

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

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

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders of
Fitaihi Holding Group Company
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Fitaihi Holding Group Company - A Saudi Joint Stock Company ("the Company") and its subsidiaries ("the Group") as at 30 September 2022, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-months periods then ended and the interim condensed consolidated financial statements of changes in equity and cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes From 1 to 16 which form an integral part of these interim condensed consolidated financial statement.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily to the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



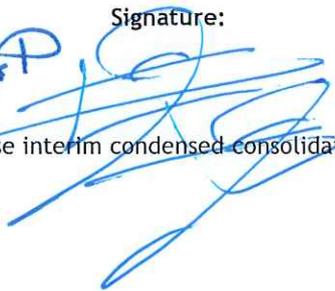
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**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(EXPRESSED IN SAUDI RIYALS)**

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property and equipment (Net)		41,037,755	41,731,771
Right of use assets (Net)		5,003,352	711,404
Investment in associates	(5)	195,330,339	208,058,571
Investments in equity instruments at fair value through other comprehensive income	(6)	104,801,136	153,535,883
Total non-current assets		346,172,582	404,037,629
Current assets			
Inventory	(7)	96,315,632	103,311,412
Trade receivables and other debit balances (Net)	(8)	3,580,346	3,016,864
Cash and cash equivalents		21,719,959	15,708,438
Total current assets		121,615,937	122,036,714
Total assets		467,788,519	526,074,343
EQUITY AND LIABILITIES			
Equity			
Share capital	(12)	275,000,000	275,000,000
Statutory reserve		68,156,170	68,156,170
Retained earnings		125,517,600	129,449,158
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income	(6)	(29,361,462)	34,926,642
Company's share in investment at fair value through other comprehensive income in associate company		62,208	-
Revaluation reserve for change in fair value of cash flow hedge		4,648,798	-
Total equity		444,023,314	507,531,970
Non-current liabilities			
Non-Current portion of lease obligations		4,759,610	-
Net of Employee defined benefit obligations		1,864,765	1,527,101
Total non-current liabilities		6,624,375	1,527,101
Current liabilities			
Current portion of lease obligations		281,583	810,188
Trade payables and other credit balances	(9)	12,149,710	10,231,537
Zakat payable	(10)	4,709,537	5,973,547
Total current liabilities		17,140,830	17,015,272
Total liabilities		23,765,205	18,542,373
Total equity and liabilities		467,788,519	526,074,343

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

Authorized Board Member
Name: Ibrahim Hassan Almdhon
Signature: 

Chairman
Name: Ahmed Hassan Fitaihi
Signature: 

The accompanying notes (1) to (16) form an integral part of these interim condensed consolidated financial statement

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

	Note	For the three-month period from 1 July to 30 September		For the nine-month period ended 30 September	
		2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Unaudited
Net sales		7,976,041	9,451,966	44,082,161	37,104,777
Cost of sales		(4,033,621)	(5,429,239)	(28,717,875)	(20,886,331)
Profit of sales		3,942,420	4,022,727	15,364,286	16,218,446
Dividends from equity instruments at fair value through other comprehensive income		-	-	15,287,025	15,160,668
Net revaluation gains from investment at fair value through profit or loss		-	259,736	-	1,151,159
Share of the results of associate company	(5)	(17,981,498)	7,618,010	(13,829,318)	19,381,961
Gain from sale of shares of an associate company	(5)	-	-	-	125,701,957
Gross (Loss) / profit		(14,039,078)	11,900,473	16,821,993	177,614,191
Selling and distribution expenses		(2,699,015)	(3,404,939)	(8,704,560)	(10,574,148)
General and administrative expenses		(3,204,324)	(4,116,808)	(9,598,276)	(12,562,044)
(Loss) / Profit from operation		(19,942,417)	4,378,726	(1,480,843)	154,477,999
Profit of selling property and equipment		2,174	3,787,609	2,174	3,787,609
Other revenue / (expenses)		68,524	(277,495)	247,111	(763,915)
Net (Loss) / Profit before Zakat		(19,871,719)	7,888,840	(1,231,558)	157,501,693
Zakat	(10)	(900,000)	(964,357)	(2,700,000)	(3,465,013)
Net (Loss) / Profit for the period		(20,771,719)	6,924,483	(3,931,558)	154,036,680
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss condensed consolidated					
Company's share in change for fair value of cash flow hedge in associate company		4,648,798	-	4,648,798	-
Items that will not be reclassified subsequently to profit or loss condensed consolidated					
Net (losses) / gain from equity instruments at fair value through other comprehensive income		(3,428,865)	6,957,129	(64,288,104)	31,537,368
Company's share in investment at fair value through other comprehensive income in associate company		62,208	-	62,208	-
Net other comprehensive income /(loss) for the period		1,282,141	6,957,129	(59,577,098)	31,537,368
Net comprehensive (loss) / income for the period		(19,489,578)	13,881,612	(63,508,656)	185,574,048
Basic and diluted earnings per share from net profit	(11)	(0.76)	0.17	(0.14)	3.08

