

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

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

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024

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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)
AL-JUBAIL, KINGDOM OF SAUDI ARABIA**

(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 subsidiaries (collectively referred to as the "Group") as at September 30, 2024 and the related interim consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and a summary of material 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Al-Bassam
Chartered Accountants**

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337

Khobar: November 4, 2024G

Corresponding to: Jumada Al Awal 2, 1446H



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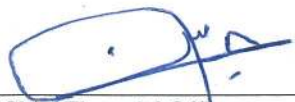
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NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024
Expressed in Saudi Riyal

		September 30, 2024	December 31, 2023
ASSETS		(Unaudited)	(Audited)
Non-current assets	Note		
Property, plant and equipment	6,11	163,525,796	161,789,821
Intangible assets		19,713,042	18,269,457
Right-of-use assets		9,053,986	9,686,206
Investment properties		1,279,819	1,430,684
Equity instruments designated at fair value through other comprehensive income (FVOCI)		3,750,000	3,750,000
Total non-current assets		197,322,643	194,926,168
Current assets			
Inventories		77,063,098	84,210,697
Trade receivables		70,217,567	67,359,682
Cash and cash equivalents	8	29,445,961	47,017,690
Prepayments and other assets		7,803,587	4,704,478
Total current assets		184,530,213	203,292,547
TOTAL ASSETS		381,852,856	398,218,715
EQUITY AND LIABILITIES			
Equity			
Share capital		354,000,000	354,000,000
Statutory reserve	1	-	27,173,232
Accumulated losses		(97,835,157)	(96,892,869)
Total equity		256,164,843	284,280,363
Non-current liabilities			
Employees' benefit obligations		29,181,724	32,966,242
Long term loans – non current portion	9	-	4,522,170
Lease liabilities – non current portion		7,617,218	8,326,462
Total non-current liabilities		36,798,942	45,814,874
Current liabilities			
Trade and other payables	10	29,434,656	30,870,478
Accrued expenses and other liabilities		20,334,370	16,297,870
Short term loans	9	25,398,003	8,160,269
Long term loans - current portion	9	8,358,313	7,027,568
Zakat provision		4,273,852	5,000,000
Lease liabilities - current portion		1,089,877	767,293
Total current liabilities		88,889,071	68,123,478
Total liabilities		125,688,013	113,938,352
TOTAL EQUITY AND LIABILITIES		381,852,856	398,218,715


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes from 1 to 18 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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

	Note	For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue	13	68,351,469	53,092,800	188,894,622	176,721,956
Cost of revenue		(67,444,305)	(49,755,837)	(186,765,019)	(167,558,953)
Gross profit		907,164	3,336,963	2,129,603	9,163,003
Selling and distribution		(3,486,828)	(2,638,996)	(10,722,240)	(8,874,963)
Administrative expenses		(5,233,123)	(4,945,541)	(15,219,219)	(14,533,932)
Reversal of / (allowance for) expected credit losses		7,084	(207,235)	(321,547)	(389,800)
Other income, net		409,052	27,833	996,461	1,159,398
Loss before finance cost and zakat		(7,396,651)	(4,426,976)	(23,136,942)	(13,476,294)
Finance cost		(817,301)	(419,594)	(2,049,676)	(1,936,760)
Finance income		219,834	387,931	721,098	1,382,141
Loss before zakat		(7,994,118)	(4,458,639)	(24,465,520)	(14,030,913)
Zakat		(950,000)	(1,500,000)	(3,650,000)	(4,384,249)
Loss for the period		(8,944,118)	(5,958,639)	(28,115,520)	(18,415,162)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(8,944,118)	(5,958,639)	(28,115,520)	(18,415,162)
Loss per share					
Basic and diluted	14	(0.25)	(0.17)	(0.79)	(0.52)



Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi




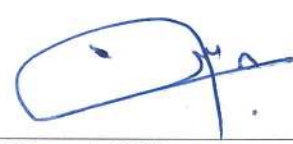
Chief Financial Officer
Fathalrahman Abdullah Othman

