

MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Condensed Consolidated Interim Financial Statements
For The Three Months Period Ended March 31, 2022

With Independent Auditor's Review Report On The Condensed Consolidated Interim Financial Statement



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Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting
Member Crowe Global

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Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting
Member Crowe Global
P.O.Box. 10504 Riyadh 11443
Kingdom of Saudi Arabia
Telephone: (011) 2175000
Facsimile: (011) 2176000
www.crowe.com/sa

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**To The Shareholders of
Middle East Specialized Cables Company
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Middle East Specialized Cables Company (the "Company") and its subsidiary (together the "Group")** as of 31 March 2022, and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-months period ended 31 March 2022, and the related condensed consolidated interim statements of changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

Except as explained in the following Paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

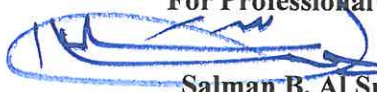
Basis for Qualified Conclusion

During our review of the minutes of the Board of Directors and the assurances of the Company's legal advisor, we found that there are litigations arising from the syndicated loan where the loan value is 75 million US Dollar granted by Jordanian banks to the Middle East Specialized Cable Company (MESC Jordan) and MESC Medium and High Voltage Cables Company. The possible financial impact of the litigations is currently assessed between the Company's management and the legal advisors as described in Note (16). We were unable, through the evidences we obtained, to determine the possible financial impact of these litigations on the interim condensed consolidated financial statements of the Company (MESC KSA) for the three-month period ended 31 March 2022 and related disclosures, and as a result of these matters, we were unable to determine whether adjustments might have been necessary in respect to the elements making up the condensed consolidated interim financial statements.

Qualified Conclusion

Except for the adjustments to the condensed consolidated interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.



**Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting**

Salman B. Al Sudairy
License No. 283

22 Shawwal 1443H (May 23, 2022)
Riyadh, Kingdom of Saudi Arabia

MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022
(Saudi Riyals)

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net	5	141,618,593	144,907,550
Intangible assets, net		3,448,446	3,615,634
Right of use assets		7,932,528	8,105,134
Non-current accounts receivable, net	6	23,803,420	23,953,230
Total non-current assets		176,802,987	180,581,548
Current assets			
Inventories, net	7	160,494,410	134,273,747
Assets held for sale		6,769,310	6,769,310
Accounts receivable, net	6	316,517,182	276,498,415
Cash and cash equivalents		51,394,859	68,028,117
Total current assets		535,175,761	485,569,589
TOTAL ASSETS		711,978,748	666,151,137
EQUITY AND LIABILITIES			
Equity			
Share capital	9	400,000,000	400,000,000
Statutory reserve		28,985,180	28,985,180
Accumulated (losses)		(90,545,346)	(90,615,937)
Total equity		338,439,834	338,369,243
Liabilities			
Non-current liabilities			
Long-term loans	10	37,635,519	37,635,519
Lease liability - non current portion		7,354,187	7,251,140
Employees' end of service benefits		21,877,956	21,748,326
Total non-current liabilities		66,867,662	66,634,985
Current liabilities			
Current portion of long-term loans	10	37,635,520	37,635,520
Accounts payable	11	238,358,133	195,361,786
Lease liability – current portion		910,920	873,464
Zakat provision		29,725,492	27,234,952
Dividends payable		41,187	41,187
Total current liabilities		306,671,252	261,146,909
Total liabilities		373,538,914	327,781,894
TOTAL EQUITY AND LIABILITIES		711,978,748	666,151,137

The accompanying notes from (1) to (18) form an integral part of these condensed consolidated interim financial statements

MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2022
(Saudi Riyals)

