Fawaz Abdulaziz Al Hokair & Company
(Cenomi Retail)

(A Saudi Joint Stock Company)

Consolidated financial statements
For the year ended 31 December 2023
together with the
Independent Auditor's Report

Contents **Pages**

الدكتور محمد العمري وشركاه
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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Fawaz Abdulaziz Al Hokair & Company

A Saudi Joint Stock Company

Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Fawaz Abdulaziz Al Hokair & Company (the "Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note (2-2) of the accompanying consolidated financial statements, which indicates that the Group incurred a net loss of SR 1,113 million for the year ended 31 December 2023, and as of that date it recorded accumulated losses of SR 1,404 million. In addition, the Group's current liabilities exceeded its current assets by SR 3,054 million as of 31 December 2023. These events or conditions, along with other matters as set forth in details in Note (2-2) of the accompanying consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Dr. Mohammed Al-Amri & Co. Chartered Accountants, a professional closed joint stock company registered in the Kingdom of Saudi Arabia under CR no. 1010433982, with paid-up capital of SAR (1,000,000) is a member of BDO International Limited, a UK Company Limited by guarantee, and forms part of the international BDO network of independent member firms.
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Independent auditor's report to the shareholders of Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company) (continued)

Key audit matters (continued)

key audit matters include the following:

Key audit matter	***How the key audit matter was addressed in our audit***
Inventories	
As of 31 December 2023, the Group's net inventories balance in the consolidated financial statements amounted to SR 794 million (2022: SR 1 billion), inventory write-down provision amounted to SR 34 million (2022: SR 348 million), and the write-off in inventories amounted to SR 426 million (2022: SR 17 million). Inventories are stated at the lower of cost and net realizable value. The Group, where necessary, record an allowance for obsolete and slow- moving inventories which is determined by considering the age of inventories as well as seasonal trends of the business. We considered this as a key audit matter due to the significance of the inventory, its existence and the material judgments applied by Management in determining obsolete, slow-moving inventories and the level of inventories write down required based on net realizable value.	Our audit procedures related existence of inventory and its valuation, included among others, the following: • Assessment of the appropriateness of the Group's accounting policies for recognition and measurement of inventories in line with the requirements of relevant IFRS accounting standards. • Assessment of the design and implementation, and testing the operating effectiveness of the key controls relating to Group's processes over inventory count performed by Management during the year for certain stores; • Obtain inventory physical count results from Management to evaluate the inventory provision, based on actual shrinkage identified during the count. In addition, to evaluate inventory count processes, we attended the actual physical counts for a sample of stores to ensure the accuracy of the executed inventory count processes for certain samples. • Assessment of the design and implementation of the key controls relating to Group's processes over determination of inventory provisions based on inventory ageing analysis. • Involvement of our information technology specialists to test the accuracy & completeness of the inventories' ageing report used by Management in its determination of inventory provision; • Test the net realizable value of inventories by examining the sales subsequent to year-end, on sample basis, and compare net realizable value for the selected samples with the carrying value of inventories to determine the appropriateness of the associated provision; • Evaluation of the adequacy of the disclosures in the accompanying consolidated financial statements, in accordance with the requirements of the relevant IFRS accounting standards.
Refer to significant judgements and estimates applied by the Group and related to inventories in note (5-B), material accounting policy information of the same matter (6-H), and other related inventory disclosures in note (12) of the accompanying consolidated financial statements.	

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Independent auditor's report to the shareholders of Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company) (continued)

Key audit matters (continued)

Impairment of goodwill	
As of 31 December 2023, the Group's goodwill balance in the consolidated financial statements amounted to SR 556 million (2022: SR 926 million), while the goodwill impairment charge amounted to SR 370 million. The goodwill comprises a group of cash generating units as follows: Nesk Trading Projects Ltd Company, Food Gate Ltd Company, Wahba Trading Ltd Company, and Innovative Union Ltd Company. Goodwill is stated at cost acquired, and is tested annually for possible impairment as a result of its indefinite useful life. We considered this as a key audit matter due to the significant estimates and judgements applied by Management about the main assumptions related to the future cash flows of the underlying businesses as well as the discount rates applied to derive the associated net present values.	Our audit procedures related to impairment of goodwill, included among others, the following: • Obtain all impairment test models for each goodwill resulting from the various cash-generating units in the Group that were prepared by Management. • Involvement of internal experts to assist in evaluating assumptions and inputs used in goodwill impairment testing models. • Assessment of the reasonableness of the business plan by comparing the implicit growth rates to the market and analysts' forecasts. • Assessment of the extent to which Management has reflected the result from the comparison of budgeted versus actual numbers in its current assessment and adjusted the actual revenue growth rates and operating margins in this year's models. • Comparison of the models' inputs, such as the weighted average cost of capital, the long-term growth rate and other assumptions with observable market data. • Ensuring that the recoverable amounts calculations are based on the latest business plans. Also, Management follows a clearly documented process for estimating future cash flows covers the period from 2024 to 2028. • Performance of comprehensive sensitivity analysis testing over the key assumptions to ascertain the extent of change in those assumptions that would be required for the goodwill to be impaired. • Evaluation of the adequacy of the disclosures in the accompanying consolidated financial statements, in accordance with the requirements of the relevant IFRS accounting standards.
Refer to significant judgements and estimates applied by the Group and related to the impairment of goodwill in note (5-B), material accounting policy information of the same matter (6-F.i), and other related goodwill disclosures in note (8) of the accompanying consolidated financial statements.	

Other matters

- As described in note (33) to the accompanying consolidated financial statements of the Group, the consolidated financial statements as at and for the period ended 31 March 2022 have been restated.
- The supplementary information included in Annex (1) has neither been audited nor reviewed. Accordingly, we do not express an opinion, conclusion or any other form of assurance on such information.

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Independent auditor's report to the shareholders of Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company) (continued)

Other information

Other information consists of the information included in the Group's annual report for the year ended 31 December 2023, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information included in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, when it is available to us, if we discover that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and Those Charged with Governance ("TCWG") for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent auditor's report to the shareholders of Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company) (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies' Law requires that the auditor includes in the audit report what might come to their attention with respect to non-compliance of the terms of the Companies' Law or the terms of the Company's Bylaws. During the course of our audit of the consolidated financial statements, we have noted the following non-compliance of the Companies' Law, having no material impact over the consolidated financial statements:

- The accumulated losses exceeded half of the issued share capital. In accordance with article (132) of the Companies' Law, the Board of Directors shall, within 60 days from the date of their knowledge thereof, announce the losses and the recommendations relating thereto, and shall, within 180 days from said date, call for an extraordinary general assembly meeting to consider the continuation of the Company by taking measures necessary to resolve such losses or the dissolution of the Company.

The Board of Directors did not invite shareholders to hold this meeting until the date of issuance of consolidated financial statements.

For BDO Dr. Mohamed Al-Amri & Co.

Gihad Al-Amri
License No. 362

محمد العمري وشركاه - محاسبون قانونيون
س. ت: ١٠١٠٤٣٣٩٨٢
Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Riyadh on 5 Shawwal 1445H
Corresponding to: 14 April 2024G

Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company)
Consolidated statement of financial position
As of 31 December 2023

	Notes	31-Dec 2023	31-Dec 2022 *Restated*	1-April 2022 *Restated*
Assets				
Property and equipment	7A	**1,149,972,559**	1,324,328,435	1,358,326,395
Right-of-use assets	27A	**2,044,680,531**	2,347,145,129	2,397,403,965
Goodwill and intangible assets	8A	**755,769,637**	1,120,845,679	1,083,033,024
Investment property	9	**1,264,800**	1,387,200	1,509,600
Equity accounted investments	10	**64,828,779**	62,139,303	62,024,793
Other investments	11	**74,189,014**	314,247,541	299,690,686
Derivative assets	28	-	35,127,274	29,616,914
Non-current assets		**4,090,705,320**	5,205,220,561	5,231,605,377
Inventories	12	**793,514,780**	1,000,279,166	1,395,081,129
Advances, deposits and other receivables	13	**302,375,326**	718,198,081	474,615,226
Prepayments	14	**25,799,402**	35,446,157	63,637,597
Cash and cash equivalents	15	**235,247,382**	193,825,276	197,887,745
Current assets		**1,356,936,890**	1,947,748,680	2,131,221,697
Assets held for sale	35	**309,981,001**	-	-
Total assets		**5,757,623,211**	7,152,969,241	7,362,827,074
Equity				
Share capital	20A	**1,147,664,480**	1,147,664,480	2,100,000,000
Regulatory reserve	20B	**-**	-	-
Foreign currency translation reserve		**(564,513,223)**	(524,088,331)	(519,515,816)
Fair value reserve		**42,076,481**	42,076,481	12,949,544
Accumulated losses		**(1,403,902,766)**	(227,584,785)	(1,282,187,183)
Equity attributable to the shareholders of the Company		**(778,675,028)**	438,067,845	311,246,545
Non-controlling interests	26	**(27,631,180)**	(92,125,951)	(107,079,020)
Total equity		**(806,306,208)**	345,941,894	204,167,525
Liabilities				
Loans and borrowings	16	**208,526,542**	115,000,000	-
Lease liabilities	27B	**1,555,503,936**	1,902,942,779	1,989,348,104
Derivative liabilities	28	**31,600,110**	-	-
Employees' benefits	18A	**89,333,116**	95,948,028	102,988,787
Non-current liabilities		**1,884,963,704**	2,113,890,807	2,092,336,891
Loans and borrowings – current portion	16	**2,298,244,234**	2,817,367,738	2,877,891,969
Lease liabilities – current portion	27B	**578,755,711**	499,010,160	472,752,600
Trade and other payables	17	**1,400,086,598**	1,256,515,069	1,575,188,768
Bank's overdraft	15	**47,105,695**	49,758,105	50,119,035
Zakat and tax liabilities	19	**86,576,599**	70,485,468	90,370,286
Current liabilities		**4,410,768,837**	4,693,136,540	5,066,322,658
Liabilities associated with assets held for sale	35	**268,196,878**	-	-
Total liabilities		**6,563,929,419**	6,807,027,347	7,158,659,549
Total equity and liabilities		**5,757,623,211**	7,152,969,241	7,362,827,074

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

The issuance of these consolidated financial statements was approved by the Board of Directors on 21 Ramadan 1445 AH (31 March 2024 AD) and signed on its behalf by:

Ahmed Albelbesy	**Salim Fakhouri**	**Fawaz Abdulaziz Al Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company)
Consolidated statement of profit or loss
For the year ended 31 December 2023

	Notes	Twelve-month ended 31 Dec 2023	Nine-month ended 31 Dec 2022 Restated
Revenue	22	5,232,231,188	4,247,672,150
Cost of revenue	23A	(4,585,724,696)	(3,552,469,034)
Gross profit		646,506,492	695,203,116
Other operating income	23E	162,521,629	66,693,690
Selling and distribution expenses	23B	(180,100,886)	(133,546,425)
General and administrative expenses	23C	(394,298,679)	(181,174,536)
Depreciation on property and equipment	7A	(149,588,261)	(108,541,325)
Depreciation on investment properties	9	(122,400)	(122,400)
Amortization on intangible assets	8A	(14,895,033)	(10,100,036)
Impairment loss on goodwill	8A	(370,000,000)	-
Other operating expense	23D	(340,089,362)	(6,703,631)
Operating (loss)/profit		(640,066,500)	321,708,453
Finance income over derivatives		16,790,728	5,510,360
Finance costs over loans and borrowings	23F	(236,772,862)	(102,946,367)
Finance costs over lease liabilities	27B	(106,243,873)	(77,210,805)
Net finance costs		(326,226,007)	(174,646,812)
Gain on disposal of subsidiary		-	13,372,473
Change in fair value of other investments	11	(33,000,000)	3,694,908
Share of loss of equity accounted investments	10	(10,197,674)	(9,704,239)
(Loss)/profit before zakat and income tax		(1,009,490,181)	154,424,783
Zakat and Income tax expense	19	(48,766,587)	(20,569,248)
(Loss)/profit for the year/period from continuing operations		(1,058,256,768)	133,855,535
(Loss) for the year/period from discontinued operations and assets held for sale		(54,550,716)	(33,420,545)
(Loss)/Profit for the year/period		(1,112,807,484)	100,434,990
(Loss)/Profit for the year/period is attributable to:			
Shareholders of the Company		(1,177,762,076)	99,420,458
Non-controlling interests	26	64,954,592	1,014,532
		(1,112,807,484)	100,434,990
(Loss)/earnings per share			
Basic and diluted (losses) earnings per share			
- From continuing operations	24A	(9.22)	1.17
- From continuing & discontinued operations	24B	(10.26)	0.87

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Ahmed Albelbesy	**Salim Fakhouri**	**Fawaz Abdulaziz Al Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

	Notes	**Twelve-month ended 31 Dec 2023**	Nine-month ended 31 Dec 2022
			Restated
(Loss)/profit for the year/period		**(1,112,807,484)**	100,434,990
Items that will not be reclassified to profit or loss:			
Re-measurements of employees' benefits	*18A*	**1,444,094**	2,846,420
Change in fair value at FVOCI investments	*11*	**-**	29,126,937
		1,444,094	31,973,357
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences		**(41,085,987)**	(5,045,303)
		(41,085,987)	(5,045,303)
Other comprehensive (loss)/income for the year/period, net of tax		**(39,641,893)**	26,928,054
Total comprehensive income for the year/period		**(1,152,449,377)**	127,363,044
Total comprehensive income for the year/period attributable to:			
- Shareholders of the Company		**(1,216,742,873)**	126,821,300
- Non-controlling interests		**64,293,496**	541,744
		(1,152,449,377)	127,363,044

