

Date: March 17, 2024

To : Boursa Kuwait

السادة / بورصة الكويت للأوراق المالية المحترمين

Kind Greetings,

تحية طيبة وبعد،،،

Subject: Financial Results of Meeting of Board of Directors Metal and Recycling Co.:

الموضوع: النتائج المالية لاجتماع مجلس الإدارة شركة المعادن والصناعات التحويلية:

Pursuant to the provisions of Module ten, "Disclosure and Transparency", of the Executive bylaws of law no. 7 of year 2010 regarding the establishment of the Capital Markets Authority and Regulating Securities Activities and its amendments, Metal and Recycling Company (K.S.C.P) ("MRC") would like hereby to announce the financial results of the meeting of the Board of Directors of MRC that was held on Thursday March 14, 2024 at 3:00 p.m. as scheduled in accordance with the material disclosure form enclosed herein.

وفقاً لأحكام الكتاب العاشر، الإفصاح والشفافية، من اللائحة التنفيذية للقانون رقم 7 لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاته، تفصح شركة المعادن والصناعات التحويلية (ش.م.ك.ع) ("الشركة") عن النتائج المالية لاجتماع مجلس الإدارة الذي انعقد يوم الخميس الموافق 14 مارس، 2024 في تمام الساعة 3:00 مساءً كما هو مقرر له، وفقاً لنموذج الإفصاح عن المعلومات الجوهرية المرفق طيه.

With Regards,

وتفضلوا بقبول فائق الاحترام والتفضيل،،،



طارق ابراهيم موسى
نائب رئيس مجلس الإدارة والرئيس التنفيذي

Tarek Ibrahim Al-Mousa
Vice- Chairman & CEO



Attachments :

- Disclosure of Material Information Form
- Financial Statements Results form
- Copy of Approved Financial Statements.
- Copy of Approved Auditor's Report.

المرفقات :

- نموذج الإفصاح عن المعلومات الجوهرية
- نموذج نتائج البيانات المالية
- نسخة من البيانات المالية المعتمدة
- نسخة من تقرير مراقب الحسابات.

رأس المال المكتتب فيه والمدفوع بالكامل: 10,000,000 د.ك - السجل التجاري رقم (12320)

شركة المعادن والصناعات التحويلية ش.م.ك.ع Metal & Recycling Company K.S.C.P.

Tel.: +965 2498 1622 Fax: +965 2467 4735 P.O.Box 4520, Safat 13045, Kuwait

E-mail : mrcinfo@mrc.com.kw

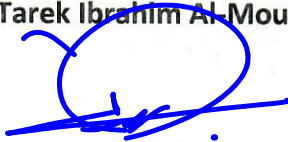
www.mrc.kw.com

Disclosure of Material Information Form

Date	March 17, 2024
Name of the Listed Company	Metal and Recycling Company (K.S.C.P)
Material Information	<p>Metal and Recycling Company (K.S.C.P) ("MRC") would like hereby to announce that the meeting of the Board of Directors of MRC company was convened remotely on Thursday March 14, 2024, at 3:00 p.m. through "Microsoft Teams" website as scheduled. MRC Board of Directors adopted the Auditor's report and the consolidated financial statements for the fiscal year ended on December 31, 2023. MRC BOD made recommendation to the annual General Assembly to re-appoint the External Auditor Mr. Shuaib Abdullah Shuaib RSM Albazie & Co. for the year ending on December 31, 2024.</p>
Significant Effect of the material information on the financial position of the company	There is currently no financial impact of the aforementioned information on the financial position of the Company.

Vice-Chairman & CEO

Tarek Ibrahim Al-Mousa



Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
الشركات الكويتية (د.ك.)

Company Name

اسم الشركة

Metal and Recycling Company (KSCP)

شركة المعادن والصناعات التحويلية ش.م.ك.ع

First Quarter Results Ended on

2023-12-31

نتائج السنة المالية المنتهية في

Board of Directors Meeting Date

2024-03-14

تاريخ إجتماع مجلس الإدارة

Required Documents

المستندات الواجب إرفاقها بالنموذج

Approved financial statements.
Approved auditor's report
This form shall not be deemed to be complete unless the documents mentioned above are provided

نسخة من البيانات المالية المعتمدة
نسخة من تقرير مراقب الحسابات المعتمد
لا يعتبر هذا النموذج مكتملاً ما لم يتم إرفاق هذه المستندات

التغيير (%)	السنة المقارنة Comparative Year	السنة الحالية Current Year	البيان
	2022-12-31	2023-12-31	Statement
-39.88%	416,143	250,190	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-40.26%	4.62	2.76	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
17.07%	10,855,584	12,708,361	الموجودات المتداولة Current Assets
16.20%	27,063,095	31,448,174	إجمالي الموجودات Total Assets
42.67%	7,727,898	11,025,685	المطلوبات المتداولة Current Liabilities
24.41%	16,864,164	20,980,457	إجمالي المطلوبات Total Liabilities
3.36%	7,454,441	7,704,631	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
11.59%	12,267,575	13,689,141	إجمالي الإيرادات التشغيلية Total Operating Revenue
466.21%	173,731	983,674	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
7.36%	(34.120%)	(31.608%)	الخسائر المترتبة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

Financial Results Form
Kuwaiti Company (KWD)

رأس المال المكتتب فيه والمدفوع بالكامل: 10,000,000 د.ك. - السجل التجاري رقم (12320)

شركة المعادن والصناعات التحويلية ش.م.ك.ع Metal & Recycling Company K.S.C.P.

