

AL-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A Saudi Closed Joint Stock Company - Refer Note 1)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

Al-Saif Stores for Development and Investment Company
(A Saudi Closed Joint Stock Company)

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS** (1 /1)

TO THE SHAREHOLDERS OF AL SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Saif Stores for Development and Investment Company and its subsidiaries (together "the Group") as at 30 June 2023 and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). 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") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For Al-Bassam & Co.



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 26 Muharram 1445H
Corresponding to: 13 August 2023



AL-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Property and equipment, net		177,814,815	161,546,131
Right-of-use assets, net		156,381,045	127,882,760
Intangible, net		1,441,611	1,609,397
Total non-current assets		335,637,471	291,038,288
Current assets			
Inventory, net		251,278,623	239,069,305
Trade receivables, net		9,170,365	5,927,366
Prepayments and other receivables		47,550,940	34,653,762
Due from related parties	5	5,400	35,000,000
Financial assets carried at FVTPL	6	30,428,944	-
Cash and cash equivalents		25,702,714	46,891,478
Total current assets		364,136,986	361,541,911
Total assets		699,774,457	652,580,199
Equity			
Share capital	7	350,000,000	350,000,000
Additional capital contribution		156,431	156,431
Statutory reserve	14	-	25,579,456
Retained earnings		91,775,515	35,370,082
Total equity		441,931,946	411,105,969
Liabilities			
Non-current liabilities			
Long-term lease liabilities		127,761,242	112,169,873
Provision for employees' post-employment benefits		8,716,338	8,391,000
Total non-current liabilities		136,477,580	120,560,873
Current liabilities			
Short-term lease liabilities		22,059,878	18,227,306
Short term loan	8	208,725	53,652
Trade payables		43,745,774	19,649,447
Due to related parties	5	26,926,824	24,905,711
Accruals and other payables		17,477,655	15,331,166
Dividends payable			35,000,000
Zakat provision	9	10,946,075	7,746,075
Total current liabilities		121,364,931	120,913,357
Total liabilities		257,842,511	241,474,230
Total equity and liabilities		699,774,457	652,580,199
Contingencies and Commitments	10		

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



Suleiman bin Muhammad bin
Saleh Alsaif
Chairman



Muhammad bin Suleiman
bin Muhammad Alsaif
CEO



Abdulrahman Almofeez
CFO

AL-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June 2023 (Unaudited)	30 June 2022 (Unaudited)	For the six-month period ended 30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Revenue	11	145,744,351	129,615,213	375,164,082	382,562,123
Cost of revenue		(107,926,605)	(88,904,313)	(259,805,450)	(256,437,995)
Gross profit		37,817,746	40,710,900	115,358,632	126,124,128
Selling and distribution expenses		(11,242,943)	(10,476,600)	(27,496,179)	(24,647,545)
General and administrative expenses		(6,575,998)	(5,694,651)	(13,394,476)	(14,394,415)
Finance costs		(1,690,409)	(2,258,074)	(3,208,443)	(4,458,664)
Depreciation on right-of-use assets		(6,022,489)	(4,553,330)	(11,520,597)	(8,986,088)
Operating profit		12,285,907	17,728,245	59,738,937	73,637,416
Other income		4,270,477	2,956,462	8,858,096	5,121,142
Gain / (loss) on revaluation of financial assets at FVTPL	6	324,965	(3,540,531)	428,944	(1,022,196)
Net profit for the period before zakat		16,881,349	17,144,176	69,025,977	77,736,362
Zakat expense	9	(1,600,000)	(2,020,999)	(3,200,000)	(3,520,999)
Net profit for the period		15,281,349	15,123,177	65,825,977	74,215,363
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		15,281,349	15,123,177	65,825,977	74,215,363
Basic and diluted earnings per share (Saudi Riyals) - Restated	12	0.04	0.04	0.19	0.21