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Ahmed Albelbesy	**Salim Fakhouri**	**Fawaz Abdulaziz Al Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company)
Consolidated statement of changes in equity
For the year ended 31 December 2023

	Note	Share capital	Foreign currency translation reserve	Fair value reserve	(Accumulated losses)	Total shareholders' equity	Non-Controlling interests	Total equity
Balance at 1 April 2022		2,100,000,000	(519,515,816)	12,949,544	(982,305,851)	611,127,877	(107,079,020)	504,048,857
Restatement		-	-	-	(299,881,332)	(299,881,332)	-	(299,881,332)
Balance at 1 April 2022 **(Restated)**		2,100,000,000	(519,515,816)	12,949,544	(1,282,187,183)	311,246,545	(107,079,020)	204,167,525
Total comprehensive income for the year								-
Profit for the period		-	-	-	99,420,458	99,420,458	1,014,532	100,434,990
Other comprehensive (loss) / income		-	(4,572,515)	29,126,937	2,846,420	27,400,842	(472,788)	26,928,054
Total comprehensive income for the period		-	(4,572,515)	29,126,937	102,266,878	126,821,300	541,744	127,363,044
Disposal of subsidiary		-	-	-	-	-	16,001,295	16,001,295
Dividends paid		-	-	-	-	-	(1,589,970)	(1,589,970)
Capital reduction	1	(952,335,520)	-	-	952,335,520	-	14,411,325	14,411,325
Balance at 31 Dec 2022 (restated)		1,147,664,480	(524,088,331)	42,076,481	(227,584,785)	438,067,845	(92,125,951)	345,941,894
Total comprehensive income for the year								
(Loss)/profit for the year		-	-	-	**(1,177,762,076)**	**(1,177,762,076)**	**64,954,592**	**(1,112,807,484)**
Other comprehensive (loss)/income		-	**(40,424,892)**	-	**1,444,095**	**(38,980,797)**	**(661,096)**	**(39,641,893)**
Total comprehensive income for the year		-	**(40,424,892)**	-	**(1,176,317,981)**	**(1,216,742,873)**	**64,293,496**	**(1,152,449,377)**
Additional NCI contribution	26	-	-	-	-	-	**201,275**	**201,275**
Balance at 31 December 2023		**1,147,664,480**	**(564,513,223)**	**42,076,481**	**(1,403,902,766)**	**(778,675,028)**	**(27,631,180)**	**(806,306,208)**

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Ahmed Albelbesy	**Salim Fakhouri**	**Fawaz Abdulaziz Al Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2023

	Notes	For the year ended 31 December 2023	For the nine months period ended 31 December 2022 *Restated*
Cash flows from operating activities:			
(Loss)/profit for the year/period		**(1,112,807,484)**	100,434,990
Adjustments for:			
- Depreciation on property and equipment	7	**149,588,262**	116,048,181
- Depreciation on investment properties	9	**122,400**	122,400
- Amortization on intangible assets	8	**14,895,033**	10,189,752
- Depreciation on right-of-use assets	27A	**407,687,444**	423,404,069
- Provision for employees' benefits	18A	**22,336,936**	19,025,359
- Finance income	28	**(16,790,729)**	(5,510,360)
- Provision for inventory shrinkage and slow-moving inventory	12	**36,139,149**	13,061,727
- Gain on lease termination	23E	**(634,017)**	(9,060,827)
- Zakat and income tax expense		**48,766,587**	20,968,821
- Finance cost over loans and borrowings	23F	**236,772,862**	102,946,479
- Finance cost over lease liabilities	27B&C	**106,243,873**	84,797,465
- Share of loss from equity accounted investments	10	**10,197,674**	9,704,239
- Loss on disposal of property and equipment and intangibles		**-**	1,791,023
- Store closure losses	23D	**52,669,632**	4,912,608
- Impairment loss on goodwill	8A	**370,000,000**	-
- Change in fair value of other investments	11	**33,000,000**	(3,694,908)
- Directly written off inventory		**-**	8,670,599
- Rental concession for leases	23E	**(4,258,902)**	(23,441,775)
- Write off of property and equipment and intangibles	23D	**176,621,407**	18,748,962
- Gain on disposal of discontinued operations		**41,784,123**	-
- Gain on disposal of subsidiary		**-**	(13,372,472)
		572,334,250	879,746,332
Changes in:			
- Inventories		**206,764,386**	375,102,664
- Advances, deposits and other receivables		**481,962,238**	(119,369,677)
- Prepayments, rentals and insurance		**9,646,755**	24,778,846
- Trade and other payables		**166,572,492**	(351,041,232)
Cash generated from operating activities		**1,437,280,121**	809,216,933
Zakat and income tax paid	19B	**(32,675,457)**	(11,680,099)
Employee benefits paid	18A	**(20,271,864)**	(17,022,596)
Net cash from operating activities		**1,384,332,800**	780,514,238
Cash flows from investing activities:			
Purchase of property and equipment	7A	**(238,888,731)**	(276,737,557)
Purchase of equity accounted investments	10	**(12,887,150)**	(9,818,749)
Purchase / proceeds of cash margin		**4,190,498**	(4,190,499)
Purchase of intangible assets	8	**(77,674,351)**	(63,376,190)
Proceeds of other investments		**174,000,000**	-
Proceeds on disposal of subsidiary		**-**	16,988,412
Net cash used in investing activities		**(151,259,734)**	(337,134,583)

	Notes	**For the year ended 31 December 2023**	For the nine months period ended 31 December 2022 *Restated*
Cash flows from financing activities:			
Repayments of loans and borrowings		**(762,978,583)**	(113,536,405)
Additions in loans and borrowings		**334,347,043**	168,012,174
Payments of finance costs over loans and borrowings		**(216,777,177)**	(102,946,479)
Dividends paid to NCI		**-**	(1,589,970)
Disposal of NCI share in a subsidiary		**-**	16,001,295
Repayments of lease liabilities		**(407,047,844)**	(335,180,912)
Payments of finance costs over lease liabilities	*27B*	**(117,855,127)**	(116,246,302)
Net cash used in financing activities		**(1,170,311,688)**	(485,486,599)
Net increase/(decrease) in cash and cash equivalents		**62,761,378**	(42,106,944)
Foreign currency exchange translation differences		**(18,686,862)**	38,405,405
Cash and cash equivalents at the beginning of year/period		**144,067,171**	147,768,710
Cash and cash equivalents at end of year/period	*15*	**188,141,687**	144,067,171

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Ahmed Albelbesy	**Salim Fakhouri**	**Fawaz Abdulaziz Al Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

1. Reporting entity

Fawaz Abdulaziz Al Hokair & Co. (the "Company") is a listed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010076209 dated 20 Sha'ban 1410H (corresponding to 18 March 1990).

The objective of the Company and its subsidiaries (collectively known as the "Group") is to engage in the following activities:

- Wholesale and retail trading in ready-made clothes for men, women and children, shoes, textiles, house and office furniture, perfumes, natural cosmetics, ornaments and beauty materials and their compounds and traditional jewelry.
- Wholesale and retail trading in sportswear and shoes and related items.
- Management and operation of optics centers and wholesale and retail trading in eyeglasses, sunglasses, contact lenses, optical equipment and accessories.
- Trading agencies.
- Purchase of land and construction of buildings thereon for running the Group's activities and business.
- Manufacture, wholesale and retail in Abayas, robes, scarfs and other women embroidered gowns.
- Wholesale and retail trading in gold, silver, jewelry, precious stones, diamonds, gold ornaments and precious metals.
- Wholesale and retail trading in communication equipment and related accessories and spare parts, maintenance and operation through trading agencies.
- Retail trading in consumer food products.
- Own and operate restaurants, coffee shops, import food products and acquire related equipment.
- Own and operate entertainment centers and acquire related equipment.

The shareholders of the Company in their extra-ordinary general meeting held at 29 June 2022 have approved the reduction in the share capital by SAR 952 million through cancellation of 95,233,552 shares of SAR 10 each to absorb the accumulated losses. Accordingly, the Group amended its Articles of Association, however, Group's revised share capital was not updated in Commercial Registration.

On 20 December 2022 (G) (corresponding to 5 Jumada al-Alkhirah 1444 (H)), the Group announced the approval by the Shareholders Extraordinary General Assembly to amend the Group's financial year end from 31 March to 31 December.

1. Reporting entity (continued)

Following is the list of subsidiaries included in these consolidated financial statements as at 31 December 2023 and 31 December 2022:

				Ownership interest held by the Group as at:	
No	**Subsidiaries**	**Country of incorporation**	**Business Activity**	**31 December 2023**	31 December 2022
1	Al Waheedah Equipment Co. Ltd.	Kingdom of Saudi Arabia	Retail	**100**	100
2	Haifa B. Al Kalam & Partners Co. for trading	Kingdom of Saudi Arabia	Retail	**100**	100
3	Saudi Retail Co. Ltd	Kingdom of Saudi Arabia	Retail	**100**	100
4	Wahba Trading Company Limited	Kingdom of Saudi Arabia	Retail	**100**	100
5	Unique Technology Trading Company	Kingdom of Saudi Arabia	Retail	**100**	100
6	Nesk Trading Projects Company	Kingdom of Saudi Arabia	Retail	**100**	100
7	Innovative Union Company (IUC)	Kingdom of Saudi Arabia	Food and Beverage	**100**	100
8	Al Hokair Retail Academy	Kingdom of Saudi Arabia	Training center	**100**	100
9	Food Gate company	Kingdom of Saudi Arabia	Food and Beverage	**70**	70
10	Logistics Fashion Trading DWC-LLC	United Arab Emirates	Retail	**100**	100
11	Fashion Retail Kazakhstan LLP	Republic of Kazakhstan	Retail	**100**	100
12	Global Apparel Kazakhstan LLP	Republic of Kazakhstan	Retail	**100**	100
13	Retail Group Georgia LLC	Georgia	Retail	**100**	100
14	Master Retail Georgia LLC	Georgia	Retail	**100**	100
15	Spanish Retail Georgia LLC	Georgia	Retail	**100**	100
16	Pro Retail Georgia LLC	Georgia	Retail	**100**	100
17	Best Retail Georgia LLC	Georgia	Retail	**100**	100
18	Mega Store Georgia LLC	Georgia	Retail	**100**	100
19	Fashion Retail Georgia LLC	Georgia	Retail	**100**	100
20	Global Apparel Georgia LLC	Georgia	Retail	**100**	100
21	Retail Group Holding LLC	Georgia	Retail	**100**	100
22	Master Home Retail	Georgia	Retail	**100**	100
23	International Retail of Morocco	Morocco	Retail	**100**	100
24	Multi Trends Co.	Morocco	Retail	**100**	100
25	Retail Group of America LLC	United States of America	Entertainment	**100**	100
26	Billy Beez USA	United States of America	Entertainment	**100**	100
27	Retail Group Balkans doo Beograd	Republic of Serbia	Retail	**100**	100
28	Retail Fashion d.o.o., Belgrade	Republic of Serbia	Retail	**100**	100
29	Retail Group Balkans doo Podgorica	Balkan Peninsula	Retail	**100**	100
30	Retail Group Balkans doo Skopje	Balkan Peninsula	Retail	**100**	100
31	RIGE Co.	Arab Republic of Egypt	Retail	**99**	99
32	Retail Group Egypt Co. S.A.E	Arab Republic of Egypt	Retail	**98**	98
33	Retail Group Armenia CJSC	Armenia	Retail	**96**	96
34	Spanish Retail CJSC	Armenia	Retail	**100**	100
35	ZR Fashion Retail CJSC	Armenia	Retail	**100**	100
36	Global Apparel CJSC	Armenia	Retail	**100**	100
37	BR Fashion Retail CJSC	Armenia	Retail	**100**	100
38	Master Retail CJSC	Armenia	Retail	**100**	100
39	Best Retail CJSC	Armenia	Retail	**100**	100

All amounts are presented in Saudi Riyals unless otherwise stated.

1. Reporting entity (continued)

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at: 31 December 2023	31 December 2022
40	Retail Group CJSC	Armenia	Retail	**100**	100
41	Pro Retail CJSC	Armenia	Retail	**100**	100
42	Factory Prices CJSC	Armenia	Retail	**100**	100
43	Retail Group Jordan Co. LDT	Hashemite Kingdom of Jordan	Retail	**100**	100
44	Nesk Trading Projects LLC	Hashemite Kingdom of Jordan	Retail	**100**	100
45	Models Own Holding Limited	United Kingdom	Retail	**51**	51
46	Models Own Limited	United Kingdom	Retail	**51**	51
47	Models Own International Ltd.	United Kingdom	Retail	**51**	51
48	Retail Group Azerbaijan LLC	Azerbaijan	Retail	**85**	85
49	Fashion Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
50	Spanish Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
51	Global Apparel Azerbaijan LLC	Azerbaijan	Retail	**85**	85
52	Mega Store Azerbaijan LLC	Azerbaijan	Retail	**85**	85
53	Master Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
54	Pro Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
55	Retail Group Holding LLC	Azerbaijan	Retail	**85**	85
56	Best Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
57	Fashion Group CA	Uzbekistan	Retail	**80**	-
58	Fashion Retail Store	Uzbekistan	Retail	**80**	-
59	Master Retail Store	Uzbekistan	Retail	**80**	-
60	Retail Boutique	Uzbekistan	Retail	**80**	-
61	Retail Group Global	Uzbekistan	Retail	**80**	-
62	Retail Group Store	Uzbekistan	Retail	**80**	-
63	Retail Store Pro	Uzbekistan	Retail	**80**	-
64	Spanish Store	Uzbekistan	Retail	**80**	-

In addition to the above, the Group, directly and indirectly, owns certain dormant subsidiaries and special purpose vehicles across several countries which are not material to the Group.

