

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Unaudited)  
FOR THE THREE-MONTH  
PERIOD ENDED 31 MARCH 2022 AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
AND INDEPENDENT AUDITOR'S REVIEW REPORT (Unaudited)

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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 position of Fitaihi Holding Group Company - A Saudi Joint Stock Company ("the Company") and its subsidiaries (together "the Group") as of March 31, 2022, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, for the three-months period, then ended and the interim condensed consolidated statements of changes in equity and cash flows for the three-months period then ended and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), that is 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", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of 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 "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb  
Certified Public Accountant  
Registration No. 514



22/10/1443 (H)  
23/05/2022 (G)

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT 31 MARCH 2022  
(EXPRESSED IN SAUDI RIYALS)

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-CURRENT ASSETS</b>			
Property and equipment (net)		41,467,999	41,731,771
Right of use assets (net)		389,335	711,404
Investment in associates	(5)	216,315,744	208,058,571
Investments in equity instruments at fair value through other comprehensive income	(6)	145,952,266	153,535,883
<b>Total non-current assets</b>		<b>404,125,344</b>	<b>404,037,629</b>
<b>Current assets</b>			
Inventory	(7)	94,177,670	103,311,412
Trade and other receivables (net)	(8)	5,075,120	3,016,864
Cash and cash equivalents		15,474,308	15,708,438
<b>Total current assets</b>		<b>114,727,098</b>	<b>122,036,714</b>
<b>Total assets</b>		<b>518,852,442</b>	<b>526,074,343</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		275,000,000	275,000,000
Statutory reserve		68,156,170	68,156,170
Retained earnings		137,101,680	129,449,158
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income		15,823,028	34,926,642
<b>Equity attributable to shareholders of the parent company</b>		<b>496,080,878</b>	<b>507,531,970</b>
Non-controlling interests		-	-
<b>Total equity</b>		<b>496,080,878</b>	<b>507,531,970</b>
<b>Non-current liabilities</b>			
Employee defined benefit liabilities		1,592,952	1,527,101
<b>Total non-current liabilities</b>		<b>1,592,952</b>	<b>1,527,101</b>
<b>Current liabilities</b>			
Lease liabilities - current portion		449,453	810,188
Trade and other payables	(9)	14,455,612	10,231,537
Zakat payable	(10)	6,273,547	5,973,547
<b>Total current liabilities</b>		<b>21,178,612</b>	<b>17,015,272</b>
<b>Total liabilities</b>		<b>22,771,564</b>	<b>18,542,373</b>
<b>Total equity and liabilities</b>		<b>518,852,442</b>	<b>526,074,343</b>

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:

**FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
(EXPRESSED IN SAUDI RIYALS)**

	Note	31 March 2021 (Unaudited)	31 March 2021 (Unaudited)
Net sales		23,290,374	13,704,522
Cost of sales		(18,310,114)	(7,616,241)
<b>Gross profit of sales</b>		<b>4,980,260</b>	<b>6,088,281</b>
Dividends from equity instruments at fair value		902,347	32,079
Gain from investment valuation at fair value through profit or loss		-	67,958
Share of the results of associate company	(5)	8,257,173	7,480,881
Gain from sold of shares of an associate company		-	125,701,957
<b>Gross profit</b>		<b>14,139,780</b>	<b>139,371,156</b>
Selling and distribution expenses		(3,165,903)	(3,681,565)
General and administrative expenses		(3,200,578)	(4,115,077)
<b>Profit from operation</b>		<b>7,773,299</b>	<b>131,574,514</b>
Other gains / (expenses)	(11)	179,223	(218,128)
<b>Profit before Zakat</b>		<b>7,952,522</b>	<b>131,356,386</b>
Zakat		(300,000)	(1,250,000)
<b>Net profit for the period</b>		<b>7,652,522</b>	<b>130,106,386</b>
<b>attributable to:</b>			
Shareholders of the parent company		7,652,522	130,106,386
Non-controlling interest		-	-
		<b>7,652,522</b>	<b>130,106,386</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that will not to be reclassified subsequently to profit or loss condensed consolidated</b>			
Net (losses) /gains from equity instruments at fair value through other comprehensive income		(19,103,614)	7,705,011
<b>Total comprehensive(loss) / income for the period</b>		<b>(11,451,092)</b>	<b>137,811,397</b>
<b>attributable to:</b>			
Shareholders of the parent company		(11,451,092)	137,811,397
Non-controlling interest		-	-
		<b>(11,451,092)</b>	<b>137,811,397</b>
<b>Earnings per share :</b>			
Basic and diluted profit earnings per share			
Attributable to shareholders of the Parent Company	(12)	0,28	2,37

