

Fawaz Abdulaziz Al Hokair & Company
(A Saudi Joint Stock Company)

Condensed consolidated interim financial statements
(unaudited)
For the three and six-month periods ended 30 September
2022
together with the
Independent Auditor's Review Report

Fawaz Abdulaziz Al Hokair & Company
(a Saudi Joint Stock company)
Condensed consolidated interim financial statements
For the three and six-month periods ended 30 September 2022

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INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Fawaz Abdulaziz Al Hokair & Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Fawaz Abdulaziz Al Hokair & Company (the "Company") and its subsidiaries (collectively referred as the "Group"), a Saudi Joint Stock Company as of 30 September 2022 and the related condensed consolidated statement of profit or loss and comprehensive income for the three and six month periods ended 30 September 2022, condensed consolidated statement 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. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No 34 "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The condensed consolidated interim financial statements as at and for the six-months period ended 30 September 2021 were reviewed, and the consolidated financial statements as at and for the year ended 31 March 2022 were audited by another auditor, whose review and audit reports dated 11 November 2021 and 6 July 2022 respectively, expressed an unmodified review conclusion and unmodified audit opinion thereon.

Report on Other Legal and Regulatory Requirements

As at 30 September 2022, the Group has an outstanding receivable balance of SR 275.82 million from a shareholder, which is a non-compliance of Companies Law (Article 73 or 153, as applicable) in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362



Riyadh, on: 15 Rabi' al-Thani 1444 (H)
Corresponding to: 9 November 2022 (G)

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Condensed consolidated statement of financial position

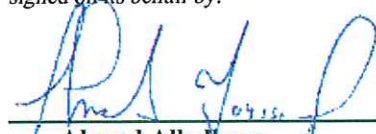
As at 30 September 2022

(All Amounts in Saudi Riyals unless otherwise Stated)

	Notes	30 September 2022 (Unaudited)	31 March 2022 (Audited)
Assets			
Non-current assets			
Property and equipment	7	1,456,823,444	1,358,326,395
Right-of-use assets		3,149,904,518	3,275,783,678
Goodwill and intangible assets		1,123,722,062	1,083,033,024
Investment property		1,509,600	1,509,600
Investment in equity accounted investments	8	63,030,731	62,024,793
Other investments	9	297,873,479	299,690,686
Derivative asset		39,416,914	29,616,914
Non-current assets		6,132,280,748	6,109,985,090
Current assets			
Inventories		1,441,218,783	1,700,475,574
Advances, deposits and other receivables		546,475,637	474,615,226
Prepayments		54,298,334	63,637,597
Cash and cash equivalents		179,988,599	197,887,745
Current assets		2,221,981,353	2,436,616,142
Total assets		8,354,262,101	8,546,601,232
Equity			
Share capital		1,147,664,480	2,100,000,000
Statutory reserve		-	-
Foreign currency translation reserve		(509,077,465)	(519,515,816)
Fair value reserve		12,949,544	12,949,544
Retained earnings / (accumulated losses)		49,708,820	(982,305,851)
Equity attributable to the shareholders of the Company		701,245,379	611,127,877
Non-controlling interest		(105,788,863)	(107,079,020)
Total equity		595,456,516	504,048,857
Liabilities			
Non-current liabilities			
Lease liabilities		2,760,239,852	2,845,746,744
Employee benefits		118,512,092	102,988,787
Non-Current liabilities		2,878,751,944	2,948,735,531
Current liabilities			
Bank overdraft		51,349,262	50,119,035
Loans and borrowings	10	2,757,498,714	2,877,891,969
Lease liabilities – current portion		640,873,664	632,273,878
Trade and other payables		1,374,469,187	1,496,457,932
Zakat and tax liabilities		55,862,814	37,074,030
Current liabilities		4,880,053,641	5,093,816,844
Total liabilities		7,758,805,585	8,042,552,375
Total equity and liabilities		8,354,262,101	8,546,601,232

The attached notes from 1 to 20 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors, and signed on its behalf by:


Ahmed Albelbesy
 Chief Financial Officer


Mohamad Rafic Mourad
 Chief Executive Officer

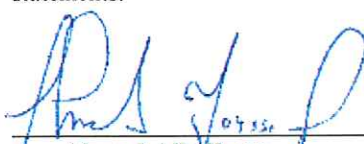

Fawaz Abdulaziz Al Hokair
 Chairman

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Condensed consolidated statement of profit or loss

For the three and six-month periods ended 30 September 2022
(All Amounts in Saudi Riyals unless otherwise Stated)