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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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Accumulated losses</u>	<u>Total equity</u>
Balance at January 1, 2023 - (audited)	354,000,000	27,173,232	(65,608,236)	315,564,996
Loss for the period	-	-	(18,415,162)	(18,415,162)
Balance at September 30, 2023 - (unaudited)	354,000,000	27,173,232	(84,023,398)	297,149,834
Balance at January 1, 2024 - (audited)	354,000,000	27,173,232	(96,892,869)	284,280,363
Loss for the period	-	-	(28,115,520)	(28,115,520)
Transfer (note 1)	-	(27,173,232)	27,173,232	-
Balance at September 30, 2024 - (unaudited)	354,000,000	-	(97,835,157)	256,164,843

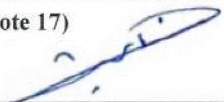

 Chief Executive Officer and Board Member
 Shaker Nafil Al Otaibi


 Chief Financial Officer
 Fathalrahman Abdullah Othman

The accompanying notes from 1 to 18 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before zakat	(24,465,520)	(14,030,913)
Adjustments for:		
Depreciation of property, plant and equipment	10,560,945	10,364,295
Depreciation of right-of-use assets	461,729	416,594
Depreciation of investment properties	150,865	150,865
Amortization of intangible assets	51,166	40,039
Finance income	(721,098)	(1,382,141)
Finance cost	2,049,676	1,936,760
Allowance for obsolete inventory	325,157	870,772
Provision for employees' benefit obligations	2,376,010	2,894,488
Allowance for expected credit losses	321,547	389,800
Loss / (gain) on disposal of property, plant and equipment	18	(6,088)
	(8,889,505)	1,644,471
Working capital changes		
Inventories	6,822,442	11,468,492
Trade receivables	(3,179,432)	13,948,474
Prepayments and other assets	(3,210,360)	(3,736,167)
Trade and other payables	(1,435,822)	(7,028,966)
Accrued expenses and other liabilities	1,988,068	(9,545,277)
Cash (used in) / generated from operations	(7,904,609)	6,751,027
Zakat paid	(4,376,148)	(5,484,249)
Employees' benefits obligations paid	(4,143,596)	(1,718,551)
Finance cost paid	(1,813,902)	(1,531,590)
Finance income received	890,924	1,673,650
Net cash used in operating activities	(17,347,331)	(309,713)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(11,957,177)	(9,804,784)
Additions to intangible assets	(1,494,751)	(5,270,748)
Additions to right of use assets	-	(406,194)
Proceeds from disposal of property, plant and equipment	-	6,472
Short term deposits	-	30,325,683
Net cash (used in) / generated from investing activities	(13,451,928)	14,850,429
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term loans	71,380,348	-
Repayment of short term loans	(54,111,036)	(5,000,000)
Repayment of long term loan	(3,250,000)	(2,550,000)
Repayment of lease liability	(791,782)	(707,752)
Net cash generated from / (used in) financing activities	13,227,530	(8,257,752)
Net change in cash and cash equivalents	(17,571,729)	6,282,964
Cash and cash equivalents at beginning of the period	47,017,690	47,459,439
Cash and cash equivalents at end of the period	29,445,961	53,742,403
Non-cash transactions (note 17)		


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes from 1 to 18 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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024
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 Company is situated in Al-Jubail, Kingdom of Saudi Arabia.

The Company and its subsidiaries as disclosed below are collectively referred as "the Group".

As at September 30, 2024 and December 31, 2023, 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

On June 10, 2024, the shareholders of the Group in extraordinary general assembly meeting resolved to transfer the statutory reserve of SR 27.17 million to off-set a portion of the Group's accumulated losses amounting to SR 96.89 million which represents 27.37% of the share capital as reported in the consolidated financial statements for the year ended December 31, 2023.

