

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH
PERIODS ENDED 30 JUNE 2024 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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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 ("collectively referred to as the "Group"), as of 30 June 2024 and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. 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 the 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 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.

Other matter - comparative figures

We issued a limited review report with a qualified conclusion dated 04 Safar 1445 corresponding to 20 August 2023 on the interim condensed financial statements issued for the three-month and six-month periods ending 30 June 2023 due to not receiving the issuance the financial statement of the associate which has not been completed. During the current period, the Group has recognized its share of the results of the investee associate's results and the balances related to the condensed consolidated interim financial statements for the three and six months ended 30 June 2023 in accordance with the approved financial statements for both the year ended 31 December 2022 and for the three- and six-months periods ended 30 June 2023 (for more details, please refer to Note 17).

For BDO Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



14/02/1446 (H)
18/08/2024 (G)

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property and equipment		41,050,210	39,722,562
Right of use assets		2,683,368	3,334,446
Investment in associate company	(5)	186,124,501	177,152,860
Investments in equity instruments at fair value through other comprehensive income	(6)	147,600,426	170,016,947
Total non-current assets		377,458,505	390,226,815
Current assets			
Inventory	(7)	101,914,872	94,161,660
Trade and other receivables	(8)	4,874,425	2,489,788
Cash and cash equivalents		11,849,042	7,248,120
Total current assets		118,638,339	103,899,568
TOTAL ASSETS		496,096,844	494,126,383
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	(13)	275,000,000	275,000,000
Statutory reserve		68,676,942	68,676,942
Retained earnings		106,123,748	95,775,635
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income		10,885,731	33,302,252
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income in associate company		846	6,347
Fair value change reserve of associate company's cash flow risks hedging		8,758,071	3,888,738
TOTAL EQUITY		469,445,338	476,649,914
Non-current liabilities			
Lease liabilities		1,537,923	1,980,031
Employee defined benefit liabilities		1,956,979	1,671,740
Total non-current liabilities		3,494,902	3,651,771
Current liabilities			
Lease liabilities - current portion		1,363,900	1,572,023
Trade and other payables	(9)	20,044,250	9,472,457
Zakat payable	(10)	1,748,454	2,780,218
Total current liabilities		23,156,604	13,824,698
TOTAL LIABILITIES		26,651,506	17,476,469
TOTAL EQUITY AND LIABILITIES		496,096,844	494,126,383

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:

The accompanying notes (1) to (18) 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)**

	For the three-month period ended 30 June		For the six-month Period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)
Net sales	10,788,720	10,441,826	19,648,436	28,700,683
Cost of sales	(6,764,223)	(5,854,026)	(11,388,878)	(15,727,086)
Gross Profit of sales	4,024,497	4,587,800	8,259,558	12,973,597
Dividends from equity instruments at fair value through other comprehensive income	7,932,713	5,277,508	7,932,713	6,371,512
Company's Share of the business results of the associate company	3,164,386	724,860	8,160,300	662,424
Gain from evaluation of investment at fair value through profit or loss	-	72,777	-	178,812
Gains from investments	11,097,099	6,075,145	16,093,013	7,212,748
Gross profit	15,121,596	10,662,945	24,352,571	20,186,345
Selling and distribution expenses	(2,783,280)	(3,392,310)	(5,776,964)	(7,074,488)
General and administrative expenses	(3,324,387)	(3,233,485)	(6,630,729)	(6,482,054)
Total expenses	(6,107,667)	(6,625,795)	(12,407,693)	(13,556,542)
Profit from operations	9,013,929	4,037,150	11,944,878	6,629,803
Gains on the disposal of property and equipment	-	-	60,000	-
Other expenses, net	(132,633)	(60,533)	(186,175)	(133,120)
Profit before Zakat	8,881,296	3,976,617	11,818,703	6,496,683
Zakat	(850,000)	(900,000)	(1,750,000)	(1,800,000)
Net Profit for the period	8,031,296	3,076,617	10,068,703	4,696,683

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:

The accompanying notes (1) to (18) 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023		2024	
	(Unaudited) 2023 (Note 17)	(Unaudited) 2024 (Note 17)	(Unaudited) 2023 (Note 17)	(Unaudited) 2024 (Note 17)
Other comprehensive income / (loss):				
Items that will not be reclassified subsequently to profit or loss:				
Net gains / (losses) from fair value measurement of equity instruments through other comprehensive income	29,100,054	10,728,714	(22,416,521)	17,934,843
Group's share of the profit on remeasurement of employee defined benefit obligations of the associate company	-	-	279,410	-
Group's share in the gains / (losses) from fair value measurement of equity instruments through other comprehensive income of associate company	(16,090)	(15,446)	(5,501)	2,962
Items that may be reclassified subsequently to profit or loss:				
Group's share in the change in fair value of cash flow hedging of associate company	827,379	3,526,825	4,869,333	854,841
Total other comprehensive income / (loss) for the period	29,911,343	14,240,093	(17,273,279)	18,792,646
Total comprehensive Income / (loss) for the Period	37,942,639	17,316,710	(7,204,576)	23,489,329
Basic and diluted earnings per share from net profit	0.03	0.01	0.04	0.02

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:


The accompanying notes (1) to (18) 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
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)**

	Share capital	Statutory reserve	Retained Earnings	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income	Revaluation reserve of investments in equity instruments at fair value through other comprehensive income for associate company	Fair value change reserve to cover associate company's cash flow risks hedging	Total equity
For the Six-month period ended 30 June 2024 (Unaudited)							
Balance at 1 January 2024 (Audited)	275,000,000	68,676,942	95,775,635	33,302,252	6,347	3,888,738	476,649,914
Net profit for the period	-	-	10,068,703	-	-	-	10,068,703
Changes in other comprehensive income during the period	-	-	279,410	(22,416,521)	(5,501)	4,869,333	(17,273,279)
Total comprehensive income / (loss) for the period	-	-	10,348,113	(22,416,521)	(5,501)	4,869,333	(7,204,576)
Balance at 30 June 2024 (Unaudited)	275,000,000	68,676,942	106,123,748	10,885,731	846	8,758,071	469,445,338
For the Six-month period ended 30 June 2023 (Restated - Note 17) (Unaudited)							
Balance at 1 January 2023 (Audited)	275,000,000	68,156,170	101,146,416	(4,019,386)	38,313	5,337,869	445,659,382
Net profit for the period	-	-	4,696,683	-	-	-	4,696,683
Changes in other comprehensive income during the period	-	-	4,696,683	17,934,843	2,962	854,841	18,792,646
Total comprehensive income	-	-	(11,000,000)	17,934,843	2,962	854,841	23,489,329
Dividends paid	-	-	94,843,099	-	-	-	(11,000,000)
Balance at 30 June 2023 (Unaudited)	275,000,000	68,156,170	94,843,099	13,915,457	41,275	6,192,710	458,148,711

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature: 


Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature: 

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature: 

The accompanying notes (1) to (18) 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
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)

	For the six-month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before zakat	11,818,703	6,496,683
Adjustments to reconcile profit before zakat to cash flows from operating activities:		
Depreciation of property and equipment	648,899	625,514
Amortization of right of use assets	651,078	660,750
Employees defined benefit obligations	297,437	235,263
Finance charges for right of use assets	67,890	95,580
Dividend from investment in equity instruments at fair value through other comprehensive income	(7,932,713)	(6,371,512)
Gain from evaluation investment at fair value through profit or loss	-	(178,812)
Company's Share of results of associate company	(8,160,300)	(662,424)
Gain from sale of property and equipment	(60,000)	-
Changes in work in capital		
Trade and other receivables	(2,384,637)	(1,905,152)
Inventory	(7,753,212)	2,826,960
Trade and other payables	10,571,793	(1,040,303)
Zakat paid	(2,781,764)	(3,445,594)
Employees defined benefit obligations paid	(12,198)	(65,614)
Net cash used in operating activities	(5,029,024)	(2,728,661)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase for property and equipment	(1,976,547)	(151,450)
Purchase for investments in equity instruments at fair value through other comprehensive income	-	(729,813)
Dividends received from investments in fair value equity instruments	7,932,713	6,371,512
Dividends received from investments in associate company	4,331,901	3,609,920
Purchase of Investment at fair value through profit or loss	-	(15,000,000)
Proceeds from sale of investment at fair value through profit or loss	-	15,178,812
Proceeds from sale of property and equipment	60,000	-
Net cash generated from investing activities	10,348,067	9,278,981
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	(11,000,000)
Lease liabilities	(718,121)	(696,918)
Net cash used in financing activities	(718,121)	(11,696,918)
Net change in cash and cash equivalents	4,600,922	(5,146,598)
Cash and cash equivalents at the beginning of the period	7,248,120	19,598,658
Cash and cash equivalents at the end of the period	11,849,042	14,452,060
Significant non - cash transactions		
Net (losses) / gain from evaluation of equity instruments at fair value through other comprehensive income	(22,416,521)	17,934,843