Chief Executive Officer
And Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almdhon

Signature:

Chairman

Name: Ahmed Hassan Fitaihi

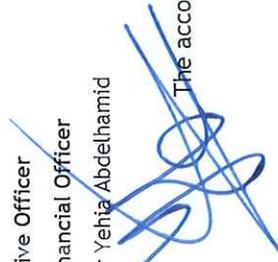
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The accompanying notes (1) to (16) form an integral part of these interim condensed consolidated financial statements

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

For the nine-month period ended 30 September 2022 (Unaudited)	Share capital	Statutory reserve	Retained earnings	Revaluation reserve for change in fair value of cash flow hedge	Company's share in investment at fair value through other comprehensive income in associate company	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income	Total equity
Balance as at 1 January 2022 (audited)	275,000,000	68,156,170	129,449,158	-	-	34,926,642	507,531,970
Net Loss for the period	-	-	(3,931,558)	-	-	-	(3,931,558)
Changes in other comprehensive income / (Loss) during the period	-	-	-	4,648,798	62,208	(64,288,104)	(59,577,098)
Total comprehensive income / (loss)	-	-	(3,931,558)	4,648,798	62,208	(64,288,104)	(63,508,656)
Balance at 30 September 2022 (unaudited)	275,000,000	68,156,170	125,517,600	4,648,798	62,208	(29,361,462)	444,023,314
For the nine-month period ended 30 September 2021 (Unaudited)							
Balance as at 1 January 2021 (audited)	550,000,000	53,192,332	19,322,965	-	-	3,736,019	626,251,316
Reducing the capital (Note 12)	(275,000,000)	-	-	-	-	-	(275,000,000)
Net profit for the period	-	-	154,036,680	-	-	-	154,036,680
Changes in other comprehensive income during the period	-	-	-	-	-	31,537,368	31,537,368
Total comprehensive income	-	-	154,036,680	-	-	31,537,368	185,574,048
Dividends	-	-	(11,000,000)	-	-	-	(11,000,000)
Balance at 30 September 2021 (unaudited)	275,000,000	53,192,332	162,359,645	-	-	35,273,387	525,825,364

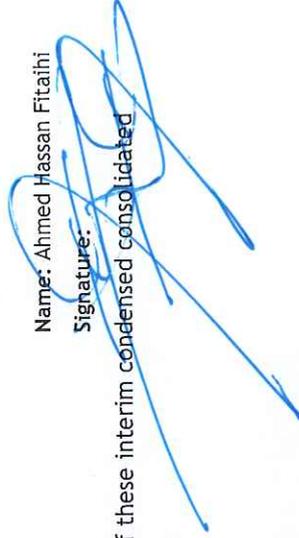
Chief Executive Officer
And Chief Financial Officer

Name: Yasser Yehia Abdelhamid
Signature: 

Authorized Board Member

Name: Ibrahim Hassan Almdhon
Signature: 

Chairman

Name: Ahmed Hassan Fitaihi
Signature: 

The accompanying notes (1) to (16) form an integral part of these interim condensed consolidated financial statements