The financial results of these branches are included in these interim condensed consolidated financial statements. The Group and its branches objectives are as follows:

- Production of drawn steel wires, pre-stressed concrete strands, spring wires, steel structures for bed mattresses, aluminum conductor steel reinforce strand, galvanized reinforcement wires, concrete nails, common nails, bolts and nuts , welding wires.
- Production of castings and commercial, industrial, and military metal parts of various types.
- Manufacturing cars and trailers, assembling them, producing various types of axles, different suspension systems, truck parts, vehicles, and equipment.
- Manufacturing military ground and amphibious vehicles, military vehicle parts, armored vehicle plating, and manufacturing mobile military shelters.
- Manufacturing valves and accessories of all sizes.
- Repair and maintenance of company products.
- Wholesale and retail trade in company products, construction materials, and industrial materials, including their import and export.
- Ownership of lands and real estate and construction of buildings on them, and disposal of them in any form.
- Ownership of patents and benefiting from them to achieve its industrial purposes inside and outside the Kingdom.
- Commercial agencies and representation of local or foreign companies inside and outside the Kingdom.
- Commercial tenders and contracts.
- Establishing 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 September 30, 2024 include the financial statements of the Company and its following subsidiaries:

<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Effective ownership</u>	
		<u>2024</u>	<u>2023</u>
PC Strand Bahrain Co.W.L.L	Manufacturing / trading of steel wire strand (PC strand) products	100%	100%
Vair National Casting Company	Non-ferrous metal casting including aluminium and zinc etc.	51%	51%

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

1. ORGANIZATION AND ACTIVITIES (Continued)

Structure of the Group (Continued)

- PC Strand Bahrain Co.W.L.L

On November 29, 2021, a new Subsidiary Company has been registered with CR number 160515-1 issued in Bahrain under the name PC Strand Bahrain Co. W.L.L. 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 September 30, 2024, 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 55.5 million.

- Vair National Casting Company

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 till end of August 2023. On August 30, 2023, the Group has registered a new Subsidiary Company with CR number 2050174852 issued in the Kingdom of Saudi Arabia under the name of Vair National Casting Company – Limited Liability Company. The share capital of the said company is SR 7.5 million which is still to be paid by both shareholders. The ownership of Maadaniyah is 51% of the share capital and IGL share is 49% of the share capital.

Projects

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 2024. Further, on April 20, 2023, the Group has signed an agreement with Gulf Triple Contracting Company amounting to SR 34 million for the construction of the project of Valves Factory in King Salman Energy Park (SPARK). Initially, the construction duration was 12 months from the beginning of the July 2023 which is now expected to be completed by the end of the year 2024.

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, 2023. In addition, results for the nine-month period ended September 30, 2024 are not necessarily indicative of the expected results for the full year ending December 31, 2024.

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, 2023.

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.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

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, 2023.

4. MATERIAL ACCOUNTING POLICES

The material 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, 2023, except for the adoption of certain new standards / amendments that have become effective in the current period.

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 statements;

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	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.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 1	Non-current liabilities with covenants	1 January 2024	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (Continued)

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

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that these new interpretations and amendments will be adopted in the Group's 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 consolidated financial statements of the Group in the period of initial application.

6. PROPERTY, PLANT AND EQUIPMENT

During the three-month and nine-month periods ended September 30, 2024, additions to property, plant and equipment amounted to SR 6.08 million and SR 12.30 million, respectively (three-month and nine-month periods ended September 30, 2023: SR 1.79 million and SR 9.80 million, respectively).

7. ALLOWANCE FOR EXPECTED CREDIT LOSSES

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
As at beginning of the period / year	18,977,956	18,582,434
Charge for the period / year	321,547	397,975
Write offs	-	(2,453)
As at end of the period / year	19,299,503	18,977,956

8. CASH AND CASH EQUIVALENTS

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash in hand	54,500	21,000
Cash at banks	19,389,620	26,386,383
Term / call deposits	10,001,841	20,610,307
	29,445,961	47,017,690

Term deposits with the local banks have original maturities of less than three months and carry profit at prevailing commercial rates ranging from 5.68% to 6.12% (2023: 4.95% to 6.12%).

