

**TAKWEEN ADVANCED INDUSTRIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UN-AUDITED)  
FOR THE THREE AND NINE MONTHS  
PERIODS ENDED SEPTEMBER 30, 2023  
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023**  
**WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

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

### The shareholders

#### Takween Advanced Industries

(A Saudi Joint Stock Company)

Al-Khobar, Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Takween Advanced Industries (the "Company"), a Saudi Joint Stock Company and its subsidiaries (collectively referred to as the "Group") as at September 30, 2023, and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2023 and the condensed consolidated statements of changes in equity and cash flows for the nine-months period then ended 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" ("IAS 34") as 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.

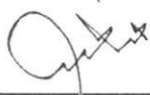
### Scope of Review

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" as endorsed in the Kingdom of Saudi Arabia. A review of 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 as 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 consolidated interim financial statements are not prepared in, all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi & Co.



Abdullah S. Al-Msned  
License No. (456)

Riyadh:

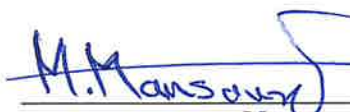
October 30, 2023 G


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**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

	Note	September 30, 2023 (Un-audited) SR '000	December 31, 2022 (Audited) SR '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		488,571	510,399
Intangible assets		1,015	1,372
Goodwill		323,582	323,582
Investments in an associate		101,406	105,943
<b>Total non-current assets</b>		<b>914,574</b>	<b>941,296</b>
<b>Current assets</b>			
Inventories	3	130,986	187,646
Trade receivables	4	313,217	343,579
Prepaid expenses and other assets		53,302	135,768
Investment held at amortized cost		4,979	6,501
Cash and cash equivalents		11,488	36,866
<b>Total current assets</b>		<b>513,972</b>	<b>710,360</b>
<b>TOTAL ASSETS</b>		<b>1,428,546</b>	<b>1,651,656</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	464,646	950,000
Other reserves		(63,169)	(55,777)
Accumulated losses		(60,374)	(459,597)
<b>Total equity</b>		<b>341,103</b>	<b>434,626</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans – non-current portion	6	39,580	67,053
Lease liabilities – non-current portion		11,483	16,342
Employee benefits		30,079	29,787
<b>Total non-current liabilities</b>		<b>81,142</b>	<b>113,182</b>
<b>Current liabilities</b>			
Current portion of long-term loans	6	75,795	60,401
Short-term loans and facilities	6	620,647	505,305
Lease liabilities – current portion		6,595	6,076
Trade payables and other liabilities		301,526	530,328
Zakat payable		1,738	1,738
<b>Total current liabilities</b>		<b>1,006,301</b>	<b>1,103,848</b>
<b>Total liabilities</b>		<b>1,087,443</b>	<b>1,217,030</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,428,546</b>	<b>1,651,656</b>

  
**Mohammed Mansour**  
**Chief Financial Officer (A)**

  
**Majed Nofal**  
**Chief Executive Officer**

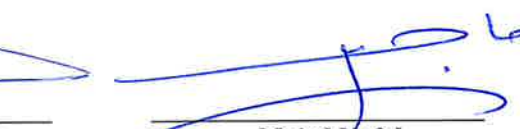
  
**Abdul Mohsen Al-Othman**  
**Chairman**

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

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE THREE- AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2023**

