

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

**REISSUANCE OF INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE AND SIX-MONTHS  
PERIODS ENDED 30 JUNE 2022**

FITAIHI HOLDING GROUP COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
REISSUANCE OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2022

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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 2022, 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 17 which form an integral part of these reissued interim condensed consolidated financial statement.

Management is responsible for the preparation and presentation of these reissued 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, as 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.

### Other matter

As mentioned in note (2.1), these interim condensed consolidated financial statements has been reissued as a result of the Group's amendment of the financial statement after including the impact of its share of the investee company's business results for the three and the six-months period ended on June 30, 2022, which was not completed and provided to us when we issued our previous report. Also, the Group has recorded the necessary adjustment to the interim condensed consolidated financial statement as a whole for the three and the six-months period ended on June 30, 2022. For further details regarding the adjustments please refer to note (15).

**Independent Auditor's Review Report to the Shareholders of Fitaihi Holding Group Company (A Saudi Joint Stock Company) Jeddah, Kingdom of Saudi Arabia (Continued)****Other matter (Continued)**

We issued a review report with a qualified conclusion on Muharram 27, 1444 H corresponding to August 25, 2022 G on the previously issued interim condensed consolidated financial statements. As a result of the above information which is disclosed in Note No. (2.1), we have reissued this report on the interim condensed consolidated financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying reissued 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




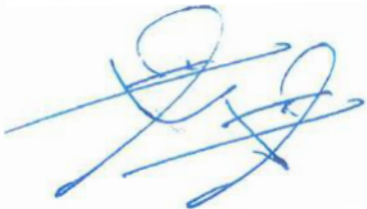
28/03/1444 (H)  
24/10/2022(G)

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

|   | Note | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
|---|------|--------------------------------|----------------------------------|
| <b>ASSETS</b>   |      |                                |                                  |
| <b>Non-current assets</b>   |      |                                |                                  |
| Property and equipment (Net)  |      | 41,281,688                     | 41,731,771                       |
| Right of use assets (Net)   |      | 70,364                         | 711,404                          |
| Investment in associates  | (5)  | 212,210,751                    | 208,058,571                      |
| Investments in equity instruments at fair value through other comprehensive income                        | (6)  | 108,224,856                    | 153,535,883                      |
| <b>Total non-current assets</b>   |      | <b>361,787,659</b>             | <b>404,037,629</b>               |
| <b>Current assets</b>   |      |                                |                                  |
| Inventory   | (7)  | 94,119,480                     | 103,311,412                      |
| Trade and other receivables (Net)   | (8)  | 4,200,373                      | 3,016,864                        |
| Cash and cash equivalents   |      | 19,718,805                     | 15,708,438                       |
| <b>Total current assets</b>   |      | <b>118,038,658</b>             | <b>122,036,714</b>               |
| <b>Total assets</b>   |      | <b>479,826,317</b>             | <b>526,074,343</b>               |
| <b>EQUITY AND LIABILITIES</b>   |      |                                |                                  |
| <b>Equity</b>   |      |                                |                                  |
| Share capital   | (12) | 275,000,000                    | 275,000,000                      |
| Statutory reserve   |      | 68,156,170                     | 68,156,170                       |
| Retained earnings   |      | 146,289,319                    | 129,449,158                      |
| Revaluation reserve of investments in equity instruments at fair value through other comprehensive income | (6)  | (25,932,597)                   | 34,926,642                       |
| <b>Total equity</b>   |      | <b>463,512,892</b>             | <b>507,531,970</b>               |
| <b>Non-current liabilities</b>  |      |                                |                                  |
| Net of Employee defined benefit obligations   |      | 1,715,167                      | 1,527,101                        |
| <b>Total non-current liabilities</b>  |      | <b>1,715,167</b>               | <b>1,527,101</b>                 |
| <b>Current liabilities</b>  |      |                                |                                  |
| Current portion of lease obligations  |      | 88,637                         | 810,188                          |
| Trade and other payables  | (9)  | 10,700,084                     | 10,231,537                       |
| Zakat   | (10) | 3,809,537                      | 5,973,547                        |
| <b>Total current liabilities</b>  |      | <b>14,598,258</b>              | <b>17,015,272</b>                |
| <b>Total liabilities</b>  |      | <b>16,313,425</b>              | <b>18,542,373</b>                |
| <b>Total equity and liabilities</b>   |      | <b>479,826,317</b>             | <b>526,074,343</b>               |