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

	For the nine-month period ended 30 September	
	2022 Unaudited	2021 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss) / profit for the period before zakat	(1,231,558)	157,501,693
Adjustments to reconcile profit before zakat to cash flows from operating activities:		
Depreciation of property and equipment	891,706	3,052,451
Amortization of right of use assets	918,250	960,802
Gain on disposal of property and equipment	(2,174)	(3,787,609)
Employees defined benefit obligations	397,756	480,802
Share of results of associate company	13,829,318	(19,381,961)
Gain from investment in equity instruments at fair value through other comprehensive income	(15,287,025)	(15,160,668)
Net revaluation gains from investment at fair value through profit or loss	-	(1,151,159)
Gain from sale of shares of an associate company	-	(125,701,957)
Changes in work in capital		
Trade receivables and other debit balances	(563,482)	164,792
Inventory	6,995,780	5,127,995
Trade payables and other credit balances	1,918,173	(2,302,694)
Zakat paid	(3,964,010)	(5,945,235)
Employees defined benefit obligations paid	(60,092)	(19,885)
Net cash generated from / (used in) operating activities	3,842,642	(6,162,633)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(197,690)	(184,966)
Purchase of investments in equity instruments at fair value through other comprehensive income	(15,553,357)	(18,234,238)
Purchase of Investment at fair value through profit or loss	-	(868,137)
Dividends received from investments in associate companies	3,609,920	7,219,838
Dividends received from investments in fair value equity instruments	15,287,025	15,128,589
Proceeds from sale of investment share in associate company	-	200,014,808
Proceeds from sale of investments in equity instruments at fair value through other comprehensive income	-	457,837
Proceeds from sale of property and equipment	2,174	5,052,582
Net cash generated from investing activities	3,148,072	208,586,313
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	(11,000,000)
Reducing the capital	-	(275,000,000)
Lease obligations	(979,193)	(191,274)
Net cash (used in) financing activities	(979,193)	(286,191,274)
Net change in cash and cash equivalents during the period	6,011,521	(83,767,594)
Cash and cash equivalents at the beginning of the period	15,708,438	97,118,513
Cash and cash equivalents at the end of the period	21,719,959	13,350,919
Non - cash transactions		
Unrealized (losses) / gains from investments in equity instruments at fair value through other comprehensive income	(64,288,104)	31,537,368
Company's share in change for fair value of cash flow hedge in associate company	4,648,798	-
Company's share in investment at fair value through other comprehensive income in associate company	62,208	-

Chief Executive Officer
And Chief Financial Officer
Name: Yasser Yehia Abdelhamid
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The accompanying notes (1) to (16) form an integral part of these interim condensed consolidated financial statements

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(EXPRESSED IN SAUDI RIYALS)**

1. ORGANIZATION AND ACTIVITIES:

Fitaihi Holding Group Company (“the Company” or “the Parent Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Ministerial Resolution No. 1058 dated 9 Ramadan 1418 H and commercial registration number 4030085128 issued in Jeddah on 5 February 1992 (corresponding to 2 Shaaban 1412 H).

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

- a) The activities of the holding company ((Management of subsidiaries of holding company, investment of the funds of subsidiaries of holding company, ownership of real estate and transfers necessary for holding company, provision of loans, guarantees, and financing to subsidiaries of holding company, ownership of industrial property rights of holding company, lease of industrial property rights to subsidiaries of holding company).
- b) Wholesaling of gold and precious equipment, retail sale of precious metals and gemstones.
- c) Buying and selling precious metals and gemstones.
- d) Import, sale, and purchase of precious metals and gemstones.
- e) Welding and polishing workshops (jewelers).
- f) Electronic trade.
- g) Wholesale of carpets and rugs.
- h) Retail trade in sweets, chocolate
- i) Retail trade of blankets, sheets, linens, and bedspreads.
- j) Retail for home appliances and various handicrafts cutting tools, ceramics, and household utensils
- k) Retail trade of business and handicrafts, antiques, and gifts.
- l) Wholesale of bags.
- m) Wholesale of household utensils and table accessories.
- n) Wholesale of gifts and luxuries.
- o) Auctions are not in stores.
- p) Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building facades and others, care and maintenance of highway parks.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements for the nine-month period ending on September 30, 2022(G) have been prepared in accordance with International Accounting Standard, "Interim Financial Reporting" "IAS 34" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021 ("The last annual consolidated financial statements"). However, some selected accounting policies and explanatory notes have been included to explain important events and transactions to understand the changes in the financial position and financial performance of the company since December 31, 2021. In addition, results for the Interim period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

2.2 Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyal (SAR), which is also the functional and presentational currency of the Group.