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
(EXPRESSED IN SAUDI RIYALS)**

	Share capital	Statutory reserve	Retained earnings	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income	Equity attributable to shareholders of the parent company	Non - controlling interests	Total equity
For the three-month period ended 31 March 2022 (Unaudited)	275,000,000	68,156,170	129,449,158	34,926,642	507,531,970	-	507,531,970
Balance as at 1 January 2022 (audited)	-	-	7,652,522	-	7,652,522	-	7,652,522
Net profit for the period	-	-	-	(19,103,614)	(19,103,614)	-	(19,103,614)
Changes in other comprehensive income during the period	-	-	7,652,522	(19,103,614)	(11,451,092)	-	(11,451,092)
Total comprehensive income	275,000,000	68,156,170	137,101,680	15,823,028	496,080,878	-	496,080,878
Balance at 31 March 2021 (Unaudited)	550,000,000	50,192,332	19,322,965	3,736,019	626,251,316	-	626,251,316
For the three-month period ended 31 March 2021 (Unaudited)	-	-	130,106,386	-	130,106,386	-	130,106,386
Balance as at 1 January 2021 (audited)	-	-	-	7,705,011	7,705,011	-	7,705,011
Net profit for the period	-	-	130,106,386	7,705,011	137,811,397	-	137,811,397
Changes in other comprehensive loss during the period	-	-	(11,000,000)	-	(11,000,000)	-	(11,000,000)
Total comprehensive loss	550,000,000	50,192,332	138,429,351	11,441,030	753,062,713	-	753,062,713
Dividends paid	-	-	-	-	-	-	-
Balance at 31 March 2021 (Unaudited)	-	-	-	-	-	-	-

Chief Executive Officer  
Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:



Authorized Board Member

Name: Ibrahim Hassan Almadhon

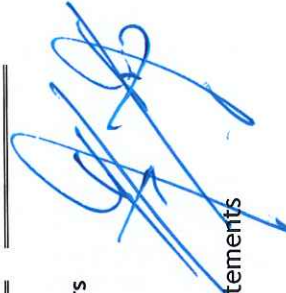
Signature:



Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:



The accompanying notes (1) to (17) 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022  
(EXPRESSED IN SAUDI RIYALS)**

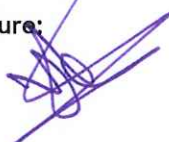
	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before zakat	7,952,522	131,356,386
<b>Adjustments to reconcile Profit before zakat to cash flows from operating activities:</b>		
Depreciation of property and equipment	297,522	1,071,297
Amortization of right of use assets	322,069	316,748
Employees defined benefit liabilities	125,943	145,134
Dividends from equity instruments at fair value	(902,347)	(32,079)
Gain from investment valuation at fair value through profit or loss	-	(67,958)
Gain from sold of shares of an associate company	-	(125,701,957)
share of results of associate company	(8,257,173)	(7,480,881)
<b>Changing in Assets / Liability in operation activity:</b>		
Trade and other receivables	(2,058,256)	(2,624,080)
Inventory	9,133,742	1,261,761
Trade and other payables	4,224,075	2,562,490
Employees defined benefit liabilities paid	(60,092)	(15,000)
<b>Net cash generated from operating activities</b>	<u>10,778,005</u>	<u>791,861</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(33,750)	-
Purchase of investments in equity instruments at fair value through other comprehensive income	(11,519,997)	(4,880,030)
Purchase of investments at fair value through profit or loss	-	(275,000,000)
Proceeds from sold of investment shares in associate company	-	200,014,808
Dividends received from investments at fair value	902,347	-
Proceeds from the sale of investments in equity instruments at fair value through other comprehensive income	-	457,837
<b>Net cash (used in) investing activities</b>	<u>(10,651,400)</u>	<u>(79,407,385)</u>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Lease liabilities	(360,735)	-
Dividends paid	-	(11,000,000)
<b>Net cash (used in) financing activities</b>	<u>(360,735)</u>	<u>(11,000,000)</u>
The net change in cash and cash equivalents	(234,130)	(89,615,524)
Cash and cash equivalents at the beginning of the period	15,708,438	97,118,513
<b>Cash and cash equivalents at the end of the period</b>	<u>15,474,308</u>	<u>7,502,989</u>
<b><u>Non-cash transactions</u></b>		
Unrealized (Loss) / Gain from investments in equity instruments at fair value through other comprehensive income	(19,103,614)	7,705,011