	Notes	Three-month ended 30 September 2022 (Unaudited)	Three-month ended 30 September 2021 (Unaudited)	Six-month ended 30 September 2022 (Unaudited)	Six-month ended 30 September 2021 (Unaudited)
Revenue	13	1,372,874,897	1,361,277,648	3,078,518,958	3,061,982,419
Cost of revenue	14	(1,180,244,417)	(1,128,938,622)	(2,607,766,946)	(2,497,041,672)
Gross profit		192,630,480	232,339,026	470,752,012	564,940,747
Other operating income	15	29,386,678	44,844,445	73,487,997	63,241,029
Selling and distribution expenses		(46,497,305)	(45,934,413)	(90,591,859)	(90,205,904)
General and administrative expenses		(67,303,183)	(70,998,128)	(152,665,920)	(169,508,575)
Depreciation and amortization	7	(37,420,772)	(38,252,871)	(78,397,609)	(103,519,924)
Other operating expense	15	6,972,499	(5,724,015)	(1,078,882)	(20,511,016)
Operating profit		77,768,397	116,274,044	221,505,739	244,436,357
Finance income on derivative asset		9,800,000	-	9,800,000	-
Finance costs over loans and borrowings		(16,036,603)	(32,263,915)	(45,604,414)	(62,276,472)
Finance costs over lease liabilities		(34,978,938)	(38,379,874)	(73,448,733)	(80,498,433)
Net finance costs		(41,215,541)	(70,643,789)	(109,253,147)	(142,774,905)
Change in fair value of other investment	9	3,694,908	-	3,694,908	-
Profit before zakat and income tax		40,247,764	45,630,255	115,947,500	101,661,452
Zakat and Income tax expense		(16,926,745)	(24,744,623)	(34,960,347)	(35,042,328)
Profit for the period		23,321,019	20,885,632	80,987,153	66,619,124
Profit for the period is attributable to:					
Shareholders of the Company		22,096,005	21,729,158	79,679,151	68,610,418
Non-controlling interests		1,225,014	(843,526)	1,308,002	(1,991,294)
		23,321,019	20,885,632	80,987,153	66,619,124
Earnings per share			<i>Restated</i>		<i>Restated</i>
Basic and diluted earnings per share	11	0.19	0.19	0.69	0.60

The attached notes from 1 to 20 are an integral part of these condensed consolidated interim financial statements.


Ahmed Albelbesy
Chief Financial Officer


Mohamad Rafic Mourad
Chief Executive Officer

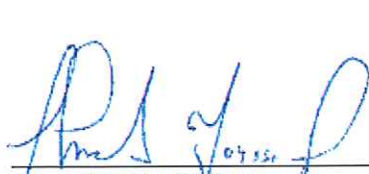

Fawaz Abdulaziz Al Hokair
Chairman

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Condensed consolidated statement of comprehensive income

For the three and six-month periods ended 30 September 2022
 (All Amounts in Saudi Riyals unless otherwise Stated)

	Three-month ended 30 September 2022 (Unaudited)	Three-month ended 30 September 2021 (Unaudited)	Six-month ended 30 September 2022 (Unaudited)	Six-month ended 30 September 2021 (Unaudited)
Profit for the period	23,321,019	20,885,632	80,987,153	66,619,124
Items that will not be reclassified to profit or loss:				
Re-measurements of defined benefit liability	-	-	-	-
Equity investments at FVOCI – net change in fair value	-	-	-	-
	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations – foreign currency translation differences	2,682,705	2,833,397	10,420,506	13,991,073
Other comprehensive income for the period	2,682,705	2,833,397	10,420,506	13,991,073
Total comprehensive income for the period	26,003,724	23,719,029	91,407,659	80,610,197
Total comprehensive income for the period attributable to:				
- Shareholders of the Company	24,854,792	24,511,210	90,117,502	82,412,948
- Non-controlling interests	1,148,932	(792,181)	1,290,157	(1,802,751)
	26,003,724	23,719,029	91,407,659	80,610,197

The attached notes from 1 to 20 are an integral part of these condensed consolidated interim financial statements.


Ahmed Albelbesy
 Chief Financial Officer


Mohamad Rafic Mourad
 Chief Executive Officer


Fawaz Abdulaziz Al Hokair
 Chairman

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Condensed consolidated statement of changes in equity

For the six-month period ended 30 September 2022

(All Amounts in Saudi Riyals unless otherwise Stated)

	Attributable to shareholders of the Company					
	Share capital	Statutory reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings / (accumulated losses)	Total shareholders' equity
Balance at 1 April 2021 (Audited)	2,100,000,000	--	(510,642,899)	--	(1,037,812,790)	551,544,311
Profit / (loss) for the period	--	--	--	--	68,610,418	68,610,418
Other comprehensive income	--	--	13,802,530	--	--	13,802,530
Total comprehensive income / (loss) for the period	--	--	13,802,530	--	68,610,418	82,412,948
Balance at 30 September 2021 (Unaudited)	2,100,000,000	--	(496,840,369)	--	(969,202,372)	633,957,259
Balance at 1 April 2022 (Audited)	2,100,000,000	--	(519,515,816)	12,949,544	(982,305,851)	611,127,877
Profit for the period	--	--	--	--	79,679,151	79,679,151
Other comprehensive income / (loss)	--	--	10,438,351	--	--	10,438,351
Total comprehensive income for the period	--	--	10,438,351	--	79,679,151	90,117,502
Changes in ownership interests						
Capital Reduction	(952,335,520)	--	--	--	952,335,520	--
Balance at 30 September 2022 (Unaudited)	1,147,664,480	--	(509,077,465)	12,949,544	49,708,820	701,245,379
						(105,788,863)
						595,456,516

The attached notes from 1 to 20 are an integral part of these condensed consolidated interim financial statements.