	From July 1 to September 30		From January 1 to September 30	
	2023 (Un-audited)	2022 (Un-audited)	2023 (Un-audited)	2022 (Un-audited)
	Note	SR '000	SR '000	SR '000
Revenue		194,710	273,989	644,938
Cost of revenue		(189,676)	(262,001)	809,894
<b>Gross profit</b>		<b>5,034</b>	<b>11,988</b>	<b>(760,684)</b>
Administrative expenses		(10,639)	(10,075)	49,210
Selling, marketing and distribution expenses		(8,968)	(12,477)	(29,576)
<b>Operating loss</b>		<b>(14,573)</b>	<b>(10,564)</b>	<b>(38,364)</b>
Finance charges		(15,755)	(8,862)	(18,730)
Other income, net		1,818	626	(22,534)
Share in result of equity-accounted investment		(1,762)	(3,073)	2,872
<b>Loss before zakat and income tax</b>		<b>(30,272)</b>	<b>(21,873)</b>	<b>(7,579)</b>
Zakat and income tax		(37)	(17)	(86,094)
<b>Net loss for the period</b>		<b>(30,309)</b>	<b>(21,890)</b>	<b>(46,039)</b>
<b>Other comprehensive income:</b>				
<b>Item that may be reclassified to statement of profit or loss</b>				
Exchange differences on translation of foreign operation		(24)	(1,564)	(7,426)
Share of other comprehensive income from associate		34	-	(10,557)
<b>Other comprehensive loss for the period</b>		<b>10</b>	<b>(1,564)</b>	<b>34</b>
<b>Total comprehensive loss for the period</b>		<b>(30,299)</b>	<b>(23,454)</b>	<b>(7,392)</b>
<b>Loss per share (SR)</b>				
Basic and diluted loss per share	10	(0.65)	(0.47)	(1.85)
				(0.99)

  
**Mohammed Mansour**  
**Chief Financial Officer (A)**

  
**Majed Nofal**  
**Chief Executive Officer**

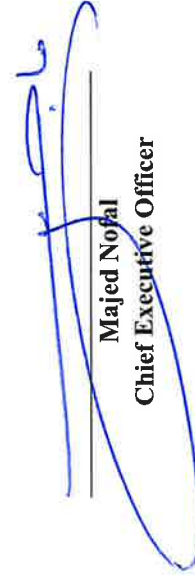
  
**Abdul Mohsen Al-Othman**  
**Chairman**

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

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Share capital SR '000	Other reserves SR '000	Accumulated losses SR '000	Total SR '000
Balance as at January 1, 2022 (audited)	950,000	(42,352)	(300,681)	606,967
Net loss for the period	-	-	(45,851)	(45,851)
Other comprehensive loss for the period	-	(10,557)	-	(10,557)
Total comprehensive loss for the period	-	(10,557)	(45,851)	(56,408)
Balance as at September 30, 2022 (un-audited)	950,000	(52,909)	(346,532)	550,559
<b>Balance as at January 1, 2023 (audited)</b>	<b>950,000</b>	<b>(55,777)</b>	<b>(459,597)</b>	<b>434,626</b>
Net loss for the period	-	-	(86,131)	(86,131)
Reduction of share capital (note 5)	(485,354)	-	485,354	-
Other comprehensive loss for the period	-	(7,392)	-	(7,392)
Total comprehensive loss for the period	(485,354)	(7,392)	399,223	(93,523)
Balance as at September 30, 2023 (un-audited)	464,646	(63,169)	(60,374)	341,103

