

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH
PERIOD ENDED MARCH 31, 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

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**PKF****Ibrahim Ahmed Al-Bassam & Co.**Certified Public Accountants
(Member of PKF International)**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****TO THE SHAREHOLDERS OF NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)****(A SAUDI JOINT STOCK COMPANY)**

(1 /1)

INTRODUCTION

We have reviewed the accompanying interim consolidated statement of financial position of National Metal Manufacturing and Casting Company ("MAADANIYAH") (the "Company"), A Saudi Joint Stock Company, and its subsidiary (collectively referred to as the "Group") as at March 31, 2023 and the related interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated 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 interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW



We conducted our review in accordance with International Standard on Review Engagement 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 condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 interim condensed consolidated 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 interim condensed financial statements of the Company for the three-month period ended March 31, 2022 were reviewed by another auditor, whose review report dated May 24, 2022 corresponding to Shawwal 23, 1443H expressed an unmodified conclusion.

For Al-Bassam & Co.


Ibrahim Ahmed Al Bassam

Certified Public Accountant

License No. 337

Khobar: Shawwal 28, 1444H

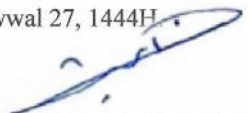
Corresponding to: May 18, 2023

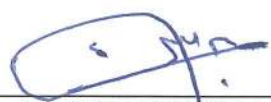
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NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023
Expressed in Saudi Riyal

		March 31, 2023	December 31, 2022
ASSETS		(Unaudited)	(Audited)
Non-current assets	Note		
Property, plant and equipment	6,11	151,641,501	154,620,360
Right-of-use assets		3,235,061	3,422,787
Intangible assets		13,153,432	11,570,220
Investment property		1,581,549	1,631,838
Equity instruments designated at fair value through other comprehensive income (FVOCI)		3,750,000	3,750,000
Total non-current assets		173,361,543	174,995,205
Current assets			
Inventories		101,585,322	103,277,455
Trade receivables	7	86,144,368	83,268,657
Cash and cash equivalents	8	75,843,145	47,459,439
Prepayments and other assets		8,851,566	6,326,339
Short term deposits		-	30,325,683
Total current assets		272,424,401	270,657,573
TOTAL ASSETS		445,785,944	445,652,778
EQUITY AND LIABILITIES			
Equity			
Share capital		354,000,000	354,000,000
Statutory reserve		27,173,232	27,173,232
Accumulated losses		(70,507,585)	(65,608,236)
Total equity		310,665,647	315,564,996
Non-current liabilities			
Lease liabilities		2,228,576	2,250,129
Long term loans	9	11,688,708	11,618,721
Employees benefit obligations		32,623,867	31,857,000
Total non-current liabilities		46,541,151	45,725,850
Current liabilities			
Trade and other payables	10	35,402,682	34,262,394
Lease liabilities - current portion		928,709	1,072,965
Long term loans - current portion	9	5,686,626	5,644,612
Short term borrowings	9	15,109,999	13,050,680
Accrued expenses and other liabilities		24,801,130	25,031,281
Zakat provision		6,650,000	5,300,000
Total current liabilities		88,579,146	84,361,932
Total liabilities		135,120,297	130,087,782
TOTAL EQUITY AND LIABILITIES		445,785,944	445,652,778
CONTINGENCIES AND COMMITMENTS	11	-	-

These interim condensed consolidated financial statements have been approved and authorized for issue on May 17, 2023 corresponding to Shawwal 27, 1444H.