Ahmed Albelbesy
 Chief Financial Officer


Mohamad Rafic Mourad
 Chief Executive Officer


Fawaz Abdulaziz Al Hokair
 Chairman

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)

Condensed consolidated statement of cash flows

For the six-month period ended 30 September 2022

(All Amounts in Saudi Riyals unless otherwise Stated)

	For the six-month period ended 30 September 2022 (Unaudited)	For the six-month period ended 30 September 2021 (Unaudited)
Cash flows from operating activities:		
Profit for the period	80,987,153	66,619,124
<i>Adjustments for:</i>		
- Depreciation on property and equipment	71,798,296	96,709,446
- Depreciation on right-of-use assets	275,123,818	285,450,794
- Amortization on intangible asset	6,599,313	6,810,478
- Provision for employees benefits	25,838,095	13,141,222
- Provision for inventory shrinkage and slow-moving inventory	23,260,348	74,275,740
- Gain on lease termination and modification	(2,704,709)	(13,785,719)
- Zakat expense & Income Tax	34,960,347	35,042,328
- Finance income on derivative asset	(9,800,000)	--
- Finance cost over loans and borrowings	45,604,414	62,276,472
- Finance cost over lease liabilities	73,448,733	80,498,433
- Change in fair value of other investment	(3,694,908)	--
- Share of gain from Investment in equity accounted investments	(1,005,938)	--
- Loss on write-off of property and equipment	747,546	123,222
- Store closure losses	331,336	20,387,794
- Rental concession for leases	(14,377,420)	(38,793,705)
	607,116,424	688,755,629
Changes in:		
- Inventories	235,996,443	(21,239,713)
- Advances, deposits and other receivables	(71,860,411)	(105,266,735)
- Prepayments, rentals and insurance	9,339,263	9,900,213
- Trade and other payables	(121,988,745)	(92,765,819)
Cash from operating activities	658,602,974	479,383,575
Zakat and income tax paid	(16,171,563)	(33,742,640)
Employee benefits paid	(10,314,790)	(9,121,599)
Net cash from operating activities	632,116,621	436,519,336
Cash flows from investing activities:		
Purchase of property and equipment	(171,374,227)	(89,873,323)
Purchase of intangible assets	(59,309,484)	(26,607,042)
Disposal of intangible assets	12,021,133	33,496
Net cash used in investing activities	(218,662,578)	(116,446,869)

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (continued)

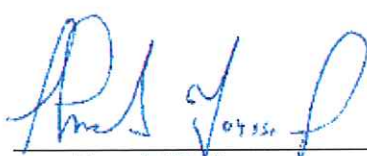
For the six-month period ended 30 September 2022

	For the six-month period ended 30 September 2022 (Unaudited)	For the six-month period ended 30 September 2021 (Unaudited)
Cash flows from financing activities:		
Repayments of loans and borrowings	(120,393,255)	(189,246,805)
Payments of finance costs over loans and borrowings	(45,604,414)	(46,808,494)
Repayments of lease liabilities	(213,542,589)	(221,725,235)
Payments of finance costs over lease liabilities	(73,448,733)	(80,498,433)
Net cash used in financing activities	(452,988,991)	(538,278,967)
Net decrease in cash and cash equivalents	(39,534,948)	(218,206,500)
Foreign currency exchange translation differences	20,405,575	15,718,900
Cash and cash equivalents at the beginning of period	147,768,710	467,591,552
Cash and cash equivalents at end of period	128,639,337	265,103,952

Cash and cash equivalent comprise of:

	For the six-month period ended 30 September 2022 (Unaudited)	For the six-month period ended 30 September 2021 (Unaudited)
Bank balances	117,729,710	234,708,915
Cash in hand	62,258,889	30,395,037
Cash and cash equivalents in consolidated statement of financial position	179,988,599	265,103,952
Bank overdraft	(51,349,262)	-
Cash and cash equivalents in consolidated statement of cash flows	128,639,337	265,103,952

The attached notes from 1 to 20 are an integral part of these condensed consolidated interim financial statements.