2.3 Basis of Measurement

The interim condensed consolidated financial statements have been prepared under historical cost basis, except for employee defined benefits obligations which actuarial calculation has been used.

2.4 Basis of consolidation

The Group's interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries "the Group" as of 30 September 2022.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to influence those returns by exercising its influence over the entity. In particular, the Group controls the entity if - and only if - the Group has:

- Control over the entity (example: existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its control over the investee to affect its returns

In general, there is an assumption that the majority of voting rights will led to control. In order to reinforce this assumption and when the Group has a level below the majority of voting rights or similar rights in the investee company, the Group takes into account all relevant facts and circumstances when assessing whether the Group has influence over the investee, and these facts and conditions include the following:

- Contractual arrangements with others who are entitled to vote in the investee company.
- Rights arising from other contractual arrangements.
- Group voting rights and potential voting rights.

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(EXPRESSED IN SAUDI RIYALS)**

2. BASIS OF PREPARATION (Continued)

2.4 Basis of consolidation (Continued)

The Group reassesses whether it is still exercising control over the investee, or not, when facts and circumstances indicate that there is a change in one or more of the three elements of control. The consolidation of the subsidiary begins from the date on which the Group controls the subsidiary and continues until the removal of the controls. The assets, liabilities, income and expenses of the subsidiary acquired or sold during the period are included in the interim condensed consolidated financial statements from the date the Group acquires control until the date the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income is distributed between the shareholders of the Group's parent company and the non-controlling interests, even if this distribution may lead to a deficit balance in the non-controlling interests. If necessary, adjustments are met to the financial statements of subsidiaries in the event that there are significant differences between the parent company and the subsidiary in order to reconcile its accounting policies with the financial policies of the Group. All assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full when the financial statements are consolidated.

Proper accounting treatment has been done for any change in ownership interest in a subsidiary that does not result in a loss of control equity.

If the Group loses control of a subsidiary, it excludes the assets (including goodwill if any), liabilities and any other components of the subsidiary's equity, and any gain or loss resulting from loss of control is recorded in the interim condensed consolidated statement of profit or loss. Any share of the investment is recognized at fair value.

<u>Company name</u>	<u>Country of incorporation</u>	<u>Ownership percentage direct as of 30 September 2022</u>	<u>Ownership percentage direct as of 31 December 2021</u>	<u>Activity</u>
Fitaihi Retail Company (One person company)	Jeddah- KSA	100%	100%	Buying and selling precious metals and gemstones, Welding and polishing workshops (jewelers) and electronic trade. Wholesale and retail trade in perfumes, cosmetics, gifts (lighters, button, pens, watches), wholesale trade in Chinese crystal, antiques, household utensils required, leather products, towels, linens, and clothes also wholesale trade in all kinds of foodstuffs and establishment and management of business centers.
Saudi Tawteen for Maintenance & Operation	Jeddah- KSA	100%	100%	Cleaning new buildings after construction, cleaning buildings with steam and sand heating, activities for general cleaning services for buildings, building maintenance services activities, cleaning and maintenance of swimming pools, care and maintenance of parks and gardens for public housing purposes, care and maintenance of building scenery, home gardens, roof gardens and private building faces and others, care and maintenance of highway parks.

**FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(EXPRESSED IN SAUDI RIYALS)**

3. USE OF SIGNIFICANT JUDGMENT, ESTIMATES AND ASSUMPTIONS

In preparing these interim condensed consolidated financial statements, it requires to management use judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments used by management in applying the Group accounting policies and methods of calculation, and key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ending on 31 December 2021.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

There are no new standards issued by the International Accounting Standards Board (IASB), however, a number of amendments to the standards are effective as of 1 January 2022, which were explained in the annual consolidated financial statements of the group as of 31 December 2021 and there is no material impact on the interim condensed consolidated financial statements of the group for the nine-months period ended 30 September 2022.