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:



Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:



Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:



**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
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 Group 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) Wholesale of gold and precious metals, retail of precious metals and gemstones.
- c) Buying and selling precious metals and gemstones.
- d) Import, sale and purchase of precious metals and gemstones.
- e) Welding and polishing workshops for jewelers.
- f) electronic trade.
- g) Wholesale of carpets and rugs.
- h) Retail sale of chocolate and cocoa.
- i) Retail sale of blankets, sheets, linens and bedspreads.
- j) Retail sale of assorted household items and handicrafts, cutting tools, ceramics, and household utensils.
- k) Retail business of handicrafts, antiques and gifts.
- l) Wholesale of bags.
- m) Wholesale of household utensils and table accessories.
- n) Wholesale of gifts and luxuries.
- o) Auctions are not in stores.
- p) Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building facades and others, care and maintenance of highway parks.

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



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
EXPRESSED IN SAUDI RIYALS

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## **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 2021 (“The annual consolidated financial statements”) In addition, results for the interim period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

### **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 March 31, 2022.

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.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
EXPRESSED IN SAUDI RIYALS**

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**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 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022  
EXPRESSED IN SAUDI RIYALS

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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 March 31, 2022</u>	<u>Ownership percentage direct as of December 31, 2021</u>	<u>Activity</u>
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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
EXPRESSED IN SAUDI RIYALS

**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 December 31, 2021.

**4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS**

There are no new standards issued by the International Accounting Standards Board (IASB), however, a number of amendments to the standards are effective as of January 1, 2022, which were explained in the annual consolidated financial statements of the group, and there is no material impact on the interim condensed consolidated financial statements of the group.

**5. INVESTMENTS IN ASSOCIATE COMPANIES**

Investments in associates consist of the following:

Name	Main activity	Ownership percentage		Mar 31 2022 (Unaudited)	December 31 2021 (Audited)
		Mar 31 2022	Mar 31 2021		
International Medical Center Company, Kingdom of Saudi Arabia	Hospital management and operation	19.25%	19.25%	216,315,744	208,058,571
				<b>216,315,744</b>	<b>208,058,571</b>
				<b>For the period ended 31 March</b>	
				<b>2022</b>	<b>2021</b>
				<b>(Unaudited)</b>	<b>(Unaudited)</b>
The company's share of the business results of the International Medical Center Company				8,257,173	7,480,881
				<b>8,257,173</b>	<b>7,480,881</b>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
EXPRESSED IN SAUDI RIYALS

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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<u>COST</u>		
Balance at the beginning of the period/year	118,609,241	98,782,805
Additions during the period / year	11,519,995	20,252,196
Disposals during the period/year	-	(425,760)
Balance at the end of the period/year	<u>130,129,238</u>	<u>118,609,241</u>

(losses) /gains unrealized on investments in equity instruments at fair value through other comprehensive income

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period/year	34,926,642	3,736,019
net movement during the period/year	(19,103,614)	31,222,702
Transfer of gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	(32,079)
Balance at the end of the period/year	<u>15,823,028</u>	<u>34,926,642</u>
Net book value at the end of the period/year	<u>145,952,266</u>	<u>153,535,883</u>

7. INVENTORY

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Jewelry and goldsmiths	85,437,630	95,686,688
gold ores and jewelry	6,500,110	5,502,681
Miscellaneous merchandise	1,742,778	1,640,951
Gold ores under manufacture by others	428,104	428,104
Boxes and packaging tools	69,048	52,988
	<u>94,177,670</u>	<u>103,311,412</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022  
EXPRESSED IN SAUDI RIYALS

8. TRADE AND OTHER RECEIVABLES (NET)

	31 March 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Trade receivables	15,090	16,267
Prepaid expenses	2,375,019	683,244
Advance payments to suppliers	353,823	228,106
Receivable from the sale of a subsidiary	1,520,478	1,520,478
Other debtors	827,157	585,216
	<u>5,091,567</u>	<u>3,033,311</u>
Less: provision for impairment	(16,447)	(16,447)
	<u>5,075,120</u>	<u>3,016,864</u>
The movement of the impairment provision is as follows:		
Balance at the beginning of the period/year	16,447	43,871
Amounts written off during the period/year	-	(27,424)
Balance at the end of the period/year	<u>16,447</u>	<u>16,447</u>