Ahmed Albelbesy
Chief Financial Officer



Mohamad Rafic Mourad
Chief Executive Officer



Fawaz Abdulaziz Al Hokair
Chairman

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 September 2022

1. REPORTING ENTITY

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

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

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

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

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 September 2022

2. GROUP STRUCTURE

These condensed consolidated interim financial statements include the assets, liabilities and result of operations of the Company and the following subsidiaries:

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at:	
				30 September 2022	31 March 2022
1	Al Waheedah Equipment Co. Ltd.	Kingdom of Saudi Arabia	Retail	100	100
2	Haifa B. Al Kalam & Partners Co. for trading	Kingdom of Saudi Arabia	Retail	100	100
3	Saudi Retail Co. Ltd	Kingdom of Saudi Arabia	Retail	100	100
4	Wahba Trading Company Limited	Kingdom of Saudi Arabia	Retail	100	100
5	Unique Technology Trading Company	Kingdom of Saudi Arabia	Retail	100	100
6	Nesk Trading Projects Company	Kingdom of Saudi Arabia	Retail	100	100
7	Innovative Union Company (IUC)	Kingdom of Saudi Arabia	Food and Beverage	100	100
8	Food Gate company	Kingdom of Saudi Arabia	Food and Beverage	70	70
9	Azal Restaurants Company	Kingdom of Saudi Arabia	Food and Beverage	65	65
10	First Pizza Company	Kingdom of Saudi Arabia	Food and Beverage	51	51
11	Logistics Fashion Trading DWG-LLC	United Arab Emirates	Retail	100	100
12	Fashion Retail Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
13	Global Apparel Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
14	Retail Group Georgia LLC	Georgia	Retail	100	100
15	Master Retail Georgia LLC	Georgia	Retail	100	100
16	Spanish Retail Georgia LLC	Georgia	Retail	100	100
17	Pro Retail Georgia LLC	Georgia	Retail	100	100
18	Best Retail Georgia LLC	Georgia	Retail	100	100
19	Mega Store Georgia LLC	Georgia	Retail	100	100
20	Fashion Retail Georgia LLC	Georgia	Retail	100	100
21	Global Apparel Georgia LLC	Georgia	Retail	100	100
22	Retail Group Holding LLC	Georgia	Retail	100	100
23	Pro Retail Georgia LLC	Georgia	Retail	100	100
24	International Retail of Morocco	Morocco	Retail	100	100
25	Multi Trends Co.	Morocco	Retail	100	100
26	Retail Group of America LLC	United States of America	Entertainment	100	100
27	Billy Beez USA	United States of America	Entertainment	100	100
28	Retail Group Balkans doo Beograd	Republic of Serbia	Retail	100	100
29	Retail Fashion d.o.o., Belgrade	Republic of Serbia	Retail	100	100
30	Retail Group Balkans doo Podgorica	Balkan Peninsula	Retail	100	100
31	Retail Group Balkans doo Skopje	Balkan Peninsula	Retail	100	100
32	RIGE Co.	Arab Republic of Egypt	Retail	99	99
33	Retail Group Egypt Co. S.A.E	Arab Republic of Egypt	Retail	98	98
34	Retail Group Armenia CJSC	Armenia	Retail	96	96
35	Spanish Retail CJSC	Armenia	Retail	100	100

All Amounts in Saudi Riyals unless otherwise Stated.

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 September 2022

2. GROUP STRUCTURE (CONTINUED)

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at:	30 September 2022	31 March 2022
36	ZR Fashion Retail CJSC	Armenia	Retail	100	100	100
37	Global Apparel CJSC	Armenia	Retail	100	100	100
38	BR Fashion Retail CJSC	Armenia	Retail	100	100	100
39	Master Retail CJSC	Armenia	Retail	100	100	100
40	Best Retail CJSC	Armenia	Retail	100	100	100
41	Retail Group CJSC	Armenia	Retail	100	100	100
42	Pro Retail CJSC	Armenia	Retail	100	100	100
43	Factory Prices CJSC	Armenia	Retail	100	100	100
44	Retail Group Jordan Co. LDT	Hashemite Kingdom of Jordan	Retail	100	100	100
45	Nesk Trading Projects LLC	Hashemite Kingdom of Jordan	Retail	100	100	100
46	Models Own Holding Limited	United Kingdom	Retail	51	51	51
47	Models Own Limited	United Kingdom	Retail	51	51	51
48	Models Own International Ltd.	United Kingdom	Retail	51	51	51
49	Retail Group Azerbaijan LLC	Azerbaijan	Retail	85	85	85
50	Fashion Retail Azerbaijan LLC	Azerbaijan	Retail	85	85	85
51	Spanish Retail Azerbaijan LLC	Azerbaijan	Retail	85	85	85
52	Global Apparel Azerbaijan LLC	Azerbaijan	Retail	85	85	85
53	Mega Store Azerbaijan LLC	Azerbaijan	Retail	85	85	85
54	Master Retail Azerbaijan LLC	Azerbaijan	Retail	85	85	85
55	Pro Retail Azerbaijan LLC	Azerbaijan	Retail	85	85	85
56	Retail Group Holding LLC	Azerbaijan	Retail	85	85	85
57	Best Retail Azerbaijan LLC	Azerbaijan	Retail	85	85	85

All Amounts in Saudi Riyals unless otherwise Stated.

