

**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 AND SIX MONTHS PERIODS
ENDED JUNE 30, 2020**

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2020

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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 June 30, 2020, the related condensed interim statement of profit or loss and other comprehensive income for the three months and six months periods then ended, the related condensed interim statement of changes in equity and cash flows for the six months period then ended and summary of significant accounting policies and selected notes from (1) to (14).

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" that are 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 that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



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

August 19, 2020 -G
Dhul Hijjah 29, 1441 H



NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020
Expressed in Saudi Riyal

		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS	Note		
Non- current assets			
Property, plant and equipment	6	179,705,564	184,102,394
Right-of-use assets		4,270,085	4,712,150
Intangible assets		3,871,535	4,812,121
Investment property		2,134,732	2,235,308
Equity instrument at fair value through other comprehensive income		3,750,000	3,750,000
		193,731,916	199,611,973
Current assets			
Inventories		131,515,491	121,933,252
Trade receivables		99,808,148	103,968,424
Prepayments and other receivables		12,569,864	7,146,447
Cash and cash equivalents	7	56,369,922	19,696,036
		300,263,425	252,744,159
TOTAL ASSETS		493,995,341	452,356,132
EQUITY AND LIABILITIES			
Equity			
Share capital	1	281,120,890	281,120,890
Statutory reserve		27,173,232	27,173,232
(Accumulated losses) /retained earnings		(14,954,004)	216,745
		293,340,118	308,510,867
Non-current liabilities			
Long term loans	8	57,143,337	53,324,208
Lease liabilities		3,789,792	4,034,519
Employees benefit obligations		27,477,620	26,865,487
		88,410,749	84,224,214
Current liabilities			
Trade payable		63,545,814	13,954,744
Lease liabilities - current portion		917,880	547,337
Long term loans - current portion	8	13,300,000	13,450,000
Short term loans		11,396,558	13,243,650
Accrued and other liabilities		15,334,222	12,875,320
Zakat provision		7,750,000	5,550,000
		112,244,474	59,621,051
TOTAL EQUITY AND LIABILITIES		493,995,341	452,356,132

The accompanying notes from 1 to 14 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 (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2020
Expressed in Saudi Riyal

	For the three months period ended June 30,		For the six months period ended June 30,	
	2020	2019	2020	2019
Revenue	37,820,038	65,821,993	117,368,899	146,519,670
Cost of sales	(35,744,050)	(59,849,182)	(111,667,541)	(131,262,174)
Gross profit	2,075,988	5,972,811	5,701,358	15,257,496
Selling and distribution expenses	(3,361,820)	(3,164,269)	(8,931,253)	(6,619,432)
Administrative expenses	(4,695,178)	(5,203,546)	(8,481,660)	(9,191,957)
Other income	214,217	664,524	431,720	1,045,048
Operating (loss) /profit	(5,766,793)	(1,730,480)	(11,279,835)	491,155
Finance cost	(841,519)	(1,267,654)	(1,690,914)	(2,481,629)
Loss before zakat	(6,608,312)	(2,998,134)	(12,970,749)	(1,990,474)
Zakat	(1,100,000)	(1,100,000)	(2,200,000)	(2,300,000)
Loss for the period	(7,708,312)	(4,098,134)	(15,170,749)	(4,290,474)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(7,708,312)	(4,098,134)	(15,170,749)	(4,290,474)
Loss per share				
- Basic	(0.27)	(0.15)	(0.54)	(0.15)
- Diluted	(0.27)	(0.15)	(0.54)	(0.15)

The accompanying notes from 1 to 14 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 (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
Expressed in Saudi Riyal

	Share capital	Statutory reserve	Retained earnings/ (accumulated losses)	Total equity
Balance at January 01, 2019	281,120,890	27,173,232	64,472,435	372,766,557
Loss for the period	-	-	(4,290,474)	(4,290,474)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(4,290,474)	(4,290,474)
Balance at June 30, 2019	281,120,890	27,173,232	60,181,961	368,476,083
Balance at January 01, 2020	281,120,890	27,173,232	216,745	308,510,867
Loss for the period	-	-	(15,170,749)	(15,170,749)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(15,170,749)	(15,170,749)
Balance at June 30, 2020	281,120,890	27,173,232	(14,954,004)	293,340,118

The accompanying notes from 1 to 14 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 (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
Expressed in Saudi Riyal

