

**NATIONAL METAL MANUFACTURING  
AND CASTING COMPANY (MAADANIYAH)  
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL  
STATEMENTS AND INDEPENDENT AUDITOR'S  
REPORT ON REVIEW OF CONDENSED INTERIM  
FINANCIAL STATEMENTS FOR THE THREE  
MONTHS PERIOD ENDED MARCH 31, 2022**

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S**  
**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

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

To the shareholders  
National Metal Manufacturing and Casting Company ("MAADANIYAH")  
(A Saudi joint stock company)  
Jubail Industrial City - Kingdom of Saudi Arabia.

**Introduction**

We have reviewed the accompanying condensed interim financial statements of National Metal Manufacturing and Casting Company ("MAADANIYAH") (a Saudi joint stock company) ("the Company") which comprises of condensed interim statement of financial position as of March 31, 2022 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 (IAS 34) - "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 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 interim financial statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Maher T. Al-Khatib  
Certified Public Accountant  
Registration No. 514



May 24, 2022 -G  
Shawwal 23, 1443-H

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**  
**Expressed in Saudi Riyal**

	<u>Note</u>	<b>March 31, 2022 (Un-audited)</b>	<b>December 31, 2021 (Audited)</b>
<b>ASSETS</b>			
<b>Non- current assets</b>			
Property, plant and equipment	6	162,245,848	165,524,186
Right-of-use assets		3,022,608	3,210,334
Intangible assets		579,473	1,049,767
Investment property		1,782,716	1,833,004
Equity instruments designated at fair value through other comprehensive income (FVOCI)		3,750,000	3,750,000
<b>Total non-current assets</b>		<b>171,380,645</b>	<b>175,367,291</b>
<b>Current assets</b>			
Inventories		87,757,114	94,712,229
Trade receivables		86,696,642	78,553,408
Prepayments and other receivables		9,291,455	6,492,011
Cash and cash equivalents	7	114,154,250	147,535,355
<b>Total current assets</b>		<b>297,899,461</b>	<b>327,293,003</b>
<b>TOTAL ASSETS</b>		<b>469,280,106</b>	<b>502,660,294</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		354,000,000	354,000,000
Statutory reserve		27,173,232	27,173,232
Accumulated losses		(36,512,683)	(29,375,136)
<b>Total equity</b>		<b>344,660,549</b>	<b>351,798,096</b>
<b>Non-current liabilities</b>			
Lease liabilities		2,979,242	2,941,097
Long term loans	8	16,927,334	16,815,334
Employees benefits obligations		35,147,421	34,138,009
<b>Total non-current liabilities</b>		<b>55,053,997</b>	<b>53,894,440</b>
<b>Current liabilities</b>			
Trade and other payables		35,153,798	25,246,114
Lease liabilities – current portion		619,511	611,312
Long term loans - current portion	8	4,400,000	22,400,000
Accrued and other liabilities		23,552,251	44,070,332
Zakat provision		5,840,000	4,640,000
<b>Total current liabilities</b>		<b>69,565,560</b>	<b>96,967,758</b>
<b>Total liabilities</b>		<b>124,619,557</b>	<b>150,862,198</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>469,280,106</b>	<b>502,660,294</b>

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**  
**Expressed in Saudi Riyal**

	<u>Note</u>	<b>March 31, 2022 (Un-audited)</b>	<b>March 31, 2021 (Un-audited)</b>
Revenue		77,032,368	65,256,278
Cost of sales		<u>(74,042,058)</u>	<u>(61,632,758)</u>
<b>Gross profit</b>		<b>2,990,310</b>	<b>3,623,520</b>
Selling and distribution expenses		(3,840,020)	(3,376,063)
General and administrative expenses		(4,838,044)	(3,740,583)
Allowance for expected credit losses		(307)	(1,973,068)
Other income, net		<u>194,345</u>	<u>183,021</u>
<b>Operating loss</b>		<b>(5,493,716)</b>	<b>(5,283,173)</b>
Finance cost		<u>(443,831)</u>	<u>(701,472)</u>
<b>Loss before zakat</b>		<b>(5,937,547)</b>	<b>(5,984,645)</b>
Zakat expense		<u>(1,200,000)</u>	<u>(1,100,000)</u>
<b>Loss for the period</b>		<b>(7,137,547)</b>	<b>(7,084,645)</b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>		<b>(7,137,547)</b>	<b>(7,084,645)</b>
Basic and diluted loss per share	12	<b>(0.20)</b>	<b>(0.24)</b>

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements .

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**  
**Expressed in Saudi Riyal**

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Accumulated losses</u>	<u>Total equity</u>
<b>Balance at January 01, 2021 - (Audited)</b>	281,120,890	27,173,232	(40,156,992)	268,137,130
Loss for the period	-	-	(7,084,645)	(7,084,645)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(7,084,645)	(7,084,645)
<b>Balance at March 31, 2021—(Un-audited)</b>	<u>281,120,890</u>	<u>27,173,232</u>	<u>(47,241,637)</u>	<u>261,052,485</u>
<b>Balance at January 01, 2022 - (Audited)</b>	<b>354,000,000</b>	<b>27,173,232</b>	<b>(29,375,136)</b>	<b>351,798,096</b>
Loss for the period	-	-	(7,137,547)	(7,137,547)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(7,137,547)	(7,137,547)
<b>Balance at March 31, 2022 —(Un-audited)</b>	<u><b>354,000,000</b></u>	<u><b>27,173,232</b></u>	<u><b>(36,512,683)</b></u>	<u><b>344,660,549</b></u>

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**  
**Expressed in Saudi Riyal**

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Note</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before zakat	(5,937,547)	(5,984,645)
<b>Adjustments for non –cash items to reconcile loss before zakat to net cash flows</b>		
Depreciation of property, plant and equipment	3,711,940	3,767,101
Depreciation of right-of-use assets	187,726	186,915
Depreciation of investment property	50,288	50,288
Amortization of intangible assets	470,294	470,289
Amortization deferred financial charges	112,000	112,000
Finance cost	331,831	589,472
Reversal of provision of slow moving inventory	(923,257)	(579,959)
Provision for employees' benefit obligations	1,491,840	1,691,600
Impairment of trade receivables	307	1,973,068
Loss from disposal of property, plant and equipment	6	-
	(504,572)	2,276,129
<b>Working capital adjustments</b>		
Inventories	7,878,372	18,770,446
Trade receivables	(8,143,541)	(16,453,071)
Prepayments and other receivables	(2,799,444)	(2,510,943)
Trade and other payables	9,907,684	(1,382,972)
Accrued and other liabilities	(20,159,008)	107,193
Cash generated from operations	(13,820,509)	806,782
Zakat paid	-	(179,171)
Employees' benefits obligations paid	(482,428)	(140,339)
<b>Net cash (used in ) / generated from operating activities</b>	(14,302,937)	487,272
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	6 (496,108)	(460,324)
Proceeds from disposal of property, plant and equipment	62,500	-
<b>Net cash used in investing activities</b>	(433,608)	(460,324)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of short term loans	-	(3,000,000)
Proceeds from short term loans	-	1,282,000
Repayment of long term loans	(18,000,000)	(6,400,000)
Finance cost paid	(644,560)	(975,654)
<b>Net cash used in financing activities</b>	(18,644,560)	(9,093,654)
<b>Net change in cash and cash equivalents</b>	(33,381,105)	(9,066,706)
Cash and cash equivalents at beginning of the period	7 147,535,355	36,592,319
<b>Cash and cash equivalents at end of the period</b>	7 114,154,250	27,525,613

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**Expressed in Saudi Riyal**

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**1. ORGANIZATION AND ACTIVITIES**