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 September 2022

3. BASIS OF ACCOUNTING

3.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual Consolidated Financial Statements as at and for the year ended 31 March 2022 ("last annual consolidated financial statements"). These condensed consolidated interim financial statements do not include all of the information required for a complete set of IFRS Financial Statements however; selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

The condensed consolidated interim financial statements were approved by the Board of Directors for issuance on 7 Rabi' al-Thani 1444H (corresponding to 1 November 2022).

3.2 Preparation of financial statements

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

- Other investments at fair value;
- Derivative asset at fair value; and
- The defined benefit obligation is recognized at the present value of future obligations using the Projected Unit Credit Method.

3.3 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 March 2022.

5. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards, interpretations and amendments adopted by the Group

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 March 2022, except for the following amendments which apply for the first time in 2022. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

These amendments had no impact on the condensed consolidated interim financial statements of the Group as there are no such transactions under the above amendments during the current period.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 March 2023 (the date of the Group's next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

6. INTERIM RESULTS

The operations and revenues of the Group are affected by seasonal changes during the year. Therefore, the results of operations for the three and six-month periods ended 30 September 2022, may not provide an accurate indication of the actual results for the full year.

7. PROPERTY AND EQUIPMENT

During the six-month period ended 30 September 2022, the Group added property and equipment with a cost of SR 171.4 million (six-month period ended 30 September 2021: SR 89.87 million). Also, during the six-month period ended 30 September 2022, the depreciation charge for six-month period ended 30 September 2022 amounted to SR 71.80 million (six-month period ended 30 September 2021: SR 96.71 million) and the Group incurred a loss on write off property and equipment amounting to SR 0.75 million (six-month period ended 30 September 2021: SR 0.12 million). Capital work in progress includes the advances paid to the holding company against the additions made as at 30 September 2022.

During the year ended 31 March 2022, the Group conducted an operational efficiency review at all of its assets, which resulted in changes in the expected usage of all assets. The buildings, leasehold improvements, furniture fixtures and office equipment and motor vehicles was intended to be used for 33 years, 8-15 years and 4-10 years respectively. As a result of revision of useful lives, the buildings, leasehold improvements, furniture, fixtures and office equipment and motor vehicles are expected to remain in use for 40 years, 15 years, 15 years, 6 years respectively. Consequently, the expected life of the assets increased which resulted in the decrease in the depreciation charge on property and equipment.

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8. INVESTMENT IN EQUITY ACCOUNTED INVESTMENTS

	<i>FG 4 Limited</i>	<i>FAS LAB (i)</i>	<i>Total</i>
Balance as at 1 April 2021 (Audited)	2,699,577	--	2,699,577
Addition	--	75,112,787	75,112,787
Share of loss for the year	(743,169)	(15,044,402)	(15,787,571)
Balance as at 31 March 2022 (Audited)	1,956,408	60,068,385	62,024,793
Balance as at 1 April 2022 (Audited)	1,956,408	60,068,385	62,024,793
Share of profit for period	--	1,005,938	1,005,938
Balance as at 30 September 2022 (Unaudited)	1,956,408	61,074,323	63,030,731

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

9. OTHER INVESTMENTS

	Financial assets at FVTPL (i)	Financial assets at FVOCI (ii)	Total
Balance at 1 April 2020 (Audited)	200,000,000	--	200,000,000
Additions	--	84,432,122	84,432,122
Change in fair value	15,860,000	--	15,860,000
Balance at 31 March 2021 (Audited)	215,860,000	84,432,122	300,292,122
Change in fair value	(2,429,344)	13,213,820	10,784,476
Foreign currency translation difference	--	(11,385,912)	(11,385,912)
Balance at 31 March 2022 (Audited)	213,430,656	86,260,030	299,690,686
Change in fair value	3,694,908	--	3,694,908
Foreign currency translation difference	--	(5,512,115)	(5,512,115)
Balance at 30 September 2022 (Unaudited)	217,125,564	80,747,915	297,873,479

- i. This represents investment in 20,000,000 units of Al Mubarak Real Estate Income Fund –II (the “fund”) with a nominal value of SR 10 each which has been acquired by the Company in exchange of its share of ownership of an investment property. The fund is a private closed ended real estate investment fund and the Group acquired its units on 16 December 2019.
- ii. On 31 March 2021, the Group has acquired 8.9% shares in Egyptian Centers for Real Estate Development in consideration for the settlement of a receivable from Egyptian Centers. The Group has designated the investment at FVOCI at initial recognition.

Management has done their assessment of the fair value of FVTPL and FVOCI investments at the period end and believes that these are not significantly different from their carrying values.