	Note	June 30, 2020	June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before zakat		(12,970,749)	(1,990,474)
Adjustments for non –cash items to reconcile loss before zakat to net cash flows			
Depreciation		8,422,780	8,584,046
Amortization of intangible assets		940,586	919,906
Gain from disposal of property, plant and equipment		(49,781)	-
Finance cost		1,690,914	2,481,629
Provision for employees' end of service obligations		1,752,630	1,727,955
Impairment of trade receivables		1,653,298	-
		1,439,678	11,723,062
Working capital adjustments			
Inventories		(9,582,239)	1,770,812
Trade receivables		2,506,978	7,690,420
Prepayments and other receivables		(5,423,417)	(4,043,010)
Trade payable		49,591,070	1,896,208
Accrued and other liabilities		2,235,660	345,462
Cash generated from operations		40,767,730	19,382,954
Zakat paid		-	(6,041,486)
Employees' end of service benefits paid		(1,140,497)	(358,451)
Net cash generated from operating activities		39,627,233	12,983,017
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	(3,488,527)	(1,348,659)
Proceeds from disposal of property, plant and equipment		55,000	-
Additions to intangible assets		-	(150,000)
Net cash used in investing activities		(3,433,527)	(1,498,659)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short term loans		(13,243,650)	(47,000,000)
Proceeds of short term loans		11,396,558	32,296,143
Repayment of long term loans		(4,000,000)	(6,400,000)
Proceeds from long term loans		7,445,125	3,322,975
Finance cost paid		(1,117,853)	(2,357,693)
Payment of lease liabilities		-	(382,000)
Net cash generated from / (used in) financing activities		480,180	(20,520,575)
Net change in cash and cash equivalents		36,673,886	(9,036,217)
Cash and cash equivalents at beginning of the period		19,696,036	38,311,384
Cash and cash equivalents at end of the period	7	56,369,922	29,275,167

The accompanying notes from 1 to 14 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 CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
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's share capital is SR 281,120,890 divided into 28,112,089 shares of SR 10 each.

The Company 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
Branch of National Metal Manufacturing and Casting Company	2050116884	04/11/1439-H

The financial results of these branches are included in these condensed interim 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.

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") as endorsed in Kingdom of Saudi Arabia ("KSA").

The disclosures in these condensed interim financial statements do not include the information reported for full annual financial statements and should, therefore, be read in conjunction with the annual financial statements for the year ended December 31, 2019.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
Expressed in Saudi Riyal

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 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 financial statements for the year ended December 31, 2019.

4. SIGNIFICANT ACCOUNTING POLICES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements for the six months period ended June 30, 2020 are same as those applied in the financial statements for the year ended December 31, 2019.

5. NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following amendments to accounting standards are effective for annual periods beginning on or after January 01, 2020. These amendments did not have a significant impact on the Company's condensed interim financial statements:

- Amendments to references to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8);
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The following standards and amendments are effective for annual periods beginning on or after January 01, 2021. Earlier application of these standards are permitted, however, the Company has not early adopted the new or amended standards in preparing these condensed interim financial statements. These standards and amendments are not expected to have a significant impact on the Company's condensed consolidated interim financial statements:

- IFRS 17 Insurance Contracts - effective from January 01, 2023;
- Classification of Liabilities as current / noncurrent (Amendments to IAS 1) - effective from January 01, 2022;
- Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - Available for optional adoption/effective date deferred indefinitely.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
Expressed in Saudi Riyal

6. PROPERTY, PLANT AND EQUIPMENT

During the three months and six months periods ended June 30, 2020, additions to property, plant and equipment were amounted to SR 1,832,009 and SR 3,488,527, respectively (three months and six months periods ended June 30, 2019: SR 903,068 and SR 1,348,659, respectively) and disposal during the three months and six months periods ended June 30, 2020 was amounted SR 907,150 and SR 1,007,435, respectively (there was no disposal during the three months and six months periods ended June 30, 2019)

7. CASH AND CASH EQUIVALENTS

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cash in hand	61,500	3,455
Cash at banks	28,722,297	8,689,948
Term deposits	27,586,125	11,002,633
	56,369,922	19,696,036

Term deposits with the local banks carry profit rate ranging from 1% to 1.25% (2019 : 1% to 2.65%) per annum having original maturities of less than three months.

8. LONG TERM LOANS

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Saudi Industrial Development Fund (SIDF)	25,750,000	25,750,000
Less : deferred financial charges	(1,306,663)	(1,530,666)
Less: current portion	(3,300,000)	(2,050,000)
	21,143,337	22,169,334
Other loans from local banks	46,000,000	42,554,874
Less: current portion	(10,000,000)	(11,400,000)
	36,000,000	31,154,874
Total loans –non current portion	57,143,337	53,324,208

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 are 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.

b) Loans from local banks

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

In 2018, the Company obtained a new loan facility from NCB amounted to SR 12 million to finance expansion project of the Company out of which have been fully utilized as of June 30, 2020 (December 31, 2019: SR 4.5 million). This loan is subject to mark-up at SIBOR plus margin and is secured by promissory notes. It contains certain covenants which requires, among other things, certain financial ratios to be maintained.

