

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

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

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
AND INDPENDENT 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 financial position of Fitaihi Holding Group Company - A Saudi Joint Stock Company ("the Company") and its subsidiaries (together "the Group") as of September 30, 2024, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, for the three-month and nine-month periods, then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes.

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

Scope of Review

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 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, 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.

Other Matter

We issued a limited review report with unmodified conclusion on 16 November 2023 on the interim condensed consolidated financial statements issued for the three and nine months periods ending 30 September 2023. The Group has amended its share of the results of the investee associate's and related balances in the interim condensed consolidated financial statements for the three months ended 30 September 2023 after obtaining the associate financial statements for the three and nine months period ended 30 September 2023. (For further details, please refer to Note 13).

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



10/05/1446 (H)
12/11/2024 (G)

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

	Note	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property and equipment		40,954,409	39,722,562
Right of use assets		2,357,829	3,334,446
Investment in associates	6	184,839,409	177,152,860
Investments in equity instruments at fair value through other comprehensive income	7	153,577,155	170,016,947
Total non-current assets		381,728,802	390,226,815
Current assets			
Inventory		99,365,167	94,161,660
Trade receivables and other debit balances		3,632,174	2,489,788
Cash and cash equivalents		5,980,733	7,248,120
Total current assets		108,978,074	103,899,568
Total assets		490,706,876	494,126,383
EQUITY AND LIABILITIES			
Equity			
Share capital	8	275,000,000	275,000,000
Statutory reserve		68,676,942	68,676,942
Retained earnings		107,031,526	95,775,635
Revaluation reserve of investments in equity instruments at fair value through other comprehensive income		16,836,573	33,302,252
Revaluation reserve of investment in equity instruments at fair value through other comprehensive income in associate		-	6,347
Changing in fair value reserve to cover the cash flow risk of the associate		2,945,694	3,888,738
Total equity		470,490,735	476,649,914
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities		1,176,043	1,980,031
Employee defined benefit obligations		2,098,517	1,671,740
Total non-current liabilities		3,274,560	3,651,771
Current liabilities			
Current portion of the lease liabilities		1,400,663	1,572,023
Trade payables and other credit balances		12,942,464	9,472,457
Zakat payable	9	2,598,454	2,780,218
Total current liabilities		16,941,581	13,824,698
Total liabilities		20,216,141	17,476,469
Total equity and liabilities		490,706,876	494,126,383

Chief Executive Officer
General Manager of Financial Department

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 (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
(EXPRESSED IN SAUDI RIYALS)

	Note	For the three-month period ended 30 September		For the Nine-month period ended 30 September	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Net sales		8,264,445	6,948,562	27,912,881	35,649,245
Cost of sales		(5,056,625)	(4,031,335)	(16,445,503)	(19,758,421)
Profit from sales		3,207,820	2,917,227	11,467,378	15,890,824
Dividends from equity instruments at fair value through other comprehensive income		-	-	7,932,713	6,371,512
Group's share of the business results of associate company	6	4,525,888	3,738,148	12,686,188	4,400,572
Revaluation gains from investment at fair value through profit or loss		-	-	-	178,812
Profit from investments		4,525,888	3,738,148	20,618,901	10,950,896
Gross profit		7,733,708	6,655,375	32,086,279	26,841,720
Selling and distribution expenses		(2,663,660)	(3,152,540)	(8,440,624)	(10,227,028)
General and administrative expenses		(3,291,163)	(3,204,721)	(9,921,892)	(9,686,775)
Total expenses		(5,954,823)	(6,357,261)	(18,362,516)	(19,913,803)
Profit from operation		1,778,885	298,114	13,723,763	6,927,917
Profit of selling property and equipment		-	-	60,000	-
Other expenses (Net)		(23,350)	(45,729)	(209,525)	(178,849)
Net Profit before Zakat		1,755,535	252,385	13,574,238	6,749,068
Zakat	9	(850,000)	(900,000)	(2,600,000)	(2,700,000)
Net Profit / (Loss) for the period		905,535	(647,615)	10,974,238	4,049,068
<u>Other comprehensive income / (loss):</u>					
Items that will not to be reclassified to profit or loss					
Net profit / (losses) from revaluation of equity instruments at fair value through other comprehensive income	7	5,950,842	1,606,472	(16,465,679)	19,541,315
Group's share of profit on remeasurement of associate's defined benefit obligations	6	-	-	279,410	-
Group's share of profit / (loss) for revaluation investment in equity at fair value through other comprehensive income in associate company	6	1,397	(27,295)	(4,104)	(24,333)
Items that will be reclassified subsequently to profit or loss condensed consolidated					
Group's share in change in fair value to cover the cash flow risk in associate company	6	(5,812,377)	3,129,713	(943,044)	3,984,554
Total other comprehensive income / (loss) for the period		139,862	4,708,890	(17,133,417)	23,501,536
Net comprehensive income / (loss) for the period		1,045,397	4,061,275	(6,159,179)	27,550,604
Basic and diluted earnings per share from net profit /(loss)	10	0.003	(0.002)	0.04	0.015