National Metal Manufacturing and Casting Company (MAADANIYAH) ("the Company") was incorporated pursuant to Council of Ministerial Resolution Number 253 dated 13 Rabi 'I, 1411-H corresponding to October 2, 1990G and registered as a Saudi Joint Stock Company under Commercial Registration Number 2055002251 dated 16 Jumada 'I, 1411-H corresponding to December 3, 1990 G issued in Al Jubail. The registered office of the Company is situated in Al-Jubail, Kingdom of Saudi Arabia. As of March 31, 2022, the Company has the following branches:

<b>Branch name</b>	<b>Commercial Registration Number</b>	<b>Date</b>
Axles, Foundries and Spare Parts Factory	2050016156	29/5/1406-H
Wire Drawing and Related Products Factory (ASLAK)	2055013867	25/8/1432-H
Branch of National Metal Manufacturing and Casting Company (MAADANIYAH)	1010389002	25/11/1434-H
Gulf Baas Industries	2050116884	04/11/1439-H

The financial results of these branches are included in these financial statements. The Company and its branches objectives are as follows:

- Manufacturing of drawn steel wire rod, pre-stressed concrete steel wire strand (PC strand), spring wire, mattress spring wire, strengthening wire strand for electrical power and high and low galvanized steel wire, fasteners, nails, bolts and welding wire.
- Manufacturing of metal castings of various types.
- Manufacturing of axles, various qualities of suspensions and spare parts for trucks, vehicles and equipment.
- Wholesale and retail trade in the Company's products, building materials, industrial materials, including the import and export.
- Ownership of land and property and constructing buildings thereon.
- Ownership of patents and benefiting from them to achieve industrial objectives inside and outside the Kingdom of Saudi Arabia.
- Commercial agencies and representation of local or foreign companies inside and outside the Kingdom of Saudi Arabia.
- Tenders and contracting business.
- Construction of industrial, service and commercial projects inside and outside the Kingdom of Saudi Arabia

On November 23, 2021, the Extra Ordinary General Assembly Meeting (EGA) has approved the reduction of share capital of the Company from 281,120,890 to SR 234,000,000 by offsetting SR 47,120,890 with the accumulated losses of the Company. Further the shareholders, in the same meeting, have approved the increase of share capital of the Company by way of right issue amounted to SR 120,000,000. After the said capital restructuring, the share capital of the Company becomes SR 354,000,000.

**Company's projects**

- On November 29, 2021 , a new company has been registered with CR number 149926 issued in Bahrain under the name PC Strand Bahrain CO.WLL. The issued capital of the said company is 20,000 Bahrain Dinar which is yet to be paid by the Company. The activities of this company will be to manufacture / trade steel wire strand (PC strand) products. As at March 31, 2022, the company has yet to commence its operation and has no assets and liabilities.



**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
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**1. ORGANIZATION AND ACTIVITIES (CONTINUED)**

**Company's projects (continued)**

- The Board of Directors of the Company, in its meeting held on October 3, 2021, has approved the cancellation of MoU signed with Valco Group to establish a factory / plant specialized in manufacturing valves used in Oil, Gas & Petrochemical due to the lack of an agreement between the two parties. The said MoU was signed on May 01, 2016. Now the project is 100% owned by the Company. The Company will run this project through its branch, Gulf Baas Industries (Baas). On December 28, 2021, the Company, Baas and Valvospain Solutions and Licenses S.L. (Valvospain) (a Spanish company) have entered into "License and Technology Transfer Agreement" as per which Valvospain will technically support Baas with the design for the operations of the plant by virtue of transferring technological know-how, industrial knowledge, trade database and licensing the rights to use its brand names. The expected date of completion of this project is first quarter of 2023.
- On February 28, 2021, the Company has signed a Memorandum of Understanding (MOU) with IGL Group to establish a plant for Aluminum Foundry, as part of the Company's plans to develop its projects. The duration of MOU was initially six months from the date of signing which was subsequently extended to the end of August 2022.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") endorsed in Kingdom of Saudi Arabia ("KSA") and other standard and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The disclosures in these condensed interim financial statements do not include the information reported for annual financial statements and should, therefore, be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2021.