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10. LOANS AND BORROWINGS

		30 September 2022 (Unaudited)	31 March 2022 (Audited)
	Notes		
Islamic facility with banks (Murabaha)	(i)	2,757,438,458	2,865,986,750
Banking facilities of GCC subsidiaries	(ii)	60,256	11,905,219
		2,757,498,714	2,877,891,969
Short term borrowings		60,256	11,905,219
Current portion of long-term borrowings		2,757,438,458	2,865,986,750
Loans and Borrowings - Current liabilities		2,757,498,714	2,877,891,969
Loans and Borrowings - Non-Current liabilities		-	-
		2,757,498,714	2,877,891,969
i.			
Islamic facility with banks (Murabaha) – Gross		2,768,496,569	2,890,029,594
Less: Unamortized transaction cost		(10,997,855)	(12,137,625)
		2,757,498,714	2,877,891,969

The Group signed a long-term Murabaha financing agreement with a National Commercial Bank as the Murabaha Investment Agent and Murabaha Participants, amounting to facilities of SAR 2,400 million and USD 166,000 on 1 March 2020. As per the terms of the agreement, the term of the Murabaha facility is for a period of seven years. The Murabaha facility is secured by promissory notes issued by the Company. The facility is repayable in six half yearly installments commencing after 12 months from the date of signing the agreement. As at 30 September 2022, the Group has fully utilized this facility. The interest rate on this facility is SIBOR + 2.7% on loan tranche taken in SR and LIBOR + 3% on loan tranche taken in USD.

The loans contain certain financial covenants. A breach of covenants may lead to renegotiation including increase in profit rates, withdrawal of facility or repayment on demand. The covenants are monitored on a periodic basis by management. In case of potential breach, actions are taken by management to ensure compliance. As at 30 September 2022, there has been non-compliance of certain covenants on the outstanding facility.

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

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

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11. EARNINGS PER SHARE

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

	Three-month ended 30 September 2022 (Unaudited)	Three-month ended 30 September 2021 (Unaudited) <i>Restated</i>	Six-month ended 30 September 2022 (Unaudited)	Six-month ended 30 September 2021 (Unaudited) <i>Restated</i>
Weighted average number of ordinary shares (a)	114,766,448	114,766,448	114,766,448	114,766,448
Profit attributable to ordinary shareholders	22,096,005	21,729,158	79,679,151	68,610,418
Basic and diluted earnings per share	0.19	0.19	0.69	0.60

- a) The shareholders of the parent company in their extra-ordinary general meeting held at 29 June 2022 have approved the reduction in the share capital by SAR 952 million through cancellation of 95,233,552 shares of SAR 10 each to absorb the accumulated losses. This resulted in reduction of shares from 210,000,000 to 114,766,448 shares outstanding on 30 September 2022. The current year profit / (loss) per share is based on 114,766,448 shares and comparative figure has been accordingly restated.

12. OPERATING SEGMENTS

A. Basis for segmentation

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

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

Reportable segments

The following table describes the operations of each reportable segment:

Reportable segments	Operations
Fashion retail	Primarily include sales of apparels, footwear's & accessories through retail outlets
Indoor entertainment	Kids Play Centers
Food & Beverages	Cafes and restaurants

Geographical information

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

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12. OPERATING SEGMENTS (CONTINUED)

B. Information about reportable segments and geographical information

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

	Reportable segments				Geographical segments				
	Fashion retail	Indoor entertainment	Food and Beverages	Inter-segment elimination	Total	Domestic	International	Inter-segment elimination	Total
Amount in SR '000									
30 September 2022									
Profit or loss									
Revenue	2,795,188	30,499	252,832	--	3,078,519	2,526,941	551,578	--	3,078,519
Depreciation and amortization	(59,441)	(4,029)	(14,928)	--	(78,398)	(68,217)	(10,181)	--	(78,398)
Finance costs	(110,181)	(1,199)	(7,673)	--	(119,053)	(106,096)	(12,957)	--	(119,053)
Profit / (loss) for the period	82,867	(2,801)	921	--	80,987	25,488	55,499	--	80,987
Statement of financial position									
Non-current assets	5,597,668	104,943	429,670	--	6,132,281	8,279,329	582,603	(2,729,651)	6,132,281
Current assets	2,202,451	(4,840)	24,370	--	2,221,981	2,382,201	(160,220)	--	2,221,981
Total liabilities	(7,211,644)	(86,106)	(461,056)	--	(7,758,806)	(7,256,590)	(502,216)	--	(7,758,806)
30 September 2021									
Profit or loss									
Revenue	2,801,785	22,828	237,369	--	3,061,982	2,583,023	478,959	--	3,061,982
Depreciation and amortization	(79,574)	(7,913)	(16,033)	--	(103,520)	(84,131)	(19,389)	--	(103,520)
Finance costs	(133,807)	(1,589)	(7,379)	--	(142,775)	(127,343)	(15,432)	--	(142,775)
Profit / (loss) for the period	67,383	(11,890)	11,126	--	66,619	42,457	24,162	--	66,619
31 March 2022									
Statement of financial position									
Non-current assets	5,548,469	117,284	444,232	--	6,109,985	6,109,341	2,936	(2,292)	6,109,985
Current assets	2,348,925	25,321	62,370	--	2,436,616	2,436,274	342	--	2,436,616
Total liabilities	(7,403,126)	(125,808)	(513,618)	--	(8,042,552)	(8,041,459)	(1,093)	--	(8,042,552)