		For the Three months period ended	
		31 March 2022	31 March 2021
	Note	(Unaudited)	(Unaudited)
Sales		187,560,868	111,759,955
Cost of sales		(173,344,678)	(97,032,439)
Gross profit		14,216,190	14,727,516
Selling and marketing expenses		(1,701,210)	(1,542,408)
General and administrative expenses		(8,627,151)	(7,868,475)
Other income		33,844	7,207
Operating income		3,921,673	5,323,840
Finance cost		(1,360,542)	(1,057,593)
Net income before zakat		2,561,131	4,266,247
Zakat		(2,490,540)	(3,415,762)
Net income for the period		70,591	850,485
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss statement:			
Remeasurement gain on employees' end of service benefits		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		70,591	850,485
Earnings per share (SR)			
Basic and diluted income for the period attributable to ordinary equity holders	13	0.002	0.02

The accompanying notes from (1) to (18) form an integral part of these condensed consolidated interim financial statements

MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)

	Share capital	Statutory reserve	Accumulated losses	Total equity
Balance at January 1, 2021 (Audited)	400,000,000	28,985,180	(67,899,895)	361,085,285
Net income for the period	-	-	850,485	850,485
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	850,485	850,485
Balance at March 31, 2021 (Unaudited)	400,000,000	28,985,180	(67,049,410)	361,935,770
Balance at January 1, 2022 (Audited)	400,000,000	28,985,180	(90,615,937)	338,369,243
Net income for the period	-	-	70,591	70,591
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	70,591	70,591
Balance at March 31, 2022 (Unaudited)	400,000,000	28,985,180	(90,545,346)	338,439,834

The accompanying notes from (1) to (18) form an integral part of these condensed consolidated interim financial statements

MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	70,591	850,485
Adjustments:		
Depreciation and amortization	4,455,341	4,576,069
Depreciation of right of use assets	172,606	172,606
Slow moving inventories	559,460	418,892
Impairment of accounts receivable	(2,666,769)	(1,945,000)
Finance cost	1,360,542	1,057,593
Loss on disposal of property, plant and equipment	13,765	-
Employees end-of-service benefits	562,018	678,992
Impairment of property, plant and equipment	169,657	271,633
Zakat expenses	2,490,540	3,415,762
Operating cash flows before changes in working capital	7,187,751	9,497,032
Changes in working capital		
Accounts receivable	(37,202,188)	62,968,561
Inventories	(26,780,123)	2,837,243
Accounts payable	41,776,308	6,143,763
Net cash flow (used in) generated from operations	(15,018,252)	81,446,599
Employee end-of-service benefits paid	(432,388)	(457,192)
Zakat paid	-	(4,345,551)
Net cash flow (used in) generated from operating activities	(15,450,640)	76,643,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,159,236)	(402,251)
Purchase of intangible assets	(23,382)	(768,374)
Net cash flow (used in) investing activities	(1,182,618)	(1,170,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change on short-term loans	-	-
Lease liability paid	-	-
Repayment of long-term loans	-	-
Net cash flow from financing activities	-	-
Net (decrease) increase in cash and cash equivalents	(16,633,258)	75,473,231
Cash and cash equivalents at the beginning of the period	68,028,117	49,356,857
Cash and cash equivalents at the end of the period	51,394,859	124,830,088

The accompanying notes from (1) to (18) form an integral part of these condensed consolidated interim financial statements

**MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)**

1. ACTIVITIES

Middle East Specialized Cables Company ("MESC") ("the Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010102402 dated 10 Jumada Awal 1413H (corresponding to 4 November 1992).

According to its commercial registration, the company is engaged in the manufacture of fiber optic cables, steel insulated wires and cables, copper insulated wires and cables, and aluminum insulated wires and cables.

The address of the Company's registered office is as follows:

Al Bait project, Building No. 1
Salahuddin Street
PO Box 585, Riyadh 11383
Kingdom of Saudi Arabia

The company have the following branches:

<u>Commercial Name – City</u>	<u>Commercial Register Number</u>
Middle East Specialized Cables Company MESC- Khobar Branch	2051023224
Middle East Specialized Cables Company MESC- Jeddah Branch	4030126555

The Company had the following subsidiary and investments as at 31 March 2022. The financial statements of this subsidiary are consolidated and the investments are recorded at fair value in these condensed consolidated interim financial statements.