**2.2 Basis of measurement**

These condensed interim financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for certain employees' benefits and equity instrument at fair value through other comprehensive income (FVOCI) which are measured at present value using Projected Unit Credit Method and fair value, respectively.

**2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company.

**3. USE OF ESTIMATES AND JUDGMENTS**

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements of the Company for the year ended December 31, 2021.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
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**4. SIGNIFICANT ACCOUNTING POLICES**

The significant accounting policies, risk management policies and methods of computation adopted for the preparation of these condensed interim financial statements are same as those applied in the annual financial statements of the Company for the year ended December 31, 2021.

**5. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

There are no new standards issued, however, there are number of amendments to standards which are effective from January 1, 2022 and onwards and have been explained in the Company's annual financial statements for the year ended December 31, 2021, but these do not have a material effect on the Company's condensed interim financial statements for the three months period ended March 31, 2022. The Company did not early adopt any such amendments.

**6. PROPERTY, PLANT AND EQUIPMENT**

During the three months period ended March 31, 2022, additions to property, plant and equipment were amounted to SR 0.5 million (March 31, 2021: SR 0.5 million) and disposals of property, plant and equipment were amounted to 0.5 million (March 31, 2021: SR Nil).

**7. CASH AND CASH EQUIVALENTS**

	<b>March 31, 2022</b> <b>(Un-audited)</b>	<b>December 31, 2021</b> <b>(Audited)</b>
Cash in hand	<b>58,500</b>	17,000
Cash at banks	<b>34,489,057</b>	98,085,705
Term / call deposits	<b>79,606,693</b>	49,432,650
	<b>114,154,250</b>	147,535,355

Term deposits with the local banks carry profit at prevailing commercial rates and having original maturities of less than three months.

**8. LONG TERM LOANS**

	<b>March 31, 2022</b> <b>(Un-audited)</b>	<b>December 31, 2021</b> <b>(Audited)</b>
Saudi Industrial Development Fund (SIDF)	<b>21,850,000</b>	21,850,000
Less : deferred financial charges	<b>(522,666)</b>	(634,666)
Less: current portion	<b>(4,400,000)</b>	(4,400,000)
	<b>16,927,334</b>	16,815,334
Other loans from local banks	-	18,000,000
Less: current portion	-	(18,000,000)
	-	-
<b>Total loans –non current portion</b>	<b>16,927,334</b>	16,815,334
<b>Total loans –current portion</b>	<b>4,400,000</b>	22,400,000

**a) Loan from SIDF**

In 2018, the Company obtained a loan from SIDF to finance a portion of the expansion project of the Company. The loan is repayable in unequal half yearly installments from December 2019 and is secured by promissory notes and a mortgaged on certain property, plant and equipment of the Company. The loan is repayable in full by April 2025. It contains certain covenants which requires, among other things, certain financial ratios to be maintained.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
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**b) Loans from local banks**

These loans have been obtained from two banks i.e. “Saudi British Bank” (SABB) and “The Saudi National Bank” (SNB) (formerly the National Commercial Bank) to finance the expansion project cost of the Company.

In 2018, the Company obtained a new loan facility from SNB with limit of SR 12 million. In December 2021, the loan was repaid in full. This loan was to finance expansion project. This loan was subject to mark-up at SIBOR plus margin and was secured by promissory notes.

SABB’s loan had been provided under murabaha terms with limit of SR 50 million. This loan was repayable in semi-annual installments over five years starting from 2018. It was subject to mark-up at SIBOR plus margin and was secured by promissory notes. This loan has been repaid in full in January 05, 2022.

**9. CONTINGENCIES AND COMMITMENTS**

(a) The Company’s outstanding contingencies and commitments were as follows:

	<b>March 31, 2022 (Un-audited)</b>	<b>December 31,2021 (Audited)</b>
Letter of credits	<b>41,114,145</b>	40,606,079
Letter of guarantees	<b>376,870</b>	376,870

(b) As at March 31, 2022, the Company has outstanding capital commitments amounting to SR 1.4 million (December 31, 2021: SR 1.5 million) related to expansion projects and development of production lines.