Chief Financial Officer

Name: Yasser Yehia Abdelhamid

Signature:

Authorized Board Member

Name: Ibrahim Hassan Almadhon

Signature:

Chairman of Board of directors

Name: Ahmed Hassan Fitaihi

Signature:

The accompanying notes (1) to (18) form an integral part of these interim condensed consolidated financial statements

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(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 09 Ramadan 1418 H and commercial registration number 4030085128 issued in Jeddah on 02 Shaaban 1412 H (corresponding to 05 February 1992).

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

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023 (“The annual consolidated financial statements”) In addition, results for the interim period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

2.4. Basis of consolidation

The Group’s Interim condensed consolidated financial statements include the financial statements of the Company and its Subsidiaries “the Group” as of 30 June 2024. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to influence those returns by exercising its influence over the entity. In particular, the Group controls the entity if - and only if - the Group has:

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

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(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 made to the financial statements of subsidiaries in the event that there are significant differences between the parent company and the subsidiary in order to reconcile its accounting policies with the financial policies of the Group. All assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full when the financial statements are consolidated.

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

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

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)

2. BASIS OF PREPARATION(Continued):

2.4. Basis of consolidation (Continued)

Details of subsidiaries companies as follows:

<u>Company name</u>	<u>Country of incorporation</u>	<u>Ownership percentage as of</u>		<u>Activity</u>
		<u>30 June 2024</u>	<u>31 December 2023</u>	
Fitaihi Retail Company (One person company)	Jeddah- KSA	100% Direct	100% Direct	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% Direct	100% Direct	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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)

3. USE OF JUDGMENT, ESTIMATES AND SIGNIFICANT ASSUMPTIONS

In preparing these Interim condensed consolidated financial statements, it requires from management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and the accompanying explanatory notes and disclosure of contingent liabilities. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group accounting policies and methods of calculation, and key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ending on 31 December 2023.

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 01 January 2024 which were explained in the annual consolidated financial statements of the group, and there is no material impact on the interim condensed consolidated financial statements of the group.

5. INVESTMENT IN ASSOCIATE COMPANY

Investments in associates consist of the following:

	Country of incorporation	Main activity	Ownership percentage		30 June	31 December
			30 June 2024	30 June 2023	2024 (Unaudited)	2023 (Audited)
International Medical Center Company	Kingdom of Saudi Arabia	Hospital management and operation	19.25%	19.25%	186,124,501	177,152,860
					186,124,501	177,152,860

Share of results for the period consist of the following:

	For the three month period ended 30 June		For the six month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)
Company's share of the business results of the associate Company	3,164,386	724,860	8,160,300	662,424
Group's share of profits from investments in equity instruments at fair value through other comprehensive income of the associate company	-	-	279,410	-
Group's share of the (loss) / profit on remeasurement of employee defined benefit obligations of the associate company	(16,090)	(15,446)	(5,501)	2,962
Group's share of the change in fair value of cash flow risks hedging of the associate company	827,379	3,526,825	4,869,333	854,841
	3,975,675	4,236,239	13,303,542	1,520,227

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(EXPRESSED IN SAUDI RIYALS)

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
COST:		
Balance at the beginning of the period / year	136,714,695	135,683,961
Additions during the period / year	-	1,030,734
Balance at the end of the period / year	<u>136,714,695</u>	<u>136,714,695</u>
Unrealized gains / (losses) on investments in equity instruments at fair value through other comprehensive income:		
Balance at the beginning of the period / year	33,302,252	(4,019,386)
net movement during the period / year	(22,416,521)	37,321,638
Balance at the end of the period / year	<u>10,885,731</u>	<u>33,302,252</u>
Net book value at the end of the period/year	<u>147,600,426</u>	<u>170,016,947</u>

- All ownership shares are listed on the financial markets.