Chief Executive Officer  
And Chief Financial Officer  
Name: Yasser Yehia Abdelhamid  
Signature: 

Authorized Board Member  
Name: Ibrahim Hassan Almdhon  
Signature: 

Chairman  
Name: Ahmed Hassan Fitaihi  
Signature: 

The accompanying notes (1) to (17) form an integral part of these reissued interim condensed consolidated financial statement

**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<br>from 1 April to 30 June |                   | For the six-month period<br>ended 30 June |                    |
|--|------|---|-------------------|---|--------------------|
|  |      | 2022  | 2021              | 2022                                      | 2021               |
|  |      | Unaudited   | Unaudited         | Unaudited                                 | Unaudited          |
| Net sales  |      | 12,815,746  | 13,948,289        | 36,106,120                                | 27,652,811         |
| Cost of sales  |      | (6,374,140)   | (7,840,851)       | (24,684,254)                              | (15,457,092)       |
| <b>Profit of sales</b>   |      | <b>6,441,606</b>                                      | <b>6,107,438</b>  | <b>11,421,866</b>                         | <b>12,195,719</b>  |
| Gain from equity instruments at fair value through other comprehensive income                |      | 14,384,678  | 15,128,589        | 15,287,025                                | 15,160,668         |
| Gain from investment at fair value through profit or loss                                    |      | -   | 823,465           | -   | 891,423            |
| Share of the results of associate company  | (5)  | (4,104,993)   | 4,283,070         | 4,152,180                                 | 11,763,951         |
| Gain from sale of shares of an associate company   |      | -   | -                 | -   | 125,701,957        |
| <b>Gross profit</b>  |      | <b>16,721,291</b>                                     | <b>26,342,562</b> | <b>30,861,071</b>                         | <b>165,713,718</b> |
| Selling and distribution expenses  |      | (2,839,642)   | (3,487,644)       | (6,005,545)                               | (7,169,209)        |
| General and ministrative expenses  |      | (3,193,374)   | (4,330,159)       | (6,393,952)                               | (8,445,236)        |
| <b>Profit from operation</b>   |      | <b>10,688,275</b>                                     | <b>18,524,759</b> | <b>18,461,574</b>                         | <b>150,099,273</b> |
| Other expenses / revenue   |      | (636)   | (268,292)         | 178,587                                   | (486,420)          |
| <b>Profit before Zakat</b>   |      | <b>10,687,639</b>                                     | <b>18,256,467</b> | <b>18,640,161</b>                         | <b>149,612,853</b> |
| Zakat  | (10) | (1,500,000)   | (1,250,656)       | (1,800,000)                               | (2,500,656)        |
| <b>Net Profit for the period</b>   |      | <b>9,187,639</b>                                      | <b>17,005,811</b> | <b>16,840,161</b>                         | <b>147,112,197</b> |
| <b>Other comprehensive income:</b>   |      |   |                   |   |                    |
| Items that will not to be reclassified subsequently to profit or loss condensed consolidated |      |   |                   |   |                    |
| Net (losses) / gain from equity instruments at fair value through other comprehensive income |      | (41,755,625)  | 16,875,228        | (60,859,239)                              | 24,580,239         |
| <b>Net other comprehensive (loss) / income for the period</b>                                |      | <b>(32,567,986)</b>                                   | <b>33,881,039</b> | <b>(44,019,078)</b>                       | <b>171,692,436</b> |
| <b>Basic and diluted earnings per share from net profit</b>                                  | (11) | <b>0.33</b>   | <b>0.31</b>       | <b>0.76</b>                               | <b>2.67</b>        |

Chief Executive Officer  
And Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almdhon

Signature:

Chairman

Name: Ahmed Hassan Fitaihi

Signature:

The accompanying notes (1) to (17) form an integral part of these reissued 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)**