**10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties consist of major shareholders, parties controlled and influenced by them, Board of Directors and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. The transactions are dealt with on mutually agreed terms and the terms and conditions on these transactions are approved by the Company’s management. During the three months period ended March 31, 2022, the Company did not transact with any of its related parties except transactions with key management personnel.

**Transactions with key management personnel (Un-audited)**

	<b>For the three months period ended March 31, 2022</b>	<b>For the three months period ended March 31, 2021</b>
Key management executives	<b>1,190,252</b>	1,454,239
Directors’ allowances and expenses	<b>140,500</b>	48,000

**11. SEGMENT INFORMATION**

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the Company's activities. The Company's sales, gross profit, assets and liabilities, by business segment, are as follows:

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
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	<b>Transformation industries</b>	<b>Engineering and metal forming industries</b>	<b>Total</b>
<b>For the three months period ended March 31, 2022</b>			
<b>(Un-audited)</b>			
Revenue	53,585,667	23,446,701	77,032,368
Gross profit	1,787,166	1,203,144	2,990,310
<b>As of March 31, 2022 (Un-audited)</b>			
Total assets	346,357,825	122,922,281	469,280,106
Total liabilities	83,649,098	40,970,459	124,619,557
<b>As of December 31, 2021 (audited )</b>			
Total assets	376,837,165	125,823,129	502,660,294
Total liabilities	103,322,132	47,540,066	150,862,198
<b>For the three months period ended March 31, 2021</b>			
<b>(Un-audited)</b>			
Revenue	48,180,673	17,075,605	65,256,278
Gross profit	2,267,458	1,356,062	3,623,520
<b>As of March 31, 2021 (Un-audited)</b>			
Total assets	268,032,361	132,243,125	400,275,486
Total liabilities	94,883,785	44,339,216	139,223,001
<b>As of December 31, 2020 (audited)</b>			
Total assets	282,835,787	131,720,215	414,556,002
Total liabilities	101,455,966	44,962,906	146,418,872

The sales within the Kingdom of Saudi Arabia for the three months period ended March 31, 2022 amounted to SR 52.5 million (March 31, 2021: SR 31.4 million) and export sales for the three months period ended March 31, 2022 amounted to SR 24.5 million (March 31, 2021: SR 33.8 million).

All of the Company's operations are located in the Kingdom of Saudi Arabia.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**Expressed in Saudi Riyal**

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## **12. LOSS PER SHARE**

Basic loss per share is calculated by dividing the loss after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. There is no dilutive effect on the loss per share of the Company.

### ***Loss attributable to ordinary shareholders***

Loss attributable to the shareholders used in calculating basic and diluted loss per share for the three months period ended March 31, 2022 is SR 7.1 million (March 31, 2021: SR 7.0 million).

### ***Weighted average number of ordinary shares***

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	<b>March 31,2022</b>	March 31, 2021
	<b>(Un-audited)</b>	(Un-audited)
		<i>Restated</i>
Outstanding number of shares during the period	<b>35,400,000</b>	29,520,822
Basic loss per share	<b>(0.20)</b>	(0.24)

The prior period loss per share has been adjusted to incorporate the related impacts of capital restructuring as mentioned in note 1.

## **13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

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

As of March 31, 2022 and December 31, 2021, the carrying values of the financial assets and financial liabilities of the Company approximate to their fair values. Regarding equity investment at FVOCI, the management believes that cost is the best estimates of its fair value as the investee company is in formation stages as of March 31, 2022. The management also believes that the fair value of investment property is not materially different with that disclosed in 2021 annual financial statements of the Company.

**NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**Expressed in Saudi Riyal**

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**14. EVENTS AFTER THE REPORTING DATE**

In the opinion of management, there have been no significant events since March 31, 2022 to the date of authorization of these condensed interim financial statements by the Board of directors that require either an adjustment or disclosure in these condensed interim financial statements.

**15. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements have been approved and authorized for issue by the Company's Board of Directors on May 23, 2022 G.