

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Unaudited)  
FOR THE THREE-MONTH  
PERIOD ENDED 31 MARCH 2023 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 2023  
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, 2023, 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**

Except what is mentioned in the basis of qualified conclusion below, 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.

**Basis for qualified conclusion**

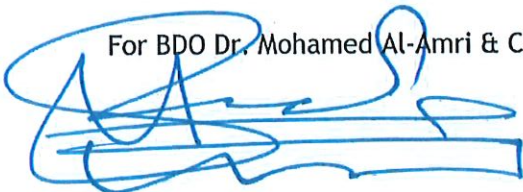
As explained in Note No. (5) to the interim condensed consolidated financial statements, the investment balance in the associate company amounted to SAR 178,763,939, which is accounted for using the equity method in the consolidated statement of financial position as of March 31, 2023. The Group also included its share of the investee company's business results an amount of SAR 3,945,112 for the three-month period ending on March 31, 2023.

In addition to that, as shown in Note No. (18), the Group made amendments to the results of its share of the associate company for the year ending on December 31, 2022 with an amount of SAR 10,193,415 according to the internal financial statements of the associate company (unaudited - amended), we were not able to obtain sufficient and appropriate evidence to verify the validity of the amount of the investment balance for the associate company and the results of the three-month period ending on March 31, 2023, in addition to the amendments of the year ended on 31 December 2022, which were recognized according to the Group's estimates and the unaudited financial statements of the associate company, due to the non completion of the audit and review of the financial statement . Accordingly, we were unable to determine whether any amendments were necessary to these amounts and their impact on the financial statements as a whole for the current period and the comparative year.

**Qualified Conclusion**

Except for the impact of adjustments to the interim condensed consolidated financial statements detailed above in the "Basis for Qualified Conclusion," based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co.



**Maher Al-Khatieb**  
Certified Public Accountant  
Registration No. (514)



08/11/1444 (H)  
28/05/2023 (G)



**FITAIHI HOLDING GROUP COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 MARCH 2023**  
**(EXPRESSED IN SAUDI RIYALS)**

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
<b>ASSETS</b>			
<b>Non-CURRENT ASSETS</b>			
Property and equipment (net)		40,496,836	40,730,410
Right of use assets (net)		4,325,571	4,655,946
Investment in associates	(5)	178,763,939	174,818,827
Investments in equity instruments at fair value through other comprehensive income	(6)	139,039,277	131,664,575
<b>Total non-current assets</b>		<b>362,625,623</b>	<b>351,869,758</b>
<b>Current assets</b>			
Inventory	(8)	93,897,970	97,568,699
Investment at fair value through profit and loss	(7)	15,106,035	-
Trade and other receivables (net)	(9)	4,206,255	5,934,127
Cash and cash equivalents		12,127,545	19,598,658
<b>Total current assets</b>		<b>125,337,805</b>	<b>123,101,484</b>
<b>Total assets</b>		<b>487,963,428</b>	<b>474,971,242</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		111,205,817	105,578,203
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income		3,186,743	(4,019,386)
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income in associate		38,313	38,313
Fair value change reserve to cover associate company's cash flow risks		5,337,869	5,337,869
<b>Total equity</b>		<b>462,924,912</b>	<b>450,091,169</b>
<b>Non-current liabilities</b>			
Lease liabilities - non current portion		2,869,056	3,169,725
Employee defined benefit liabilities		1,645,207	1,585,593
<b>Total non-current liabilities</b>		<b>4,514,263</b>	<b>4,755,318</b>
<b>Current liabilities</b>			
Lease liabilities - current portion		1,585,005	1,585,005
Trade and other payables	(10)	12,594,304	13,094,806
Zakat payable	(11)	6,344,944	5,444,944
<b>Total current liabilities</b>		<b>20,524,253</b>	<b>20,124,755</b>
<b>Total liabilities</b>		<b>25,038,516</b>	<b>24,880,073</b>
<b>Total equity and liabilities</b>		<b>487,963,428</b>	<b>474,971,242</b>

Chief Executive Officer

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhor

Signature:

Chairman of Board of directors

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)


CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023  
(EXPRESSED IN SAUDI RIYALS)

