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RSM Allied Accountants Professional Services Co.

**ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) FOR THE THREE-MONTH AND NINE- MONTH PERIODS
ENDED 31 DECEMBER 2023
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE -MONTH PERIODS ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To: The shareholders**Abdullah Saad Mohammed Abo Moati For Bookstores Company****(Saudi Joint Stock Company)****Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Abdullah Saad Mohammed Abo Moati For Bookstores Company, a Saudi Joint Stock Company (the "Company")** and its subsidiary (collectively referred to as the **"Group"**) as at 31 December 2023 and the interim condensed consolidated statements of profit or loss and other comprehensive income, Interim condensed consolidated statement of changes in equity and Interim condensed consolidated statement of cash flows for the three-month and nine-month periods then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" 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 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.

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 International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services

Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Saudi Arabia

23 Rajab 1445 H (corresponding to 4 February 2024)



ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2023

	Note	31 December 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Assets			
Non-current assets			
Property and equipment, net		122,696,131	81,832,648
Investment properties, net		41,241,139	39,176,637
Intangible assets, net		1,359,644	-
Right-of-use assets, net	5	13,494,067	17,658,494
Financial investments at FVOCI	6	6,593,456	6,898,160
Total non-current assets		185,384,437	145,565,939
Current assets			
Inventory, net	7	77,445,777	86,038,674
Accounts receivable, net	8	24,054,854	18,545,046
Prepaid expenses and other receivables	9	20,909,423	17,222,980
Cash and cash equivalents		7,751,367	21,228,355
Total current assets		130,161,421	143,035,055
Total assets		315,545,858	288,600,994
Equity and liabilities			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve	1	-	7,034,174
Retained earnings		36,103,143	34,782,777
Reserve for the revaluation of investments at FVOCI	6	1,963,959	2,268,663
Reserve for the remeasurement of employees' benefit obligations		(1,265,616)	(1,265,616)
Total equity		236,801,486	242,819,998
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	5	5,587,951	10,351,317
Employees' benefit obligations		8,016,155	7,453,287
Total non-current liabilities		13,604,106	17,804,604
Current liabilities			
Bank facilities	10	30,200,000	-
Lease liabilities - current portion	5	6,251,700	5,419,057
Trade payables		15,028,348	10,247,215
Accrued expenses and other payables	11	10,714,513	8,788,234
Zakat provision	12	2,945,705	3,521,886
Total current liabilities		65,140,266	27,976,392
Total liabilities		78,744,372	45,780,996
Total equity and liabilities		315,545,858	288,600,994

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

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 31 DECEMBER 2023

	Note	FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER		FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER	
		2023 SAR (Unaudited)	2022 SAR (Unaudited)	2023 SAR (Unaudited)	2022 SAR (Unaudited)
Profit or loss					
Sales, net	15	75,057,066	86,286,674	214,000,851	251,006,284
Cost of sales	15	(52,837,669)	(66,198,559)	(151,814,107)	(187,406,662)
Gross profit		22,219,397	20,088,115	62,186,744	63,599,622
Rental revenue, net		998,898	781,993	2,884,618	2,234,542
General and administrative expenses		(5,617,491)	(4,288,104)	(15,680,915)	(16,817,787)
Selling and marketing expenses		(7,384,944)	(7,447,582)	(21,707,058)	(19,779,323)
Profit from main operations		10,215,860	9,134,422	27,683,389	29,237,054
Finance costs	15	(668,319)	(189,256)	(1,163,380)	(1,242,816)
Returns on Murabaha investment deposits		-	-	96,732	-
(Expenses)/other income, net		(96,452)	(25,137)	13,415	(147,656)
Dividends from financial investments at fair value through OCI	6	105,800	95,220	256,036	243,340
Net profit for the period before Zakat		9,556,889	9,015,249	26,886,192	28,089,922
Zakat		(1,010,000)	(1,000,000)	(2,600,000)	(2,950,000)
Net profit for the period		8,546,889	8,015,249	24,286,192	25,139,922
Other comprehensive income					
Items that will not subsequently reclassified to the condensed consolidated interim statement of profit or loss					
Change in fair value of financial investments at fair value through other comprehensive income	6	457,056	(719,440)	(304,704)	(1,989,040)
Total (other comprehensive loss)/other comprehensive income for the period		457,056	(719,440)	(304,704)	(1,989,040)
Total comprehensive income for the period		9,003,945	7,295,809	23,981,488	23,150,882
Earning per share	13				
Basic and diluted earnings per share		0.43	0.40	1.21	1.26