For the six-month period ended 30 June 2022  
(Unaudited)

|   | Share capital | Statutory reserve | Retained earnings | Revaluation reserve of investments in equity instruments at fair value through other comprehensive income | Total equity |
|---|---------------|-------------------|-------------------|---|--------------|
| Balance as at 1 January 2022 (audited)                  | 275,000,000   | 68,156,170        | 129,449,158       | 34,926,642  | 507,531,970  |
| Net profit for the period                               | -             | -                 | 16,840,161        | -   | 16,840,161   |
| Changes in other comprehensive income during the period | -             | -                 | -                 | (60,859,239)  | (60,859,239) |
| Total comprehensive gain / (loss)                       | -             | -                 | 16,840,161        | (60,859,239)  | (44,019,078) |
| Balance at 30 June 2022 (unaudited)                     | 275,000,000   | 68,156,170        | 146,289,319       | (25,932,597)  | 463,512,892  |

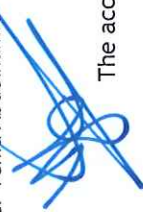
For the Six-month period ended 30 June 2021  
(Unaudited)

|   |             |            |              |            |              |
|---|-------------|------------|--------------|------------|--------------|
| Balance as at 1 January 2021 (audited)                | 550,000,000 | 53,192,332 | 19,322,965   | 3,736,019  | 626,251,316  |
| Net profit for the period                             | -           | -          | 147,112,197  | -          | 147,112,197  |
| Changes in other comprehensive loss during the period | -           | -          | -            | 24,580,239 | 24,580,239   |
| Total comprehensive income                            | -           | -          | 147,112,197  | 24,580,239 | 171,692,436  |
| Dividends   | -           | -          | (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  |

Chief Executive Officer  
And Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:



Authorized Board Member

Name: Ibrahim Hassan Almdhon

Signature:



Chairman

Name: Ahmed Hassan Fitaihi

Signature:

The accompanying notes (1) to (17) form an integral part of these reissued interim condensed consolidated financial statements

**FITAIHI HOLDING GROUP COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**  
**(EXPRESSED IN SAUDI RIYALS)**

|   | For the six-month period ended 30 June |                     |
|---|--|---------------------|
|   | 2022<br>Unaudited                      | 2021<br>Unaudited   |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>  |  |                     |
| Net profit before zakat   | 18,640,161                             | 149,612,853         |
| Adjustments to reconcile profit before zakat to cash flows from operating activities:                               |  |                     |
| Depreciation of property and equipment  | 595,272                                | 2,109,067           |
| Amortization of right of use assets   | 641,040                                | 637,015             |
| Gain on disposal property and equipment   | -                                      | (50,870)            |
| Employees defined benefit obligations   | 248,157                                | 334,364             |
| Share of results of associate company   | (4,152,180)                            | (11,763,951)        |
| Gain from investment in equity instruments at fair value through other comprehensive income                         | (15,287,025)                           | (15,160,668)        |
| Gain from investment at fair value through profit or loss   | -                                      | (891,423)           |
| Gain from sale of shares of an associate company  | -                                      | (125,701,957)       |
| Changes in work in capital  |  |                     |
| Trade and other receivables   | (1,183,509)                            | (346,342)           |
| Inventory   | 9,191,932                              | 4,121,736           |
| Trade and other payables  | 468,547                                | (1,117,632)         |
| Zakat paid  | (3,964,010)                            | (5,945,235)         |
| Employees defined benefit obligations paid  | (60,091)                               | (19,885)            |
| <b>Net cash generated from / (used in) operating activities</b>   | <b>5,138,294</b>                       | <b>(4,182,928)</b>  |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>  |  |                     |
| Purchase for property and equipment   | (145,189)                              | (184,996)           |
| Purchase for investments in equity instruments at fair value through other comprehensive income                     | (15,548,212)                           | (11,336,335)        |
| Dividends received from investments in associate companies  | -                                      | 7,219,838           |
| Dividends received from investments in fair value equity instruments  | 15,287,025                             | 15,128,589          |
| 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              |
| <b>Net cash (used in) investing activities</b>  | <b>(406,376)</b>                       | <b>(63,649,389)</b> |
| <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>   |  |                     |
| Dividends paid  | -                                      | (11,000,000)        |
| Lease obligations   | (721,551)                              | -                   |
| <b>Net cash (used in) financing activities</b>  | <b>(721,551)</b>                       | <b>(11,000,000)</b> |
| Net change in cash and cash equivalents   | 4,010,367                              | (78,832,317)        |
| 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>   | <b>19,718,805</b>                      | <b>18,286,196</b>   |
| <b><u>Non - cash transactions</u></b>   |  |                     |
| Unrealized (losses) / gains from investments in equity instruments at fair value through other comprehensive income | (60,859,239)                           | 24,580,239          |