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



Suleiman bin Muhammad bin Saleh Alsaif
Chairman



Muhammad bin Suleiman bin Muhammad Alsaif
CEO



Abdulelah Almofeez
CFO

AI-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Additional capital contribution	Statutory reserve	Retained earnings	Total
Balance as of 1 January 2022 (Audited)		42,000,000	156,431	12,600,000	326,382,208	381,138,639
Net profit for the period		-	-	-	74,215,363	74,215,363
Other comprehensive income		-	-	-	-	-
Total Comprehensive income		-	-	-	74,215,363	74,215,363
Addition in share capital		308,000,000	-	-	(308,000,000)	-
Transfer to statutory reserve		-	-	7,421,536	(7,421,536)	-
Dividends		-	-	-	(65,000,000)	(65,000,000)
Balance as of 30 June 2022 (Unaudited)		<u>350,000,000</u>	<u>156,431</u>	<u>20,021,536</u>	<u>20,176,035</u>	<u>390,354,002</u>
Balance as of 1 January 2023 (Audited)		350,000,000	156,431	25,579,456	35,370,082	411,105,969
Net profit for the period		-	-	-	65,825,977	65,825,977
Other comprehensive income		-	-	-	-	-
Total Comprehensive income		-	-	-	65,825,977	65,825,977
Statutory reserve (Refer Note 14)		-	-	(25,579,456)	25,579,456	-
Dividends		-	-	-	(35,000,000)	(35,000,000)
Balance as of 30 June 2023 (Unaudited)		<u>350,000,000</u>	<u>156,431</u>	<u>-</u>	<u>91,775,515</u>	<u>441,931,946</u>

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



**Suleiman bin Muhammad bin
Saleh Alsaif
Chairman**



**Muhammad bin Suleiman bin
Muhammad Alsaif
CEO**



**Abdulelah
Almofeez
CFO**

AI-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the Six-month period ended	
		30 June 2023	30 June 2022
		(Unaudited)	(Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit for the period before zakat		69,025,977	77,736,362
<i>Adjustments for:</i>			
Depreciation of property and equipment		8,167,980	7,200,713
Amortization of intangible		167,786	
Depreciation of right-of-use assets		11,520,598	8,986,088
(Gain) / loss on revaluation of financial assets carried at FVTPL	6	(428,944)	1,022,196
Provision for employees' post-employment benefits		687,760	643,285
Finance costs		3,208,444	4,458,664
		92,349,601	100,047,308
Changes in operating assets and liabilities:			
Trade receivables, net		(3,242,999)	1,205,985
Inventories, net		(12,209,318)	1,037,175
Prepayments and other receivables		(12,897,178)	(2,300,154)
Due from related parties		34,994,600	(2,937,631)
Due to related parties		2,021,113	10,093,209
Trade payables		24,096,327	11,346,915
Revenue received in advance		-	(1,505,563)
Accruals and other payables		2,146,489	(8,045,315)
		127,258,635	108,941,929
Employees' benefits paid		(362,422)	(240,902)
Zakat paid		-	(6,528,079)
Net cash flows generated from operating activities		126,896,213	102,172,948
Cash flow from investing activities			
Addition of property and equipment		(24,436,664)	(47,562,311)
Purchase of financial assets at FVPL	6	(85,768,626)	(232,424,045)
Proceeds from sale of financial assets FVTPL	6	55,768,626	150,495,072
Net cash flows used in investing activities		(54,436,664)	(129,491,284)
Cash flows from financing activities			
Dividends paid		(70,000,000)	(26,000,000)
Lease liabilities paid		(23,803,386)	(12,905,000)
Repayments of short-term loans	8	(580,018)	24,936,021
Proceeds from short-term loans	8	735,091	-
Net cash flows used in financing activities		(93,648,313)	(13,968,979)
Net change in cash and cash equivalents		(21,188,764)	(41,287,315)
Cash and cash equivalents at beginning of period		46,891,478	46,704,370
Cash and cash equivalents at end of the period		25,702,714	5,417,055
Supplementary information – Non-cash transaction			
Increase in share capital		-	308,000,000
Transfer of statutory reserve to retained earning		25,579,456	

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



Suleiman bin Muhammad bin Saleh Alsaif
Chairman



Muhammad bin Suleiman bin Muhammad Alsaif
CEO



Abdulelah Almofeez
CFO

AL-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS ACTIVITIES

Al-Saif Stores Development and Investment Company (“the Company”) and its subsidiaries (together “the Group”) is a Saudi Closed Joint-Stock Company which was in accordance with the Companies Law in the Kingdom of Saudi Arabia under Commercial Registration no. 1010111193 issued in Riyadh on 18 Shu al-Hijjah 1413H corresponding to 09 September 1993. The Company was converted from a limited liability company to a closed joint stock company on 23 Muharram 1436H corresponding to 16 November 2014 as per the approval of the Ministry of Commerce and Industry No. 322 /s.