9. TRADE AND OTHER PAYABLES

	31 March 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Trade payables	6,270,806	3,404,333
deserved payments	3,490,999	3,007,550
Advance payments from clients	2,271,757	1,628,727
Other payables	2,422,050	2,190,927
	<u>14,455,612</u>	<u>10,231,537</u>

10. ZAKAT PAYABLE

	31 March 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Balance as at the beginning of the period/year	5,973,547	7,954,117
Charged during the period/year	300,000	3,964,665
Charged for prior years	-	1,197,706
Paid during the period/year	-	(7,142,941)
Balance as at the end of the period/year	<u>6,273,547</u>	<u>5,973,547</u>

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 until 2020.
- 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.
- The Zakat, Tax and Customs Authority (ZATCA) issued the assessment for the two years mentioned above, which showed differences amounting to SAR 2,001,223.
- The Group has submitted an objection on such assessment for the two years mentioned above.

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**10. ZAKAT PAYABLE (Continued)**

- The Zakat, Tax and Customs Authority (ZATCA) reject the objection for two years mentioned above.
- 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 and paid the zakat due for its share in the foreign investment for the year mentioned. The Group obtained an unrestricted zakat certificate for the period 2021.

**11. OTHER INCOME / (EXPENSES)**

	31 March 2022 <u>(Unaudited)</u>	31 March 2021 <u>(Unaudited)</u>
Debit financing interest - lease contracts	(11,029)	(15,568)
Other income	250,752	48,298
Other expenses	(60,500)	(250,858)
	<u>179,223</u>	<u>(218,128)</u>

**12. EARNINGS PER SHARE**

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

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

	For the period ended 31 March	
	2022 <u>(Unaudited)</u>	2021 <u>(Unaudited)</u>
Profit for the period attributable to the shareholders of the parent company	7,652,522	130,106,386
Weighted average number of ordinary shares outstanding (share)	27,500,000	55,000,000
Basic and diluted profit per share of period income attributable to the shareholders of the parent company	<u>0,28</u>	<u>2,37</u>

**13. SHARE CAPITAL**

	31 March 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
27.5 Million shares (SAR 10 per share)	<u>275,000,000</u>	<u>275,000,000</u>

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).

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**13. SHARE CAPITAL (Continued)**

On 7 June 2021, the CMA approved the company's request to reduce its capital which exceeds the company's need to SAR (275,000,000) from SAR (550,000,000) accordingly; the number of shares decreased from 55 million shares to 27.5 million shares. The details of the company's capital reduction were approved by shareholders at the extraordinary General Assembly meeting on July 7, 2021. The extraordinary General Assembly decision to reduce capital was implemented at the end of the last day of the creditors' (60 days) objection period on 5 September 2021.

Accordingly, the capital as of March 31, 2022 consists of 27.5 million shares valued at 10 Saudi riyals each share (December 31, 2021: 27.5 million shares valued at SAR 10 each share).

**14. RELATED PARTY TRANSACTIONS**

The related parties represent major shareholders, directors, and key management of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. The transactions with related parties during the period are represented in group's sales to the International Medical Center Company (an associate company) during the period amounted to 2,720,395 Saudi riyals (31 March 2021: zero Saudi riyals).

**15. FINANCIAL 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.



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**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Liquidity risk (Continued)**

The Group's current financial liabilities amounting to 21 million Saudi riyals as of 31 March 2022 (31 December 2021: 17 million Saudi riyals) consist of lease commitments - 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 1.59 million as of March 31, 2022 (December 31, 2021: SAR 1.52 million) consist of 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 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.

- **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 (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**15. FINANACIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

Fair value (Continued)

There were no transfers between Level 1, Level 2 and Level 3 during the period ending March 31, 2022.

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)

**16. IMPORTANT EVENTS DURING THE PERIOD**

**The devaluation of the currency of the Arab Republic of Egypt:**

During the last month of the quarter ending on March 31, 2022, the Egyptian pound recorded a decrease in the exchange rate by 17% against the Saudi riyal. Which affected the evaluation of the group's investments in the Arab Republic of Egypt. This resulted in unrealized losses of 19,103,614 Saudi riyals.

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

These interim condensed consolidated financial statements (Unaudited) were approved by the Board of Directors on 19/05/2022