	Note	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Net sales		18,258,857	23,290,374
Cost of sales		(9,873,060)	(18,310,114)
<b>Gross profit of sales</b>		<b>8,385,797</b>	<b>4,980,260</b>
Dividends from equity instruments at fair value		1,094,004	902,347
Gain from investment valuation at fair value through profit or loss		106,035	-
Share of the results of associate company	(5)	3,945,112	8,257,173
Gain from investment		5,145,151	9,159,520
<b>Gross profit</b>		<b>13,530,948</b>	<b>14,139,780</b>
Selling and distribution expenses		(3,682,178)	(3,165,903)
General and administrative expenses		(3,248,569)	(3,200,578)
Total Expenses		(6,930,747)	(6,366,481)
<b>Profit from operation</b>		<b>6,600,201</b>	<b>7,773,299</b>
Other (expenses) / income	(12)	(72,587)	179,223
<b>Profit before Zakat</b>		<b>6,527,614</b>	<b>7,952,522</b>
Zakat	(11)	(900,000)	(300,000)
<b>Net profit for the period</b>		<b>5,627,614</b>	<b>7,652,522</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that will not to be reclassified subsequently to profit or loss condensed consolidated</b>			
Net gains / (losses) from equity instruments at fair value through other comprehensive income		7,206,129	(19,103,614)
<b>Total comprehensive income / (loss) for the period</b>		<b>12,833,743</b>	<b>(11,451,092)</b>
Earnings per share:			
Basic and diluted profit earnings per share	(13)	0.20	0.28
Attributable to shareholders of the Parent Company			

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



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023  
(EXPRESSED IN SAUDI RIYALS)**

	Share capital	Statutory reserve	Retained earnings	Fair value change reserve to cover associate company's cash flow risks	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income in associate	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income	Total equity
For the three-month period ended 31 March 2023 (Unaudited)	275,000,000	68,156,170	115,771,618	5,337,869	38,313	(4,019,386)	460,284,584
Balance as 1 January 2023 (audited)	-	-	(10,193,415)	-	-	-	(10,193,415)
Adjustments for previous years (Amended - Note 18)	275,000,000	68,156,170	105,578,203	5,337,869	38,313	(4,019,386)	450,091,169
Net profit for the period	-	-	5,627,614	-	-	-	5,627,614
Changes in other comprehensive income during the period	-	-	-	-	-	7,206,129	7,206,129
<b>Total comprehensive income</b>	-	-	<b>5,627,614</b>	-	-	<b>7,206,129</b>	<b>12,833,743</b>
Balance at 31 March 2023 (Unaudited)	275,000,000	68,156,170	111,205,817	5,337,869	38,313	3,186,743	462,924,912
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
Balance as at 1 January 2022 (audited)	-	-	7,652,522	-	-	-	7,652,522
Net profit for the period	-	-	-	-	-	(19,103,614)	(19,103,614)
Changes in other comprehensive income during the period	-	-	-	-	-	(19,103,614)	(19,103,614)
<b>Total comprehensive loss</b>	-	-	<b>7,652,522</b>	-	-	<b>(19,103,614)</b>	<b>(11,451,092)</b>
Balance at 31 March 2022 (Unaudited)	275,000,000	68,156,170	137,101,680	-	-	15,823,028	496,080,878

Chief Executive Officer  
Chief Financial Officer

Name: Yasser Yehia Abdelhamid  
Signature: 

Authorized Board Member

Name: Ibrahim Hassan Almaddon  
Signature: 

Chairman of Board of directors

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)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023  
(EXPRESSED IN SAUDI RIYALS)