During the year 2022, the Capital Market Authority (CMA) approved the Company’s request to offer 10.5 million shares, representing 30% of the share capital, on Main Market and the shares of the Company were listed on Saudi Exchange on 27 December 2022, however, as per the Commercial Registration and Articles of Association of the Company, the legal status is still a closed joint stock company. Subsequent to the period end dated 25 July 2023, the articles of association of the Company has been updated (Refer Note 14).

The principle activity of the Group is the sale and import of household utensils, wholesale and retail trade in household utensils, electrical appliances, cleaning supplies, general contracting activity, construction, repair, restoration and demolition of buildings and public construction of road works, water and sewage works, dams, drilling wells, maintenance and operation of electrical, mechanical and electronic installations, landscaping and blacksmithing, carpentry, aluminum, decoration, gypsum, decoration, maintenance and cleaning works, management and operation of cities, utilities, buildings and public and private facilities, buying and owning real estate and lands to construct buildings on them.

Based on the approval of the Company’s Extraordinary General Assembly held on 9 November 2017, corresponding to 20 Safar 1439H, it was approved to amend the Company’s articles of association to conform to the system of the Ministry of Trade and Investment. Accordingly, the name of the Company was modified from Al-Saif Stores Development and Investment Holding Company to become Al-Saif Stores Development and Investment Company.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Name of subsidiaries	Location	% of shareholding	
		30 June 2023	31 December 2022
Al Saif Gallery Trading	Abu Dhabi – UAE	100%	100%
Al Saif Gallery Kuwait	Kuwait City – Kuwait	100%	100%

The head office of the Company is located at P.O. Box 10448, Riyadh 11626, Kingdom of Saudi Arabia.
The following are the branches of the Group:

C.R. Name	C.R No.	City
Al-Saif Stores Development and Investment Company	1010111193	Riyadh
Branch of Al-Saif Stores Development and Investment Company	1010214481	Riyadh
Branch of Al-Saif Stores Development and Investment Company	2511020642	Hafar Al-Batin
Branch of Al-Saif Stores Development and Investment Company	3400017715	Skaka
Al-Saif Household Utensils, Branch of Al-Saif Stores Development and Investment Company	5855064177	Khamis Mushait
Branch of Al-Saif Stores Development and Investment Company	5950028436	Najran
Branch of Al-Saif Stores Development and Investment Company	2052002131	Dhahran
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	5900029071	Jazan
Al-Saif Gallery for Household Utensils, Branch of Al-Saif Stores Development and Investment Company	4031088383	Makkah
Branch of Al-Saif Stores Development and Investment Company	3350038998	Hail

AL-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**
(All amounts in Saudi Riyals unless otherwise stated)

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS ACTIVITIES (CONTINUED)

The branches of the Group (continued):

Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	5851008216	Bisha
Branch of Al-Saif Stores Development and Investment Company	2050089147	Dammam
Branch of Al-Saif Stores Development and Investment Company	2251051049	Hofuf
Branch of Al-Saif Stores Development and Investment Company	3550035969	Tabuk
Branch of Al-Saif Stores Development and Investment Company	1011023345	Kharj
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	4032047578	Taif
Al-Saif Gallery Trading CO., Branch of Al-Saif Stores Development and Investment Company	4650078386	Medina
Branch of Al-Saif Stores Development and Investment Company	1131050364	Buraydah
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	4030280833	Jedda
Branch of Al-Saif Stores Development and Investment Company	5850069251	Abha
Branch of Al-Saif Stores Development and Investment Company	2057009162	Khafji
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	4700020176	Yanbu
Al-Saif Hall for household utensils, Branch of Al-Saif Stores Development and Investment Company	1010245983	Riyadh
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	1132011128	Alrass
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	2055122895	Jubail
Branch of Al-Saif Stores Development and Investment Company	1010183788	Riyadh
Branch of Al-Saif Stores Development and Investment Company	1128181636	Unaizah
Branch of Al-Saif Stores Development and Investment Company	5800103809	Albaha
Al-Saif Stores Development and Investment Company	1116623206	Dawadmi
Al-Saif Gallery Trading	5860612372	Mahayel Aseer
Branch of Al-Saif Stores Development and Investment Company	1010283196	Riyadh
Branch of Al-Saif Stores Development and Investment Company	1010664452	Riyadh
Branch of Al-Saif Stores Development and Investment Company	1010672622	Riyadh
Branch of Al-Saif Stores Development and Investment Company	2051232518	Khobar
Suleiman Mohammad Al-Saif Gallery for household utensils, branch of Al-Saif Stores Company for Development and Investment	4031088373	Makkah
Branch of Al-Saif Stores Development and Investment Company	3450178614	Arar
Al Saif Gallery Trading - UAE	4605329	Abu Dhabi
Al Saif Gallery Trading - UAE	116640	Ajman
Al Saif Gallery Kuwait	468654	Kuwait