<u>Subsidiary/ Investments</u>	<u>Legal status</u>	<u>Current legal ownership %</u>		<u>Country of Incorporation</u>
		<u>2022</u>	<u>2021</u>	
Middle East Specialized Cables Company- Jordan (MESC Jordan)*	Joint Stock Company	19.9	19.9	Jordan
MESC for Medium and High Voltage Cables Company**	Closed Joint Stock Company	57.5	57.5	Jordan
MESC - Ras Al-Khaimah	Limited Liability Company	100	100	United Arab Emirates

* Fair value for the Company's investments in Jordan is zero.

** The Extra Ordinary General Assembly of the subsidiary in Jordan "MESC for Medium and High Voltage Cables Company" decided in their Meeting dated on October 11, 2017 to liquidate the Company. As a result of that, Middle east specialized Cables Co (MESC KSA) lost control of MESC for Medium and High Voltage Cables Company. Consequently, MESC KSA stopped consolidating MESC for Medium and High Voltage Cables Company from October 11, 2017.

Going concern

The management has made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future for a period of at least 12 months from end of the reporting period. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the condensed consolidated interim financial statements continue to be prepared on the going concern basis.

The impact of COVID-19

In response to the spread of the Covid-19 virus and the resulting disruption of economic activities in the markets, the management assessed its impact on its operations to ensure the continuity of supplying its products in its markets and took a set of measures to mitigate its impact on its operations and the supply of products to customers. The management believes that the Covid 19 pandemic had a material impact on the financial results of the Group that were reported for the period ended March 31, 2022 due to the decrease in demand for the Group's products specially related to Oil and Gas projects during this period, and in any case, the management will continue to monitor the situation closely and will adjust any changes required in the future financial reporting periods.

**MIDDLE EAST SPECIALIZED CABLES COMPANY
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)**

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ("last annual consolidated financial statements"). They do not include all of the information required for a complete set of consolidated financial statements, however; accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

2.2 Preparation of the Financial Statements

The condensed consolidated interim financial statements have been prepared on the historical cost basis except the employees' end-of-service benefits, which is recognised at the present value of future obligations using the Projected Unit Credit Method and the assets held for sale that have been valued at fair value less cost to sell.

2.3 Use of Judgments and Estimates

In preparing these condensed consolidated 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 management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

2.4 Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Saudi Riyals ("SR"), which is the Company's functional and Group's presentation currency. All amounts have been rounded to the nearest SR, unless otherwise indicated.

3. BASIS OF CONSOLIDATION

These condensed consolidated interim financial statements comprising the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows and notes to the condensed consolidated interim financial statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiary, as set out in note (1). Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill in condensed consolidated interim statement of financial position. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiary have the same reporting periods.

MIDDLE EAST SPECIALIZED CABLES COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except new standards, amendment to standards and interpretations as described below:

New Standards, Amendment to Standards and Interpretations

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group annual consolidated financial statements, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

5. PROPERTY, PLANT AND EQUIPMENT, NET

During the period, the Group spent approximately SR 1.2 million (March 31, 2021: SR 0.4 million) on property, plant and equipment in order to upgrade its manufacturing facilities.

6. ACCOUNTS RECEIVABLE, NET

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	276,348,703	242,321,625
Less: allowance for expected credit loss	(22,172,388)	(25,139,157)
Retention receivables	72,729,741	74,886,053
Less: provision for late delivery	(4,884,087)	(4,833,543)
Net trade receivables	322,021,969	287,234,978
Time deposits	-	-
Advances to suppliers	8,068,483	6,580,763
Prepaid expenses	4,377,039	1,469,331
Margin deposits	392,198	425,303
Employee loans	1,629,972	1,826,487
Due from former subsidiary (note 12)	24,830,279	24,830,279
Allowance for due from former subsidiary (note 12)	(23,385,010)	(23,385,010)
Due from related parties (note 12)	-	191,618
Other receivables	2,385,672	1,277,896
	<u>340,320,602</u>	<u>300,451,645</u>
Analyzed between:		
Current assets	316,517,182	276,498,415
Non-current assets	23,803,420	23,953,230
	<u>340,320,602</u>	<u>300,451,645</u>