The principal activities of all of the above subsidiary companies are wholesale and retail trading of fashion apparels and indoor entertainment business for kids. The indirect shareholding represents cross ownership among the subsidiary companies.

All amounts are presented in Saudi Riyals unless otherwise stated.

2. Basis of accounting

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (hereinafter refer to as "IFRS as endorsed in KSA").

2.2 Going concern basis of accounting

The Group incurred a net loss of SR 1,113 million during the year ended 31 December 2023, resulting in the accumulated losses to be SR 1,404 million. As of that date, the Company's current liabilities exceeded its current assets by SR 3,054 million. Further, the Group is required to maintain certain financial ratios as required under a facility agreement entered with a local commercial bank and the Group is not in compliance with this as of 31 December 2023. Accordingly, the Company did not have an unconditional right to defer the settlement of the loan for at least 12 months after the reporting date. As a result, the Group has classified long term borrowings to current liability *(note 16)*. Such loan classification was the main driver for current liabilities to exceed the current assets. Currently, the Group has not received any default notice nor communication from the lenders that requires repayment of the loan before its original contractual maturity.

These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The ability of the Group to continue its operations depends on restructuring its equity, arrangement of financing facilities, entering into profitable contracts and increasing the volume of its revenue appropriately. Management of the Group is currently reorganizing its brand mixture existing certain underperforming brands and directing more funds to performing brands. This is expected to lead to expansions and diversifications in the stores of these performing brands and trademarks. Certain cost cutting plans are also considered for the upcoming years, which will lead to enhancing gross margins of the Group. During 2023, the Group has recognized positive gross profits of SR 647 million (2022: SR 695 million), and cash inflows from operating activities of SR 1,384 million (2022: SR 781 million).

Management completed their assessment of the going concern of the Group, and accordingly, these consolidated financial statements were prepared on a going concern basis.

3. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- Equity investment at fair value through other comprehensive income ("FVOCI") and investment at fair value through profit or loss ("FVTPL") is measured at fair value;
- Derivative assets/liabilities at fair value; and
- The defined benefit obligation is recognized at the present value of future obligations using the Projected Unit Credit Method.

4. Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal ("SR") which is the functional currency of the Company.

5. Use of judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

A. Judgements

The following judgements have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of control over an investee
Management's judgement in assessing control over consolidated subsidiaries:
Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has in relation to the investees.

In certain cases where the Group owns 50% or less of voting rights, it may still be the single largest shareholder with presence on the governing body giving it power to direct relevant activities of the investees, whereby the other shareholders individually do not hold sufficient voting rights and power to overrule the Group's directions. There is no prior instance of other shareholders collaborating to exercise their votes collectively or to out-vote the Group.

The management has considered the integration of all such investees (where the Group has equal or less than a majority of the voting rights) within the Group structure and located in cities in KSA, the ability of the Group to impact variable returns of the investees through the provision of various key services to such investees, the relationship of the Group with other entities which may impact returns of investees, appointment of certain key management personnel and various other such factors.

Based on above considerations, management of the Group believes:
- there is a pattern of past and existing practice of the Group's involvement in the relevant activities of these investees resulting in an impact on their returns and also indicating a more than passive interest of the Group in such investees; and
- the Group has created an environment in which the set-up and function of these investees and their interrelationship with the Group leads towards a judgement of 'control'.

Hence, the Group has consolidated those investees, which meet the above criteria as part of the Group's consolidated financial statements.

Judgement was required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

5. Use of judgements and estimates (continued)

A. Judgements (continued)

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not 'control' or 'joint control'. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

By virtue of the Group's shareholding rights in the investee's general meetings, as well as the Group's representation on Board of Directors of such investee and the Group's involvement in operating and financial policies and decision making, management believes it has 'significant influence' over such investee ("associate").

The Group is accounting for such investment in an associate and joint venture under the equity method of accounting.

Determination of the reasonable certainty of exercising options of lease term extension
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Determination of the incremental borrowing rate of lease liabilities
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when the need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates.

B. Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material difference in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment test of non-financial assets
Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

5. Use of judgements and estimates (continued)

B. Assumptions and estimation uncertainties (continued)

Impairment test of financial assets
The loss allowances for financial assets are based on assumptions about risk of default and unexpected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provision for slow moving inventory and shrinkage
Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete or subject to technological/market changes, an estimate is made of their net realizable value. Factors considered in determination of mark downs include current and anticipated demand, customer preferences and age of inventories as well as seasonal trends. For individually significant amounts this estimation is performed on an individual basis. Items which are not individually significant, but which are old or obsolete, are assessed collectively and a mark down provision applied accordingly to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Economic useful lives and residual values of property and equipment & intangible assets
The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation and amortization, respectively. These estimates are determined after considering the expected usage of the asset or physical wear and tear. Residual values are based on experience and observable data where available.

Long-term assumptions for employee benefits
Employees' end-of-service benefits represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

6. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

A. Basis of consolidation

i. Subsidiaries
Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, statement of profit or loss, statement of comprehensive income and statement of changes in equity, respectively.

6. Summary of significant accounting policies (continued)

A. Basis of consolidation (continued)

i. Subsidiaries (continued)

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition of subsidiary comprises the:

- the fair value of the assets transferred / acquired
- liabilities incurred to the former owners of the acquired business
- equity interest issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

When the Group loses control over a subsidiary, it recognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

ii. Interests in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint ventures is accounted for using the equity method. They are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures is recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investment in associates and joint venture is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized under profit and loss in the consolidated statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

6. Summary of significant accounting policies (continued)

B. Foreign currencies

i. Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

ii. Foreign operations

The assets and liabilities of foreign operations (none of which has the currency of a hyperinflationary economy) are translated at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Saudi Riyals at exchange rates at the average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Foreign currency differences arising on foreign operations are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

C. Revenue recognition

The following are the description of accounting policies for principal activities, from which the Group generates its revenue:

Sales in retail outlets

Sales are recognized when the customer takes possession of the product sold by the Group. Payment of the transaction price is due immediately when the customer purchases the product.

Sales are measured based on the consideration specified in the contract with a customer excluding amounts collected on behalf of third parties, if any. Sales exclude Value Added Tax (VAT) collected. Sales are shown in the consolidated statement of profit or loss net of returns and any discounts given.

The group's return policy grants customers the right of return within three to seven days in normal sales and one day in the case of promotional sale with certain requirements and certain exceptions.

Online sales

Sales are recognized when the products are delivered to the customers by the shipping agent. Payment of the transaction prices is normally received upon or before placing online orders and recognized as a liability until the recognition of sales.

For all types of sales, historical experience suggests that the amount of returns is totally immaterial and accordingly, no refund liability is recognized at the time of sale. The validity of these conclusions is assessed at each reporting date. If the returns pattern changed, the Group would recognize a refund liability and corresponding asset (right to the returned goods) for products expected to be returned, with revenue and related cost of sales adjusted accordingly.

In all the above types, the stated price is the transaction price, and the Group does not have contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year, and as a result, the Group does not adjust transaction prices for the time value of money.

6. Summary of significant accounting policies (continued)

D. Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Expenditures on repairs and maintenance are expensed to the statement of profit or loss in the year they are incurred.

Depreciation is calculated from the date the item of property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Class of asset	Number of years
Buildings	40 years
Leasehold improvements	15 years
Furniture, fixtures and office equipment	15 years
Motor vehicles	6 years

The assets' residual values, useful lives and methods of depreciation are reviewed on an annual basis, and adjusted prospectively if appropriate, at each consolidated statement of financial position date.

Land and assets under construction, which are not ready for its intended use, are not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (please refer Note *6L*).

E. Investment properties

Investment properties are those properties, either owned by the Group or where the Group is a lessee under a finance lease, that are held either to earn rental income or for capital appreciation, or both. In addition, properties held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment properties are measured at cost, including related transaction costs. After initial recognition at cost, investment properties are depreciated in line with owner-occupied buildings.

F. Intangible assets

i. Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the recognized identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

6. Summary of significant accounting policies (continued)

ii. Other intangible assets

Other intangible assets represent acquired software and related licenses, key money, deferred charges (i.e. trademarks / brand). Intangible assets are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated years of amortization of the principal classes of other intangible assets is as follows:

Class of asset	Number of years
Software	25 years
Key money	15 years
Deferred charges	15 years

Gains or losses arising from derecognizing an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

G. Assets held for sale

The Group classifies current assets as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.
The criteria for classification of assets held for sale are met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be cancelled. The Management must be committed to the plan to sell the asset and which is expected take place within one year from the date of the classification.

H. Inventories

Inventories, including goods available for sale and goods in transit are stated at the lower of cost and net realizable value.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete a sale. Provision is made, where necessary, for obsolete, slow moving and defective stocks.

I. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances, short-term deposits, demand deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument

A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value. For financial instruments not classified at FVTPL, transaction costs that are directly attributable to its acquisition or issue are adjusted.

6. Summary of significant accounting policies (continued)

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

ii. Classification and subsequent measurement (continued)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension Features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments At FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets
The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognized.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6. Summary of significant accounting policies (continued)

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

K. Impairment of financial instruments

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Group measures loss allowances for trade receivables and other financial assets that are measured at an amount equal to lifetime ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortized cost. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or being more than 360 days past due;
– it is probable that the borrower will enter bankruptcy or other financial reorganization; or
– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

6. Summary of significant accounting policies (continued)

L. Impairment of non-financial asset

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

M. Finance income and finance cost

Finance income includes interest income which is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in consolidated statement of profit or loss on the date that the Group's right to receive payment is established. Fair value gain on interest rate swaps is recognized when the interest rate swaps are revalued.

Finance costs comprise financial charges on borrowings including sukuks that are recognized in consolidated statement of profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in consolidated statement of profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis within finance cost.

N. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

6. Summary of significant accounting policies (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

O. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as interest expense.

P. Employee benefits and post-employment benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave and air fare that are expected to be settled wholly within twelve months, after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

ii. Post-employment obligation

The Group operates single post-employment benefit scheme of defined benefit plans driven by the labor laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuation of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in the consolidated statement of profit or loss while unwinding of the liability at discount rates used are recorded as financial cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

6. Summary of significant accounting policies (continued)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

Q. Zakat and income tax

i. Zakat

Zakat is provided in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia on an accrual basis. The zakat expense is charged to the consolidated statement of profit or loss. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization.

ii. Income tax

For subsidiaries incorporated and operating outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with the tax regulations of their respective countries, when it is material. The Group considers both of the current and deferred income tax of those subsidiaries as immaterial.

iii. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

R. Dividends

Provision is made for the amount of any dividends declared being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting year but not distributed at the end of the reporting year.

6. Summary of significant accounting policies (continued)

S. Earnings per share

Basic earnings per share is calculated by dividing net income attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year as all the Company's shares are ordinary shares.

Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

T. Statutory reserve

In accordance with the Regulations for Companies in Kingdom of Saudi Arabia, the Company is required to recognize a reserve comprising 10% of its net profit for the year until such reserve equals 30% of its share capital. As per the by-laws the company will cease the contribution when such reserve will reach 50% of its Share Capital.

U. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

<u>*As a lessee*</u>
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the Group has elected not to sperate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset and restoring the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Group determines its incremental borrowing rate by obtaining rates from various external financing sources and makes certain adjustments to reflect the terms of the leases and type of the assets leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group's changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

6. Summary of significant accounting policies (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

V. Segment reporting

An operating segment is a component of the Company:
- That engages in business activities from which it may earn revenues and incur expenses;
- Results of its operations are continuously analysed by the Chief Operating Decision Maker (CODM) in order to make decisions related to resource allocation and performance assessment; and
- For which discrete financial information is available.

A geographical segment is a Group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

7. Property and equipment

See accounting policies in Notes *6D* and *6L*.