Chief Executive Officer
General Manager of Financial Department
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 (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
(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 investment in equity instruments at fair value through other comprehensive income in associate	Changing in fair value reserve to cover the cash flow risk of the associate	Total equity
For the nine-month period ended 30 September 2024 (Unaudited)							
Balance as 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	-	-	10,974,238	-	-	-	10,974,238
Changes in items of other comprehensive income during the period	-	-	279,410	(16,465,679)	(4,104)	(943,044)	(17,133,417)
Total comprehensive income for the period	-	-	11,253,648	(16,465,679)	(4,104)	(943,044)	(6,159,179)
Group's share of transfer of gains on disposal of investments at fair value through other comprehensive income of associate	-	-	2,243	-	(2,243)	-	-
Balance as at 30 September 2024 (unaudited)	275,000,000	68,676,942	107,031,526	16,836,573	-	2,945,694	470,490,735
For the nine-month period ended 30 September 2023 (Unaudited)							
Balance as at 1 January 2023 previously issued financial statements (audited)	275,000,000	68,156,170	115,771,618	(4,019,386)	38,313	5,337,869	460,284,584
Adjustment (Note 13)	-	-	(14,625,202)	-	(16)	(91)	(14,625,309)
Balance as at 1 January 2023 reissued (audited)	275,000,000	68,156,170	101,146,416	(4,019,386)	38,297	5,337,778	445,659,275
Net profit for the period	-	-	4,049,068	-	-	-	4,049,068
Changes in items of other comprehensive income during the period	-	-	-	19,541,315	(24,333)	3,984,554	23,501,536
Total comprehensive income for the period	-	-	4,049,068	19,541,315	(24,333)	3,984,554	27,550,604
Dividends *	-	-	(11,000,000)	-	-	-	(11,000,000)
Balance at 30 September 2023 (unaudited)	275,000,000	68,156,170	94,195,484	15,521,929	13,964	9,322,332	462,209,879

Chief Executive Officer

General Manager of Financial Department

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 (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
(EXPRESSED IN SAUDI RIYALS)**

	For the nine-month period ended 30 September	
	2024 Unaudited	2023 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before zakat	13,574,238	6,749,068
Adjustments to reconcile profit before zakat to cash flows from operating activities:		
Depreciation of property and equipment	954,941	943,537
Amortization of right of use assets	976,617	991,125
Employees defined benefit obligations	443,050	361,984
Financing cost - right of use assets	101,835	143,370
Dividends from equity instruments at fair value through other comprehensive income	(7,932,713)	(6,371,512)
Investment gains at fair value through profit or loss	-	(178,812)
Profits on the disposal of property and equipment	(60,000)	-
Group's share of the results of the work of an associate	(12,686,188)	(4,400,572)
Changes in work in capital		
Inventory	(5,203,507)	3,907,124
Trade receivables and other debit balances	(1,142,386)	(1,753,039)
Trade payables and other credit balances	3,470,007	(3,719,527)
Zakat paid	(2,781,764)	(5,442,176)
Employees defined benefit obligations paid	(16,273)	(65,614)
Net cash used in operating activities	(10,302,143)	(8,835,044)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,186,788)	(223,671)
Purchase of investments in equity instruments at fair value through other comprehensive income	(25,887)	(1,030,733)
Dividends received from investments in fair value equity instruments	7,932,713	6,371,512
Dividends received from investments in associate companies	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	10,111,939	8,905,840
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liabilities paid	(1,077,183)	(1,045,377)
Dividends paid	-	(11,000,000)
Net cash used in financing activities	(1,077,183)	(12,045,377)
Net change in cash and cash equivalents during the period	(1,267,387)	(11,974,581)
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	5,980,733	7,624,077
Non - cash transactions		
(losses) / Profit valuation of equity instruments at fair value through other comprehensive income	(16,465,679)	19,541,315
The group's share in the change in fair value to cover the associate's cash flow risk	(943,044)	3,984,554
The Group's share in (losses) on investments at fair value through the other comprehensive income of the associate	(4,104)	(24,333)
Group's share of profit on remeasurement of associate's defined benefit obligations	279,410	-

Chief Executive Officer

General Manager of Financial Department

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

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 9 Raman 1418 H and commercial registration number 4030085128 issued in Jeddah on 5 February 1992 (corresponding to 2 Shaaban 1412).