Trade receivables:

The Group's credit period on sales of goods is between 60 to 120 days. No interest is charged on trade receivables. The Group has recognized an allowance for expected credit loss against impaired trade receivables based on the simplified approach. Allowances for expected credit loss are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to the past default experience of the counterparty and an analysis of the counterparty's current financial position, where available.

The Group performs credit-vetting procedures before granting credit to new customers. These procedures are reviewed and updated on an ongoing basis.

MIDDLE EAST SPECIALIZED CABLES COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
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6. ACCOUNTS RECEIVABLE (Continued)

Movement in the allowance for expected credit loss

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	25,139,157	33,339,158
(Reversed) for the period	(2,966,769)	(8,200,001)
Closing balance	22,172,388	25,139,157

Movement in provision for late delivery

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	4,833,543	3,813,542
Charged for the year	300,000	1,020,001
Accepted late delivery during the period	(249,456)	-
Closing balance	4,884,087	4,833,543

7. INVENTORIES, NET

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Finished goods	72,342,692	72,300,444
Raw and packing materials	51,862,486	42,407,634
Work in process	42,176,562	25,775,669
Spare parts	7,524,326	7,731,787
Goods in transit	1,705,017	615,426
	175,611,083	148,830,960
Less: allowance for slow moving inventories	(15,116,673)	(14,557,213)
	160,494,410	134,273,747

Movement in the allowance for slow moving inventories:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	14,557,213	23,110,618
Charge (reversed) for the period	559,460	(8,553,405)
Closing balance	15,116,673	14,557,213

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
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(Saudi Riyals)

8. DIVIDENDS

No dividends were declared during the period March 31, 2022 (March 31, 2021: nil).

9. SHARE CAPITAL

The Company has 40 million shares of SR 10 each in issue as at the reporting date. There were no movements in share capital during the reporting period.

10. LOANS

10.1 Long-term loans

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Total loans	75,271,039	75,271,039
Less: current portion included in current liabilities	(37,635,520)	(37,635,520)
	<u>37,635,519</u>	<u>37,635,519</u>

Analysis of change in loans for the period ended March 31, 2022 was as follow:

	Long-term loans	Short-term Loans	Total
Opening balance	75,271,039	-	75,271,039
Amounts raised	-	1,632,069	1,632,069
Amounts repaid	-	(1,632,069)	(1,632,069)
Closing balance	<u>75,271,039</u>	<u>-</u>	<u>75,271,039</u>

11. ACCOUNTS PAYABLE

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Trade payables	171,275,352	132,800,044
Advances from customers	13,706,572	14,356,675
Accrued expenses	27,158,604	25,936,782
Due to a related party (note 12)	12,219,988	11,872,237
Directors remuneration payable	1,430,931	1,065,303
VAT payables	4,828,446	2,893,760
Other payables	7,738,240	6,436,985
	<u>238,358,133</u>	<u>195,361,786</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)

12. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following trading transactions with related parties:

		31 March 2022 (Unaudited)	31 December 2021 (Audited)
Middle East Fiber Cables	Sales of goods	652,431	1,276,318
	Purchases	944,246	4,868,866
MESC for Medium and High Voltage Cables Company	Provision provided	-	17,065,256
Contractors Services Co.	Sales of goods	-	192,510

The following balances were outstanding with related parties at the reporting date:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables:		
Middle East Fiber Cables	-	191,618
MESC for Medium and High Voltage Cables Company	1,445,269	1,445,269
	<u>1,445,269</u>	<u>1,636,887</u>
Trade payables:		
Middle East Fiber Cables	347,751	-
Middle East Specialized Cables Company- Jordan (MESC Jordan)	11,872,237	11,872,237
	<u>12,219,988</u>	<u>11,872,237</u>

13. EARNINGS PER SHARE

Basic and diluted earnings per share is based on the net income for the period attributable to owners of the Company of SR 70,591 (March 31, 2021: net profit of SR 850,485) divided by a weighted average number of shares in issue of 40 million.