A. Reconciliation of carrying amount

	Notes	Land	Buildings and leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Under construction	Total
Cost:							
Balance at 1 April 2022		14,920,930	2,726,194,415	768,240,782	18,571,062	251,514,637	3,779,441,826
Additions		-	170,946,801	56,199,819	105,932	49,485,005	276,737,557
Transfer		-	38,394,142	4,617,595	79,798	(43,090,154)	1,381
Write off		-	(64,483,178)	(16,708,483)	(951,851)	-	(82,143,512)
Reclassification to related party balance		-	-	-	-	(153,154,854)	(153,154,854)
Disposal of subsidiary		-	(35,372,313)	(14,192,974)	(1,592,988)	-	(51,158,275)
Balance at 31 December 2022		14,920,930	2,835,679,867	798,156,739	16,211,953	104,754,634	3,769,724,123
Additions		-	**163,918,336**	**56,902,235**	**23,357**	**81,395,627**	**302,239,555**
Transfer		-	**32,600,658**	**5,817,321**	**-**	**(101,768,804)**	**(63,350,825)**
Write off		-	**(385,207,390)**	**(155,768,173)**	**(697,926)**	-	**(541,673,489)**
Transfer to disposal group classified as held for sale			**(167,919,479)**	**(22,047,978)**	**(109,426)**		**(190,076,883)**
Balance at 31 December 2023		**14,920,930**	**2,479,071,992**	**683,060,144**	**15,427,958**	**84,381,457**	**3,276,862,481**
Accumulated depreciation and impairment losses:							
Balance at 1 April 2022		-	1,870,567,498	535,391,326	15,156,607	-	2,421,115,431
Charge for the period from continuing operation		-	75,423,319	32,472,236	645,770	-	108,541,325
Charge for the period from discontinuing operation assets held for sale	*35*	-	6,757,929	-	-	-	6,757,929
Charge for the period from disposed subsidiaries	*34*		748,927	-	-	-	748,927
Transfer		-	122,402	1,171,097	79,799	-	1,373,298
Write off			(54,542,587)	(14,561,031)	(951,781)	-	(70,055,399)
Disposal of subsidiary		-	(14,961,867)	(6,848,602)	(1,275,354)	-	(23,085,823)
Balance at 31 December 2022		-	1,884,115,621	547,625,026	13,655,041	-	2,445,395,688
Charge for the year from continuing operation		-	**102,501,421**	**46,463,100**	**623,740**	-	**149,588,261**
Charge for the year associated with assets held for sale	*35*	-	**8,589,453**	-	-	-	**8,589,453**
Charge for the year from disposed subsidiaries (discontinued operations)	*34*	-	**1,310,477**	-	-	-	**1,310,477**
Transfer		-	**(194,249)**	**428,647**	-	-	**234,398**
Write off		-	**(228,079,510)**	**(116,316,813)**	**(690,909)**	-	**(345,087,231)**
Transfer to disposal group classified as held for sale		-	**(117,667,674)**	**(15,364,026)**	**(109,423)**		**(133,141,124)**
Balance at 31 December 2023		-	**1,650,575,539**	**462,835,934**	**13,478,449**	-	**2,126,889,922**
Carrying amounts:							
At 31 December 2022		14,920,930	951,564,246	250,531,713	2,556,912	104,754,634	1,324,328,435
Balance at 31 December 2023		**14,920,930**	**828,496,453**	**220,224,209**	**1,949,509**	**84,381,457**	**1,149,972,559**

* It includes store closure losses amounting to SR 52.6 million (31 December 2022: 4.9 million) charged to profit or loss during the year/period (note 23D).

All amounts are presented in Saudi Riyals unless otherwise stated.

8. Goodwill and intangible assets

See accounting policies in Notes *6F* and *6L*.

A. Reconciliation of carrying amount

	Notes	Goodwill	Software	Key money	Deferred charges	Total
Cost						
Balance at 1 April 2022		1,012,387,298	156,787,511	158,043,558	20,125,852	1,347,344,219
Additions		-	22,176,559	30,027,381	11,172,250	63,376,190
Disposals / Write-off		-	(287,620)	(6,809,419)	-	(7,097,039)
Balance at 31 December 2022		1,012,387,298	178,676,450	181,261,520	31,298,102	1,403,623,370
Additions		**-**	**16,270,262**	**2,350,432**	**3,661,349**	**22,282,043**
Transfer		**-**	**56,765,127**	**(35,231,755)**	**-**	**21,533,372**
Impairment		**-**	**(17,088,435)**	**(5,878,156)**	**(3,231,253)**	**(26,197,844)**
Disposals / Write-off		**-**	**(882,858)**	**(6,610,699)**	**(2,274,369)**	**(9,767,926)**
Transfer to disposal group classified as held for sale			**(894,300)**	**(3,945,953)**	**(807,800)**	**(5,648,053)**
Balance at 31 December 2023		**1,012,387,298**	**232,846,246**	**131,945,389**	**28,646,029**	**1,405,824,962**
Accumulated amortization and impairment						
Balance at 1 April 2022		76,350,879	66,133,875	114,501,899	7,324,542	264,311,195
Charge for the period from continuing operation		-	5,654,702	3,121,309	1,413,741	10,189,752
Impairment charge for the year		9,800,000	-	-	-	9,800,000
Disposals / Write-off		-	(295,136)	(1,228,172)	52	(1,523,256)
Balance at 31 December 2022		86,150,879	71,493,441	116,395,036	8,738,335	282,777,691
Charge for the period from continuing operation		**-**	**8,613,282**	**3,463,732**	**2,818,019**	**14,895,033**
Charge for the period associated with assets held for sale	*35*	**-**	**-**	**331,818**	**-**	**331,818**
Impairment charge for the year		**370,000,000**	**-**	**-**	**-**	**370,000,000**
Transfers		**-**	**2,819,796**	**(3,323,674)**	**-**	**(503,878)**
Write off		**-**	**(772,397)**	**(5,720,730)**	**(3,231,251)**	**(9,724,378)**
Disposals		**-**	**(478,103)**	**(1,731,922)**	**(915,899)**	**(3,125,924)**
Transfer to disposal group classified as held for sale			**(461,606)**	**(3,736,580)**	**(396,851)**	**(4,595,037)**
Balance at 31 December 2023		**456,150,879**	**81,214,413**	**105,677,680**	**7,012,353**	**650,055,325**
Carrying amount						
At 31 December 2022		926,236,419	107,183,009	64,866,484	22,559,767	1,120,845,679
At 31 December 2023		**556,236,419**	**151,677,427**	**26,267,709**	**21,633,676**	**755,769,637**

B. Goodwill

	Note	Year	**31 December 2023**	31 December 2022
Nesk Trading Projects Co including Mango brand	*(i)*	2012 & 2014	**355,384,622**	666,771,622
Food Gate Company	*(ii)*	2020	**108,500,593**	167,113,593
Wahba Trading Company Ltd	*(ii)*	2020	**61,437,764**	61,437,764
Innovative Union Company	*(iii)*	2009	**30,913,440**	30,913,440
Carrying amount			**556,236,419**	926,236,419

All amounts are presented in Saudi Riyals unless otherwise stated.

8. Goodwill and intangible assets (continued)

B. Goodwill (continued)

i. Nesk Trading Projects Company operates fashion retail stores all over the Kingdom with franchise rights of a number of international fashion brands including Stradivarius, Mango, Okaidi, etc.

   The Group acquired Nesk Trading Projects Company, for cash in an aggregate amount of SR 730 million having net acquisition cost of SR 661.2 million after deducting net cash acquired amounting to SR 68.8 million.

   The Group acquired the business of fashion retail and franchise rights of the international fashion brand "Mango" in the Kingdom of Saudi Arabia for a consideration of SR 378 million.

ii. The Group acquired Innovative Union Company with its subsidiary Food Gate Company from a related party. At the date of acquisition, the carrying value of net assets acquired was SR 132.2 million and the cost of acquisition was SR 340 million, accordingly, a goodwill amounting to SR 207.8 million arose at the acquisition date of the 2 companies.

   Innovative Union Company and its subsidiary Food Gate Company operate food and beverage stores all over the Kingdom with franchise rights of a number of food brands including Cinnabon, Subway, etc.

iii. The Group acquired Wahba Trading Company Limited at a fair value of SR 118.6 million and the cost of acquisition was SR 180 million, accordingly, a goodwill amounting to SR 61.4 million arose at the acquisition date.

C. Impairment test

Goodwill is tested annually for impairment by management. Recoverable amounts were determined on the basis of value-in-use calculation. This calculation uses cash flow projections for five years based on financial budgets approved by management. Cash flows beyond the budgets are extrapolated using the estimated growth rate for each of the Companies.

In management's opinion, the growth rate assumptions do not exceed the long-term average growth rates for fashion retail and food and beverage business in which the companies operate. Key assumptions for the value-in-use calculation are set out below;

	Nesk Projects Trading Company	Food Gate Company	Wahba Trading Company Limited	Innovative Union Company
Discount rate	12.5%	12.5%	12.5%	12.5%
Average annual growth rate for sale	3% ~ 5%	3% ~ 4%	3% ~ 5%	3% ~ 5%
Terminal growth rate	2%	2%	2%	2%

The discount rates used are pre-zakat and reflect weighted average cost of capital adjusted for leverage and Company specific risks. Management has determined the budgeted gross margins based on past performance and its expectations for the market development.

D. Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for the subsidiaries, any adverse changes in a key assumption would result in an impairment loss. The key assumptions, where reasonably possible changes could result in impairment, are the annual growth rates, terminal growth rates and the discount rates used.

All amounts are presented in Saudi Riyals unless otherwise stated.

9. Investment property

See accounting policies in Notes *6E* and *6L*.

Reconciliation of carrying amount

	Residential apartment
Cost	
Balance at 1 April 2022	3,516,928
Balance at 31 December 2022	3,516,928
Balance at 31 December 2023	**3,516,928**
Accumulated depreciation and impairment	
Balance at 1 April 2022	2,007,328
Charge for the period	122,400
Balance at 31 December 2022	2,129,728
Charge for the year	**122,400**
Balance as at 31 December 2023	**2,252,128**
Carrying amount	
At 31 December 2022	1,387,200
At 31 December 2023	**1,264,800**

(i) Investment property represents an apartment located at unit no. 301, The Pad, Business Bay, Dubai, United Arab Emirates. The fair valuation for the apartment has been performed by an external valuer appointed by the management who assessed the fair value of the investment property at SR 1.9 million (31 December 2022: SR 1.9 million).

All amounts are presented in Saudi Riyals unless otherwise stated.

10. Equity accounted investments

See accounting policies in Notes *6A* and *6L*.

	FG 4 Limited	FAS LAB *(i)*	Total
Balance at 1 April 2022	1,956,408	60,068,385	62,024,793
Addition	-	9,818,749	9,818,749
Share of loss	(1,956,408)	(7,747,831)	(9,704,239)
Balance at 31 December 2022	-	62,139,303	62,139,303
Addition	-	**12,887,150**	**12,887,150**
Share of loss	-	**(10,197,674)**	**(10,197,674)**
Balance at 31 December 2023	-	**64,828,779**	**64,828,779**

Financial year	**31 December 2023**	**31 December 2023**	**Total**
Assets	-	**309,698,148**	**309,698,148**
Liabilities (including NCI)	-	**172,412,557**	**172,412,557**
Net Assets	-	**137,285,591**	**137,285,591**
Percentage ownership interest	-	**50%**	
Group's share of net assets	-	**68,642,796**	**68,642,796**
Adjustment	-	**(3,814,017)**	**(3,814,017)**
Carrying amount	-	**64,828,779**	**64,828,779**
Revenue	-	**458,185,556**	**458,185,556**
Profit from continuing operations	-	**20,395,349**	**20,395,349**
Total comprehensive income	-	**20,395,349**	**20,395,349**
Group's share of total comprehensive income	-	**10,197,675**	**10,197,675**

(i) This represents a 50% equity investment in the share capital of FAS Lab Holding Company, a limited liability company incorporated in the Kingdom of Saudi Arabia, which is engaged primarily in leading the digital initiatives of the Group including but not limited to providing the malls' visitors and shoppers with a specialized and advanced loyalty program, simplified and innovative consumer financing solutions and an e-commerce platform.

11. Other investments

See accounting policies in Notes *6J*and *6K*.

	Equity securities at FVTPL *(i)*	Equity securities at FVOCI *(ii)*	Pledged term deposit *(iii)*	Total
Balance at 1 April 2022	213,430,656	86,260,030	-	299,690,686
Additions	-	-	4,190,498	4,190,498
Unrealized currency exchange differences	-	(22,455,488)	-	(22,455,488)
Change in fair value	3,694,908	29,126,937	-	32,821,845
Balance at 31 December 2022	217,125,564	92,931,479	4,190,498	314,247,541
Balance at 1 Jan 2023	**217,125,564**	**92,931,479**	**4,190,498**	**314,247,541**
Disposal	**(174,000,000)**	-	**(4,190,498)**	**(178,190,498)**
Change in fair value of other investments	**(33,000,000)**	-	-	**(33,000,000)**
Transfer to advances, deposits and other receivables (note. 13)	**(10,125,564)**	-	-	**(10,125,564)**
Unrealized currency exchange differences	-	**(18,742,465)**	-	**(18,742,465)**
Balance at 31 December 2023	-	**74,189,014**	-	**74,189,014**

All amounts are presented in Saudi Riyals unless otherwise stated.

11. Other investments (continued)

i. On 16 December 2019, the Company acquired 20,000,000 units of Al Mubarak Real Estate Income Fund 2 (the "Fund") with a nominal value of SR 10 per unit for its share in the ownership of an investment property. During the current period, the Company has been notified of the liquidation of the fund, in which it owns 33.33%. The Company has received an amount of SR 162 million, in addition to that, certain rental liabilities towards the fund have been settled by SR 12 million. Given that the final sale price of the fund has not been determined yet, pending completion of liquidation procedures, the remaining amount of the asset equal to SR 10 million has been classified in Trade & other receivables.

ii. During the year ended 31 March 2021, the Group had acquired 8.9% shares in Egyptian Centers for Real Estate Development (ECRED) in consideration for the settlement of a receivable from Egyptian Centers. The Group has designated the investment at FVOCI at initial recognition. At 31 December 2023, investment in ECRED has been valued at SR 74.2 million (31 December 2022: 92.9 million).

iii. During the year ended 31 December 2023, the Group has refunded the term deposits in National Bank of Fujairah, that has been as a guarantee for supplier payment.