Chief Executive Officer  
And Chief Financial Officer  
Name: Yasser Yehia Abdelhamid  
Signature:

Authorized Board Member  
Name: Ibrahim Hassan Almhon  
Signature:

Chairman  
Name: Ahmed Hassan Fitaihi  
Signature:

The accompanying notes (1) to (17) form an integral part of these reissued 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 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 9 Raman 1418 H and commercial registration number 4030085128 issued in Jeddah on 5 February 1992 (corresponding to 2 Shaaban 1412 H).

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

- a) The activities of the holding companies ((Management of subsidiaries of holding companies, investment of the funds of subsidiaries of holding companies, ownership of real estate and transfers necessary for holding companies, provision of loans, guarantees, and financing to subsidiaries of holding companies, ownership of industrial property rights of holding companies, lease of industrial property rights to holding companies).
- b) Wholesaling of gold and precious equipment, retail sale of precious metals and gemstones.
- c) Buying and selling precious metals and gemstones.
- d) Import, sale, and purchase of precious metals and gemstones.
- e) Welding and polishing workshops (jewelers).
- f) Electronic trade.
- g) Wholesale of carpets and rugs.
- h) Retail trade in sweets, chocolate
- i) Retail trade of blankets, sheets, linens, and bedspreads.
- j) Retail for home appliances and various handicrafts cutting tools, ceramics, and household utensils
- k) Retail trade of business and 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 Ro, north of the Emirate of Makkah Al-Mukarramah Region, PO Box 2606, Jeddah 21461, Kingdom of Saudi Arabia, the main center of the Company is located in Jeddah.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These reissuance of interim condensed consolidated financial statements for the six-month period ending on June 30, 2022(G) replace the previously issued interim condensed consolidated financial statements on 27 Muharram 1444 H corresponding to August 25, 2022(G) which the company has been referred to in the company's announcement on Tadawul website on Muharram 26 1444 H corresponding to August 24, 2022(G).

Note No. (15) shows the impact of the amendments on these financial statements, which resulted in a decrease in the net profit for the period ending on June 30, 2022(G) by 4.1 million Saudi riyals, bringing the net profit for this period after the amendment to 16.8 million Saudi riyals.

The reissuance of 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 reissuance of interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be re in conjunction with the Group's annual consolidated financial statements as at 31 December 2021 ("The last annual consolidated financial statements") In addition, results for the Interim period ended 30 June 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 30 June 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 le 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.

**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 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 (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.

| <u>Company name</u>                         | <u>Country of incorporation</u> | <u>Ownership percentage direct as of 30 June 2022</u> | <u>Ownership percentage direct as of 31 December 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 faces and others, care and maintenance of highway parks. |

**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 2022  
(EXPRESSED IN SAUDI RIYALS)**

**3. USE OF SIGNIFICANT JUDGMENT, ESTIMATES AND ASSUMPTIONS**

In preparing these interim condensed consolidated financial statements, it requires to management use 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 used 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 2021.

**4. 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 1 January 2022, which were explained in the annual consolidated financial statements of the group as of 31 December 2021 and there is no material impact on the interim condensed consolidated financial statements of the group for the six-months period ended 30 June 2022.