SABB's loan has been provided under murabaha terms with limit of SR 50 million out of which SR 34 million was utilized as of June 30, 2020 (December 31, 2019: SR 38 million). This loan is repayable in semi-annual installments over five years starting from 2018. It is subject to mark-up at SIBOR plus margin and is secured by promissory notes.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
Expressed in Saudi Riyal

9. CONTINGENCIES AND COMMITMENTS

(a) As of June 30, the Company's outstanding contingencies and commitments were as follows:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Letter of credits	5,520,616	31,576,357
Letter of guarantees	55,750	55,750

(b) As at June 30, 2020, the Company has outstanding capital commitments amounted to SR 2.3 million (December 31, 2019: SR 2.8 million) related to expansion projects and development of production lines.

10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties consist of key 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. The Company did not transact with any of its related parties except transactions with key management personnel.

Transactions with key management personnel (Unaudited):

	For the three months period ended June 30, 2020	For the three months period ended June 30, 2019	For the six months period ended June 30, 2020	For the six months period ended June 30, 2019
Key management executives	874,600	1,030,830	2,209,325	2,076,130
Directors' allowances and expenses	2,000	1,213,000	58,520	1,260,700

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:

	Transformation industries	Engineering and metal forming industries	Total
2020			
For the three months period ended June 30, 2020 (Unaudited)			
Revenue	21,926,827	15,893,211	37,820,038
Gross profit	487,292	1,588,696	2,075,988
For the six months period ended June 30, 2020 (Unaudited)			
Revenue	78,727,162	38,641,737	117,368,899
Gross profit	1,239,169	4,462,189	5,701,358
As of June 30, 2020 (Unaudited)			
Total assets	346,203,558	147,791,783	493,995,341
Total liabilities	152,777,939	47,877,284	200,655,223

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020
Expressed in Saudi Riyal

11. SEGMENT INFORMATION (continued)

2019	Transformation industries	Engineering and metal forming industries	Total
For the three months period ended June 30, 2019 (Unaudited)			
Revenue	49,529,196	16,292,797	65,821,993
Gross profit	4,495,905	1,476,906	5,972,811
For the six months period ended June 30, 2019 (Unaudited)			
Revenue	114,568,443	31,951,227	146,519,670
Gross profit	13,190,902	2,066,594	15,257,496
As of December 31, 2019 (Audited)			
Total assets	310,741,220	141,614,912	452,356,132
Total liabilities	100,538,244	43,307,021	143,845,265

The sales within the Kingdom of Saudi Arabia for the three months and six months periods ended June 30, 2020 amounted to SR 24.6 million and SR 60.3 million, respectively (three months and six months periods ended June 30, 2019: SR 27.1 million and SR 57.1 million respectively). Export sales for the three months and six months periods ended June 30, 2020 amounted to SR 13.2 million and SR 57 million, respectively (three months and six months periods ended June 30, 2019: SR 38.7 million and SR 89.4 million respectively).

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

12. 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 June 30, 2020 and December 31, 2019, the carrying values of the financial assets and financial liabilities in the condensed interim statement of financial position and statement of financial position respectively approximate to their fair values.

13. SIGNIFICANT EVENTS

The existence of novel coronavirus (COVID-19) was confirmed during the first quarter of 2020 and has spread across multiple geographies, causing disruptions to businesses and economic activities. As a result, the management has taken preventive measures to ensure the health and safety of its employees, customers and environment to ensure the continuity of its operations. One of the most important precautionary measures taken by the Government was limiting public and private economic and social activities as well as imposing a complete curfew in some regions of the Kingdom and a partial curfew in other regions thereby not allowing to travel between cities except through permits issued by the official authorities.

There was no material impact on the performance of the Company until the end of the first quarter of 2020 as sales performance indicated immaterial decline as compared to the same period of 2019 whereas a 36% sales increase was shown as compared to the last quarter of 2019. However, with the decision taken by official authorities to ban the movement of transport over the course of 24 hours in number of cities in the Kingdom and restriction of movements to export markets, mainly GCC, the financial performance of the Company started impacting in second quarter of 2020. The impact is expected to continue if the restrictions and lock of borders remain unchanged.

Given the rapidly evolving situation and the uncertainties surrounding the duration and severity of COVID-19, the management and those charged with governance will continue to monitor the potential risks around supply of material, manpower and inventory levels and accordingly update its stakeholders as per the local regulatory requirements.

14. 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 August 18, 2020 G.