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

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023

	Share capital SAR	Statutory reserve SAR	Retained earnings SAR	Revaluation reserve of financial investments at fair value through other comprehensive income SAR	Remeasurement reserve of employees' benefit obligations SAR	Total equity SAR
Balance as at 1 April 2022 (Audited)	200,000,000	5,342,552	29,558,183	3,707,543	(907,863)	237,700,415
Net profit for the period	-	-	25,139,922	-	-	25,139,922
Other comprehensive loss for the period	-	-	-	(1,989,040)	-	(1,989,040)
Total comprehensive income for the period	-	-	25,139,922	(1,989,040)	-	23,150,882
Dividends (Note 14)	-	-	(10,000,000)	-	-	(10,000,000)
Balance as at 31 December 2022 (Unaudited)	200,000,000	5,342,552	44,698,105	1,718,503	(907,863)	250,851,297
Balance as at 1 April 2023 (Audited)	200,000,000	7,034,174	34,782,777	2,268,663	(1,265,616)	242,819,998
Net profit for the period	-	-	24,286,192	-	-	24,286,192
Other comprehensive loss for the period	-	-	-	(304,704)	-	(304,704)
Total comprehensive income for the period	-	-	24,286,192	(304,704)	-	23,981,488
Transferred from statutory reserve to retained earnings (Note 1)	-	(7,034,174)	7,034,174	-	-	-
Dividends (Note 14)	-	-	(30,000,000)	-	-	(30,000,000)
Balance as at 31 December 2023 (Unaudited)	200,000,000	-	36,103,143	1,963,959	(1,265,616)	236,801,486

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

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors





ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023

	For the nine months period ended 31	
	December	
	2023	2022
	SAR	SAR
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net profit for the period before zakat	26,886,192	28,089,922
Adjustments to reconcile net profit for the period before zakat:		
Depreciation of property and equipment	2,784,221	2,590,178
Depreciation of right-of-use assets	6,752,923	5,993,325
Depreciation of investment properties	306,971	306,971
Amortization of intangible assets	134,349	4,647
Provision for expected credit losses	-	1,276,051
Provision for slow-moving inventory	-	3,474,930
Losses on disposal of property and equipment	102,075	183,418
Differences on lease disposal	-	(167,029)
Finance cost	1,163,380	1,242,816
Provision for employees' benefits obligations	945,829	1,401,200
	39,075,940	44,396,429
Changes in operating assets and liabilities:		
Inventory	8,592,897	(4,229,075)
Accounts receivable	(5,509,808)	7,542,833
Prepaid expenses and other receivables	(3,686,443)	5,431,925
Trade payables	4,781,133	1,613,974
Accrued expenses and other payables	1,572,960	(1,352,505)
Cash generated from operations	44,826,679	53,403,581
Finance costs paid	(192,052)	(808,229)
Employees' benefits obligations paid	(382,961)	(718,372)
Zakat provision paid	(3,176,181)	(2,958,562)
Net cash generated from operating activities	41,075,485	48,918,418
Cash flows from investing activities		
Purchase of property and equipment	(43,814,181)	(2,964,358)
Proceeds from disposal of property and equipment	64,402	35,650
Purchase of intangible assets	(1,493,993)	-
Purchase of investment properties	(2,371,473)	-
Net cash used in investing activities	(47,615,245)	(2,928,708)
Cash flows from financing activities		
Proceeds from bank facilities	36,200,000	48,382,648
Payment from bank facilities	(6,000,000)	(77,550,950)
Lease liabilities paid	(7,137,228)	(6,167,234)
Dividends paid	(30,000,000)	(10,000,000)
Net cash used in financing activities	(6,937,228)	(45,335,536)
Net change in cash and cash equivalents	(13,476,988)	654,174
Cash and cash equivalents at the beginning of the period	21,228,355	8,512,401
Cash and cash equivalents at the end of the period	7,751,367	9,166,575
Non-cash transactions		
Transferred from statutory reserve to retained earnings	7,034,174	-
Addition to the right of use assets and corresponding lease liabilities	3,303,017	11,159,998
Transferred from projects under construction to property and equipment	3,074,066	1,344,174
Accrued Finance cost	353,319	-
Used of provision expected credit losses	35,160	24,558

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

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

1- ORGANIZATION AND ACTIVITIES

Abdullah Saad Mohammed Abo Moati For Bookstores Company (the "Company") - a Saudi Joint Stock Company - registered under the Commercial Registration ("CR") No. 1010125151, issued in Riyadh on 3/1/1415 H (corresponding to 13/6/1994). The Company's capital, amounting to SAR 200,000,000, consists of 20,000,000 shares, the value of which is 10 Saudi riyals each.