14. COMMITMENTS AND CONTINGENCIES

The Group has capital commitments of SR 4.8 million as at March 31, 2022 (December 31, 2021: SR 6.0 million) and contingencies in the form of letters of credit and guarantees of SR 120 million as at March 31, 2022 (December 31, 2021: SR 110 million).

MIDDLE EAST SPECIALIZED CABLES COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)

15. SEGMENT INFORMATION

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The directors of the Company have chosen to organize the Group around differences in internal reporting structure.

The Group's operating segments are as follows:

- Kingdom of Saudi Arabia
- United Arab Emirates

Segment revenues and results

	Three months period ended		Three months period ended	
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
<u>Revenues and profit or (Loss)</u>		<u>Net profit (loss)</u>		<u>Net profit (loss)</u>
<u>before zakat by segment</u>	<u>Revenues</u>	<u>before zakat</u>	<u>Revenues</u>	<u>before zakat</u>
Kingdom of Saudi Arabia	136,087,235	5,274,713	92,374,500	5,655,739
United Arab Emirates	60,606,015	(2,570,310)	32,125,281	(1,434,178)
Intersegment eliminations	(9,132,382)	(143,272)	(12,739,826)	44,686
	<u>187,560,868</u>	<u>2,561,131</u>	<u>111,759,955</u>	<u>4,266,247</u>
	<u>31 March 2022</u>	<u>31 March 2022</u>	<u>31 December 2021</u>	<u>31 December 2021</u>
<u>Segment total assets and liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Kingdom of Saudi Arabia	616,942,072	278,486,139	594,905,983	256,548,913
United Arab Emirates	211,522,660	164,272,157	182,810,483	132,989,667
Intersegment eliminations	(116,485,984)	(69,219,382)	(111,565,329)	(61,756,686)
	<u>711,978,748</u>	<u>373,538,914</u>	<u>666,151,137</u>	<u>327,781,894</u>

Segment revenues reported represent revenue generated from both external customers and related parties.
All segments sell similar product ranges.

There is no customer who contributed more than 10% of the Group's total revenue.

**MIDDLE EAST SPECIALIZED CABLES COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022
(Saudi Riyals)

16. SIGNIFICANT EVENTS

Reference to the company's directions during the future period to focus on the feasible investments in Saudi Arabia and the UAE and get rid of useless investments, and in light of the recent update of the company's investments in Jordan, and where the syndication banks in Jordan submitted a final settlement proposal to the company according to which it waives all the lawsuit and submits a final clearance against the company to waive the loan granted to MESC for Medium and High Voltage Cables Co, amounting to SR 12.6 million, and paying the due to the Middle East Specialized Cables Company (MESC Jordan), which is recorded in the company's books, amounting to SR 11.9 million. The company has studied the settlement agreement submitted by the syndication banks and after obtaining legal advice from more than one party, it decided to move forward with this agreement to close all legal disputes and drop all lawsuits against the company in the interest of the company and shareholders. Noting that the company is in the final stages of signing the final settlement agreement with the syndication banks at the date of this condensed consolidated interim financial statements.

17. SUBSEQUENT EVENTS

There were no significant subsequent events, adjusting or non-adjusting, since March 31, 2022 that would have a material impact on the financial position or financial performance of the Group as reflected in these condensed consolidated interim financial statements.

18. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved on 22 Shawwal 1443H (Corresponding to 23 May 2022).