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13. REVENUE

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

	Six-month period ended 30 September 2022 (Unaudited)		
	Kingdom of Saudi Arabia	International Countries	Total
Apparels	1,734,017,845	422,295,184	2,156,313,029
Footwear & accessories	120,435,176	48,445,122	168,880,298
Others	419,656,355	50,338,615	469,994,970
Fashion retail	2,274,109,376	521,078,921	2,795,188,297
Food & beverages	252,831,841	--	252,831,841
Indoor entertainment	--	30,498,820	30,498,820
Total revenue	2,526,941,217	551,577,741	3,078,518,958

	Six-month period ended 30 September 2021 (Unaudited)		
	Kingdom of Saudi Arabia	International Countries	Total
Apparels	1,841,081,644	356,732,604	2,197,814,248
Footwear & accessories	144,036,178	91,778,197	235,814,375
Others	360,536,879	7,620,678	368,157,557
Fashion retail	2,345,654,701	456,131,479	2,801,786,180
Food & beverages	237,368,654	--	237,368,654
Indoor entertainment	--	22,827,585	22,827,585
Total revenue	2,583,023,355	478,959,064	3,061,982,419

14. COST OF REVENUE

	Six-month period ended 30 September 2022 (Unaudited)	Six-month period ended 30 September 2021 (Unaudited)
Cost of goods sold	1,822,581,968	1,749,379,028
Employees' salaries and benefits	365,906,331	352,309,262
Depreciation on right-of-use assets	275,123,818	285,450,794
Utilities and maintenance	54,479,383	45,225,729
Rent expense	34,859,395	16,504,936
Travelling	3,183,497	3,424,564
Others	51,632,554	44,747,359
	2,607,766,946	2,497,041,672

15. OTHER OPERATING EXPENSES & INCOME

a) Other operating Expenses

		Six-month period ended 30 September 2022 (Unaudited)	Six-month period ended 30 September 2021 (Unaudited)
Loss on write-off of property and equipment	<i>Note i</i>	747,546	123,222
Store closure losses		331,336	20,387,794
		1,078,882	20,511,016

i. Represents write off related to assets for closed stores which were no more usable.

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15. OTHER OPERATING EXPENSES & INCOME (Continued)

b) Other operating income

	Notes	Six-month period ended 30 September 2022 (Unaudited)	Six-month period ended 30 September 2021 (Unaudited)
Foreign exchange gain		33,284,116	528,568
Rental concession for leases		24,546,708	38,793,705
Gain on lease termination and modification		2,704,709	13,785,719
Finance income on receivable from disposal of subsidiary	17	-	-
Others		12,952,464	10,133,037
		73,487,997	63,241,029

16. RELATED PARTIES

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

16.1 Key management personnel compensation

Key management personnel compensation is comprised as follows:

	30 September 2022	30 September 2021
Salaries and short-term benefits	4,468,172	4,487,941
Post-employment benefits	724,010	968,757
Board of Directors and board committees' remuneration	--	2,000,000
Total key management compensation	5,192,182	7,456,698

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16. RELATED PARTIES (Continued)

16.2 Related party transactions (continued)

Transactions with related parties carried out during the period, in the normal course of business, are summarized below:

Name of related party	Nature of relationship with related party	Relationship	Transactions			Balances	
			30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	31 March 2022 (Audited)	
Saudi FAS Holding Company	Expenses paid on behalf of Company	Shareholder	(677,171)	(8,975,645)			
	Transfer of balance due from disposal of subsidiary (Note 17)		-	75,000,000	275,816,722	267,681,080	
Al Farida Trading Agencies	Services and payments	Equity accounted investee	(5,113,362)	(3,780,481)	10,815,743	10,468,017	
Amwal Al Khaleeja Al Oula	Management services	Equity accounted investee	-	-	2,271,205	2,271,205	
Due from related parties					288,903,670	280,420,302	
Arabian Centers Company	Lease payments	Affiliate	(190,703,103)	(138,392,369)	(166,966,352)	(235,624,872)	
Food and Entertainment Co. Ltd.	Payments made on behalf of Group	Affiliate	-	-	(10,288,642)	(10,521,700)	
Noura Bint Mohammed		Affiliate	-	-	(13,964,902)	(14,703,592)	
Hajen Company Limited	Printing and advertisement	Affiliate	(1,975,664)	2,644,439	(935,760)	(350,028)	
Wonderful Meals Company	Purchase of goods	Affiliate	(30,002,210)	(29,026,939)	(18,728,024)	(23,544,221)	
Due to related parties					(210,883,680)	(284,744,413)	

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

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17. RECEIVABLE FROM DISPOSAL OF SUBSIDIARIES

During the period ended 31 March 2017, pursuant to the decision of the Board of Directors in their meeting held on 29 June 2016, the Group has disposed of Global Levia and its subsidiaries ("the Disposed Entities") as per the terms of the sale purchase agreement dated 29 June 2016 for a total consideration of SR 375 million receivable in 5 annual equal installments starting from 29 June 2017 onwards. Management rights have been transferred by the Group and accordingly, the Group has lost its power to direct the relevant activities of the Disposed Entities.