The company's activity is the retail sale of technical tools for drawing, the retail sale of stationery, stationery, newspapers, and magazines, libraries, the retail sale of luxuries and clothing accessories, including gloves, neckties, suspenders, swim rings, and umbrellas, the retail sale of leather products and goods, leather travel accessories, and leather substitutes, and the retail sale of bags.

The interim condensed consolidated financial statements for the nine month period ended 31 December 2023 include the the interim condensed consolidated financial statements for the parent company and its branches and a subsidiary. The details of branches are as follows:

Branches of Parent Company:

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
Microware trading branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	1010226765	Riyadh	Publishing paper books, dictionaries, atlases, and maps (including importing and producing intellectual written, drawn, or photographed containers). Installation and extension of television and satellite networks. Installation and extension of computer and communications networks. Installation of lighting systems. Wholesale of textiles and fabrics of all kinds (other than apparel). Wholesale of home furniture and furniture. Wholesale of wooden, cork and plastic products. Wholesale of carpets and rugs. Wholesale of office furniture. Wholesale of scientific equipment. Wholesale of primary plastic materials. Rubber and synthetic fibers Wholesale of gifts and luxuries Retail sale of mobile phone accessories Retail sale of cosmetics and decorative soap Selling laboratory and educational tools Public stores that include a variety of goods Management and rental of owned or rented properties (residential) Management and rental of owned or rented properties (non-residential)
Branch of Abdullah Saad Mohammed Abo Moati Co.	1010439451	Riyadh	Retail sale of household appliances and various handicrafts, cutting tools, ceramics, glassware, pottery, etc. Retail sale of luxuries and clothing accessories, including gloves, ties, bras, prayer beads and umbrellas. Retail sale of medical devices, equipment and supplies. Retail sale of cosmetics and decorative soaps.
Branch of Abdullah Saad Mohammed Abo Moati Co.	1010467810	Riyadh	Retail sale of stationery, Office supplies, newspapers, magazines, bookstores, retail sale of games and toys in specialized stores, retail of men's ready-made clothes, retail of women's ready-made clothes, retail of cosmetics and decorative soaps, retail of businesses, handicrafts, antiques and gifts.
Branch of Abdullah Saad Mohammed Abu Moati for Bookstores Co	1113101191	Shaqra	Wholesale of stationery and office supplies. Wholesale of children's toys. Retail sale of stationery, stationery, newspapers, and magazines. Libraries. Wholesale of books, magazines, newspapers, and auxiliary educational aids. This includes the import of written, drawn, or illustrated intellectual production. The retail sale of books, magazines, newspapers, and auxiliary educational aids.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2050092621	Dammam	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

1-ORGANIZATION AND ACTIVITIES (CONTINUED)

Branches of Parent Company (continued):