The main activities of the Company 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) 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

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 reading in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023 (“The last annual consolidated financial statements”) In addition, results for the Interim period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024

2. BASIS OF PREPARATION (Continued)

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 equity instruments which are measured through other comprehensive income and other investments that are measured through profit or loss, and defined benefit liabilities for employees which are measured using the expected credit unit method based on the present 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 September 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.

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 (unaudited) 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.

**FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
(EXPRESSED IN SAUDI RIYALS)**

2. BASIS OF PREPARATION (Continued)

2.4 Basis of consolidation (Continued)

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 2024</u>	<u>Ownership percentage direct as of 31 December 2023</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, manage and maintenance of parks and gardens for public housing purposes, manage and maintenance of building scenery, home gardens, roof gardens and private building faces and others, manage and maintenance of highway parks.

3. USE OF SIGNIFICANT JUDGMENT, ESTIMATES AND ASSUMPTIONS

In preparing these interim condensed consolidated financial statements, it requires management to 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 preparation of the company's interim condensed financial statements requires management to use judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenues and expenses, the accompanying disclosures, and the disclosure of potential liabilities.

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 issued for the year ending on 31 December 2023.

**FITAIHI HOLDING GROUP COMPANY
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
(EXPRESSED IN SAUDI RIYALS)**

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 from 1 January 2024, which are explained in the Group's annual consolidated financial statements as at 31 December 2023 and there is no material impact on the Group's condensed consolidated financial statements for the nine months ended 30 September 2024.

5. SEGMENT REPORTING

The segment is considered an essential part of the group that provides specific products or services (business segment) or provides products or services in a specific economic environment (geographic segment) and its profits and losses differ from the profits and losses of other segments. The group presents the business segment due to conducting most of its activity within the Kingdom of Saudi Arabia.

The activities of the Parent Company (Fitaihi Holding Group Company), and the subsidiary company (Fitaihi Retail Company), are concentrated in the trade of gold, jewelry, precious commodities, clothing, furnishings, and accessories. The company's segment consists of the following:

For the nine-month period ended September 30 2024	Commercial Activity	Investment Activity	Total
Revenue	27,912,881	20,618,901	48,531,782
Total gross profit	11,467,378	20,618,901	32,086,279
Net (loss) / profit for the period	(2,816,535)	13,790,773	10,974,238

For the nine-month period ended September 30 2023	Commercial Activity	Investment Activity	Total
Revenue	35,649,245	10,950,896	46,600,141
Total gross profit	15,890,824	10,950,896	26,841,720
Net profit for the period	263,759	3,785,309	4,049,068

6. INVESTMENT IN ASSOCIATES

Investment in associates consist of the following:

	Country of incorporation	Main Activity	Ownership %		30 September 2024 (Unaudited)	31 December 2023 (Audited)
			30 September 2024	31 December 2023		
International Medical Center Company	Kindgom of Saudi Arabia	Management and operation of hospitals	19.25%	19.25%	184,839,409	177,152,860
					184,839,409	177,152,860

FITAIHI HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
(EXPRESSED IN SAUDI RIYALS)

6. INVESTMENT IN ASSOCIATES (Continued)

The share of results for the year consists the following:

	For the three-month period from 1 July to 30 September		For the nine-month period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Group's share of the results of the International Medical Center Company	4,525,888	3,738,148	12,686,188	4,400,572
Group's share of profit on remeasurement of associate's defined benefit obligations	-	-	279,410	
Group's share of profit / (losses) of revaluation of investment in equity instruments at fair value through other comprehensive income for the associate	1,397	(27,295)	(4,104)	(24,333)
Group's share in changing in fair value to cover the cash flow risk of the associate company	(5,812,377)	3,129,703	(943,044)	3,984,554
	(1,285,092)	6,840,556	12,018,450	8,360,793

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Cost		
Balance as at the beginning of the period / year	136,714,695	135,683,961
Additions during the period / year	25,887	1,030,734
Balance as at the end of the period / year	136,740,582	136,714,695
Unrealized profit on investments in equity instruments at fair value through other comprehensive income		
Balance as at the beginning of the period / year	33,302,252	(4,019,386)
Net movement during the period / year	(16,465,679)	37,321,638
Balance as at the end of the period / year	16,836,573	33,302,252
Net book value as at the end of the period / year	153,577,155	170,016,947

- All equities are listed in the stock market.