The sale was made at the net book value of the Disposed Entities of SR 350 million and included a mark-up of SR 25 million for deferred payments, accordingly no gain or loss is recognised on the sale transaction. The sale consideration is secured by a personal guarantee from the Chairman of the Company who was the Chairman of the board of the company on the date of transaction and has 15% stake in the buying entity.

During the period ended 31 March 2022, final installment of SR 75 million (2021 SR 75 million) has been transferred as receivable from Saudi FAS Holding Company (Company jointly owned by the Chairman who had secured the consideration on his personal guarantee) based on mutual agreement. Please refer to Note 16.

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI, FVTPL equity investments and derivatives which are carried at fair values, differences can arise between the book values and fair value estimates.

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 assets or liabilities that are not based on observable market data (unobservable inputs).

Management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying values.

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

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18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

30 September 2022 (Unaudited)					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
FVTPL					
Al Mubarak Real Estate					
Income Fund –II	217,125,564	--	--	217,125,564	217,125,564
Derivative assets	39,416,914	--	39,416,914	--	39,416,914
FVOCI – equity instruments					
Egyptian Centres for Real Estate Development	80,747,915	--	--	80,747,915	80,747,915
31 March 2022 (Audited)					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
FVTPL					
Al Mubarak Real Estate					
Income Fund –II	213,430,656	--	--	213,430,656	213,430,656
Derivative assets	29,616,914	--	29,616,914	--	29,616,914
FVOCI – equity instruments					
Egyptian Centres for Real Estate Development	86,260,030	--	--	86,260,030	86,260,030

Financial Liabilities

All financial liabilities are measured at amortized cost using the effective interest rate method and as a result the carrying amounts are reasonable approximation of its fair values.

B. Valuation techniques and significant unobservable inputs

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

Type	Valuation technique and significant unobservable inputs
Equity securities	<p>The valuation model is based on discounted cash flows and considers the present value of the expected future income receivable under lease agreements and forecast take-up of vacant units, discounted using a risk-adjusted discount rate. The estimate is adjusted for the net debt of the investee.</p> <p>Significant unobservable inputs include expected cash flows and risk adjusted discount rate. The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - the expected cash flows were higher (lower); or - the risk-adjusted discount rate was lower (higher).

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18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT
(CONTINUED)

B. Valuation techniques and significant unobservable inputs

Type	Valuation technique and significant unobservable inputs
Derivative asset	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

As at 30 September 2022, the Group held Interest Rate Swaps ("IRS") of a notional value of SR 1.29 billion in order to reduce its exposure to commission rate risks against long term financing. The Group holds interest rate swaps to cover the variable interest rate exposures on its loans from financial institutions. The interest rate swap arrangement does not meet the qualifying hedging criteria as per IFRS 9 requirement and have therefore been carried at fair value through profit or loss.

C. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

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18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT
(CONTINUED)

C-1. Credit risk

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

	30 September 2022 (Unaudited)	31 March 2022 (Audited)
Cash at bank	117,729,710	172,616,287
Advances, deposits and other receivables	321,936,963	306,562,828
	439,666,673	479,179,115

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings ranging from BBB+ to A+.
- Advances, deposits and other receivables are shown net of allowance for impairment on these balances. The Group calculates impairment losses on the basis of its estimate of losses incurred in respect of other receivables.
- Financial position of related parties is stable. There were no past due or impaired receivables from related parties.

C-2 Liquidity risk

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

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

C-3 Market risk

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

19. COMMITMENTS AND CONTINGENCIES

As at the reporting date, the Group is committed to capital expenditures of SR 107.39 million (31 March 2022: SR 187 million) to purchase property and equipment.

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

Type	Nature	30 September 2022	31 March 2022
Letter of credits	Purchase of retail trading inventory	457,086,324	413,457,212
Letter of guarantees	Bid bonds, contracts advance payments and performance bonds	496,969,735	516,595,443

All Amounts in Saudi Riyals unless otherwise Stated.

Fawaz Abdulaziz Al Hokair & Company (a Saudi Joint Stock Company)
Notes to the Condensed consolidated interim financial statements

For the six-month period ended 30 September 2022

20. IMPACT OF COVID-19

The COVID-19 pandemic, which commenced at the beginning of 2020, has caused significant disruption in the economic and commercial sectors in general at both the global and local levels. The government of the Kingdom of Saudi Arabia has taken stimulus measures and launched initiatives to support the economy to reduce the adverse effects of this pandemic.

As the situation stabilizes, the Company believes that sales will move to normal levels and the profitability will improve in the future.

All Amounts in Saudi Riyals unless otherwise Stated.