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	4030293226	Jeddah	Wholesale of office supplies and stationery Retail sale of household items and various handicrafts Cutting tools, ceramics, glassware, pottery, etc. Retail sale of books, magazines, newspapers and teaching aids Retail sale of luxuries and clothing accessories, including gloves, ties, suspenders, prayer beads and umbrellas Retail sale of cosmetics and soap decorations.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	5855036143	Khamis Mushait	Wholesale of office supplies and stationery, wholesale of computers and their accessories, including (sale of printers and their inks), retail of books, magazines, newspapers, and educational aids, retail of stationery, office supplies, newspapers and magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	5900037192	Jazan	Wholesale of office supplies and stationery, wholesale of computers and their accessories, including (sale of printers and their inks), retail of books, magazines, newspapers, and educational aids, retail of stationery, office supplies, newspapers and magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	4650207523	Medina	Wholesale of office supplies, stationery, wholesale of art tools for drawing, wholesale of gifts and luxuries, retail sale of household items and various handicrafts, cutting tools, ceramics, glassware, pottery, etc. Retail sale of books, magazines, newspapers and educational aids, retail sale of luxuries and apparel accessories, including gloves, ties, suspenders, prayer beads and umbrellas. Retail sale of cosmetics and cosmetic soaps.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	1131302797	Al Qassim	Wholesale of pharmaceuticals Wholesale of stationery Wholesale of art and drawing supplies Wholesale of paper (paper rolls) Wholesale of gifts and luxuries Retail sale of books, magazines, newspapers and teaching aids General stores stocking a wide variety of goods.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2052103539	Dhahran	Retail sale of household items and various handicrafts; cutting tools, pottery, glassware, pottery, etc. Retail sale of luxuries and clothing accessories, including gloves, ties, suspenders, prayer beads and umbrellas. Retail sale of cosmetics and decorative soaps.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2031109265	Al-Ahsa	Retail sale of household items and various handicrafts; cutting tools, pottery, glassware, pottery, etc. Retail sale of luxuries and clothing accessories, including gloves, ties, suspenders, prayer beads and umbrellas. Retail sale of cosmetics and decorative soap.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

1-ORGANIZATION AND ACTIVITIES (CONTINUED)

Subsidiary company

<u>Company's name</u>	<u>Country of incorporation</u>	<u>CR No.</u>	<u>Activity</u>	<u>Ownership percentage</u>	
				<u>As at 31 December 2023</u>	<u>As at 31 March 2023</u>
AL Moujah for Trade Co.	Kingdom of Saudi Arabia	1010141412	Wholesale of home furniture and stationery. Wholesale of office supplies and stationery. Wholesale of wooden, cork and plastic products. Wholesale of children's toys. Wholesale of computers and their accessories, including (selling printers and their inks) Wholesale of office furniture. Retail of computers and their accessories, including (printers and their inks) Retail of stationery and office supplies. Newspapers, magazines, libraries.	100%	100%

Branches of Subsidiary Company

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
Branch of Moujah for Trade Co.	2051026138	Al Khobar	Wholesale of office supplies and stationery. Wholesale of computers and their accessories, including (sale of printers and their inks) and wholesale of papers (paper rolls).
Branch of Moujah for Trade Co.	4030130807	Jeddah	Wholesale of office supplies and stationery. Wholesale of computers and their accessories, including (sale of printers and their inks) and wholesale of papers (paper rolls).

The head office of the company is located in Riyadh - Alatayif Street Al – Alatayif for office supplies Center, P.O.-Box 9994, Postal Code 11423, Kingdom of Saudi Arabia.

- On Muharram 8, 1445 H (corresponding to July 26, 2023), the Board of Directors recommended to the company's extraordinary general assembly to Close the statutory reserve and transfer it to retained earnings, as the extraordinary general assembly agreed on December 27, 2023 to transfer the balance of the statutory reserve with an amount of to SAR 7,034,174 to retained earnings for the group.

2- BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2-1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. These interim condensed consolidated financial statements do not include all information and disclosures required to issue the complete set of the annual consolidated financial statements also, the results for the period ended 31 December 2023 are not necessarily indicative of the results that can be expected for the year ending 31 March 2024. It should also be read along with the latest financial statements for the year ended 31 March 2023. However, selected accounting policies and explanatory notes have also been included to explain important events and transactions to understand the changes in the consolidated financial position and consolidated financial performance of the Group as at 31 March 2023.

2-2 Preparation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements have been prepared on a historical cost convention except when IFRS requires the use of another measurement basis, as indicated in the significant accounting policies applied (Note 4), and in accordance with the accrual principle and going concern.

2-3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the Group's functional and presentation currency.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

2- BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2-4 Basis of consolidation for interim condensed financial statements

The accompanying interim condensed consolidated financial statements include the financial statements of the Parent company and the subsidiary as shown in (Note 1). A subsidiary is an entity controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of the investee company so as to obtain benefits from its activities. To establish control, potential voting rights which are currently exercised are taken into account. The interim condensed financial statements of the subsidiary are included in the interim condensed consolidated financial statements from the date the control is established.

All significant inter-company transactions and balances between the Company and its subsidiary are eliminated on consolidation of interim condensed consolidated financial statements. All significant inter-company profits and losses are also eliminated on consolidation of interim condensed consolidated financial statements.

Loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognized in the interim condensed consolidated statement of profit or loss. Any investment retained is recognized at fair value when control is lost.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The amendments to the International Financial Reporting Standards, effective from 1 January 2023 or later, do not have any impact on the Group's consolidated financial statements. Furthermore, the Group has not early adopted any new standard, interpretation or amendment that has been issued and is not effective to date.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies are applied by the Group:

Use of Judgments and Estimates

In preparing these interim condensed consolidated Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. 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 consolidated Financial Statements.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

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

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

5- LEASES

Right-of-use assets related to building lease contracts, and are depreciated on a straight-line basis over the lease term, from two to ten years.

A-Movement in right of use assets (Bulding):

	31 December 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Cost		
Balance at the beginning of the period/ year	40,870,976	28,576,654
Additions during the period/ year	3,303,017	14,089,521
Disposals during the period/ year	(3,188,186)	(1,795,199)
Balance at the end of the period/ year	40,985,807	40,870,976
Accumulated depreciation		
Balance at the beginning of the period/ year	23,212,482	15,938,197
Charged for the period/ year	6,752,923	8,207,274
Disposals during the period/ year	(2,473,665)	(932,989)
Balance at the end of the period/ year	27,491,740	23,212,482
Net book value as at the end of the period/ year	13,494,067	17,658,494

B- Movement in lease liabilities:

	31 December 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Balance at the beginning of the period / year	15,770,374	11,176,768
Additions during the period / year	3,303,017	14,089,521
Amortization of interest during the period / year	618,009	514,978
Disposals during the period/ year	(714,521)	(862,210)
Paid during the period / year	(7,137,228)	(9,148,683)
Balance at the end of the period / year	11,839,651	15,770,374

Lease liabilities are classified as follows:

	31 December 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Non-current portion	5,587,951	10,351,317
Current portion	6,251,700	5,419,057
	11,839,651	15,770,374

6- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial investments represent investments in equity instruments of listed companies that are accounted for at FVOCI. The following is a statement of these investments:

**Revaluation reserve for financial
investments at FVOCI**

Company name	Number of Shares*	Cost as at 1 April 2023 SAR (Audited)	As at 1 April 2023 SAR (Audited)	Revaluation Loss SAR	As at 31 December 2023 SAR (Unaudited)	Fair value as at 31 December 2023 SAR (Unaudited)
Jarir Marketing Company	423,200	4,629,497	2,268,663	(304,704)	1,963,959	6,593,456

- During the financial period ended on 31 December 2023, the Group received cash dividends from Jarir Marketing Company amounted to SAR 256,036 (period ended on 31 December 2022: SAR 243,340).

* On 30 May 2023, Jarir Marketing Company split the ordinary share into 10 ordinary shares with a nominal value of 1 Saudi riyal per share. The number of group shares as at 31 December 2023 was 423,200 shares (31 March 2023: 42,320 shares).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

7- INVENTORY, NET

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Stationery, office supplies and accessories	74,802,564	83,976,013
Printers inks and computer supplies	7,779,338	7,315,661
Goods in transit	4,439,863	4,322,988
Less: provision for slow-moving inventory	(9,575,988)	(9,575,988)
	77,445,777	86,038,674

The movement on the provision for slow-moving inventory is as follows:

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	9,575,988	6,101,058
Charged during the period / year	-	3,474,930
Balance at the end of the period / year	9,575,988	9,575,988

8- ACCOUNTS RECEIVABLE, NET

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Accounts receivable	27,584,163	22,109,515
Less: provision for expected credit losses	(3,529,309)	(3,564,469)
	24,054,854	18,545,046

The movement on the provision for expected credit losses is as follows:

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	3,564,469	4,037,660
Charged during the period / year	-	1,851,679
Used during the period / year	(35,160)	(2,324,870)
Balance at the end of the period / year	3,529,309	3,564,469

The following table shows the aging of receivables for the Group as at:

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
From 1 to 30 days	3,815,926	5,373,230
From 31 to 60 days	6,210,441	3,277,341
From 61 to 90 days	4,167,900	2,652,208
From 91 to 180 days	6,688,932	6,727,663
From 181 to 365 days	3,204,439	1,963,355
More than 365 days	3,496,525	2,115,718
Total	27,584,163	22,109,515