5. INVESTMENTS IN ASSOCIATE

Investments in associate consist of the following:

	Country of incorporation	Main Activity	Ownership %		30 September 2022 (Unaudited)	31 December 2021 (Audited)
			30 September 2022	31 December 2021		
International Medical Center Company	KSA	Management and operation of hospitals	19.25%	19.25%	195,330,339	208,058,571
					195,330,339	208,058,571

The share of results for the year consists following:

	For the three-month period from 1 July to 30 September		For the nine-month period ended September 30	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Share of the results of the International Medical Center Company	(17,981,498)	7,618,010	(13,829,318)	19,381,961
Share of Other comprehensive income of the International Medical Center Company	4,711,006	-	4,711,006	-
	(13,270,492)	7,618,010	9,118,312	19,381,961

On March 2, 2021, the Group sold its entire share in Al Jouf Agricultural Development Company (Associate Company), based on the decision of the Board of Directors, and the group achieved profits from the selling shares amounting to SAR 125.7 million, as follows:

	Amount
Proceeds from the sale of shares	200,014,808
The carrying value of the sold shares	(74,312,851)
	125,701,957

FITAIHI GROUP HOLDING COMPANY
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(EXPRESSED IN SAUDI RIYALS)

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

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Cost		
Balance as at the beginning of the period/year	118,609,241	98,782,805
Additions during the period/year	15,553,357	20,252,196
Disposal during the period/year	-	(425,760)
Balance as at the end of the period/year	<u>134,162,598</u>	<u>118,609,241</u>
<u>Unrealized (losses) / gains on investments in equity instruments at fair value through other comprehensive income</u>		
Balance as at the beginning of the period/year	34,926,642	3,736,019
Net movement during the period/year	(64,288,104)	31,222,702
Transfer of gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	(32,079)
Balance as at the end of the period/year	<u>(29,361,462)</u>	<u>34,926,642</u>
Net book value as at the end of the period/year	<u>104,801,136</u>	<u>153,535,883</u>
- All equity are listed in the stock market.		

7. INVENTORY

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Jewelry and gold	84,472,044	95,686,688
Gold and jewelry materials	9,467,976	5,502,681
Accessories and other	1,898,360	1,640,951
Gold raw material under manufacture by others	428,104	428,104
Boxes and packaging tools	49,148	52,988
	<u>96,315,632</u>	<u>103,311,412</u>

8. TRADE RECEIVABLES AND OTHER DEBIT BALANCES (NET)

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	15,090	16,267
Prepaid expenses	1,301,145	683,244
Advance payments to suppliers	110,684	228,106
Receivable from the sale of a subsidiary	1,225,478	1,520,478
Other receivable	944,396	585,216
	<u>3,596,793</u>	<u>3,033,311</u>
Less: provision for impairment	(16,447)	(16,447)
	<u>3,580,346</u>	<u>3,016,864</u>

FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(EXPRESSED IN SAUDI RIYALS)

8. TRADE RECEIVABLES AND OTHER DEBIT BALANCES (NET) (Continued)

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

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

9. TRADE PAYABLES AND OTHER CREDIT BALANCES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Trade payables	5,209,247	3,404,333
Accrued expenses	2,896,107	3,007,550
Advance payments from customers	1,694,155	1,628,727
Other payables	2,350,201	2,190,927
	12,149,710	10,231,537

10. ZAKAT PAYABLE

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance as at the beginning of the period/year	5,973,547	7,954,117
Charged during the period/year	2,700,000	3,964,665
Charged for prior years	-	1,197,706
Paid during the period/year	(3,964,010)	(7,142,941)
Balance as at the end of the period/year	4,709,537	5,973,547

The Zakat status

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

FITAIHI GROUP HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
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11. (LOSS) / EARNING PER SHARE

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

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

	For the three - month period from 1 July to 30 September		For the nine - month period ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
(loss) / Profit for the period attributable to shareholders	(20,771,719)	6,924,483	(3,931,558)	154,036,680
Weighted average number of ordinary shares outstanding	27,500,000	49,963,370	27,500,000	49,963,370
Basic and diluted earnings per share from net (loss) profit for the period	(0.76)	0.17	(0.14)	3.08

12. CAPITAL

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
27.5 million shares, the value of each share is 10 Saudi riyals per share	275,000,000	275,000,000

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

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

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

13. TRANSACTIONS WITH RELATED PARTIES

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

14. OBJECTIVES AND POLICES OF RISK MANAGEMENT

Risks are part of the Group's activities and are managed through a continuous mechanism which consists of identifying risks, then evaluating and following them up in accordance with other approved restrictions and controls. The process of managing risk is essential to the group's ability to generate profits. The group is exposed to market risk, currency risk, credit risk and liquidity risk

Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Foreign Currency risk

The risks related to currency fluctuations associated with financial instruments are concentrated in currency fluctuations of the Group's foreign investments, as the main Group's investments in the stock market are concentrated on the Egyptian Stock Exchange, and therefore their fair value is affected by the exchange rate of Egyptian pound from one period to another. According to the economic and political conditions in the Egypt, the Group considers that most of its investments are for long-term strategic purposes.