8. CAPITAL

As of 30 September 2024, the capital consists of 275 million shares, the value of each share is 1 Saudi Riyal, paid in full.

On 01 Muharram 1444 AH, corresponding to August 8, 2023, the Extraordinary General Assembly approved the recommendation of the Group's Board of Directors to split the nominal value of the share from 10 Saudi Riyals per share to 1 Saudi Riyal per share, while keeping the company's capital unchanged. As a result, the number of the company's shares after the split will be 275,000,000 shares instead of 27,500,000 shares.

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9. ZAKAT PAYABLE

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at the beginning of the period/year	2,780,218	5,444,944
Charged during the period/year	2,600,000	2,777,450
Paid during the period/year	(2,781,764)	(5,442,176)
Balance as at the end of the period/year	2,598,454	2,780,218

Zakat status

There was no material change in the Group's Zakat or tax status compared to the year ended 31 December 2023.

10. EARNING / (LOSS) PER SHARE

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

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

	For the three - month period from 1 July to 30 September		For the nine - month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Profit / (loss) for the period attributable to shareholders	905,535	(647,615)	10,974,238	4,049,068
Weighted average number of ordinary shares outstanding	275,000,000	275,000,000	275,000,000	275,000,000
Basic and diluted earnings per share from net profit / (loss) for the period	0.003	(0.002)	0.04	0.015

11. TRANSACTIONS WITH RELATED PARTIES

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

11.1 Related party transactions

The following are the main transaction to related parties without preferential terms during the nine-months ending on 30 September 2024 and 30 September 2023 and related party balances as of 30 September 2024 and 31 December 2023:

<u>Party</u>	<u>Nature of the relationship</u>	<u>Nature of the transaction</u>	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Sheikh / Ahmad Hasan Fitaihi	Chairman of the Board of Directors	Sales of goods	2,383,768	108,551	-	-
Oriental weavers company	Associate company	Purchase of goods	382,876	254,582	-	75,000

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11. TRANSACTIONS WITH RELATED PARTIES (Continued)

11.2 Allowances and remuneration of members of the Board of Directors and senior executives

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

	<u>For the period ended 30 September</u>	
	<u>2024</u>	<u>2023</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Salary and other benefits	1,705,509	1,980,299
End of service benefits	69,563	69,563
Incentives and allowance for attending board meetings	900,000	900,000
	<u>2,675,072</u>	<u>2,949,862</u>

12. 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 16.9 SR million as on 30 September 2024 (December 31, 2023: SR 13.8 million), consist of lease liabilities, the current portion, trade and other credit balances and accrued zakat. 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 3.3 million as of 30 September 2024 (31 December 2023: SR 3.7 million) consist of net employee defined benefit obligations and lease liabilities. Employees' defined benefit obligations are paid in accordance with the actual timing of the employees' term of service.

12. OBJECTIVES AND POLICES OF RISK MANAGEMENT (Continued)

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 managing the capital 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 just the capital structure, the group may adjust dividends to shareholders or share reduction 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 (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 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).

13. COMPARATIVE FIGURES

The Group has amended its share of the results of the investee associate's and related balances in the interim condensed consolidated financial statements for the three months ended 30 September 2023 after obtaining the associate financial statements for the three and nine months period ended 30 September 2023

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13. COMPARATIVE FIGURES (Continued)

Statement of profit or loss and other comprehensive income for the three months ended 30 September 2023.

	<u>Balance before adjustment</u>	<u>Adjustment</u>	<u>Balance after adjustment</u>
Group's share of the business results of associate company	1,955,261	1,782,887	3,738,148
Net loss for the period	(2,430,502)	1,782,887	(647,615)
Other comprehensive income items:			
Group's share of losses in fair value through other comprehensive income of the associate company	(24,333)	(2,962)	(27,295)
Group's share of profit / (loss) for revaluation investment in equity at fair value through other comprehensive income in associate company	3,984,554	(854,841)	3,129,713
Total other comprehensive income for the period	<u>5,566,693</u>	<u>(857,803)</u>	<u>4,708,890</u>
Total comprehensive income for the period	3,136,191	925,084	4,061,275
Basic and diluted earnings per share of net profit	(0,009)	0,007	(0,002)

14. RECLASSIFICATION

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

15. IMPORTANT EVENTS DURING THE PERIOD

On March 6, 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 a decision to allow the exchange rate of the Egyptian pound specifically according to market mechanisms. This step comes in response to the economic challenges that the Arab Republic of Egypt has recently faced, which were represented by the shortage of foreign currency resources. 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 increased demand for foreign currency.

16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 05/11/2024.