7. INVENTORY

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Jewelry and goldsmiths	93,242,788	85,870,874
gold ores and jewelry	6,409,785	6,053,753
Miscellaneous merchandise	2,082,676	2,183,995
Boxes and packaging tools	179,623	53,038
	<u>101,914,872</u>	<u>94,161,660</u>

8. TRADE AND OTHER RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	15,089	15,089
Prepaid expenses	2,103,569	805,235
Advance payments to suppliers	1,263,694	264,344
Receivable from the sale of a subsidiary	935,477	935,477
Other receivables	573,043	486,090
	<u>4,890,872</u>	<u>2,506,235</u>
Less: provision for impairment	(16,447)	(16,447)
	<u>4,874,425</u>	<u>2,489,788</u>

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9. TRADE AND OTHER PAYABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade payables	14,819,111	5,187,328
Accrual expenses	1,603,246	635,527
Advance payments from clients	1,689,035	1,786,444
Value added tax	54,376	397,715
Other payables	1,878,482	1,465,443
	<u>20,044,250</u>	<u>9,472,457</u>

10. ZAKAT PAYABLE

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	2,780,218	5,444,944
Charged during the period/year	1,750,000	2,777,450
Paid during the period/year	(2,781,764)	(5,442,176)
Balance at the end of the period / year	<u>1,748,454</u>	<u>2,780,218</u>

Zakat and tax status

There has been no material change in the zakat or tax compared to the year ending on 31 December 2023

11. OTHER EXPENSES, NET

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Debit financing interest - lease contracts	(33,945)	(47,790)	(67,890)	(95,580)
Other income	2,588	-	4,911	29,048
Other expenses	(101,276)	(12,743)	(123,196)	(66,588)
	<u>(132,633)</u>	<u>(60,533)</u>	<u>(186,175)</u>	<u>(133,120)</u>

12. EARNINGS PER SHARE

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

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12. **EARNINGS PER SHARE (Continued)**

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

	For the three months period ended 30 June		For the six-month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)	2024 (Unaudited)	2023 (Unaudited) Restated (Note 17)
Profit for the period attributable to the shareholders of the parent company	8,031,296	3,076,617	10,068,703	4,696,683
Weighted average number of ordinary shares outstanding (share)	275,000,000	275,000,000	275,000,000	275,000,000
Basic and diluted earnings per share attributable to shareholders of the Parent Company from income for the period	0,03	0,01	0,04	0,02

13. **SHARE CAPITAL**

As of 30 June 2024, and 31 December 2023 the capital consists of 275 million shares, the value of each share is 1 Saudi Riyal, paid in full.

14. **RELATED PARTY TRANSACTIONS**

The related parties represent major shareholders, board of directors' members, and key management of the Group, and entities controlled, or significantly influenced by such parties.

14.1 **Related party transactions**

The following are the main transactions to related parties without preferential terms during the six-month ended on 30 June 2024 and 30 June 2023 and related party balances as of 30 June 2024 and 31 December 2023.

Party	Nature of the relationship	Nature of the transaction	Transactions during the six- month period ended		Balance as of	
			30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Sheikh/ Ahmad Hasan Fitaihi	Chairman of the Board of Directors	Sales of goods	2,166,381	78,570	-	-
Oriental Weavers company	Associate company	Purchase of goods	282,560	254,582	-	75,000

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14. RELATED PARTY TRANSACTIONS (Continued)

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

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

	For the six-month Period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Salary and other benefits	1,149,008	1,423,799
End of service benefits	46,375	46,375
Bonuses and allowance for attending board meetings	600,000	600,000
	1,795,383	2,070,174

15. RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

Currency risk

Currency risk is the fluctuation of the value of a financial instrument as a result of fluctuations in foreign exchange rates. The Group is exposed to the risk of currency exchange fluctuations during its normal business cycle. 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 23.2 million Saudi riyals as of 30 June 2024 (31 December 2023: 13.8 million Saudi Riyals) consist of lease liabilities - current portion - trade and other payables and Zakat payable. In practice, it is expected that all these financial liabilities will be settled within 12 months from the date of the condensed consolidated statement of financial position and the Group expects to have sufficient funds to do so.

15. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The Group's non-current financial liabilities amounting to SAR 3.5 million as of 30 June 2024 (31 December 2023: SAR 3.7 million) consist of the net defined benefit obligations to employees. The employee defined benefit obligation is paid according to the actual timing of the end of the employee's service life.