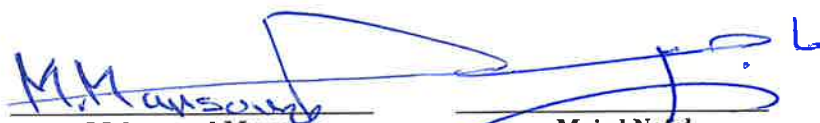
  
**Mohammed Mansour**  
**Chief Financial Officer (A)**

  
**Majed Nofal**  
**Chief Executive Officer**

  
**Abdul Mohsen Al-Othman**  
**Chairman**

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	<b>For the nine months period ended</b>	
	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(86,131)	(45,851)
<b>Adjustments for:</b>		
Depreciation and amortization	38,487	45,928
Write off of property, plant and equipment	22	182
Allowance for / (reversal of) impairment of trade receivables	411	(927)
Reversal of allowance for inventories	(2,495)	(1,728)
Finance charges	47,334	22,534
Provision for employee benefits	3,037	3,122
Interest income on investment held at amortized cost	(559)	-
Share of loss of equity-accounted investees	4,571	7,579
	<u>4,677</u>	<u>30,839</u>
<b>Movement in working capital:</b>		
Inventories	59,443	(36,124)
Trade receivables	30,635	21,866
Prepaid expenses and other assets	83,025	(69,100)
Trade payables and other liabilities	(228,802)	139,715
<b>Cash (used in) / generated from operations</b>	<u>(51,022)</u>	<u>87,196</u>
Finance charges paid	(47,334)	(22,290)
Employee benefits paid	(2,745)	(2,496)
<b>Net cash (used in) / generated from operating activities</b>	<u>(101,101)</u>	<u>62,410</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(18,632)	(36,227)
Proceeds from disposal of property, plant and equipment	-	90
Proceeds from disposal of investment held at amortized costs	1,522	18
<b>Net cash used in investing activities</b>	<u>(17,110)</u>	<u>(36,119)</u>
<b>FINANCING ACTIVITIES</b>		
Net change in short term loans and facilities	115,342	18,912
Repayment of principal of lease liability	(4,340)	(535)
Receipt / (repayment) of medium and long-term loans	(12,079)	(52,743)
<b>Net cash generated from / (used in) financing activities</b>	<u>98,923</u>	<u>(34,366)</u>
<b>Net change in cash and cash equivalents</b>	<u>(19,288)</u>	<u>(8,075)</u>
Cash and cash equivalents at the beginning of the period	36,866	28,825
Foreign currency translation reserve	(6,090)	(8,630)
<b>Cash and cash equivalents at the end of the period</b>	<u>11,488</u>	<u>12,120</u>

  
**Mohammed Mansour**  
**Chief Financial Officer (A)**

  
**Majed Notal**  
**Chief Executive Officer**

  
**Abdul Mohsen Al-Othman**  
**Chairman**

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



**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023****1. ORGANIZATION AND PRINCIPAL ACTIVITIES**

Takween Advanced Industries (“the Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051044381 issued in Al Khobar on Muharram 9, 1432H (December 15, 2010).

The Company’s registered office is located at Al Khobar, Kingdom of Saudi Arabia.

The principal activities of the Company and its subsidiaries (“the Group”), each of which operates under individual commercial registration, are:

- Owning of factories with various plastic products manufacturing together with maintaining, operating and managing;
- Production of disposable polystyrene cups, lids and other plastic related products;
- Production of non-woven fabrics;
- Production of PET (Polyethylene Terephthalate) pre-forms;
- Manufacturing of, and wholesale trading in plastic containers and films;
- Manufacturing of, and wholesale and retail trading in plastic containers and polyethylene cups, rolls, bags.
- Managing and operating of industrial centers;
- Owning of land for the purpose of establishing and developing factories;
- Establishing industrial institutes and providing and coordinating for training courses related to developing of plastic products;
- Import and export, wholesale and retail trade in various kind of plastic products; and
- Establishing, managing, operating and maintaining different industrial project.

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries as listed below:

	<b>Effective ownership</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Saudi Plastic Packaging Systems (“Saudi Packaging”)	<b>100%</b>	100%
Al-Sharq Company for Plastic Industries Limited (“Al-Sharq”)	<b>100%</b>	100%
New Marina for Plastic Industries Company (S.A.E.) (“New Marina”)	<b>100%</b>	100%
Ultra-Pak Manufacturing Company (“Ultra Pak”)	<b>100%</b>	100%

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation**

These condensed consolidated interim financial statements for the nine-month period ended September 30, 2023, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2022.

These condensed consolidated interim financial statements have been prepared on the historical cost convention except for where International Financial Reporting Standards (“IFRSs”) requires other measurement basis.

The principal accounting policies applied in the preparation of condensed consolidated interim financial statements are consistent with those of the previous financial year and the respective corresponding interim reporting period.

The preparation of condensed consolidated interim financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed consolidated interim financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual financial statements.

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR) in thousands, which is the Group’s functional and presentation currency.