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024
Expressed in Saudi Riyal

9. BORROWINGS

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Saudi Industrial Development Fund (SIDF)	8,400,000	11,650,000
Less: deferred financial charges	(41,687)	(100,262)
Less: current portion	(8,358,313)	(7,027,568)
Long term loans –non current portion	-	4,522,170
Long term loans –current portion	8,358,313	7,027,568
Short term loans	25,398,003	8,160,269
	33,756,316	19,710,007

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 September 30, 2024, it is complying with all the covenants.

10. TRADE AND OTHER PAYABLES

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables	13,397,625	7,815,384
Note payables	16,037,031	23,055,094
	29,434,656	30,870,478

11. CONTINGENCIES AND COMMITMENTS

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Letter of credits	18,575,299	16,394,617
Letter of guarantees	376,870	376,870

(b) As at September 30, 2024, the Group has outstanding capital commitments amounting to SR 42.19 million (December 31, 2023: SR 52.67 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.

Transactions with key management personnel:

	For the three- month period ended September 30, 2024 (Unaudited)	For the three- month period ended September 30, 2023 (Unaudited)	For the nine- month period ended September 30, 2024 (Unaudited)	For the nine- month period ended September 30, 2023 (Unaudited)
Key management executive’ remuneration	1,316,426	1,343,339	4,294,482	4,197,357
Directors’ allowances and expenses	370,500	349,500	1,084,500	1,093,500

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12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Payable to key management personnel in respect of the remuneration, allowances and other expenses classified under accrued and other liabilities are as follows:

		September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	Nature of balance		
Board of Directors	Board remuneration	1,114,395	1,377,000

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
2024			
For the three-month period ended September 30, 2024 (Unaudited)			
Revenue	42,450,342	25,901,127	68,351,469
Gross profit	689,765	217,399	907,164
For the nine-month period ended September 30, 2024 (Unaudited)			
Revenue	117,325,704	71,568,918	188,894,622
Gross profit	1,179,940	949,663	2,129,603
As of September 30, 2024 (Unaudited)			
Total assets	213,316,403	168,536,453	381,852,856
Total liabilities	87,113,426	38,574,587	125,688,013
2023			
For the three-month period ended September 30, 2023 (Unaudited)			
Revenue	25,838,601	27,254,199	53,092,800
Gross (loss) / profit	(5,054,137)	8,391,100	3,336,963
For the nine-month period ended September 30, 2023 (Unaudited)			
Revenue	88,669,842	88,052,114	176,721,956
Gross (loss) / profit	(7,082,014)	16,245,017	9,163,003
As of December 31, 2023 (Audited)			
Total assets	276,488,754	121,729,961	398,218,715
Total liabilities	81,677,896	32,260,456	113,938,352

The sales within the Kingdom of Saudi Arabia for the three-month and nine-month periods ended September 30, 2024 amounted to SR 52.02 million and SR 138.60 million, respectively (three-month and nine-month periods September 30, 2023: SR 44.82 million and SR 144.80 million, respectively). Export sales for the three-month and nine-month periods ended September 30, 2024 amounted to SR 16.33 million and SR 50.30 million, respectively (three-month and nine-month periods ended September 30, 2023: SR 8.28 million and SR 31.92 million, respectively).

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

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14. LOSS PER SHARE

	Three-month period ended		Nine-month period ended	
	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Loss for the period	(8,944,118)	(5,958,639)	(28,115,520)	(18,415,162)
Weighted average number of ordinary shares	35,400,000	35,400,000	35,400,000	35,400,000
Basis / diluted loss per share	(0.25)	(0.17)	(0.79)	(0.52)

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

As of September 30, 2024 and December 31, 2023, 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 September 30, 2024. 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, 2023.

16. COMPARATIVE FIGURES

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

17. NON-CASH TRANSACTIONS:

Following are the non-cash transactions:

	2024	2023
Finance cost related to lease liability transferred to capital work in progress	169,270	-
Depreciation expense related to right of use assets transferred to capital work in progress	170,491	-
Transfer of statutory reserve to accumulated losses	27,173,232	-
End of service benefits liabilities transferred to accrued and other liabilities	2,016,932	-

18. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved and authorized for issue by the Board of Directors on November 3, 2024G corresponding to Jumada Al Awal 1, 1446H.