12. Inventories

See accounting policy in Note *6H*.

	Note	31 December 2023	31 December 2022
Finished goods			
- Available for sale		767,902,945	1,310,279,291
- Goods in transit		48,336,268	14,149,304
Consumables and supplies		11,059,807	24,262,829
Gross inventories		**827,299,020**	1,348,691,424
Provision for inventory	*(i)*	(33,784,240)	(348,412,258)
Net inventories		**793,514,780**	1,000,279,166

i. Movement in provision for inventory is as follows:

	31 December 2023	31 December 2022
Opening balance	**348,412,258**	352,227,716
Charge for the year / period	**111,436,113**	13,061,727
Provision written-off during the year / period	**(426,064,131)**	(16,877,185)
Closing balance	**33,784,240**	348,412,258
Inventories directly written off to profit or loss	**30,339,860**	8,670,599

All amounts are presented in Saudi Riyals unless otherwise stated.

13. Advances, deposits and other receivables

See accounting policies in Notes *6J* and *6K*.

	Note	31 December 2023	31 December 2022
Receivables due from related parties	*32B*	**33,690,807**	451,661,789
Other receivables			
- Advances, deposits and other receivables excluding related party receivables		**79,234,221**	85,467,175
- Margin on letters of credit and guarantee		**43,127,792**	43,982,120
- Receivable from credit card and wholesale		**42,884,793**	30,709,960
- Receivable from online marketplaces		**25,297,301**	-
- Security deposits		**15,578,877**	34,354,540
- Employee receivables		**15,037,437**	15,727,904
- Receivable from human resources development fund		**13,505,584**	20,571,525
- Receivable from disposal of other investment		**10,125,564**	-
- Custom refund receivable		**8,990,391**	14,008,185
- Margin compensation receivable		**3,404,524**	-
- Others		**16,581,198**	21,714,883
		273,767,683	266,536,292
- Expected credit loss		**(5,083,164)**	-
Total advances, deposits and other receivables		**302,375,326**	718,198,081

14. Prepayments

See accounting policies in Notes *6J* and *6K*.

	31 December 2023	31 December 2022
Prepaid insurance	**1,521,731**	5,631,880
Others	**24,277,671**	29,814,277
	25,799,402	35,446,157

15. Cash and cash equivalents

See accounting policy in Note *6I*.

	Note	31 December 2023	31 December 2022
Bank balances	*(i)*	**214,358,669**	142,078,902
Cash in hand		**20,888,713**	51,746,374
Cash and cash equivalents in consolidated statement of financial position		**235,247,382**	193,825,276
Bank's overdraft		**(47,105,695)**	(49,758,105)
Cash and cash equivalents in consolidated statement of cash flows		**188,141,687**	144,067,171

All amounts are presented in Saudi Riyals unless otherwise stated.

16.Loans and borrowings

See accounting policies in Note *6J`X`*.

	Notes	31 December 2023	31 December 2022
Islamic facility with banks (Murabaha)	(i)	**2,134,844,681**	**2,774,310,862**
Islamic facility with banks (Murabaha)	(ii)	**150,000,000**	**150,000,000**
Islamic banking facilities of Non - GCC subsidiaries	(iii)	**11,502,367**	**8,056,876**
Banking Facilities of GCC subsidiaries	(iv)	**145,684,436**	**-**
Banking facilities of Non-GCC subsidiaries	(v)	**64,739,292**	**-**
		2,506,770,776	2,932,367,738
Short term borrowings		**34,132,878**	8,056,876
Current portion of long-term borrowings		**2,264,111,356**	2,809,310,862
Loans and borrowings - current liabilities		**2,298,244,234**	2,817,367,738
Loans and borrowings – non-current liabilities		**208,526,542**	115,000,000
		2,506,770,776	2,932,367,738

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note *26*.

A. Terms and repayment

i. The Group signed a long-term Murabaha financing agreement with a National Commercial Bank as the Murabaha Investment Agent and Murabaha Participants, amounting to facilities of SAR 2,400 million and USD 166 million on 1 March 2020. As per the terms of the agreement, the term of the Murabaha facility is for a period of seven years. The Murabaha facility is secured by promissory notes issued by the Company. The facility is repayable in six half yearly installments commencing after 12 months from the date of signing the agreement. As at 31 December 2023, the Group has fully utilized this facility. The interest rate on this facility is SIBOR + 2.7% on loan tranche taken in SR and LIBOR + 3% on loan tranche taken in USD.

   The loans contain certain financial covenants. A breach of covenants may lead to renegotiation including increase in profit rates, withdrawal of facility or repayment on demand. The covenants are monitored on a periodic basis by management. In case of potential breach, actions are taken by management to ensure compliance. As at 31 December 2023, there has been non-compliance of certain covenants on the outstanding facility.

   The Murabaha commercial terms agreement between the Company and the lending banks mandates that the existing breach of the financial covenants existing breach of financial covenants and clean down conditions considered as an event of default which in turns allows the banks to declare the whole loan outstanding balance to be immediately due and accordingly as at 31 March 2021 the long-term loan balance of SR 2,253 million has been reclassified to be part of the current liabilities on the consolidated statement of financial position. The Company requested the lenders to waive the breach of loans covenants more than once during the year to which the lenders did not agree. However, the lenders have agreed that any waivers of the breach of loan covenants will only be considered in light of successful implementation of Capital Restructuring Transaction, the prepayment of revolving Murabaha Facilities and the corresponding partial cancellation of commitments under the Revolving Murabaha Facilities. The Board of Directors in their meeting dated 10 November 2021 had resolved that the Company will proceed with the rights issue of SR 1,000 million. On the board's recommendation, the shareholders through an extra-ordinary general meeting held on 29 June 2022 have approved the reduction of the share capital of the parent company to absorb the accumulated losses of SAR 952 million as at 31 December 2021. The rights issue is yet to be approved by the shareholders.

All amounts are presented in Saudi Riyals unless otherwise stated.

ii. During 2022, the Group signed a Murabaha term financing agreement with a Riyadh Bank amounting to SR 150 million. As per the terms of the agreement, the term of the Murabaha facility is for a period of three years including 6 months grace period. The facility is repayable in 36 monthly installments commencing after 6 months from the date of signing the agreement. The agreement was signed in November 2022.

iii. The borrowings under GCC subsidiaries are secured by corporate guarantee given by the Parent Company. The facility is for short-term period on prevailing market terms.

iv. During 2023, the Group has obtained 2 new term loans from banks outside KSA to support their operations amounted to USD 15 million, USD 25 million dollars (equivalent to SR 56.2 million, and SR 93.7 million respectively)

v. During 2023, International subsidiaries has obtained 2 loans from banks outside KSA in their local currencies. One is a credit facility amount to SAR 42.1 million and the 2nd facility is a short-term loan amounting to SAR 22.6 million

17. Trade and other payables

See accounting policy in Note *6J*.

	Note	31 December 2023	31 December 2022
Trade payables			
Trade payables to suppliers		**523,821,820**	660,939,004
		523,821,820	660,939,004
Other payables			
Contractors and others		**176,154,926**	193,060,702
Due to related parties	*32B*	**192,644,723**	157,325,694
Employees' salaries and benefits		**60,823,186**	47,682,030
Royalty		**13,430,023**	-
Margin compensation		**-**	2,811,605
VAT payable		**252,604,801**	89,208,760
		695,657,659	490,088,791
Accrued expenses			
Finance cost - accruals		**64,401,833**	44,406,148
Government duties		**512,734**	14,696,834
Consignment margin		**15,688,627**	-
Deferred income from landlord		**57,770,000**	-
Other accruals and other liabilities		**42,233,925**	46,384,292
		180,607,119	105,487,274
Trade and other payables		**1,400,086,598**	1,256,515,069

18. Employee benefits

See accounting policy in Note *6P*.

The Group operates unfunded defined benefit plans for its permanent employees as required by the Saudi Arabia Labor Law and in accordance with the local statutory requirements of the foreign subsidiaries. The payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment.

All amounts are presented in Saudi Riyals unless otherwise stated.

18. Employee benefits (continued)

A. Movement in employee benefits liability

	31 December 2022	31 December 2022
Opening balance	**95,948,028**	102,988,787
Included in profit or loss		
Current service cost	**17,857,600**	13,223,430
Interest cost	**4,479,336**	2,703,378
	22,336,936	15,926,808
Included in OCI		
Actuarial (gain) loss arising from		
– financial assumptions	**(3,889,576)**	4,880,661
– other assumptions and experience adjustments	**2,445,482**	(7,727,081)
	(1,444,094)	(2,846,420)
Other		
Disposal of subsidiary	**-**	(3,098,551)
Benefits paid	**(20,271,864)**	(17,022,596)
Transfer to disposal group classified as held for sale	**(7,235,890)**	-
Closing balance	**89,333,116**	95,948,028

B. Significant actuarial assumptions

The significant actuarial assumptions used were as follows:

	31 December 2023	31 December 2022
Economic assumptions		
Gross discount rate	**5.00%**	4.40%
Price inflation	**2.0%**	2.0%
Salary growth rate	**3.00%**	3.00%
Demographics assumptions		
Number of employees	**6,774**	8,416
Average age of employees (years)	**33**	31.5
Average years of past service	**4**	3.60

C. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions made in the calculation is as follows:

	31 December 2023		31 December 2022	
	Increase	**Decrease**	Increase	Decrease
Salary inflation (1% movement)	**8,678,605**	**(7,364,112)**	10,459,736	(8,811,846)
Discount rate (1% movement)	**(7,171,314)**	**8,587,683**	(8,627,818)	10,415,521

All amounts are presented in Saudi Riyals unless otherwise stated.

19. Zakat and tax liabilities

See accounting policy in Note *6Q*.

A. Amounts recognized in profit or loss and financial position

Recognized in profit or loss

	Note	31 December 2023	31 December 2022
Current year zakat charge	*20B*	**31,267,747**	10,761,824
Current year income tax charge	*20C*	**17,498,840**	9,807,424
		48,766,587	20,569,248

Recognized in financial position

	Note	31 December 2023	31 December 2022
Zakat	*20B*	**85,054,391**	62,722,287
Income tax	*20C*	**1,522,208**	7,763,181
		86,576,599	70,485,468

B. Zakat

i. Movement in zakat liability is as follows:

	Note	31 December 2023	31 December 2022
Opening balance		**62,722,287**	88,970,542
Zakat charge			
- Current year / period		**6,960,204**	18,826,948
- Prior years – charge / (reverse)		**24,307,543**	(8,065,124)
Net charge during the year / period		**31,267,747**	10,761,824
Adjustment		**-**	(28,941,676)
Paid		**(8,935,643)**	(8,068,403)
Closing balance		**85,054,391**	62,722,287

ii. Computation of zakat charge is as follows:

	Note	31 December 2023	31 December 2022
Shareholders’ equity and other payables		**5,450,174,127**	6,753,858,394
Adjusted net income		**140,043,005**	146,066,527
Deductions and other adjustments		**(5,346,401,885)**	(5,968,901,209)
Zakat base		**278,408,147**	931,023,712
Zakat at 2.5% (higher of adjusted net income or Zakat base)		**6,960,204**	18,826,948

All amounts are presented in Saudi Riyals unless otherwise stated.

19. Zakat and tax liabilities (continued)

iii. Status of zakat assessments is as follows:

The Company has filed its zakat returns with ZATCA for all years up to and including the year ended 31 December 2022. The zakat returns from year 31 March 2015 to 31 March 2022 are under review of ZATCA. The Company finalized zakat assessment for the year 31 March 2008 to 2014 in prior year according to decision received by appeal committee which resulted in amount payable of SR 36.2 million.

C. Income tax

i. Movement in income tax is as follows:

	Note	**31 December 2023**	31 December 2022
Opening balance		**7,763,181**	1,399,744
Current year income and deferred tax charge	*(a)*	**17,498,841**	9,975,133
Paid		**(23,739,814)**	(3,611,696)
Closing balance		**1,522,208**	7,763,181

a. Includes deferred tax charge /(reversal) of SR 1.7 million (31 December 2022: -2.14 million)

ii. Status of income tax assessments is as follows:

The income tax returns for subsidiaries in Egypt, Azerbaijan, Georgia Countries have been filed for all years until 31 December 2023 and for Jordan subsidiaries have been filed for all the years until 31 December 2022. For Kazakhstan and Armenia, the income tax returns have been filed up to 31 December 2022.

The income tax returns for above subsidiaries are under review by the relevant tax authorities. As at 31 December 2023, there are no pending adverse assessments relating to income tax in any of the subsidiaries. The Group has accrued income tax liabilities and there are no significant penalties under local jurisdictions due to delay in filing of tax returns for above subsidiaries.

20. Share capital and reserves

A. Share Capital

The Company's share capital as at 31 December 2023, and 31 December 2022 is as below:

	31 December 2023			31 December 2022		
	No. of shares	**Par value**	**Total**	No. of shares	Par value	Total
Ordinary share capital	**114,766,448**	**10**	**1,147,664,480**	114,766,448	10	1,147,664,480

B. Statutory reserve

The shareholders of the Company in their extra-ordinary general meeting held at 29 June 2022 have approved the reduction in the share capital by SAR 952 million through cancellation of 95,233,552 shares of SAR 10 each to absorb the accumulated losses. As at 31 December 2023, the Group has accumulated losses of SAR 1,404 million and therefore no amount from profits has been allocated to statutory reserve.