**TAKWEEN ADVANCED INDUSTRIES**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Goodwill**

Management has performed annual impairment testing of Goodwill amounting to SR 323.58 million as of December 31, 2022. The assessment, which was reviewed by an independent party for the reasonableness of the methodology used by management, included assumptions related to the future sales volume, prices, operating assets, growth rates, terminal value and other related assets. The outcome of these assumptions is highly dependent on the success of the future operations of the Group and market conditions as estimated by management and achieving its plans in future. Management considers these assumptions to be realistic and achievable in view of its operational plan and is confident of its ability to meet these future plans. Management believes that the carrying value of cash generating units' assets including goodwill will not exceed their recoverable amount. Accordingly, no impairment was recorded for goodwill as of December 31, 2022, and September 30, 2023.

**2.3 Basis of consolidation**

The condensed consolidated interim financial statements incorporate the financial statements of Takween Advanced Industries and of its subsidiaries (the "Group") as detailed in note 1. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.
- The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Condensed consolidated interim statement of profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2.3 Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified condensed consolidated interim statement of profit or loss and other comprehensive income or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded either at fair value on initial recognition for subsequent accounting under IFRS 9, or at the cost on initial recognition of an investment in an associate or a joint venture.

**2.4 New Standards, Amendments to Standards and Interpretations**

A number of new standards, amendments to standards are effective from January 1, 2023, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for June 30, 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**3. INVENTORIES**

	<b>September 30, 2023 (Un-audited) SR '000</b>	<b>December 31, 2022 (Audited) SR '000</b>
Finished goods	<b>46,104</b>	62,491
Raw and packaging materials and work in progress	<b>61,464</b>	106,357
Spare parts	<b>42,962</b>	41,126
	<b>150,530</b>	209,974
Allowance for inventories	<b>(19,544)</b>	(22,328)
	<b>130,986</b>	187,646

**4. TRADE RECEIVABLES**

	<b>September 30, 2023 (Un-audited) SR '000</b>	<b>December 31, 2022 (Audited) SR '000</b>
Trade receivables – third parties	<b>329,041</b>	355,302
Trade receivables – related parties	<b>776</b>	2,096
Due from a related party	<b>43,570</b>	46,624
	<b>373,387</b>	404,022
Allowance for impairment for trade receivables	<b>(60,170)</b>	(60,443)
	<b>313,217</b>	343,579

**TAKWEEN ADVANCED INDUSTRIES****(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

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**5. SHARE CAPITAL**

As at September 30, 2023 the Group's share capital amounted to SR 464,646,060 consisting of 46,464,606 shares of SR 10 each

Based on the Extraordinary General Assembly meeting held on Muharram 8, 1445 AH, corresponding to July 26, 2023, the shareholders decided to reduce the Group's share capital to absorb the accumulated losses amounting to SR 485,353,940, representing 51.09% of the Group's existing share capital amounting to SR 950,000,000. The impact of the reduction of number of shares and share capital is as follows;

	<b>Number of shares</b>	<b>Share capital (SR)</b>
Before reduction	<b>95,000,000</b>	<b>950,000,000</b>
Share cancellation	<b>(48,535,394)</b>	<b>(485,353,940)</b>
After reduction	<b>46,464,606</b>	<b>464,646,060</b>

The company has fulfilled all regulatory requirements related to the aforementioned capital reduction during the current period ended September 30, 2023

The Company has filed an application to Capital Market Authority for approval to increase its capital by offering rights shares of SR 300,000,000 that will result in an increase in number of shares from 46,464,606 shares to 76,464,606 shares, the process is pending on the approvals of Capital Market Authority, then after the Extra-Ordinary General Assembly.