**5. INVESTMENTS IN ASSOCIATE**

Investments in associate consist of the following:

|                                      | Country of incorporation | Main Activity                         | Ownership %  |              | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) |
|--------------------------------------|--------------------------|---------------------------------------|--------------|--------------|-----------------------------|-------------------------------|
|                                      |                          |                                       | 30 June 2022 | 30 June 2021 |                             |                               |
| International Medical Center Company | KSA                      | Management and operation of hospitals | 19.25%       | 19.25%       | 212,210,751                 | 208,058,571                   |
|                                      |                          |                                       |              |              | <b>212,210,751</b>          | <b>208,058,571</b>            |

The share of results for the year consists following:

|  | For the period From 1 April to 30 June |                     | For the six-month period ended June 30 |                     |
|--|--|---------------------|--|---------------------|
|  | 2022<br>(Unaudited)                    | 2022<br>(Unaudited) | 2022<br>(Unaudited)                    | 2021<br>(Unaudited) |
| Share of the results of the International Medical Center Company | (4,104,993)                            | 4,283,070           | 4,152,180                              | 11,763,951          |
|  | <b>(4,104,993)</b>                     | <b>4,283,070</b>    | <b>4,152,180</b>                       | <b>11,763,951</b>   |

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

|   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
|---|--------------------------------|----------------------------------|
| <b>Cost</b>   |                                |                                  |
| Balance as at the beginning of the period/year  | 118,609,241                    | 98,782,805                       |
| additions during the period/year  | 15,548,212                     | 20,252,196                       |
| Disposal during the period/year   | -                              | (425,760)                        |
| Balance as at the end of the period/year  | <u>134,157,453</u>             | <u>118,609,241</u>               |
| <b><u>Unrealized (losses) / gains on investments in equity instruments at fair value through other comprehensive income</u></b> |                                |                                  |
| Balance as at the beginning of the period/year  | 34,926,642                     | 3,736,019                        |
| Net movement during the period/year   | (60,859,239)                   | 31,222,702                       |
| Transfer of gains on disposal of equity investments at fair value through other comprehensive income to retained earnings       | -                              | (32,079)                         |
| Balance as at the end of the period/year  | <u>(25,932,597)</u>            | <u>34,926,642</u>                |
| Net book value as at the end of the period/year   | <u>108,224,856</u>             | <u>153,535,883</u>               |
| - All equity are listed in the stock market.  |                                |                                  |

7. INVENTORY

|   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
|---|--------------------------------|----------------------------------|
| Jewelry and gold                              | 83,539,730                     | 95,686,688                       |
| Gold and jewelry materials                    | 8,225,121                      | 5,502,681                        |
| Accessories and other                         | 1,858,093                      | 1,640,951                        |
| Gold raw material under manufacture by others | 428,104                        | 428,104                          |
| Boxes and packaging tools                     | 68,432                         | 52,988                           |
|   | <u>94,119,480</u>              | <u>103,311,412</u>               |

8. TRADE AND OTHER RECEIVABLES (NET)

|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
|--|--------------------------------|----------------------------------|
| Trade receivables                        | 16,150                         | 16,267                           |
| Prepaid expenses                         | 1,836,684                      | 683,244                          |
| Advance payments to suppliers            | 188,856                        | 228,106                          |
| Receivable from the sale of a subsidiary | 1,225,478                      | 1,520,478                        |
| Other receivable                         | 949,652                        | 585,216                          |
|  | <u>4,216,820</u>               | <u>3,033,311</u>                 |
| Less: provision for impairment           | (16,447)                       | (16,447)                         |
|  | <u>4,200,373</u>               | <u>3,016,864</u>                 |

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**8. TRADE AND OTHER RECEIVABLES (NET) (Continued)**

\* The movement in the provision for impairment is as follows:

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|--|---|---|
| Balance at the beginning of the period/year  | 16,447                                  | 43,871                                    |
| Amounts written off during the period/year   | -                                       | (27,424)                                  |
| <b>Balance at the end of the period/year</b> | <b>16,447</b>                           | <b>16,447</b>                             |