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2022.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

2.2 BASIS OF MEASUREMENT

These interim condensed consolidated financial statements are prepared under the historical cost method except for the investments that are measured at fair value.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR) which is the functional and presentation currency. All financial information presented in SR has been rounded to the nearest SR, unless otherwise mentioned.

2.4 BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements include the interim condensed financial statements of the Company and subsidiaries controlled by the Group for the six-month period ended 30 June 2023. Control is achieved where the Group has the power to govern the financial and operating policies of the investee company so as to obtain benefits from its activities.

Income and expenses of subsidiaries incorporated during the period, if any, are included in the interim consolidated statement of other comprehensive income from the effective date of incorporation and up to the effective date of disposal, as appropriate. Total income of subsidiaries is attributed to the shareholders of the Group and to the non-controlling interests, if any, even if this results in the non-controlling interests having a deficit balance. All significant intergroup transactions and balances between group enterprises have been eliminated in preparing the interim condensed consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at 31 December 2022.

3.1 Significant accounting judgements, estimates, and assumptions

In preparing these interim condensed financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2022.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, these interim condensed consolidated financial statements have been prepared on a going concern basis.

4. NEW AMENDED STANDARDS AND INTERPRETATIONS:

There are no new standards issued, however, there are number of amendments to standards which are effective from 01 January 2023 and the details of the same has been explained in annual consolidated financial statements for the year ended 31 December 2022, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

AI-SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**
(All amounts in Saudi Riyals unless otherwise stated)

5. RELATED PARTIES

The related parties are the Shareholders of the Group and the Companies owned by the shareholders (associated companies). The terms of these transactions are approved by the Group's management.

The following are the most important transactions with related parties and the balances resulting from them:

Description	Relationship	Nature of transactions	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Nawat Real Estate Investment Company	Associate	Expense paid on behalf of the company	5,400	4,805,211
		Receipt against sale of land	35,000,000	-
Suleiman Muhammad Salih Al-Saif	Shareholder	Expenses paid on behalf of the shareholder	1,880,842	2,937,631
Al-Saif Coffee Trading Company	Associate	Purchases	951,887	638,882
Al-Saif Commercial Agencies Company	Associate	Purchases	2,469,519	5,472,578

Balances as at

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Due from related parties		
Nawat Real Estate Investment Company	5,400	35,000,000
	<u>5,400</u>	<u>35,000,000</u>
Due to related parties		
Al-Saif Commercial Agencies Company	26,375,230	24,905,711
Al-Saif Coffee Trading Company	551,594	-
	<u>26,926,824</u>	<u>24,905,711</u>

Remunerations of the Company's key management personnel

Key management personnel are those persons, including the Board of Directors, Managing Director, Chief Financial Officer and top executives having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The total remunerations of Group's key management personnel for the period ended 30 June 2023 amounted to SR 1,841,224 (30 June 2022: SR 1,494,824). Such remuneration includes fees, basic salaries, bonuses and other benefits as per the Group's policies.