As of 31 March 2024, the Board of Directors recommended reducing the capital to SR 100 million (a decrease percentage of 91.28%) to offset accumulated losses. Noting that such recommendation is conditional on the approval of shareholders in an extra-ordinary general assembly meeting, as well as the approval of official regulators.

All amounts are presented in Saudi Riyals unless otherwise stated.

21. Operating segments

See accounting policy in Note *6U*.

A. Basis for segmentation

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different marketing strategies.

The Group's Chief Executive Officer (Chief Operating Decision Maker) reviews internal management reports on at least a quarterly basis.

Reportable segments

The following table describes the operations of each reportable segments:

Reportable segments	Operations
Fashion retail	Primarily include sales of apparels, footwears & accessories through retail outlets
Indoor entertainment	Kids play centers
Food & beverage	Cafes and restaurants

Geographical information

The Group operates through their various retail outlets, indoor entertainment for kids in the Kingdom of Saudi Arabia (Domestic) and international geography which primarily includes Jordan, Egypt, Republic of Kazakhstan, United States of America, Republic of Azerbaijan, Georgia, Armenia and Morocco.

21. Operating segments (continued)

B. Information about reportable segments and geographical information

The segment information from operations of these segments is provided below:

Reportable segments (Amount in SR'000)

	Fashion retail		Indoor entertainment	Food and Beverages	Inter-segment elimination	Total
	Continuing ops	Discontinued ops				
31 December 2023						
Profit or loss						
Sales	4,780,965	293,115	72,081	379,184	-	5,525,346
Depreciation and amortization	(125,024)	(10,232)	(16,038)	(23,543)	-	(174,837)
Finance charges	(335,219)	(12,095)	(1,635)	(6,163)	-	(355,112)
Net (loss) / profit	(1,020,925)	(54,551)	(5,811)	(31,520)	-	(1,112,807)
Statement of financial position						
Non-current assets	6,726,178	246,206	61,412	248,217	(2,945,101)	4,336,912
Current assets	1,378,465	63,775	(6,105)	(15,424)	-	1,420,711
Total liabilities	(5,999,251)	(268,197)	(54,226)	(242,256)	-	(6,563,930)

Geographical segments (Amount in SR'000)

	Domestic		International		Inter-segment elimination	Total
	Continuing ops	Discontinued ops	Continuing ops	Discontinued ops		
31 December 2023						
Profit or loss						
Sales	4,104,673	266,922	1,127,557	26,194	-	5,525,346
Depreciation and amortization	(136,417)	(8,921)	(28,191)	(1,310)	-	(174,837)
Finance charges	(314,923)	(10,524)	(28,095)	(1,571)	-	(355,112)
Net (loss) / profit	(1,387,296)	(33,884)	329,040	(20,666)	-	(1,112,807)
Statement of financial position						
Non-current assets	6,498,750	246,206	537,057	-	(2,945,101)	4,336,912
Current assets	1,047,460	63,775	309,476	-	-	1,420,711
Total liabilities	(5,647,013)	(268,197)	(648,720)	-	-	(6,563,930)

	Fashion retail		Indoor entertainment	Food and Beverages	Inter-segment elimination	Total
	Continuing ops	Discontinued ops				
	Amount in SR'000					
31 December 2022						
Profit or loss						
Sales	4,980,260	404,552	63,738	481,343	-	5,929,893
Depreciation and amortization	(110,044)	(10,161)	(16,194)	(27,697)	-	(164,096)
Finance charges	(226,863)	(11,932)	(2,409)	(14,781)	-	(255,985)
Net profit / (loss)	122,896	(41,672)	(15,211)	(29,148)	-	36,865
Statement of financial position						
Non-current assets	7,508,428	-	92,554	315,557	(2,711,319)	5,205,220
Current assets	1,928,371	-	(5,933)	25,311	-	1,947,749
Total liabilities	(6,423,478)	-	(70,573)	(312,977)	-	(6,807,028)

	Domestic		International		Inter-segment elimination	Total
	Continuing ops	Discontinued ops	Continuing ops	Discontinued ops		
	Amount in SR'000					
31 December 2022						
Profit or loss						
Sales	4,477,993	349,296	1,047,348	55,256	-	5,929,893
Depreciation and amortization	(126,847)	(8,944)	(27,088)	(1,217)	-	(164,096)
Finance charges	(211,168)	(8,559)	(32,885)	(3,373)	-	(255,985)
Net profit / (loss)	(40,480)	(25,977)	119,017	(15,695)	-	36,865
Statement of financial position						
Non-current assets	7,262,977	-	653,562	-	(2,711,319)	5,205,220
Current assets	2,065,082	-	(117,333)	-	-	1,947,749
Total liabilities	(6,206,070)	-	(600,958)	-	-	(6,807,028)

22. Revenue

See accounting policy in *Note 6C*.

The Group generates revenue primarily from the sale of goods. Revenue is recognized when a customer obtains controls of the goods at a point in time i.e. on delivery and acknowledgement of goods. In the following table, revenue from contracts with customers is disaggregated by primary geographical market and major revenue streams:

	Twelve months year ended 31 December 2023		
	Kingdom of Saudi Arabia	**International Countries**	**Total**
Apparels	**3,163,513,000**	**1,032,229,000**	**4,195,742,000**
Footwear & accessories	**130,119,737**	**19,160,412**	**149,280,149**
Others	**433,453,274**	**2,489,941**	**435,943,215**
Fashion retail	**3,727,086,011**	**1,053,879,353**	**4,780,965,364**
Food & beverages	**379,184,359**	**-**	**379,184,359**
Indoor entertainment	**-**	**72,081,465**	**72,081,465**
Total revenue	**4,106,270,370**	**1,125,960,818**	**5,232,231,188**

	Nine months period ended 31 December 2022		
	Kingdom of Saudi Arabia	**International Countries**	**Total**
Apparels	2,624,470,702	776,073,627	3,400,544,329
Footwear & accessories	96,771,090	8,410,410	105,181,500
Others	333,082,020	9,760,188	342,842,208
Fashion retail	3,054,323,812	794,244,225	3,848,568,037
Food & beverages	351,788,370	-	351,788,370
Indoor entertainment	-	47,315,743	47,315,743
Total revenue	3,406,112,182	841,559,968	4,247,672,150

23. Income and expenses

A. Cost of revenue

	Note	**For the twelve months period ended 31 December 2023**	For the nine months period ended 31 December 2022 (restated)
Cost of goods	*(i)*	**3,337,904,322**	2,512,259,254
Depreciation on right-of-use asset	*28C*	**407,687,443**	365,090,296
Employees' salaries and benefits		**552,964,066**	475,033,747
Utilities and maintenance		**64,550,632**	70,353,924
Rent expense	*28C*	**98,286,054**	55,709,315
Travelling		**6,492,700**	5,635,534
Others		**117,839,479**	68,386,964
		4,585,724,696	3,552,469,034

i. Cost of goods include a charge for inventory provision of SAR 111.4 million (31 December 2022: SAR 13.1 million). Further, it also includes a charge of SR 30.3 million (31 December 2022: SR 8.7 million) relating to write-down of inventories to net realizable value which were recognized directly as an expense and not routed through the inventory provision account.

All amounts are presented in Saudi Riyals unless otherwise stated.

B. Selling and distribution expenses

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Employees' salaries and benefits		67,637,400	54,161,594
Bank charges		24,854,671	14,178,235
Advertising and promotions		59,100,012	44,866,528
Utilities and maintenance		3,497,762	3,241,761
Travel		3,718,747	4,700,062
Rent expense	28C	9,899,432	3,786,755
Freight and distribution charges		1,008,437	877,900
Others		10,384,425	7,733,590
		180,100,886	133,546,425

C. General and administrative expenses

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Employees' salaries and benefits		186,254,862	91,837,376
Government fees and related charges		13,370,437	5,093,639
Utilities and maintenance		8,785,974	7,204,025
Travel and communication		24,681,618	16,842,993
Bank charges		9,266,322	3,594,722
Stationery and supplies		20,266,929	6,155,346
Advertising and publishing		28,402,291	8,198,262
Insurance		2,380,366	891,203
Rent expense	28C	21,074,892	8,313,109
Others		79,814,988	33,043,861
		394,298,679	181,174,536

D. Other operating expense

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Store closure losses	(i)	52,669,632	4,912,608
Foreign exchange (loss)		28,853,675	-
Liquidation of investment in subsidiaries		7,122,648	-
Write off of the HRDF balance		33,139,485	-
Reversal of other prepayments		37,348,155	-
Others - other operating expense		4,334,360	-
Written off of property, equipment and intangible		176,621,407	1,791,023
		340,089,362	6,703,631

All amounts are presented in Saudi Riyals unless otherwise stated.

E. Other operating income

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Rental concession for leases	28B	**4,258,902**	19,926,978
Gain on lease termination		**973,539**	6,197,156
Foreign exchange gain		**-**	2,426,898
Others		**157,289,188**	38,142,658
		162,521,629	66,693,690

F. Finance costs over loans and borrowings

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Financial charges over loans and borrowings	17(i)	**234,323,427**	100,687,793
Amortization of upfront fees		**2,449,435**	2,258,574
		236,772,862	102,946,367

24. (Loss)/earnings per share

See accounting policy in Note *6S*.

A. (Loss)/earnings per share for continuing operations

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Loss attributable to ordinary shareholders		**(1,058,256,768)**	133,855,535
Weighted average number of ordinary shares		**114,766,448**	114,766,448
Basic and diluted loss per share		**(9.22)**	1.17

B. (Loss)/earnings per share for continuing and discontinued operations

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
(Loss)/profit attributable to ordinary shareholders		**(1,177,762,076)**	99,420,458
Weighted average number of ordinary shares		**114,766,448**	114,766,448
Basic and diluted (loss)/profit per share		**(10.26)**	0.87

C. (Loss)/earnings per share for discontinuing operations and assets held for sale

	Note	For the twelve months period ended 31 December 2023	For the nine months period ended 31 December 2022
Loss attributable to ordinary shareholders		**(54,550,716)**	(33,420,545)
Weighted average number of ordinary shares		**114,766,448**	114,766,448
Basic and diluted loss per share		**(0.48)**	(0.29)

All amounts are presented in Saudi Riyals unless otherwise stated.

The calculation of basic and diluted (loss)/earning per share has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

25. Financial instruments - fair values and risk management

See accounting policies in Notes *6B, 6J, 6K, 6L, 6N*.

A. Accounting classification and fair values

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI and FVTPL equity investments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying values.

The following table shows carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair hierarchy value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

A. Accounting classification and fair values (continued)

	31 December 2023				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
FVTPL					
Al Mubarak real estate income Fund –II	**-**	**-**	**-**	**-**	**-**
Derivative liabilities	**(31,600,110)**	**-**	**(31,600,110)**	**-**	**(31,600,110)**
FVOCI – equity instruments					
Egyptian Centres for Real Estate Development (ECRED)	**74,189,014**	**-**	**-**	**74,189,014**	**74,189,014**

	31 December 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
FVTPL					
Al Mubarak real estate income Fund –II	217,125,564	-	-	217,125,564	217,125,564
Derivative assets	35,127,274	-	35,127,274	-	35,127,274
FVOCI – equity instruments					
Egyptian Centres for Real Estate Development (ECRED)	92,931,479	-	-	92,931,479	92,931,479

All amounts are presented in Saudi Riyals unless otherwise stated.

25. Financial instruments - fair values and risk management (continued)

See accounting policies in Notes *6B, 6J, 6K, 6L, 6N*.

B. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques and significant unobservable inputs used in measuring the above investments:

Type	Valuation technique and significant unobservable inputs
Equity securities	The valuation model is based on discounted cash flows and considers the present value of the expected future income receivable under lease agreements and forecast take-up of vacant units, discounted using a risk-adjusted discount rate. The estimate is adjusted for the net debt of the investee. Significant unobservable inputs include expected cash flows and risk adjusted discount rate. The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk-adjusted discount rate was lower (higher).
Derivative asset	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

C. Financial risk management

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Capital management risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Audit Committee is assisted in its role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

25. Financial instruments - fair values and risk management (continued)

i. Credit risk

Credit risk is the risk that other party will fail to discharge an obligation and will cause the Group to incur a financial loss. The Group has no significant concentration of credit risks. The Group's exposure to credit risk is as follows:

	Note	**31 December 2023**	31 December 2022
Cash at banks	*15*	**214,358,669**	142,078,902
Advances, deposits and other receivables		**57,718,635**	481,397,878
Receivable from disposal of a subsidiary and brands	*16*	**-**	-
		272,077,304	623,476,780

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings ranging from BBB to A+.
- The Group calculates impairment losses on the basis of its estimate of losses incurred in respect of receivables. The main components of this provision are the expected loss element of specific customers as well as the aggregate loss element that is estimated for a group of similar customers.
- Financial position of related parties is stable. There were no past due or impaired receivables from related parties.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

Management monitors the liquidity risk on a regular basis and ensures that sufficient funds are available to meet the Group's future commitments.

C. Financial risk management (continued)

iii. Liquidity risk (continued)

The table below summarizes the contractual maturities of financial liabilities at the end of the reporting period. These amounts are grossed up and undiscounted and include estimated interest payments.