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E-mail : mrcinfo@mrc.com.kw

www.mrckw.com

نموذج نتائج البيانات المالية
للشركات الكويتية (د.ك.)

Change (%)	Fourth quarter Comparative Year		Fourth quarter Current Year
	2022-12-31		
-89.91%	430,618	43,450	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-90.17%	4.78	0.47	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
33.63%	2,840,602	3,795,803	إجمالي الإيرادات التشغيلية Total Operating Revenue
138.92%	(381,517)	148,488	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
1) Due to decrease share of results from associate company in 2023 compared to 2022.	يرجع السبب الى انخفاض صافي الربح الى :- 1- بسبب انخفاض حصة الشركة من نتائج أرباح شركة زميلة لعام 2023 مقارنة بعام 2022.
2) Increase in the finance charges in 2023 compared to 2022.	2- ارتفاع المصروفات التمويلية لعام 2023 مقارنة بعام 2022.

Total Revenue realized from dealing with related parties (value, KWD)	لا يوجد	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
Total Expenditures incurred from dealing with related parties (value, KWD)	112,856 د.ك	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)



Auditor Opinion		رأي مراقب الحسابات
1. Unqualified Opinion	<input checked="" type="checkbox"/>	1. رأي غير متحفظ
2. Qualified Opinion	<input type="checkbox"/>	2. رأي متحفظ
3. Disclaimer of Opinion	<input type="checkbox"/>	3. عدم إبداء الرأي
4. Adverse Opinion	<input type="checkbox"/>	4. رأي معاكس

In the event of selecting item No. 2, 3 or 4,
The following table must be filled out, and this form is
not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة
الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

	نص رأي مراقب الحسابات كما ورد في التقرير
	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات



Financial Results Form
Kuwaiti Company (KWD)

3

نموذج نتائج البيانات المالية
للشركات الكويتية (د.ك.)

رأس المال المكتتب فيه والمدفوع بالكامل: 10,000,000 د.ك. - السجل التجاري رقم (12320)



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Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
لا يوجد	لا يوجد	توزيعات نقدية	Cash Dividends
لا يوجد	لا يوجد	توزيعات أسهم منحة	Bonus Share
لا يوجد	لا يوجد	توزيعات أخرى	Other Dividend
لا يوجد	لا يوجد	عدم توزيع أرباح	No Dividends
لا يوجد	لا يوجد	زيادة رأس المال	Capital Increase
لا يوجد	لا يوجد	تخفيض رأس المال	Capital Decrease
	علاوة الإصدار Issue Premium		

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب رئيس مجلس الإدارة والرئيس التنفيذي	طارق ابراهيم محمد موسى

RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000
F +965 22412761

www.rsm.global/kuwait

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Metal and Recycling Company - K.S.C. (Public)
State of Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Metal and Recycling Company - K.S.C. (Public) (the "Parent Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the (IESBA Code). We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without Qualifying our Opinion, we draw attention to Note (28) regarding the right of utilization of land leased by the Group and held within the Associate Company.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following is the key audit matter that we have identified and how it was addressed in the context of our audit:

Valuation of Investment Property

As of December 31, 2023, the Group's investment property amounted to KD 1,409,000 (2022: KD 1,420,000). The valuation of the investment property is highly dependent on estimates. We, therefore, identified the valuation of investment property as a key audit matter. The Group policy is that property valuations are performed by licensed independent valuers at least once a year. These valuations, amongst others, are based on assumptions such as estimated rental revenues, discount rates, occupancy rates, market knowledge, developers' risk, and historical transactions. In estimating the fair value of investment property, valuers used the valuation techniques of the income capitalization method and considered the nature and usage of the investment property. We have reviewed the valuation reports issued by the licensed external valuers, such as reviewing the appropriateness of the valuation model used and the reasonableness of the key assumptions applied and focused on the adequacy of disclosures of the investment property as provided in Note (9) to the consolidated financial statements, and in the related accounting policy as disclosed in note (2 – f).

Other Information included in the Group's annual report for the financial year ended December 31, 2023

Management is responsible for the other information. Other information consists of the information included in the Group's 2023 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We have obtained the Parent Company's Board of Directors report for the year ended 2023, but we have not obtained the annual report. We expect to obtain the same after the date of our auditor's report. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless Law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit, and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its Executive Regulations as amended and by the Parent Company's Memorandum of Incorporation and Articles of Association as amended. In addition, proper books of account have been kept by the Parent Company, an inventory was duly carried out, and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association as amended, have occurred during the year ended December 31, 2023, that might have had a material effect on the business or financial position of the Parent Company, except for the Group's ownership of investment property and conducting rental activities, not disclosed in the Parent Company's Articles of Association.