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**6. BORROWINGS**

	<b>September 30, 2023 (Un-audited) SR '000</b>	<b>December 31, 2022 (Audited) SR '000</b>
Medium and long-term loans (a)	<b>115,375</b>	127,454
Short-term loans and facilities (b)	<b>620,647</b>	505,305

**a) Medium and long-term loans**

	<b>September 30, 2023 (Un-audited) SR '000</b>	<b>December 31, 2022 (Audited) SR '000</b>
Commercial loan	<b>115,375</b>	127,454
Less: current portion	<b>75,795</b>	60,401
	<b>39,580</b>	67,053

**Commercial loan** – The Group entered into Murabaha Facilities Agreement of SR 910 million with the Arab National Bank (“the lead bank”), on behalf of Murabaha Facilities Participants, for financing the acquisition of Saudi Plastic Packaging Systems (“Saudi Packaging”) (formerly Savola Packaging Systems Company Limited) along with its two subsidiaries i.e. Al-Sharq Company for Plastic Industries Limited and New Marina for Plastic Industries Company (S.A.E.). The facility is secured by irrevocable and unconditional assignment of all rights, titles and interests to the sale contract entered into with the Al Othman Agricultural Product and Production Company (NADA), a related party, revenue accounts of the Saudi Packaging, Advanced Fabrics Factory Company (SAAF) and a corporate guarantee from Al-Othman Holding Company, an affiliate.

In 2016, a repayment of SR 490 million was made in respect of this loan i.e. SR 90 million pertaining to scheduled loan installment and early repayment of SR 400 million. There was no change in the term of the loan, however repayment has been rescheduled accordingly.

In 2021, a repayment of SAR 152 million was made in respect of this loan, released all the securities provided by Advanced Fabrics Company (SAAF), Balance is schedule over semi-annual installments till September 2024. There was no change in the term of the loan, however, repayment has been rescheduled accordingly.

During the period, the Group entered into Tawarroq Financing Agreement of SR 40 million with the Banque Saudi Fransi. The loan is repayable by quarterly installments with first installment commencing on March 31, 2023 and final installment on December 31, 2026 as per the repayment schedule.

The Group was in breach of certain covenants of long-term loan which is measured half yearly i.e. June and December every year. Management has taken necessary remedial action including obtaining waiver from the lead bank for the period ended June 30, 2023, and year ended December 31, 2022.

**b) Short term loans and facilities**

The Group has credit facilities agreements with local commercial banks and financial institutions comprising of overdrafts, short term loans, letters of credit and guarantee etc. Borrowings under the facilities bear financing charges at the prevailing market rates and are secured by demand order note, promissory notes in addition to corporate guarantees from Al-Othman Holding Company, an affiliate, to one local bank. During the period, the group has added additional short-term facility that was reflected in cash position as of September 30, 2023.

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**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**7. RELATED PARTY DISCLOSURES**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

<b>Company</b>	<b>Relationship</b>
Al Othman Group of companies	Affiliates
Al Ahsa Medical Services Company	Common directorship
Saudi United Cooperative Insurance Company (Walaa)	Common directorship

During the period, the Group entered into the following transactions with related parties that are not members of the Group:

<b><u>Nature of transaction</u></b>	<b>September 30, 2023 (Un-audited) SR '000</b>	<b>September 30, 2022 (Un-audited) SR '000</b>
Revenue	73,045	68,406
Accommodation, food and other miscellaneous expenses	1,208	508
IT services	23	74
Medical service	298	5,100
Purchase of materials	-	346
Rentals	530	-

**8. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

	<b>September 30, 2023 (Un-audited) SR '000</b>	<b>September 30, 2022 (Un-audited) SR '000</b>
Remuneration	9,100	5,156
House rent allowance	2,045	1,179
Employee benefits	347	300
Bonus	1,048	812
Medical allowance	89	70
Others	1,021	674
	<b>13,650</b>	<b>8,191</b>
BOD and related committees' remuneration	<b>250</b>	<b>345</b>

**TAKWEEN ADVANCED INDUSTRIES**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
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**9. SEGMENTAL INFORMATION**

**Business segments:**

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 principal activities are related to the following main business segments:

**Disposable polystyrene cups, lids, other plastic related products and others:**

These includes plastic packing and packaging products of polystyrene sheet rolls used in forming, immediate packing and packaging in thermoformed and polystyrene cups and lids, high density bottles used in dairy, food and beverage industry; and

The Group's total assets, total liabilities, revenue, income (loss) before zakat, finance costs and depreciation and amortization by business segment, are as follows:

	<b>Disposable polystyrene cups, lids, other plastic-related products and others</b>
	<b>SR '000</b>
<b>For the nine months period ended September 30, 2023 (Un-audited)</b>	
External revenue	644,938
Finance cost	47,334
Depreciation and amortization	38,487
Loss before zakat and income tax	(86,094)
<b>For the three months period from July 1 to September 30, 2023 (Un-audited)</b>	
External revenue	194,710
Finance cost	15,755
Depreciation and amortization	12,788
Loss before zakat and income tax	(30,272)
<b>For the nine months period ended September 30, 2023 (Un-audited)</b>	
Segment revenue	653,750
Intersegment revenue	(8,812)
External revenue	644,938
<b>For the three months period from July 1 to September 30, 2023 (Un-audited)</b>	
Segment revenue	197,900
Intersegment revenue	(3,190)
External revenue	194,710
<b>As of September 30, 2023 (Un-audited)</b>	
Total assets	1,428,546
Total liabilities	1,087,443
<b>As of September 30, 2023 (Un-audited)</b>	
Segment assets	3,106,141
Consolidated adjustments	(1,677,595)
Total assets	1,428,546
Segment liabilities	2,164,657
Consolidated adjustments	(1,077,214)
Total liabilities	1,087,443

**TAKWEEN ADVANCED INDUSTRIES**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
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**9. SEGMENTAL INFORMATION (Continued)**

	<b>Disposable polystyrene cups, lids, other plastic-related products and others</b>
	<b>SR '000</b>
<b>For the nine months period ended September 30, 2022 (Un-audited)</b>	
External revenue	809,894
Finance cost	22,534
Depreciation and amortization	45,971
Loss before zakat and income tax	(38,460)
<b>For the three months period from July 1 to September 30, 2022 (Un-audited)</b>	
External revenue	273,989
Finance cost	8,862
Depreciation and amortization	15,061
Loss before zakat and income tax	(18,800)
<b>For the nine months period ended September 30, 2022 (Un-audited)</b>	
Segment revenue	816,199
Intersegment revenue	(6,305)
External revenue	809,894
<b>For the three months period from July 1 to September 30, 2022 (Un-audited)</b>	
Segment revenue	275,574
Intersegment revenue	(1,585)
External revenue	273,989
<b>As of September 30, 2022 (Un-audited)</b>	
Total assets	1,738,716
Total liabilities	1,188,157
<b>As of September 30, 2022 (Un-audited)</b>	
Segment assets	3,200,711
Consolidated adjustments	(1,461,995)
Total assets	1,738,716
Segment liabilities	1,881,510
Consolidated adjustments	(693,353)
Total liabilities	1,188,157



**TAKWEEN ADVANCED INDUSTRIES**

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023****9. SEGMENTAL INFORMATION (Continued)**

The Group's operations are conducted in Saudi Arabia, and the Arab Republic of Egypt. Selected financial information for the period / year then ended summarized by geographic area, was as follows:

	<b>Kingdom of Saudi Arabia SR '000</b>	<b>Arab Republic of Egypt SR '000</b>	<b>Total SR '000</b>
<b>For the nine months period ended September 30, 2023 (Un-audited)</b>			
External revenue	621,134	23,804	644,938
Finance cost	46,912	422	47,334
Depreciation and amortization	37,424	1,063	38,487
Loss before zakat and income tax	(85,531)	(563)	(86,094)
<b>For the three months period from July 1 to September 30, 2023 (Un-audited)</b>			
External revenue	184,629	10,081	194,710
Finance cost	15,656	99	15,755
Depreciation and amortization	12,452	336	12,788
Loss before zakat and income tax	(30,955)	683	(30,272)
<b>For the nine months period ended September 30, 2023 (Un-audited)</b>			
Segment revenue	629,946	23,804	653,750
Intersegment revenue	(8,812)	-	(8,812)
External revenue	621,134	23,804	644,938
<b>For the three months period from July 1 to September 30, 2023 (Un-audited)</b>			
Segment revenue	187,819	10,081	197,900
Intersegment revenue	(3,190)	-	(3,190)
External revenue	184,629	10,081	194,710
<b>As of September 30, 2023 (Un-audited)</b>			
Total assets	1,396,843	31,703	1,428,546
Total liabilities	1,084,895	2,548	1,087,443
<b>As of September 30, 2023 (Un-audited)</b>			
Segment assets	3,074,438	31,703	3,106,141
Consolidated adjustments	(1,677,595)	-	(1,677,595)
Total assets	1,396,843	31,703	1,428,546
Segment liabilities	2,155,367	9,290	2,164,657
Consolidated adjustments	(1,070,472)	(6,742)	(1,077,214)
Total liabilities	1,084,895	2,548	1,087,443