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before zakat	6,527,614	7,952,522
<b>Adjustments to reconcile Profit before zakat to cash flows from operating activities:</b>		
Depreciation of property and equipment	310,550	297,522
Amortization of right of use assets	330,375	322,069
Employees defined benefit liabilities	125,229	125,943
Finance charge of right of use assets	47,790	11,029
Dividends from equity instruments at fair value	(1,094,004)	(902,347)
Gain from investment valuation at fair value through profit or loss	(106,035)	-
Gain from sold of shares of an associate company share of results of associate company	(3,945,112)	(8,257,173)
<b>Changing in Assets / Liability in operation activity:</b>		
Trade and other receivables	(1,882,049)	(2,058,256)
Inventory	3,670,729	9,133,742
Trade and other payables	(500,502)	4,224,075
Employees defined benefit liabilities paid	(65,614)	(60,092)
<b>Net cash generated from operating activities</b>	<b>3,418,971</b>	<b>10,789,034</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(76,976)	(33,750)
Purchase of investments in equity instruments at fair value through other comprehensive income	(168,573)	(11,519,997)
Purchase of investments at fair value through profit or loss	(15,000,000)	-
Dividends received from investments at fair value	1,094,004	902,347
Dividends received from investment in associate	3,609,920	-
<b>Net cash (used in) investing activities</b>	<b>(10,541,625)</b>	<b>(10,651,400)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Lease liabilities	(348,459)	(371,764)
<b>Net cash (used in) financing activities</b>	<b>(348,459)</b>	<b>(371,764)</b>
The net change in cash and cash equivalents	(7,471,113)	(234,130)
Cash and cash equivalents at the beginning of the period	19,598,658	15,708,438
<b>Cash and cash equivalents at the end of the period</b>	<b>12,127,545</b>	<b>15,474,308</b>
<b><u>Non-cash transactions</u></b>		
Unrealized (Loss) / Gain from investments in equity instruments at fair value through other comprehensive income	7,206,129	(19,103,614)

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 (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 THREE-MONTH PERIOD ENDED 31 MARCH 2023  
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 2023  
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 2022 ("The annual consolidated financial statements") In addition, results for the interim period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

**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 condensed consolidated interim financial statements have been prepared on a historical cost basis except for equity instruments, which are measured through other comprehensive income, other investments, which are measured through profit or loss, and employees' end of service benefits, which are measured using the projected unit credit method and discounted to their value. current.

**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, 2023.

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.

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 2023  
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 2023  
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 March 31, 2023</u>	<u>Ownership percentage direct as of December 31, 2022</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.



**FITAIHI GROUP HOLDING COMPANY  
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**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023  
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, 2022.

**4. SIGNIFICANT ACCOUNTING POLICIES**

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:

Country of incorporation	Main activity	Ownership percentage		Mar 31 2023 (Unaudited)	December 31 2022 (Audited) - Restated
		Mar 31 2023	Mar 31 2022		
International Medical Center Company KSA	Hospital management and operation	19.25%	19.25%	178,763,939	174,818,827
				<u>178,763,939</u>	<u>174,818,827</u>
				<u>For the period ended 31 March</u>	
				<u>2023</u>	<u>2022</u>
				<u>(Unaudited)</u>	<u>(Unaudited)</u>
The company's share of the business results of the International Medical Center Company				3,945,112	8,257,173
				<u>3,945,112</u>	<u>8,257,173</u>

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 2023  
EXPRESSED IN SAUDI RIYALS

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
<b><u>COST</u></b>		
Balance at the beginning of the period / year	135,683,961	118,609,241
Additions during the period / year	168,573	17,074,720
Balance at the end of the period/year	<u>135,852,534</u>	<u>135,683,961</u>

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
Balance at the beginning of the period/year	(4,019,386)	34,926,642
net movement during the period/year	7,206,129	(38,946,028)
Balance at the end of the period/year	<u>3,186,743</u>	<u>(4,019,386)</u>
Net book value at the end of the period/year	<u>139,039,277</u>	<u>131,664,575</u>

7. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

The value of investment at fair value amount 15,106,035 Saudi Riyal at 31 March 2023, represented by investing 6,561 units in Riyadh Diversified Trade Fund, the market fair value of the unit is 2,302 Saudi Riyal per unit as on 31 March 2023.

8. INVENTORY

	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
Jewelry and goldsmiths	83,272,680	87,370,883
gold ores and jewelry	8,851,038	8,309,694
Miscellaneous merchandise	1,705,370	1,839,095
Boxes and packaging tools	68,882	49,027
	<u>93,897,970</u>	<u>97,568,699</u>

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 2023  
EXPRESSED IN SAUDI RIYALS

9. TRADE AND OTHER RECEIVABLES (NET)

	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
Dividends	-	3,609,920
Trade receivables	15,089	15,089
Prepaid expenses	2,335,092	805,479
Advance payments to suppliers	506,740	155,517
Receivable from the sale of a subsidiary	935,477	935,477
Other debtors	430,304	429,092
	<u>4,222,702</u>	<u>5,950,574</u>
Less: provision for impairment	(16,447)	(16,447)
	<u>4,206,255</u>	<u>5,934,127</u>