Furthermore, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the year ended December 31, 2023, that might have had a material effect on the Group's financial position or results of its operations.

State of Kuwait
March 14, 2024



Shuaib A. Shuaib
License No. 33-A
RSM Albazie & Co.

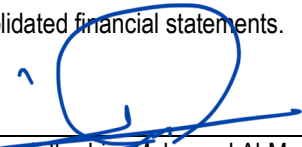
METAL AND RECYCLING COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Notes	<u>2023</u>	<u>2022</u>
Current assets:			
Cash and cash equivalents	3	1,173,339	2,565,034
Time deposits	4	3,959,078	3,072,276
Accounts receivable and other debit balances	5	7,356,191	4,973,648
Due from related parties	6	124,276	163,776
Inventories	7	95,477	80,850
Total current assets		12,708,361	10,855,584
Non-current assets:			
Financial assets at fair value through profit and loss		34,972	34,972
Investment in associate	8	6,796,086	6,797,486
Investment property	9	1,409,000	1,420,000
Property, plant, and equipment	10	8,267,383	5,533,122
Right for use of assets	11	1,825,483	2,015,042
Goodwill		406,889	406,889
Total non-current assets		18,739,813	16,207,511
Total assets		31,448,174	27,063,095
<u>LIABILITIES AND EQUITY</u>			
Current liabilities:			
Due to banks	12	257,000	-
Ijara payable	13	694,058	-
Term loans	14	1,962,990	1,058,000
Lease liabilities	15	570,117	439,019
Accounts payable and other credit balances	16	4,704,285	3,323,485
Due to related parties	6	2,837,235	2,907,394
Total current liabilities		11,025,685	7,727,898
Non-current liabilities:			
Term loans	14	7,150,875	6,096,525
Lease liabilities	15	1,680,608	1,976,600
Provision for end of service indemnity	17	1,123,289	1,063,141
Total non-current liabilities		9,954,772	9,136,266
Total liabilities		20,980,457	16,864,164
Equity:			
Share capital	18	10,000,000	10,000,000
Statutory reserve	19	1,520,581	1,520,581
Treasury shares	21	(1,057,640)	(1,056,623)
Effect of changes in subsidiary's equity		402,450	402,450
Accumulated losses		(3,160,760)	(3,411,967)
Equity attributable to Parent Company's shareholders		7,704,631	7,454,441
Non-controlling interests		2,763,086	2,744,490
Total equity		10,467,717	10,198,931
Total liabilities and equity		31,448,174	27,063,095

The accompanying notes (1) to (33) are integral to the consolidated financial statements.

Mosaed Ibrahim Al-Holi
Chairman


Tarek Ibrahim Mohamed Al-Mousa
Vice Chairman and CEO

METAL AND RECYCLING COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

(All amounts are in Kuwaiti Dinars)

	Notes	2023	2022
Revenues:			
Sales		15,389	854,277
Service revenues		12,033,895	10,331,863
Rental income		1,639,857	1,365,170
		<u>13,689,141</u>	<u>12,551,310</u>
Expenses:			
Cost of sales		(10,549)	(681,640)
Service costs		(8,984,538)	(7,877,126)
Rental costs		(1,123,740)	(912,446)
		<u>(10,118,827)</u>	<u>(9,471,212)</u>
Gross profit		<u>3,570,314</u>	<u>3,080,098</u>
Staff costs		(1,245,770)	(1,439,491)
Net allowance for expected credit losses no longer required (charged)	5 – b	315,204	(33,123)
Bad debts written-off	5 – c	(5,385)	-
Depreciation and amortization	10, 11	(992,174)	(876,625)
General and administrative expenses		(652,571)	(502,231)
Selling and marketing expenses		(9,510)	(54,897)
Total expenses and charges		<u>(2,590,206)</u>	<u>(2,906,367)</u>
Profit from operations		<u>980,108</u>	<u>173,731</u>
Share of results from associate	8	(1,400)	773,658
Change in fair value of investment property	9	(11,000)	-
Interest income		173,953	43,490
Finance charges		(604,145)	(415,831)
Gain on sale of property, plant, and equipment		28,550	208,736
Provisions for end of service indemnity no longer required	17	28,704	64,597
Tax accrual	22	-	(116,902)
Other income	23	179,164	143,527
Profit for the year before contributions to National Labor Support Tax (NLST) and Zakat		<u>773,934</u>	<u>875,006</u>
NLST	2 – s	(10,820)	(6,516)
Contribution to Zakat	2 – t	(4,328)	(2,606)
Profit for the year		<u>758,786</u>	<u>865,884</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>758,786</u>	<u>865,884</u>
Attributable to:			
Shareholders of the Parent Company		250,190	416,143
Non-controlling interests		508,596	449,741
		<u>758,786</u>	<u>865,884</u>
		Fils	Fils
Basic earnings per share attributable to shareholders of the Parent Company	25	<u>2.78</u>	<u>4.62</u>
Diluted earnings per share attributable to shareholders of the Parent Company	25	<u>2.78</u>	<u>4.38</u>

The accompanying notes (1) to (33) are integral to the consolidated financial statements.