Credit risk

Credit risk is the risk that one party in a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Group works to limit credit risk. Management believes that credit risk is limited given that the Group's sales are monetary.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with financial liabilities, as they fall due. Liquidity needs are monitored on a monthly basis and the management works to ensure that sufficient funds are available to meet any liabilities as they arise.

The Group's current financial liabilities, amounting to SAR 17.1 million as on 30 September 2022 (December 31, 2021: SAR 17 million), consist of lease commitments - the current portion - trade and other credit balances and accrued zakat. Virtually all of these financial liabilities are expected to be settled within 12 months from the date of the condensed consolidated statement of financial position and the Group expects to have sufficient funds to do so.

The Group's non-current financial liabilities amounting to SR 6.6 million as of 30 September 2022 (31 December 2021: SR 1.5 million) consist of net employee defined benefit obligations and lease commitments - the non-current portion. Employees' defined benefit obligations are paid in accordance with the actual timing of the employees' term of service.

Stock price Risk

The Group is exposed to market price risks on its investments in shares traded and arising from the uncertainty in the future value of shares traded. Reports on investment in shares traded are regularly reported to Top management.

Capital risk management

For the purpose of managing the group's capital risk, equity consists of capital, statutory reserve attributable to the shareholders of the parent company, retained earnings and equity instruments valuation reserve at fair value through other comprehensive income. The main objective of capital management is to maximize shareholder equity.

The Group manages and adjust its capital structure in light of changes in economic conditions and financial commitment requirements. In order to maintain or adjust the capital structure, the group may adjust dividends to shareholders or to issue new shares.

14. OBJECTIVES AND POLICES OF RISK MANAGEMENT (Continued)

Capital risk management (Continued)

The Group does not have a capital structure with specific objectives or rates to be achieved in connection with managing capital risk. The overall strategy of the group remains the same, unchanged from the previous year. The group's capital structure consists of equity (consisting of equity capital and statutory reserve attributable to shareholders of the parent company, retained earnings and equity instruments valuation reserve at fair value through other comprehensive income).

Fair value

The fair value is the price that would be received to sell an asset or paid to transfer any of the liabilities in a transaction under normal circumstances between market participants at the measurement date. As such, differences can arise between the carrying values and the fair value estimates. The definition of fair value is based on market-based measurement and assumptions used by market participants.

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

- **Level 1** - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date.
- **Level 2** - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** - inputs for the asset or liability that are not based on observable market data.

There were no transfers between Level 1, Level 2 and Level 3 during the period ending 30 September 2022.

All financial assets and financial liabilities of the Group are recorded at amortized cost, except for: investments in equity instruments at fair value through other comprehensive income, as they are listed in an active market and are evaluated according to level one (share price on the reporting date)

15. IMPORTANT EVENTS DURING THE PERIOD

15-1 Devaluation of the currency of the Arab Republic of Egypt:

During the period ended on 30 September 2022, the Egyptian pound recorded a decrease in the exchange rate against the Saudi riyal. which affected the valuation of investments in the Arab Republic of Egypt and resulted in unrealized losses of 18.6 million Saudi riyals.

15-2 Reissuance of interim condensed consolidated financial statements for the six-month period ended on June 30, 2022

The interim condensed consolidated financial statements for the six-month period ending on June 30, 2022(G) have been reissued on 28 Rabi Al Awal 1444 H corresponding to October 24, 2022(G) to replace the previously issued interim condensed consolidated financial statements on 27 Muharram 1444 H corresponding to August 25, 2022(G).

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

These interim condensed consolidated financial statements (Unaudited) were approved by the Board of Directors on 10/11/2022.