		Contractual cash flow		
Financial Liabilities	**Carrying amount**	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**
31 December 2023				
Loans and borrowings	**2,506,770,776**	**1,178,338,344**	**1,765,079,218**	**-**
Lease liabilities	**2,134,259,647**	**578,755,711**	**929,973,096**	**1,400,516,391**
Trade and other payables	**1,400,086,598**	**1,400,086,598**	**-**	**-**
Bank overdraft	**47,105,695**	**47,105,695**	**-**	**-**
	6,088,222,716	**3,204,286,348**	**2,695,052,314**	**1,400,516,391**
31 December 2022				
Loans and borrowings	2,932,367,738	3,191,330,203	119,528,125	--
Lease liabilities	2,401,952,939	499,010,160	1,117,723,120	1,464,561,891
Trade and other payables	1,111,420,842	1,111,420,842	-	-
Bank overdraft	49,758,105	49,758,105	-	-
	6,495,499,624	4,851,519,310	1,237,251,245	1,464,561,891

All amounts are presented in Saudi Riyals unless otherwise stated.

25. Financial instruments fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in the market prices – such as foreign exchange rates and commission rates– will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk
It is a risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currency that's not the Group entities' functional currencies which are Euros, U.S. dollars, Great Britain Pound, United Arab Emirate Dirham and Egyptian Pound. Management monitors the fluctuations in currency exchange rates, and the effect of the currency fluctuation has been accounted for in the consolidated financial statements.

At the end of the year, the Group had the following significant net currency exposures in foreign currencies. Presented below are the monetary assets and liabilities, net in foreign currencies:

Foreign currency exposures	31 December 2023	31 December 2022
EUR	**(57,864,975)**	(50,515,697)
USD	**(43,294,306)**	(54,533,287)
GBP	**(1,653,645)**	(951,724)
UAE Dirham	**(580,913)**	(1,199,899)
SGD	**(1,188,617)**	(2,273,880)

C. Financial risk management (continued)

iv Market risk (continued)

Currency risk (continued)

The following significant exchange rates have been applied:

	Average rate			Year-end spot rate		
	31 December 2023	31 December 2022	1 April 2022	**31 December 2023**	31 December 2022	1 April 2022
EUR	**4.07**	4.15	4.43	**4.14**	4.00	4.29
USD	**3.76**	3.76	3.76	**3.75**	3.76	3.76
GBP	**4.65**	4.82	5.19	**4.77**	4.52	5.12
UAE Dirham	**1.02**	1.02	1.03	**1.02**	1.02	1.02
EGP	**0.13**	0.18	0.24	**0.12**	0.15	0.21

Sensitivity analysis
The table below shows the non-pegged currencies to which the Group has a significant exposure on its monetary assets and liabilities. The analysis calculates the effect of reasonable possible movement of the currency rate against SR, with all other variables held constant, on the consolidated statement of profit or loss.

		Currency movement vs. Saudi Riyal (SR)					
		31 December 2023		31 December 2022		1 April 2022	
Foreign currency	Change in currency	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
EUR	+/- 10%	**(23,956,000)**	**23,956,000**	(20,225,000)	20,225,000	(27,439,000)	27,439,000
GBP	+/- 10%	**(789,000)**	**789,000**	(430,000)	430,000	(538,000)	538,000
UAE Dirham	+/- 10%	**(59,253)**	**59,253**	(122,525)	122,525	11,118	(11,118)
CAD	+/- 10%	**-**	**-**	(5,000)	5,000	-	-
		(24,804,253)	**24,804,253**	(20,782,525)	20,782,525	(27,965,882)	27,965,882

All amounts are presented in Saudi Riyals unless otherwise stated.

25. Financial instruments fair values and risk management (continued)

As the Saudi Riyal is pegged to US Dollar, the Group is not exposed to significant currency risk arising out of US Dollar.

Commission rate risk
It is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. Islamic banking facilities (Murabaha) and Sukuk amounting to SR 2,932 million at 31 December 2023 (31 December 2022: SR 2,932 million and 31 March 2022: SR 2,878 million) bear financing commission charges at the prevailing market rates.

The Group's policy is to manage its financing charges using a mix of fixed and variable commission rate debts.

C. Financial risk management (continued)

Sensitivity analysis
The following table demonstrates the sensitivity of the income to reasonable possible changes in the commission rates, with all other variables held constant.

	Currency	Increase / decrease in basis points of commission rates	Effect on income for the period / year
31 December 2023	SR	**+30**	**(3,250,843)**
	SR	**-30**	**3,250,843**
31 December 2022	SR	+30	(6,370,776)
	SR	-30	6,370,776
31 March 2022	SR	+30	(8,670,089)
	SR	-30	8,670,089

v. Capital management risk

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are;
i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
ii) to provide an adequate return to shareholders

All amounts are presented in Saudi Riyals unless otherwise stated.

26. Non-controlling interest (NCI)

See accounting policy in Note *6A*.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations:

Balance at 31 Dec 2023	Retail Group Azerbaijan LLC	Retail Group Armenia CJSC	Models Own Holding Limited	Egypt	Food Gate Company*	Uzbekistan	Total
NCI percentage	15%	4%	49%	2%	30%	20%	
Non-current assets	74,905,263	58,518,556	-	111,523,884	58,008,821	29,120,089	274,067,792
Current assets	61,271,814	45,968,151	-	43,982,534	20,044,757	9,008,162	160,230,662
Non-current liabilities	(62,695,712)	(47,634,438)	-	(23,641,218)	(49,318,927)	-	(133,971,368)
Current liabilities	(20,768,019)	(7,189,362)	-	(20,377,500)	(84,375,236)	(41,885,690)	(90,220,572)
Net assets	52,713,346	49,662,907	-	111,487,700	(55,640,585)	(3,757,439)	210,106,514
Net assets attributable to NCI	(7,091,746)	1,812,415	-	(4,913,346)	(16,691,571)	(746,932)	(27,631,180)
Revenue	264,747,616	212,594,278	-	38,420,782	155,039,704	-	515,762,676
Profit / (loss)	27,962,278	12,898,944	135,534,559	497,927	(17,431,311)	(4,741,033)	172,152,675
Profit / (loss) allocated to NCI	4,194,342	515,958	66,411,934	9,959	(5,229,393)	(948,207)	64,954,592

Balance at 31 December 2022	Retail Group Azerbaijan LLC	Retail Group Armenia CJSC	Models Own Holding Limited	Egypt	Food Gate Company*	Azal Restaurants Company*	First Pizza Company*	Total
NCI percentage	15%	4%	49%	2%	30%	35%	49%	
Non-current assets	82,693,784	61,136,214	-	167,576,483	78,817,480	-	-	390,223,961
Current assets	44,123,090	41,032,747	(118,266,348)	46,232,012	14,586,474	-	-	27,707,975
Non-current liabilities	(69,805,185)	(50,375,365)	-	(67,043,358)	(64,522,159)	-	-	(251,746,067)
Current liabilities	(19,192,045)	(14,134,073)	(17,144,230)	(15,308,921)	(23,471,730)	-	-	(89,250,999)
Net assets	37,819,644	37,659,523	(135,410,578)	131,456,216	5,410,065	-	-	76,934,870
Net assets attributable to NCI	(11,242,986)	1,332,280	(66,351,183)	(4,401,884)	(11,462,178)	-	-	(92,125,951)
Revenue	155,559,196	177,094,731	-	52,378,004	129,950,843	28,207,894	17,224,323	560,414,991
Profit / (loss)	16,448,724	20,555,059	-	17,100,240	(3,666,891)	(1,151,567)	(2,273,202)	47,012,363
Profit / (loss) allocated to NCI	2,467,309	822,202	-	342,005	(1,100,067)	(403,048)	(1,113,869)	1,014,532

All amounts are presented in Saudi Riyals unless otherwise stated.

27. Right-of-use assets and lease liabilities

See accounting policy in Note *6T*.

The Group leases stores and warehouses (property leases). The leases typically run for a period of 5 to 10 years, with an option to renew the lease after that date. Information about leases for which the Group is a lessee is presented below.

A. Right-of-use assets

	Note	31 December 2023	31 December 2022 (Restated)
Balance at 1 January / 1 April		**2,347,145,130**	2,397,403,965
Additions		**287,025,112**	192,998,594
Adjustment for termination		**(141,074,847)**	(180,397,907)
Liquidation of subsidiaries		**(24,260,245)**	-
Disposal of subsidiary		-	(62,364,059)
Adjustment for reassessment		**250,638,371**	436,955,413
Depreciation of right-of-use assets for the year from continuing operation	27A	**(407,687,443)**	(423,404,069)
Depreciation of right-of-use assets for the year from discontinuing operation assets held for sale		**(69,187,354)**	-
Forex gain / (loss)		**(9,700,574)**	(14,046,808)
Transfer to disposal group classified as held for sale	35	**(188,217,619)**	-
Balance at 31 December		**2,044,680,531**	**2,347,145,129**

B. Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	31 December 2023	31 December 2022 (Restated)
Non-current portion of lease liabilities	**1,555,503,936**	1,902,942,779
Current portion of lease liabilities	**578,755,711**	499,010,160
Closing balance	**2,134,259,647**	**2,401,952,939**

	Note	31 December 2023	31 December 2022 (Restated)
Balance at 1 January / 1 April		**2,401,952,939**	2,462,100,696
Finance cost from continuing operations		**106,243,873**	84,797,464
Finance cost associated with assets held for sale	35	**11,611,254**	-
Additions		**287,025,111**	192,998,594
Adjustment for termination		**(141,244,804)**	(186,070,000)
Adjustment for reassessment		**250,638,567**	451,547,959
Liquidation of subsidiaries		**(39,040,932)**	-
Disposal of subsidiary		-	(65,171,864)
Rental concession	24E	**(5,062,430)**	(23,441,775)
Forex (gain)/loss		**(23,119,283)**	5,454,061
Payment of lease liability		**(524,898,807)**	(520,262,196)
– principal		**(407,043,680)**	(435,464,732)
– Finance cost from continuing operations		**106,243,873**	(84,797,464)
– Finance cost associated with assets held for sale		**11,611,254**	-
Transfer to liabilities associated with asset held for sale	35	**(189,845,840)**	-
Balance at 31 December		**2,134,259,647**	**2,401,952,939**

All amounts are presented in Saudi Riyals unless otherwise stated.

C. Amounts recognized in profit or loss

	Note	31 December 2023	31 December 2022
Depreciation of right-of-use assets for the year from continuing operation	*27A*	**407,687,443**	423,404,069
Depreciation of right-of-use assets for the year from discontinuing operation assets held for sale		**69,187,354**	-
Finance cost from continuing operations	*27B*	**106,243,873**	84,797,464
Finance cost associated with assets held for sale		**11,611,254**	-
Expenses relating to short-term / variable rent leases	*24A, B, C*	**129,260,378**	50,727,087

28. Derivative Liabilities / Assets

As at 31 December 2023, the Group held Interest Rate Swaps ("IRS") of a notional value of SR 1.1 billion in order to reduce its exposure to commission rate risks against long term financing. The table below shows the fair values of derivatives financial instruments, recorded as positive fair value. The notional amounts indicate the volume of transactions outstanding at the year end and are neither indicative of the market risk nor the credit risk.

Description of the hedged items	Hedging instrument	Fair Value	31 December 2023	31 December 2022
Commission payments on floating rate loan	IRS	Positive	**(31,600,110)**	35,127,274

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity component of the Group.

The Group hold interest rate swaps to cover the variable interest rate exposures on its loans from financial institutions. The interest rate swap arrangement does not meet the qualifying hedging criteria as per IFRS 9 requirement and have therefore been carried at fair value through profit or loss.

29. Commitments

As at the reporting date, the Group is committed to capital expenditures of SR 125.1 million (31 December 2022: SR 127.1 million) to purchase property and equipment.

30. Contingencies

As at the reporting date, the Group has outstanding contingencies:

Type	Nature	31 December 2023	31 December 2022
Letter of credits	Purchase of retail trading inventory	**339,913,830**	454,038,547
Letter of guarantees	Bid bonds, contracts advance payments and performance bonds	**441,725,839**	575,036,843

All amounts are presented in Saudi Riyals unless otherwise stated.

31. Related parties

Related parties comprise shareholders, key management personnel, directors and businesses, which are controlled directly or indirectly or influenced by the shareholders, directors or key management personnel. In the normal course of business, the Group has various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or its Board of Directors.

A. Key management personnel compensation

Key management personnel compensation is comprised as follows:

	For the twelve months year ended 31 December 2023 (Audited)	For the nine months period ended 31 December 2022 (Audited)
Salaries and short-term benefits	**13,490,569**	6,403,958
Post-employment benefits	**1,304,560**	809,665
Board of Directors and board committees' remuneration and compensation	**3,292,750**	3,937,750
Total key management compensation	**18,087,879**	11,151,373

All amounts are presented in Saudi Riyals unless otherwise stated.

