depreciated.

6. RIGHT OF USE ASSETS

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Net carrying amount at the beginning of period/year	1,995,993	16,550,550
Disposables / Adjustments	-	(12,855,876)
Amortization during the period/year	(960,802)	(1,698,681)
Net carrying amount as at the end of the period/year	<u>1,035,191</u>	<u>1,995,993</u>

FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)

7. INVESTMENTS IN ASSOCIATE

Investments in associates consist of the following:

	Country of incorporation	Main Activity	Ownership %		30 September	31 December
			30 September 2021	31 December 2020	2021 (Unaudited)	2020 (Audited)
International Medical Center Company	KSA	Management and operation of hospitals	19.25%	19.25%	209,851,605	197,689,483
Al-Jouf Agricultural Development Company	KSA	Agricultural production	-%	14.01%	-	74,312,851
					<u>209,851,605</u>	<u>272,002,334</u>

The share of results for the year consists following:

	For the three-month period From 1 July to 30 September		For the nine-month period ended September 30	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Share of the results of the International Medical Center Company	7,618,010	6,911,557	19,381,961	3,061,129
Share of the results of Al-Jouf Agricultural Development Company	-	688,424	-	3,269,315
Amortization of intangible assets	-	(167,368)	-	(502,102)
	<u>7,618,010</u>	<u>7,432,613</u>	<u>19,381,961</u>	<u>5,828,342</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:

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

FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)

8. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
<u>Cost</u>		
Balance as at the beginning of the period/year	98,782,805	77,919,964
Additions during the period/year	18,234,238	20,862,841
Disposal during the period/year	(425,760)	-
Balance as at the end of the period/year	<u>116,591,283</u>	<u>98,782,805</u>
<u>Unrealized gains / (losses) from investments at fair value through other comprehensive income</u>		
Balance as at the beginning of the period/year	3,736,019	4,840,949
Net movement during the period/year	31,537,368	(1,104,930)
Balance as at the end of the period/year	<u>35,273,387</u>	<u>3,736,019</u>
Net book value as at the end of the period/year	<u>151,864,670</u>	<u>102,518,824</u>

- All Investment are listed in the stock market as at the end of the period/year

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
<u>Cost</u>		
Balance as at the beginning of the period/year	-	-
Additions during the period/year	278,136,494	-
Disposal during the period/year	(275,810,312)	-
Balance as at the end of the period/year	<u>2,326,182</u>	-
<u>Unrealized (losses) from investments at fair value through profit or loss</u>		
Balance as at the beginning of the period/year	-	-
Net movement during the period/year	(306,885)	-
Balance as at the end of the period/year	<u>(306,885)</u>	-
Net book value as at the end of the period/year	<u>2,019,297</u>	-

- All Investment are listed in the stock market as at the end of the period/year

10. CASH AND CASH EQUIVALENTS

	30 September 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
Cash on hand	33,579	35,394
Cash at banks	13,317,340	97,083,119
	<u>13,350,919</u>	<u>97,118,513</u>

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)**

11. ASSETS CLASSIFIED AS HELD FOR SALE

On 15 September 2021, the Group's Board of Directors decided to approve the sale of Fatihi Center in Riyadh, with a net book value of SAR 7,971,173 as of 30 September 2021.

On 15 October 2021, the group's management sold Fatihi Center in Riyadh for SAR 18 million and made a capital profit of SAR 10 million.

12. SHARE CAPITAL

The Board of Directors recommended at the meeting held on 4 March 2021, to reduce the capital by 50%, to the capital becomes SAR 275 million instead of SAR 550 million by reducing the number of shares from 55 million shares to SAR 27.5 million shares. The Capital Market Authority approved the Company's request to reduce its capital from (SAR 550,000,000) to (SAR 275,000,000), so that the number of shares decrease from 55,000,000 shares to 27.5 million shares. Approval of shareholder for the details of the Company's capital reduction have been obtained at the extraordinary general assembly meeting held on 7 July 2021. The extraordinary general assembly implemented by reduce the capital at the end of the last day of creditors objection period 60 days on 5 September 2021,

According, as of 30 September 2021, the capital consists of 27.5 million shares, value per share SAR 10 (31 December 2020: 55 million shares, value per share SAR 10).

13. 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:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance as at the beginning of the period/year	1,201,146	4,319,299
Included in profit or loss		
Charged during the period/year	480,802	696,798
Included in Other comprehensive income		
Actuarial gains / (losses)	-	(110,965)
Movement in cash		
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	1,662,063	1,201,146

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

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)**

14. ZAKAT PAYABLE

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance as at the beginning of the period/year	7,954,117	4,403,004
Charged during the period/year	3,465,013	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	5,473,895	7,954,117

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 its zakat declaration 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 million ,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, 2019 and 2020 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 two years mentioned till the date of approval of these financial statements.

15. 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.

15-1 Net loss for the period from discontinuing operations

	For the three-month period from 1 July to 30 September		For the nine-month period ended September 30	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenue	-	-	-	8,631,983
Expenses	-	-	-	(10,668,014)
Loss of impairment of assets classified as held for sale	-	-	-	(4,203,843)
Loss before zakat	-	-	-	(6,239,874)
Zakat	-	-	-	(225,000)
loss for the period from discontinuing operations	-	-	-	(6,464,874)

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(EXPRESSED IN SAUDI RIYALS)**

15. LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS (Continued)

15-2 Cash flows from discontinuous operations

The statement of cash flows includes the following discontinuous operations:

	For the period nine month ended 30 September	
	2021 (Unaudited)	2020 (unaudited)
Cash flows from operating activities	-	3,649,449
Cash flows from investing activities	-	(506,754)
Cash flows from financing activities	-	(2,502,462)
	-	640,233

16. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing net income for the period Attributable to shareholders of the parent company by the weighted average number of ordinary shares, the issued shares amounted to 27.5 million shares as of 30 September 2021 (30 September 2020: 55 million share).

17. 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.

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.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk (Continued)

The Group's current financial liabilities amounting to SAR 16 million as of 30 September 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 1.6 million as of 30 September 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).

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.

Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

- **Level 1** - quoted prices announced 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.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value (Continued)

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

All financial assets and financial liabilities of the Group are recorded as of 30 September 2021 at amortized cost, except for:

- investments 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, as they are listed in an active market and are evaluated according to level one (share price on the reporting date)

18. 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.

19. SUBSEQUENT EVENTS

During its meeting on 07 November 2021, the Board of Directors of Fatihi Holding Group decided to distribute cash dividends to shareholders for the first half of fiscal year 2021 at SAR 0.50 per share.

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

These interim condensed consolidated financial statements were approved by the Board of Directors on 07/11/2021.