**9. TRADE AND OTHER PAYABLES**

|                                 | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|---------------------------------|---|---|
| Trade payables                  | 3,638,025                               | 3,404,333                                 |
| Accrued expenses                | 3,199,084                               | 3,007,550                                 |
| Advance payments from customers | 1,600,684                               | 1,628,727                                 |
| Other payables                  | 2,262,291                               | 2,190,927                                 |
|                                 | <b>10,700,084</b>                       | <b>10,231,537</b>                         |

**10. ZAKAT PAYABLE**

|   | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|---|---|---|
| Balance as at the beginning of the period/year  | 5,973,547                               | 7,954,117                                 |
| Charged during the period/year                  | 1,800,000                               | 3,964,665                                 |
| Charged for prior years                         | -                                       | 1,197,706                                 |
| Paid during the period/year                     | (3,964,010)                             | (7,142,941)                               |
| <b>Balance as at the end of the period/year</b> | <b>3,809,537</b>                        | <b>5,973,547</b>                          |

**The Zakat status**

There has been no significant change in the zakat or tax position of the group compared to the year ending on 31 December 2021. The group has submitted its zakat return and pay the due zakat for the year ended on December 31, 2021, also paid the zakat due for its share in the foreign investment for the mentioned year, and obtained the zakat certificate.

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**11. EARNING PER SHARE**

Basic and diluted earnings per share are calculated from the net income for the period by dividing the net profit for the period attributable to the shareholders of the parent company by the weighted average number of ordinary shares. Diluted earnings per share equals basic earnings per share.

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

|   | For the three - month period<br>from 1 April to 30 June |                     | For the six - month period<br>ended 30 June |                     |
|---|---|---------------------|---|---------------------|
|   | 2022<br>(Unaudited)                                     | 2021<br>(Unaudited) | 2022<br>(Unaudited)                         | 2021<br>(Unaudited) |
| Profit for the period attributable to shareholders                  | 9,187,639   | 17,005,811          | 16,840,161                                  | 147,112,197         |
| Weighted average number of ordinary shares outstanding              | 27,500,000  | 55,000,000          | 27,500,000                                  | 55,000,000          |
| Basic and diluted earnings per share from net profit for the period | <b>0.33</b>   | <b>0.31</b>         | <b>0.61</b>                                 | <b>2.67</b>         |

**12. CAPITAL**

|   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
|---|--------------------------------|----------------------------------|
| 27.5 million shares, the value of each share is 10 Saudi riyals per share | <b>275,000,000</b>             | <b>275,000,000</b>               |

The Board of Directors recommended, in its meeting held on 4 March 2021, to reduce the capital by 50% to become 275 million Saudi riyals instead of 550 million Saudi riyals by reducing the number of shares from 55 million shares to 27.5 million shares.

On 7 June 2021 AD, the Capital Market Authority announced the issuance of its decision approving the request of Fitaihi Holding Group to reduce its capital from (550,000,000) riyals to (275,000,000) riyals, and thus reduce the number of shares from (55,000,000) shares to (27,500,000) shares. Shareholders' approval of the details of the company's capital reduction was obtained at the Extraordinary General Assembly meeting held on 7 July 2021. The decision of the extraordinary assembly to reduce the capital was implemented by the end of the last day of the creditors' objection period (which amounts to 60 days) on 5 September 2021.

Accordingly, the capital as on 30 June 2022, consists of 27.5 million shares, the value of each share is 10 Saudi riyals (31 December 2021: 27.5 million shares, the value of each share is 10 Saudi riyals).

**13. TRANSACTIONS WITH RELATED PARTIES**

Related parties represent major shareholders, members of the board of directors and senior management personnel of the group and its management facilities or exercise significant influence over them by these parties. The group's sales to the International Medical Center Company (an associate company) during the period amounted to 2,720,395 Saudi riyals (30 June 2021: Nil SR).

#### **14. OBJECTIVES AND POLICES OF 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.

The Group's current financial liabilities, amounting to SAR 14.6 million as on 30 June 2022 (December 31, 2021: SAR 17 million), consist of lease commitments - the current portion - trade and other credit balances and accrued zakat. Virtually all of these financial liabilities are expected to be settled within 12 months from the date of the condensed consolidated statement of financial position and the Group expects to have sufficient funds to do so.