6. FINANCIAL ASSETS CARRIED AT FVTPL

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year	-	-
Additions during the period / year	85,768,626	248,051,797
Disposals during the period / year	(55,768,626)	(246,440,932)
Loss on sale of financial assets at FVTPL	-	(1,610,865)
Unrealized gain on revaluation of financial assets at FVTPL	428,944	-
Balance at end of the period / year	<u>30,428,944</u>	<u>-</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**
(All amounts in Saudi Riyals unless otherwise stated)

7. SHARE CAPITAL

During the period, the Company split the nominal value of the share from SR 10 per share to SR 1 per share and thus the number of the company's shares will become 350,000,000 shares instead of 35,000,000 shares.

The Group's Capital as on 30 June 2023 is SR 350 million (31 December 2022: SR 350 million) distributed over 350 million (31 December 2022: 35 million) shares, with a nominal value of SR 1 per share (31 December 2022: SR 10 per share)

8. SHORT TERM LOAN

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	53,652	52,626,976
Obtained during the period / year	735,091	103,054,896
Payments made during the period / year	(580,018)	(155,628,220)
Balance at the end of the period / year	208,725	53,652

9. ZAKAT PROVISION

	For the six-month ended 30 June 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)
Balance at the beginning of the period / year	7,746,075	6,007,080
Zakat charge for the period / year	3,200,000	7,746,075
Payments made during the period / year	-	(6,528,079)
Prior year adjustment	-	520,999
Balance at the end of the period / year	10,946,075	7,746,075

Zakat return for the year ended 31 December 2022 has been filed subsequent to the period end and are under review with the Zakat, Tax and Customs Authority ("ZATCA").

The Group has closed all zakat assessments up to 2018. The Group has no open assessment orders to the date of issuance of interim condensed consolidated financial statements.

10. CONTINGENCIES AND COMMITMENTS

a) Contingencies

Contingencies represent open letters of credit for purchasing goods of SR 62.54 million from local banks at 30 June 2023 (31 December 2022: SR 54.1 million).

b) Commitments

There are no capital commitments made by the Group at 30 June 2023 and 31 December 2022.

11. REVENUE

	For the six-month period ended 30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Revenue	375,164,082	382,562,123

The following table sets out the Group's revenue disaggregated by type:

Retail branches	310,534,278	344,460,821
E-commerce	37,821,912	33,888,457
Wholesale	26,807,892	4,212,845
	375,164,082	382,562,123

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**
(All amounts in Saudi Riyals unless otherwise stated)

11. REVENUE (Continued)

Revenue relates to Kingdom of Saudi Arabia, United Arab Emirates and State of Kuwait. The following table sets out the Group's revenue disaggregated by geographical market:

	For the six-month period ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Kingdom of Saudi Arabia	353,927,674	382,562,123
United Arab Emirates	18,515,016	-
State of Kuwait	2,721,392	-
	375,164,082	382,562,123

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	For the six-month period ended	
	30 June 2022	30 June 2022
	(Unaudited)	(Unaudited)
		(Restated)
Income for the period	65,825,977	74,215,363
Weighted average number of ordinary shares for the purpose of basic earnings	350,000,000	350,000,000
Earnings per share (SR) -Basic and Diluted	0.19	0.21

Earnings per share is calculated by dividing the net profit for the period with revised number of shares following the change in nominal value per share from SR 10 to SR 1 per share and prior comparatives have been restated accordingly.

There are no diluted shares which are convertible to basic shares at the period end.

13. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets consist of cash and bank balances, investments and other receivables, its financial liabilities consist of trade payables, financial facilities and other liabilities.

The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

All financial assets and liabilities are measured at amortized cost except investment carried at FVTPL. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

The above-mentioned financial assets and liabilities are measured at fair value at the end of each reporting period.

During the period, in Extraordinary General Assembly meeting, it was approved that the transfer of statutory reserve amounting to SR 25.58 million in the financial statements for the year ended on 31 December 2022 to retained earnings.

Following are the subsequent events:

- On 06 July 2023, the Board of Directors of the Group has recommended and approved distribution of cash dividend of SR 0.1 per share; and
- On 25 July 2023 and 7 August 2023, the articles of association and Commercial registration is updated respectively and the status of the has been changes to joint stock company.

There are no other significant subsequent events since the period end that require disclosure or adjustment in these interim condensed consolidated financial statements.

The Group's interim condensed consolidated financial statements for the six-month period ended 30 June 2023 have been approved by the Board of Directors on 09 August 2023 corresponding to 22 Muharam 1445H.