10. TRADE AND OTHER PAYABLES

	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
Trade payables	7,191,753	7,566,609
Accrual expenses	2,031,144	1,635,959
Advance payments from clients	1,811,258	1,911,826
VAT	204,844	379,541
Other payables	1,355,305	1,600,871
	<u>12,594,304</u>	<u>13,094,806</u>

11. ZAKAT PAYABLE

	31 March 2023 (Unaudited)	31 December 2022 (Audited) - Restated
Balance as at the beginning of the period/year	5,444,944	5,973,547
Charged during the period/year	900,000	3,435,407
Paid during the period/year	-	(3,964,010)
Balance as at the end of the period / year	<u>6,344,944</u>	<u>5,444,944</u>

The Zakat status

There has been no material changed in the zakat or tax compared to the year ending on December 31, 2022



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

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Debit financing interest - lease contracts	(47,790)	(11,029)
Other income	30,591	250,752
Other expenses	(55,388)	(60,500)
	<u>(72,587)</u>	<u>179,223</u>

**13. 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	
	2023 (Unaudited)	2022 (Unaudited)
Profit for the period attributable to the shareholders of the parent company	5,627,614	7,652,522
Weighted average number of ordinary shares outstanding (share)	27,500,000	27,500,000
Basic and diluted profit per share of period income attributable to the shareholders of the parent company	<u>0.20</u>	<u>0.28</u>

**14. SHARE CAPITAL**

As of 31 March 2023 and 31 December 2022, the capital consists of 27.5 million shares, the value of each share is 10 Saudi Riyal, paid in full.

**15. 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.

**15.1 Related party transactions**

The following are the main transaction to related parties without preferential terms during the three-month ending on 31 March 2023 and 31 March 2022 and related party balances as on 31 March 2023 and 31 December 2022

Cost	Company	Nature of the relationship	Nature of the transaction	31 March 2023 (unaudited)	31 March 2022 (unaudited)	31 March 2023 (unaudited)	31 December 2022 (audited)
	IMC	Associate company	Sales of goods	-	2,720,395	-	-

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**15. RELATED PARTY TRANSACTIONS - (Continued)**

15.2 Allowances and bonuses for members of the Board of Directors and senior executives

he compensation of the senior management executives and the Board of Directors during the period is as follows:

	For the period ended 31 March	
	2023	2022
	(Unaudited)	(Unaudited)
Salary and other benefits	620,032	559,748
End of service benefits	23,188	23,188
Bonuses and allowance for attending board meetings	300,000	320,000
	<b>943,220</b>	<b>902,936</b>

**16. 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.

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

### Liquidity risk (Continued)

The Group's current financial liabilities amounting to 20.5 million Saudi riyals as of 31 March 2023 (31 December 2022: 20 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 4.5 million as of March 31, 2023 (December 31, 2022: SAR 4.8 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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16. 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 March 31, 2023.

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)

17. 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, 2023, the Egyptian pound recorded a decrease in the exchange rate by 24.5% against the RS. Which affected the evaluation of the group's investments in the Arab Republic of Egypt.

**B. important events during the subsequent period**

On May 7, 2023, the Extraordinary General Assembly approved the recommendation of the Board of Directors to distribute cash dividends to shareholders for the fiscal year ending on December 31, 2022, with a total amount of 11,000,000 SAR.

18. PREVIOUS YEARS ADJUSTMENTS

The management of the associate company provided us with the financial statements prepared by the management for the fiscal year 2022 adjustment and their amendments. During the period, the group made amendments to the previous years, representing its share in that amendment as follows:

Consolidated balance sheet	As 31 December 2022		
	As previously shown	adjustment	Restated
<b>Non-current assets</b>			
Investment in associate	185,012,242	(10,193,415)	174,818,827
<b>Owner Equity</b>			
Retained earnings	115,771,618	(10,193,415)	105,578,203

19. RECLASSIFICATION

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

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

These interim condensed consolidated financial statements (Unaudited) were approved by the Board of Directors on 21/05/2023