The Group's non-current financial liabilities amounting to SR 1.7 million as of 30 June 2022 (31 December 2021: SR 1.5 million) consist of net employee defined benefit obligations. Employees' defined benefit obligations are paid in accordance with the actual timing of the employees' term of service.

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



#### **14. OBJECTIVES AND POLICES OF RISK MANAGEMENT (Continued)**

##### **Capital risk management (Continued)**

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 (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 30 June 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)

#### **15. REISSUANCE OF THE FINACIAL STATEMENTS**

The table below shows the impact on the reissuance of interim condensed consolidated financial statements (unaudited) for the three and six-month period ending on June 30, 2022. The group has adjusted the balance of an investment in an associate company and the balance of the retained earnings and related balances in the interim condensed consolidated financial statements after receiving the financial statements of the associate company and recording the share of the business of the group's from the associate company.

- Reissuance: After receiving the financial statements of the associate company and recording the net of share as mentioned in note (5).

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**15. REISSUANCE OF THE FINANCIAL STATEMENTS (continued)**

The interim condensed consolidated statement of financial position as at 30 June 2022 (unaudited):

|   | Balance as at<br>30 June 2022<br>which was<br>stated in the<br>previously<br>issued financial<br>statement        | Adjustments   | Balance as at<br>30 June 2022<br>(reissued)           |
|---|---|---------------|---|
| <b>Assets</b>   |   |               |   |
| <b>Non-current assets</b>   |   |               |   |
| Investment in associate company   | 216,315,744   | (4,104,993)   | 212,210,751   |
| <b>Owner's equity</b>   |   |               |   |
| Retained earnings   | 150,394,312   | (4,104,993)   | 146,289,319   |
| <b>The interim condensed consolidated financial statement of profit or loss and other comprehensive income (unaudited):</b> |   |               |   |
|   | For the period<br>ended 30 June<br>2022 which was<br>stated in the<br>previously<br>issued financial<br>statement | Adjustments   | For the period<br>ended 30 June<br>2022<br>(reissued) |
| <b>For the three months period ended 30 June 2022</b>   |   |               |   |
| Share of the results of associate company   | -   | (4,104,993)   | (4,104,993)   |
| Net profit of the period  | 13,292,632  | (4,104,993)   | 9,187,639   |
| Net other comprehensive (loss) / income for the period  | (28,462,993)  | (4,104,993)   | (32,567,986)  |
| <b>Basic and diluted earnings per share from net profit</b>   | <b>0.48</b>   | <b>(0.15)</b> | <b>0.33</b>   |
| <b>For the six months period ended 30 June 2022</b>   |   |               |   |
| Share of the results of associate company   | 8,257,173   | (4,104,993)   | 4,152,180   |
| Net profit of the period  | 20,945,154  | (4,104,993)   | 16,840,161  |
| Net other comprehensive (loss) / income for the period  | (39,914,085)  | (4,104,993)   | (44,019,078)  |
| <b>Basic and diluted earnings per share from net profit</b>   | <b>0.76</b>   | <b>(0.15)</b> | <b>0.61</b>   |

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**15. REISSUANCE OF THE FINACIAL STATEMENTS (continued)**

The interim condensed consolidated statement of cash flows For the period ended 30 June 2022 (unaudited):

|   | For the period<br>ended 30 June<br>2022 which was<br>stated in the<br>previously<br>issued financial<br>statement | Adjustments | For the period<br>ended 30 June<br>2022<br>(reissued) |
|---|---|-------------|---|
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b> |   |             |   |
| Net profit before zakat                         | 22,745,154  | (4,104,993) | 18,640,161  |
| Share of results of associate company           | (8,257,173)   | 4,104,993   | (4,152,180)   |

**16. IMPORTANT EVENTS DURING THE PERIOD**

**The decline in the value of the currency of the Arab Republic of Egypt**

During the last month of the quarter ending on 30 June 2022 AD, the Egyptian pound recorded a decrease in the exchange rate by 19.5% against the Saudi riyal, which affected the valuation of investments in the Arab Republic of Egypt and resulted in unrealized losses of 27 million 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 24/10/2022.