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

9- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Advances to suppliers	15,460,713	12,266,012
Prepaid expenses	2,529,529	2,341,366
Letter of guarantee insurance (Note 17)	1,097,065	798,181
Prepaid rent	374,812	195,259
Other receivables	1,447,304	1,622,162
	20,909,423	17,222,980

10- BANK FACILITIES

The group has bank facilities from several local banks represented in the form of loans and /or opening letters of credit and/or issuing letters of guarantee and/or treasury products and others, and purchasing goods and materials whose maturity periods are from 1-180 days by deducting from the group's current accounts. The group bears financing costs in return for these loans, these loans are secured by promissory notes duly signed by the company and Al-Mouja Trading Company (a subsidiary company), an agency to buy and an authorization to sell goods, and a no-objection letter from Al-Moujah Trading Company (a subsidiary company) to use some of the facilities granted to the company. The outstanding balance of these loans amounted to SAR 30,200,000 as at 31 December 2023 (31 March 2023: SAR Nil).

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	-	29,168,302
Proceeds during the period / year	36,200,000	48,387,883
Paid during the period / year	(6,000,000)	(77,556,185)
Balance at the end of the period / year	30,200,000	-

11- ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023	31 March 2023
	SAR	SAR
	(Unaudited)	(Audited)
Accrued value added tax	2,591,311	2,599,332
Suppliers payable	2,455,427	525,369
Accrued salaries and wages	2,077,542	1,899,736
Unearned revenue	1,768,383	1,350,203
Accrued remuneration of the board of directors and audit committee	758,250	923,500
Advances from customers	200,506	378,043
Others	863,094	1,112,051
	10,714,513	8,788,234

12- ZAKAT PROVISION

Zakat status

The group submitted its zakat declarations for all previous years until March 31, 2023, and paid its dues according to those declarations, and obtained the required certificates and official receipts, no final zakat assessments have been made until the date of these interim condensed consolidated financial statements .

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

13- EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net income for the period by the weighted average number of shares outstanding as at the end of the period. The table below reflects the profit and share data used in the calculation of basic and diluted earnings per share:

	FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER		FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER	
	2023	2022	2023	2022
	SAR	SAR	SAR	SAR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income attributable to shareholders	8,546,889	8,015,249	24,286,192	25,139,922
Weighted average number of outstanding shares	20,000,000	20,000,000	20,000,000	20,000,000
Earning per share of net income attributable to shareholders of the company	0.43	0.40	1.21	1.26

14- DIVIDENDS

- On 20 September 2023, the Ordinary General Assembly held on that date approved the distribution of cash dividends to shareholders for the financial year ended on 31 March 2023, at the rate of (0.50) fifty halalas per share, with a total value of 10 million Saudi riyals, in addition to distribution of additional dividends of (0.50) fifty halala per share with a total value of 10 million Saudi riyals. (31 December 2022: Dividend distributions for the year ended 31 March 2022 in the amount of 10 million Saudi riyals).
- On November 29, 2023, the company's Board of Directors approved the distribution of cash dividends to shareholders for the first half of the year at the rate of (0.50) fifty halalas per share, with a total value of 10 million Saudi riyals, in accordance with the authorization granted by the Ordinary General Assembly to the Board of Directors to distribute dividends on Ordinary General Assembly meeting held on September 20, 2023.

15- SEGMENT INFORMATION

Segmental information relates to the Group's business and activities, which the Group's management relied on as a basis for preparing its financial information, in line with the internal reporting methods. Transactions between segments are carried out on the same terms as transactions with third parties.

Assets, liabilities and operating activities of the segments include items directly related to a particular segment and items that can be allocated to different segments on a reasonable basis. Items that cannot be allocated between segments are classified under common assets and liabilities. The company's sectors are as follows:

- Retail and wholesale trade, where the group does wholesale of stationery, wholesale of computers and their accessories, and other wholesale and retail sales.
- Inks sector, where the group sells computers, printers and their inks.
- Real estate and rent sector, where the group leases buildings for commercial and residential purposes.