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi



Chief Financial Officer
Fathalrahman Abdullah Othman


The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

	Note	For the three-month period ended March 31,	
		2023 (Unaudited)	2022 (Unaudited)
Revenue	13	65,748,681	77,032,368
Cost of revenue		(61,843,932)	(74,042,058)
Gross profit		3,904,749	2,990,310
Selling and distribution expenses		(3,171,729)	(3,840,020)
Administrative expenses		(5,020,342)	(4,838,044)
Allowance for expected credit losses	7	(119,591)	(307)
Other income, net		991,031	194,345
Operating loss		(3,415,882)	(5,493,716)
Finance income		606,207	-
Finance cost		(739,674)	(443,831)
Loss before zakat		(3,549,349)	(5,937,547)
Zakat		(1,350,000)	(1,200,000)
Loss for the period		(4,899,349)	(7,137,547)
Other comprehensive income		-	-
Total comprehensive loss for the period		(4,899,349)	(7,137,547)
Loss per share			
Basic and diluted	14	(0.14)	(0.20)

These interim condensed consolidated financial statements have been approved and authorized for issue on May 17, 2023 corresponding to Shawwal 27, 1444H.


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi

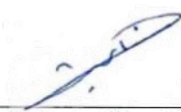

Chief Financial Officer
Fathalrahman Abdullah Othman

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NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

	Share capital	Statutory reserve	Accumulated losses	Total equity
Balance at January 1, 2022 - (audited)	354,000,000	27,173,232	(29,375,136)	351,798,096
Loss for the period	-	-	(7,137,547)	(7,137,547)
Balance at March 31, 2022 - (unaudited)	354,000,000	27,173,232	(36,512,683)	344,660,549
Balance at January 1, 2023 - (audited)	354,000,000	27,173,232	(65,608,236)	315,564,996
Loss for the period	-	-	(4,899,349)	(4,899,349)
Balance at March 31, 2023 - (unaudited)	354,000,000	27,173,232	(70,507,585)	310,665,647

These interim condensed consolidated financial statements have been approved and authorized for issue on May 17, 2023 corresponding to Shawwal 27, 1444H.


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi



Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before zakat	(3,549,349)	(5,937,547)
Adjustments for:		
Depreciation of property, plant and equipment	3,459,642	3,711,940
Depreciation of right-of-use assets	187,726	187,726
Depreciation of investment property	50,289	50,288
Amortization of intangible assets	12,596	470,294
Finance income	(606,207)	-
Finance cost	739,674	443,831
Allowance for / (reversal) of allowance of obsolete inventory	55,219	(923,257)
Provision for employees' benefit obligations	997,658	1,491,840
Allowance for expected credit losses	119,591	307
(Gain) / loss on disposal of property, plant and equipment	(6,955)	6
	1,459,884	(504,572)
Working capital changes		
Inventories	1,636,914	7,878,372
Trade receivables	(2,995,302)	(8,143,541)
Prepayments and other assets	(2,635,698)	(2,799,444)
Trade and other payables	1,140,288	9,907,684
Accrued expenses and other liabilities	(299,151)	(20,159,008)
Cash used in operations	(1,693,065)	(13,820,509)
Employees' benefits obligations paid	(230,791)	(482,428)
Finance cost paid	(421,761)	(644,560)
Finance income received	716,678	-
Net cash used in operating activities	(1,628,939)	(14,947,497)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(480,785)	(496,108)
Additions to intangible assets	(1,595,808)	-
Proceeds from disposal of property, plant and equipment	6,957	62,500
Short term deposits	30,325,683	-
Net cash generated from / (used in) investing activities	28,256,047	(433,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(243,402)	-
Proceeds from short term loan	2,000,000	-
Repayment of long term loan	-	(18,000,000)
Net cash generated from / (used in) financing activities	1,756,598	(18,000,000)
Net change in cash and cash equivalents	28,383,706	(33,381,105)
Cash and cash equivalents at beginning of the period	47,459,439	147,535,355
Cash and cash equivalents at end of the period	75,843,145	114,154,250

These interim condensed consolidated financial statements have been approved and authorized for issue on May 17, 2023 corresponding to Shawwal 27, 1444H.


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

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 Group is situated in Al-Jubail, Kingdom of Saudi Arabia. As of March 31, 2023 and December 31, 2022, the Group has the following branches:

Branch name	Commercial Registration Number	Date
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
Arabian Axles Manufacturing Co.	2056149638	01/03/1443-H

The financial results of these branches are included in these interim condensed consolidated financial statements. The Group 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.
- Manufacturing of spindles (Roman blie and bearings)
- Wholesale and retail trade in the Group’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.