31. Related parties (continued)

B. Other related party transactions

Transactions and balances with related parties, in the normal course of business, are summarized below:

				Transaction values			Balance outstanding at	
Name of related party	**Relationship**	**Nature of transaction**	*Notes*	**For the twelve months period ended 31 December 2023 (Audited)**	For the twelve months period ended 31 December 2022 (unaudited)	For the Nine months period ended 31 December 2022 (unaudited)	**31-Dec-23**	31-Dec-22
Saudi FAS Holding Company	Shareholder	Expenses paid on behalf of Company		**712,497**	1,945,727	1,945,727	**-**	422,781,661
		Receipts		**422,069,175**	-			
Egyptian Center for Real Estate Development	Affiliate	Rental		**-**	4,538,128	3,844,186	**-**	-
Al Farida Trading Agencies	Equity accounted investees	Services / payment made on behalf of Company		**9,752,084**	7,253,921	6,411,625	**16,786,501**	12,034,959
		Payment made on our behalf		**5,000,542**	9,144,590	9,144,590		
Amwal Al Khaleeja Al Oula		Management services		**-**	-		**2,271,205**	2,271,205
Food and entertainment co Ltd	Affiliate	Payments made on behalf of the Group		**-**	25,095,664	25,095,664	**14,633,099**	14,573,964
Due from related parties				**437,534,298**	22,882,366	46,441,792	**33,690,805**	451,661,789
Arabian Centers Company	Affiliate	Rentals		**428,433,452**	469,520,476	331,315,053	**(207,881,881)**	(140,393,949)
Food and Entertainment Co. ltd.	Affiliate	Payments made on behalf of Group			-			-
Wonderful Meals Co. ltd.	Affiliate	Purchase of goods		**52,268,906**	78,414,210	34,595,195	**(10,730,207)**	(16,035,205)
Noura Bint Mohammed	Affiliate			**-**	-		**-**	
Hajen Co. ltd.	Affiliate	Printing and advertisement		**2,736,170**	3,549,313	2,983,050	**(360,436)**	(896,540)
Due to related parties				**483,438,528**	551,483,999	368,893,298	**(218,972,524)**	(157,325,694)

All amounts are presented in Saudi Riyals unless otherwise stated.

31.2 Related party transactions (continued)

All outstanding balances with these related parties are to be settled in cash within agreed credit period from the date of transaction. There were no past due or impaired receivables from related party hence no expense has been recognized in the current or prior period for bad or doubtful debts in respect of amounts owed by related parties.

32. Standards, interpretations, and amendments to existing standards

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are as follows:

a. New standards, interpretations and amendments not yet effective

IFRS	Summary	Effective date
IAS 1	Amendment - Disclosure of Accounting Policies	1 January 2023
IAS 8	Amendment - Definition of Accounting Estimates	1 January 2023
IAS 12	Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 16	Amendment - Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2024
IAS 1	Amendment - Non-current Liabilities with Covenants	1 January 2024

b. New standards, interpretations and amendments effective in the current year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 but they had no material impact on these financial statements.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

References to Conceptual Framework (Amendments to IFRS 3)
In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)

- IFRS 1: Subsidiary as a First-time Adopter (FTA)
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- IAS 41: Taxation in Fair Value Measurements.

All amounts are presented in Saudi Riyals unless otherwise stated.

33. Restatement

Right of use assets and lease liabilities

The lease contracts database review was completed by Management and the 3rd party consultant. The review included assessing the accuracy and completeness of information included in the database and the proper recalculations of IFRS 16 models, in accordance with the requirements of International Financial Reporting Standard "IFRS" 16 as endorsed in the Kingdom of Saudi Arabia.

As a result of such revisions the impact was considered in the consolidated financial statement as of and for the for the nine-month period ended 31 December 2022 and as of 31 March 2022.

The following table explains the impact of the restatement on Right of use assets, lease liabilities (current and non-current), right of use amortization, and related finance cost:

31 December 2022	As previously reported	Restatement	As Restated
Assets			
Right-of-use assets	3,110,825,775	(763,680,646)	2,347,145,129
Non-current assets	5,968,901,207	(763,680,646)	5,205,220,561
Total assets	7,916,649,887	(763,680,646)	7,152,969,241
Equity			
Accumulated losses	(292,184,580)	64,599,795	(227,584,785)
Total equity	281,342,099	64,599,795	345,941,894
Liabilities			
Lease liabilities	2,734,453,943	(831,511,164)	1,902,942,779
Non-Current liabilities	2,945,401,971	(831,511,164)	2,113,890,807
Lease liabilities – current portion	640,873,664	(141,863,504)	499,010,160
Trade and other payables	1,111,420,842	145,094,227	1,256,515,069
Current liabilities	4,689,905,817	3,230,723	4,693,136,540
Total liabilities	7,635,307,788	(828,280,441)	6,807,027,347
Total equity and liabilities	7,916,649,887	(763,680,646)	7,152,969,241

1 April 2022	As previously reported	Restatement	As Restated
Assets			
Right-of-use assets	3,275,783,678	(878,379,713)	2,397,403,965
Non-current assets	6,109,985,090	(878,379,713)	5,231,605,377
Total assets	8,241,206,787	(878,379,713)	7,362,827,074
Equity			
Accumulated losses	(1,340,996,552)	58,809,369	(1,282,187,183)
Total equity	145,358,156	58,809,369	204,167,525
Liabilities			
Lease liabilities	2,845,746,744	(856,398,640)	1,989,348,104
Non-Current liabilities	2,948,735,531	(856,398,640)	2,092,336,891
Lease liabilities – current portion	632,273,878	(159,521,278)	472,752,600
Current liabilities	5,147,113,100	(80,790,442)	5,066,322,658
Total liabilities	8,095,848,631	(937,189,083)	7,158,659,548
Total equity and liabilities	8,241,206,787	(878,379,713)	7,362,827,074

All amounts are presented in Saudi Riyals unless otherwise stated.

33. Restatement (Continue)

For the nine-month period ended 31 December 2022	As Previously reported	Restatement	As Restated
Cost of revenue	(5,038,977,901)	(56,654,514)	(5,095,632,415)
Gross profit	890,915,284	(56,654,514)	834,260,770
Operating profit	355,224,628	(56,654,514)	298,570,114
Finance costs over lease liabilities	(162,605,085)	43,489,695	(119,115,390)
Net finance costs	(264,347,354)	43,489,695	(220,857,659)
Profit before zakat and income tax	84,101,149	(13,164,819)	70,936,330
Profit for the period	50,029,482	(13,164,819)	36,864,663

34. DISPOSAL OF SUBSIDIARIES (D ISCOUNTIUED OPERATIONS)

On 31 December 2023, the Group disposed of its companies' operation in three countries: Balkan, Morocco, and United Kingdom. All assets and liabilities including intergroup balances relating to these operations have been written off on 31 December 2023.

Detail of these combined net assets before written off is as follows:

	SR
Assets	
Right of use asset	8,127,939
Property and equipment	24,260,245
Other intangible assets	4,851,768
Inventories	4,212,768
Prepayments and other current assets	36,679,045
Cash and cash equivalents	2,117,553
Total Assets	**80,249,319**
Liabilities	
Lease liabilities	39,040,933
Accounts payable and accruals	34,085,738
Total Liabilities	**73,126,671**
Net assets written off to P&L	7,122,648
NCI Portion	66,351,183

Profit and Loss Statement relating to these operations is as follows:

	Twelve-month ended 31 Dec 2022 (Audited)	Nine-month ended 31 Dec 2022 (Audited)
Revenue	26,193,536	39,271,310
Cost of revenue	(42,343,342)	(41,950,857)
Gross profit	(16,149,806)	(2,679,547)
Other operating income	6,021,649	(2,827,346)
Selling and distribution expenses	(150,831)	(221,761)
General and administrative expenses	(4,508,587)	(5,030,591)
Depreciation on property and equipment	(1,310,477)	(748,927)
Other operating expense	(2,849,466)	(45,721)
Operating Profit/(loss)	(18,947,518)	(11,553,893)
Finance costs	(1,571,360)	(1,555,586)
Profit before zakat and income tax	(20,518,879)	(13,109,479)
Zakat and Income tax expense	(147,554)	(167,709)
Profit for the year	(20,666,433)	(13,277,188)

All amounts are presented in Saudi Riyals unless otherwise stated.

35.Assets held for sale

The assets and liabilities related to the 16 Fashion Brands (part of the KSA retail operating segment) are presented as held for sale as of 31 December 2023 following the Signing of Letter of Intent by the Company's management during 2023 with other local Retailor. The completion date for the transaction is 8 Feb 2024. The buyer is having an intention of carrying only Property and equipment and inventory. Liabilities relating to these brands will be settled by the Company.

Details of assets and liabilities relating to that Brands are as follows:

	As of 31 Dec 2023,
Assets	
Property and equipment	56,935,761
Right of use assets	188,217,619
Intangible assets	1,053,005
Inventories	57,679,113
Trade and other receivables	6,095,503
Total Assets	**309,981,001**
Liabilities	
Lease liabilities	189,845,840
Trade and other payables	71,115,145
Employee benefits	7,235,893
Total Liabilities	**268,196,878**
Net Assets	**41,784,123**

Profit and Loss Statement relating to 16 Brands is as follows:

	Twelve-month ended 31 Dec 2022 (Audited)	Nine-month ended 31 Dec 2022 (Audited)
Revenue	266,921,695	256,223,954
Cost of revenue	(275,396,747)	(264,812,883)
Gross profit	(8,475,052)	(8,588,929)
		-
Other operating income	1,735,362	7,547,463
Selling and distribution expenses	(7,720,307)	(6,223,038)
General and administrative expenses	-	-
Depreciation on property and equipment	(8,589,453)	(6,757,929)
Amortization on intangible assets	(331,818)	(89,716)
Other operating expense	20,525	-
Operating Profit/(loss)	(23,360,743)	(14,112,149)
Net finance costs	(10,523,540)	(6,031,186)
Profit before zakat and income tax	(33,884,283)	(20,143,335)
Zakat and Income tax expense	-	-
Profit for the year	(33,884,283)	(20,143,335)

36. Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors for issuance on 21 Ramadan 1445H (31 March 2024).

All amounts are presented in Saudi Riyals unless otherwise stated.

Fawaz Abdulaziz Al Hokair & Company (A Saudi Joint Stock Company)
Annex (1): Supplementary information - consolidated statement of comprehensive income

This consolidated statement for profit or loss for the twelve-month ended 31 December 2023 and for the twelve-month ended 31 December 2022 were prepared for comparability purposes only.

	Twelve-month ended 31 Dec 2023	Twelve-month ended 31 Dec 2022 (Unaudited)
Revenue	**5,232,231,188**	5,525,340,901
Cost of revenue	**(4,585,724,696)**	(4,680,072,668)
Gross (loss)	**646,506,492**	845,268,233
Other operating income	**162,521,629**	117,809,594
Selling and distribution expenses	**(180,100,886)**	(161,002,823)
General and administrative expenses	**(394,298,679)**	(237,181,699)
Depreciation on property and equipment	**(149,588,261)**	(141,234,388)
Depreciation on investment properties	**(122,400)**	(244,800)
Amortization on intangible assets	**(14,895,033)**	(12,700,054)
Impairment loss on goodwill	**(370,000,000)**	(70,533,770)
Other operating expense	**(340,089,362)**	(12,224,875)
Operating (loss)/profit	**(640,066,500)**	327,955,418
Finance income over derivatives	**16,790,729**	35,127,274
Finance costs over loans and borrowings	**(236,772,862)**	(136,869,425)
Finance costs over lease liabilities	**(106,243,873)**	(107,183,583)
Net finance costs	**(326,226,006)**	(208,925,734)
Gain on disposal of subsidiary	-	13,372,472
Change in fair value of other investments	**(33,000,000)**	1,265,564
Share of loss of investment in equity accounted investments	**(10,197,675)**	(21,414,161)
(Loss)/profit before zakat and income tax	**(1,009,490,181)**	112,253,559
Zakat and Income tax expense	**(48,766,587)**	(33,717,127)
Loss/profit for the year/period from continuing operations	**(1,058,256,768)**	78,536,432
Loss for the year from discontinued operations	**(54,550,716)**	(41,671,769)
(Loss)/Profit for the year/period	**(1,112,807,484)**	36,864,663
(Loss)/Profit for the year/period is attributable to:		
Shareholders of the Company	**(1,177,762,076)**	39,386,109
Non-controlling interests	**64,954,592**	(2,521,446)
	(1,112,807,484)	36,864,663

All amounts are presented in Saudi Riyals unless otherwise stated.

Annex (1): Supplementary information - consolidated statement of comprehensive income

This consolidated statement of comprehensive income for the twelve-month ended 31 December 2023 and for the twelve-month ended 31 December 2022 were prepared for comparability purposes only.

	Twelve-month ended 31 Dec 2023	Twelve-month ended 31 Dec 2022 (Unaudited)
(Loss)/profit for the year/period	**(1,112,807,484)**	36,864,663
Items that will not be reclassified to profit or loss:		
Re-measurements of defined benefit liabilities	**1,444,094**	13,393,334
Equity investments at FVOCI – net change in fair value	**-**	42,340,757
	1,444,094	55,734,091
Items that are or may be reclassified subsequently to profit or loss:		
Foreign operations – foreign currency translation differences	**(41,085,988)**	(30,277,134)
	(41,085,988)	(30,277,134)
Other comprehensive (loss)/income for the year/period, net of tax	**(39,641,894)**	25,456,957
Total comprehensive income for the year/period	**(1,152,449,378)**	62,321,620
Total comprehensive (loss)/ income for the year/period attributable to:		
- Shareholders of the Company	**(1,216,742,874)**	66,285,002
- Non-controlling interests	**64,293,496**	(3,963,382)
	(1,152,449,378)	62,321,620

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