The following is a summary of the financial sectoral information in Saudi riyals as at 31 December 2023 (unaudited), 31 March 2023 (audited) respectively, according to the nature of the activity:

	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
As at 31 December 2023 (unaudited)	SAR	SAR	SAR	SAR
Total current assets	122,457,161	7,704,260	-	130,161,421
Total non-current assets	144,084,147	59,151	41,241,139	185,384,437
Total assets	266,541,308	7,763,411	41,241,139	315,545,858
Total current liabilities	63,828,934	1,311,332	-	65,140,266
Total non-current liabilities	13,156,607	447,499	-	13,604,106
Total liabilities	76,985,541	1,758,831	-	78,744,372
	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
As at 31 March 2023 (audited)	SAR	SAR	SAR	SAR
Total current assets	129,829,272	13,205,783	-	143,035,055
Total non-current assets	106,306,104	83,197	39,176,638	145,565,939
Total assets	236,135,376	13,288,980	39,176,638	288,600,994
Total current liabilities	26,115,156	1,861,236	-	27,976,392
Total non-current liabilities	17,095,265	709,339	-	17,804,604
Total liabilities	43,210,421	2,570,575	-	45,780,996

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

15-SEGMENT INFORMATION (CONTINUED)

	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
<u>For the nine-month period ended 31 December 2023 (unaudited)</u>	SAR	SAR	SAR	SAR
Sales, net	209,073,805	4,927,046	-	214,000,851
Cost of sales	(149,465,086)	(2,349,021)	-	(151,814,107)
Gross profit for the period	59,608,719	2,578,025	-	62,186,744
Rental revenue	-	-	3,340,419	3,340,419
Depreciation	(2,760,175)	(24,046)	(306,971)	(3,091,192)
Finance cost	(1,163,380)	-	-	(1,163,380)
Net profit for the period	20,674,650	726,924	2,884,618	24,286,192
<u>For the nine-month period ended 31 December 2022 (unaudited)</u>	SAR	SAR	SAR	SAR
Sales, net	212,176,818	38,829,466	-	251,006,284
Cost of sales	(152,703,815)	(34,702,847)	-	(187,406,662)
Gross profit for the period	59,473,003	4,126,619	-	63,599,622
Rental revenue	-	-	2,660,244	2,660,244
Depreciation	(2,565,321)	(24,857)	(306,971)	(2,897,149)
Finance cost	(1,052,710)	(190,106)	-	(1,242,816)
Net profit for the period	21,404,935	1,500,445	2,234,542	25,139,922

16- LIQUIDITY RISKS

Liquidity risk is the risk that the Group may will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Group commits to in the interest of others.

To reduce the liquidity risk and associated losses that may affect the business of the Group. The Group maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Group also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funds to meet these liabilities in a timely manner.

The following is the aging of liabilities as at 31 December 2023 (Unaudited):

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Liabilities					
Employees' benefits obligations	-	-	-	8,016,155	8,016,155
Bank facilities	26,500,000	3,700,000	-	-	30,200,000
Lease liabilities	2,287,963	3,963,737	5,587,951	-	11,839,651
Trade payables	15,028,348	-	-	-	15,028,348
Accrued expenses and other payables	10,714,513	-	-	-	10,714,513
Zakat provision	-	2,945,705	-	-	2,945,705
Total	54,530,824	10,609,442	5,587,951	8,016,155	78,744,372

The following is the aging of liabilities as at 31 March 2023 (Audited):

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Liabilities					
Employees' benefits obligations	-	-	-	7,453,287	7,453,287
Lease liabilities	1,668,540	3,750,517	10,351,317	-	15,770,374
Trade payables	10,247,215	-	-	-	10,247,215
Accrued expenses and other payables	8,788,234	-	-	-	8,788,234
Zakat provision	3,521,886	-	-	-	3,521,886
Total	24,225,875	3,750,517	10,351,317	7,453,287	45,780,996

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

17- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has contingent liabilities arising from an outstanding letters of guarantee and credit amounting to SAR 1,706,955 as at 31 December 2023 (31 March 2023: SAR 15,977,849) (Note 9).

The Group has capital commitments against projects under construction for setting up and installation of decorations and equipment at branches amounting to SAR 6.7 million.

18- GENERAL

The figures in these interim condensed consolidated financial statements are rounded to the nearest Saudi Riyals.

19- SUBSEQUENT EVENTS

There were no significant subsequent events after 31 December 2023 and until the date of the approval of the interim condensed consolidated financial statements that may have a significant impact on these interim condensed consolidated financial statements as at 31 December 2023.

20- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved for issue by the Board of Directors of the Company on 23 Rajab 1445 H (corresponding to 4 February 2024).