Stock price Risk

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

Capital risk management

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

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

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

Fair value

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

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 in active markets for identical financial instrument.
- **Level 2** - Valuation methods that rely on inputs that affect the fair value and can be observed directly or indirectly in the market.
- **Level 3** - Valuation methods that rely on inputs that affect the fair value and cannot be observed directly or indirectly in the market.

There were no transfers between Level 1, Level 2 and Level 3 during the period ending 30 June 2024.

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)

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16. IMPORTANT EVENTS DURING CURRENT PERIOD

On 06 March 2024 with the aim of achieving stability in the exchange market and eliminating the gap between the official and parallel market exchange rates, the Central Bank of Egypt took the decision to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms. This step comes in response to the economic challenges that the Arab Republic of Egypt has recently faced, which were the lack of resources of foreign currencies, the shortage of foreign currencies has led to the emergence of a parallel market for the exchange rate of the Egyptian pound due to the accumulation of demand for foreign exchange.

17. COMPARATIVE FIGURES

The associate company has completed the preparation of its financial statements for both the year ended 31 December 2022 and the three-month and six-month periods ended 30 June 2023.

The Group has restated the balances related to the previously issued consolidated financial statements for the year ended 31 December 2022. The effect of this restatement is a decrease in retained earnings as of 31 December 2022 by an amount of 4.4 million Saudi Riyals and the consolidated financial statements for that year have been reissued.

The Group has also restated the balances related to the previously issued condensed consolidated interim financial statements for the three-month and six-month periods ended 30 June 2023. The impact of these restatements resulted in a change in net profit of the three-month and six-month periods ended 30 June 2023 to be 3 million Saudi Riyals and 4.6 million Saudi Riyals respectively. Accordingly, the reason for the qualification stated in the auditor's report for that period has been resolved. Accordingly, the figures for the three-month and six-month periods ended 30 June 2023 have been restated, and the tables below stated the impact on the interim condensed consolidated financial statements for that period.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIOD THAT ENDED ON 30 JUNE 2023

a- For the three-month period ended 30 June 2023

	<u>Balance before restatement</u>	<u>Effect of restatement</u>	<u>Balance after restatement</u>
The group's share of the business results of the associate company	(1,499,801)	2,224,661	724,860
Net profit for the period	851,956	2,224,661	3,076,617
Other comprehensive income items:			
The Group's share of the change in fair value of cash flow risks hedging of the associate company	-	(15,446)	(15,446)
The Group's share of profits from investments in equity instruments at fair value through other comprehensive income of the associate company	-	3,526,825	3,526,825
Total other comprehensive income for the period	10,728,714	<u>3,511,379</u>	14,240,093
Total comprehensive income for the period	11,580,670	5,736,040	17,316,710
Basic and diluted earnings per share from net profit	0,003	0,008	0,011

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17. COMPARATIVE FIGURES (Continued)

b- For the six-month period ended 30 June 2023

	<u>Balance before restatement</u>	<u>Effect of restatement</u>	<u>Balance after restatement</u>
The group's share of the results of an associate company's business	2,445,311	(1,782,887)	662,424
Net profit for the period	6,479,570	(1,782,887)	4,696,683
Other comprehensive income items:			
The Group's share of profits from investments in equity instruments at fair value through other comprehensive income of the associate company	-	2,962	2,962
The Group's share of the change in fair value of cash flow risks hedging of the associate company	-	854,841	854,841
Total other comprehensive income for the period	17,934,843	<u>857,803</u>	18,792,646
Total comprehensive income for the period	24,414,413	(925,084)	23,489,329
Basic and diluted earnings per share from net profit	0,023	(0,006)	0,017

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 June 2023:

	<u>Balance before restatement</u>	<u>Effect of restatement</u>	<u>Balance after restatement</u>
Retained earnings	101,057,773	(6,214,674)	94,843,099
Fair value change reserve of associate company's cash flow risks hedging	5,337,869	854,841	6,192,710
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income in associate company	38,313	<u>2,962</u>	41,275
Total equity	463,505,582	(5,356,871)	458,148,711

* Adjustments to retained earnings include an amount of 4.4 million Saudi riyals related to adjustments for the year ending 31 December 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 June 2023:

	<u>Balance before restatement</u>	<u>Effect of restatement</u>	<u>Balance after restatement</u>
Net profit for the period before zakat	8,279,570	(1,782,887)	6,496,683
<u>Cash flows from operating activities</u>			
Share of results of associate company	(2,445,311)	1,782,887	(662,424)

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 08 August 2024