Structure of the Group

The interim condensed consolidated financial statements as at March 31, 2023 include the financial statements of the Company and its following subsidiary (collectively referred to as “the Group”):

<u>Name of consolidated subsidiary</u>	<u>Principal activities</u>	<u>Effective ownership</u>	
		<u>2023</u>	<u>2022</u>
PC Strand Bahrain Co.WLL.	Manufacturing / trading of steel wire strand (PC strand)	100%	100%

On November 29, 2021 , a new Subsidiary 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 (SR 200,000) which was paid in fourth quarter of the year 2022. The activities of this Company will be to manufacture / trade steel wire strand (PC strand) products. As at March 31, 2023, the Company is yet to commence its operation and has no assets and liabilities except for share capital and bank balance. The Company will establish a plant specialized in PC Stranding with estimated cost of SR 28.5 million.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

1. ORGANIZATION AND ACTIVITIES (Continued)

Projects

- The Board of Directors of the Group, in its meeting held on October 3, 2021, has approved the cancellation of Memorandum of Understanding (“MoU”) signed with Valco Group to establish a factory / plant specialized in manufacturing valves used in Oil, Gas and 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 Group. The Group 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 last quarter of 2023.
- On February 28, 2021, the Group has signed a MOU with IGL Group to establish a plant for Aluminum Foundry, as part of the Group's plans to develop its projects. The duration of MOU was initially six months from the date of signing which was subsequently extended during the year till end of February 2023. During the period, the Group has again further extended from the beginning of March 2023 for additional six months.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard No.34 - “Interim Financial Reporting” (“IAS 34”) that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

The disclosures in these interim condensed consolidated financial statements do not include the information reported for full annual consolidated financial statements and should, therefore, be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2022. In addition, results for the three-month period ended March 31, 2023 are not necessarily indicative of the expected results for the full year ending December 31, 2023.

2.2 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for those required to be recorded on other basis of accounting as mentioned in annual consolidated financial statements of the Group for the year ended December 31, 2022.

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Group. Figures have been rounded off to nearest Saudi Riyals, unless otherwise stated.

3. USE OF ESTIMATES AND JUDGMENTS

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, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements of the Group for the year ended December 31, 2022.

4. SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies, risk management policies and methods of computation adopted for the preparation of these interim condensed consolidated financial statements are same as those applied in the annual consolidated financial statements of the Group for the year ended December 31, 2022, except for the adoption of certain new standards / amendments that have become effective in the current period.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
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5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards and amendments issued and applied effective in current period

There are no new standards issued, however, there are amendments to the following standards, which are effective in current period and have no material impact on Group's interim condensed consolidated financial statement;

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 17	Insurance Contracts	January 1, 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	January 1, 2023	These amendments regarding the definition of accounting estimates help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Income taxes	January 1, 2023	This amendment deals with clarification regarding the accounting of deferred tax on transactions such as leases and decommissioning obligations.

5.2 New standards, amendments and revised IFRS issued but not yet effective

The Group has not early adopted the following new and revised IFRSs and amendments that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	"Presentation of financial statements", on classification of liabilities	January 1, 2024	These narrow-scope amendments to IAS 1 "Presentation of financial statements" clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period and non-current liabilities with covenants.
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does recognize any amount of the gain or loss that relates to the right of use it retains.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
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5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (Continued)

5.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses result from the loss of control of a subsidiary.

Management anticipates that these new interpretations and amendments will be adopted in the Group's interim condensed consolidated financial statements as and when they are applicable and adoption of these interpretations and amendments are expected to have no material impact on the interim condensed consolidated financial statements of the Group in the period of initial application.

6. PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended March 31, 2023, additions to property, plant and equipment were amounted to SR 0.5 million (March 31, 2022: SR 0.5 million) and carrying value of disposals of property, plant and equipment were nil. (March 31, 2022: SR 0.1 million).