**TAKWEEN ADVANCED INDUSTRIES**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**9. SEGMENTAL INFORMATION (Continued)**

	Kingdom of Saudi Arabia SR '000	Arab Republic of Egypt SR '000	Total SR '000
<b>For the nine months period ended September 31, 2022 (Un-audited)</b>			
External revenue	765,119	44,775	809,894
Finance cost	22,149	385	22,534
Depreciation and amortization	44,368	1,603	45,971
Loss before zakat and income tax	(35,419)	(3,041)	(38,460)
<b>For the three months period from July 1 to September 30, 2022 (Un-audited)</b>			
External revenue	260,332	13,657	273,989
Finance cost	8,669	193	8,862
Depreciation and amortization	14,587	474	15,061
Loss before zakat and income tax	(17,747)	(1,053)	(18,800)
<b>For the nine months period ended September 30, 2022 (Un-audited)</b>			
Segment revenue	771,424	44,775	816,199
Intersegment revenue	(6,305)	-	(6,305)
External revenue	765,119	44,775	809,894
<b>For the three months period from July 1 to September 30, 2022 (Un-audited)</b>			
Segment revenue	261,917	13,657	275,574
Intersegment revenue	(1,585)	-	(1,585)
External revenue	260,332	13,657	273,989
<b>As of September 30, 2022 (Un-audited)</b>			
Total assets	1,684,850	53,866	1,738,716
Total liabilities	1,175,045	13,112	1,188,157
<b>As of September 30, 2022 (Un-audited)</b>			
Segment assets	3,146,845	53,866	3,200,711
Consolidated adjustments	(1,461,995)	-	(1,461,995)
Total assets	1,684,850	53,866	1,738,716
Segment liabilities	1,866,888	14,622	1,881,510
Consolidated adjustments	(691,843)	(1,510)	(693,353)
Total liabilities	1,175,045	13,112	1,188,157

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023****10. LOSS PER SHARE**

Basic (loss) earnings per share is calculated by dividing the (loss) earnings attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. With regard to diluted (loss) earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares:

Loss per share is represented as follows:

	<b>From January 1 to September 30</b>	
	<b>2023</b>	2022
	<b>(Un-audited)</b>	(Un-audited)
Basic / diluted loss per share (SR)	<b>(1.85)</b>	(0.99)
Loss for the period (SR '000)	<b>(86,131)</b>	(45,851)
Weighted average number of outstanding shares	<b>46,464,606</b>	46,464,606

The basic and diluted loss per share was calculated on the basis of the number of outstanding shares at the end of the period after taking into consideration retrospective adjustments, and the comparison figure was adjusted accordingly. See Note No. (5) for the number of outstanding shares and the capital adjustments.

**11. CONTINGENCIES AND COMMITMENTS**

The Group had the following contingencies and commitments:

	<b>September 30, 2023</b>	September 30, 2022
	<b>(Un-audited)</b>	(Un-audited)
	<b>SR '000</b>	SR '000
Letters of guarantee and others	<b>1,351</b>	1,351
Capital commitments against purchase of property, plant and equipment	<b>4,480</b>	11,289

**12. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on October 29, 2023 corresponding to Rabi' al Thani 14, 1445 H