7. TRADE RECEIVABLES

The movement of the allowance for expected credit losses during the period / year is as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
As at beginning of the period / year	18,582,434	20,550,920
Charge / (reversal) for the period / year	119,591	(1,919,767)
Write offs	-	(48,719)
As at end of the period / year	18,702,025	18,582,434

8. CASH AND CASH EQUIVALENTS

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash in hand	51,500	15,000
Cash at banks	16,496,690	21,364,852
Term / call deposits	59,294,955	26,079,587
	75,843,145	47,459,439

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

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Expressed in Saudi Riyal

9. BORROWINGS

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Saudi Industrial Development Fund (SIDF)	17,450,000	17,450,000
Less : deferred financial charges	(74,666)	(186,667)
Less: current portion	(5,686,626)	(5,644,612)
Long term borrowing –non current portion	11,688,708	11,618,721
Long term borrowing –current portion	5,686,626	5,644,612
Short term borrowing	15,109,999	13,050,680
	32,485,333	30,314,013

9.1 The Group has obtained various facilities from local banks (“the Facilities”) which comprise of letter of credits, import finance, letter of guarantees and term finance facilities. The Facilities are secured by promissory notes and mortgage of properties. The Facilities carry charges at commercial rates.

9.2 The Group is required to comply with certain covenants. As at March 31, 2023, it is complying with all the covenants.

10. TRADE AND OTHER PAYABLES

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade payables	17,046,218	12,425,071
Note payables	18,356,464	21,837,323
	35,402,682	34,262,394

11. CONTINGENCIES AND COMMITMENTS

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

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Letter of credits	20,820,092	10,433,650
Letter of guarantees	376,870	376,870

(b) As at March 31, 2023, the Group has outstanding capital commitments amounted to SR 14.8 million (December 31, 2022: SR 16.1 million) related to property, plant and equipment and intangible assets.

12. 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 Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The transactions are dealt with on mutually agreed terms and the terms and conditions on these transactions are approved by the Group’s management. The Group have no significant transaction with any of its related parties except for key management personnel and Directors.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Transactions with key management personnel:

	For the three- month period ended March 31, 2023 (unaudited)	For the three- month period ended March 31, 2022 (unaudited)
Key management executives' remuneration	1,576,099	1,190,252
Board of directors' allowances and expenses	376,500	140,500

13. SEGMENT INFORMATION

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

	Transformation industries	Engineering and metal forming industries	Total
For the three-month period ended March 31, 2023 (Unaudited)			
Revenue	34,553,475	31,195,206	65,748,681
Gross (loss) / profit	(111,721)	4,016,470	3,904,749
As of March 31, 2023 (Unaudited)			
Total assets	312,482,159	133,303,785	445,785,944
Total liabilities	86,400,269	48,720,028	135,120,297
	Transformation industries	Engineering and metal forming industries	Total
For the three-month period ended March 31, 2022 (Unaudited)			
Revenue	53,585,667	23,446,701	77,032,368
Gross profit	1,787,166	1,203,144	2,990,310
As of December 31, 2022 (Audited)			
Total assets	320,663,413	124,989,365	445,652,778
Total liabilities	87,421,826	42,665,956	130,087,782

The sales within the Kingdom of Saudi Arabia for the three-month period ended March 31, 2023 amounted to SR 55.1 million (March 31, 2022: SR 52.5 million) and export sales for the three-month period ended March 31, 2023 amounted to SR 10.6 million (March 31, 2022: SR 24.5 million).

All of the Group'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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
Expressed in Saudi Riyal

14. LOSS PER SHARE

	Three-month period ended	
	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
Loss for the period	(4,899,349)	(7,137,547)
Weighted average number of ordinary shares	35,400,000	35,400,000
Basis / diluted loss per share	(0.14)	(0.20)

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

As of March 31, 2023 and December 31, 2022, the carrying values of the financial assets and financial liabilities of the Group 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, 2023. The management also believes that the fair value of investment property is not materially different with that disclosed in annual consolidated financial statements of the Group for the year ended December 31, 2022.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the current period presentation of the interim condensed consolidated financial statements.

17. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved and authorized for issue by the Group's Board of Directors on May 17, 2023 G corresponding to Shawwal 27, 1444H.