

**TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE AND SIX MONTHS
PERIOD ENDED JUNE 30, 2024
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 SIX MONTHS PERIOD ENDED JUNE 30, 2024
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 June 30, 2024, and the related interim condensed statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed statements of changes in equity and cash flows for the six-month period then ended, and 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:


August 4, 2024 G

Muharram 29, 1446 H

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	June 30, 2024 (Un-audited) SR '000	December 31, 2023 (Audited) SR '000
ASSETS			
Non-current assets			
Property, plant and equipment		440,507	438,380
Intangible assets		760	907
Goodwill		323,582	323,582
Investments in an associate		97,673	99,755
Total non-current assets		862,522	862,624
Current assets			
Inventories	3	106,083	90,839
Trade receivable	4	200,381	225,908
Due from related party		97,677	55,375
Prepaid expenses and other receivable		82,325	51,428
Investment held at amortized cost		3,124	4,974
Cash and cash equivalents		14,903	5,892
Assets held for sale		7,360	7,360
Total current assets		511,853	441,776
TOTAL ASSETS		1,374,375	1,304,400
EQUITY AND LIABILITIES			
Equity			
Share capital	5	764,646	464,646
Other reserves		(74,155)	(63,317)
Accumulated losses		(230,681)	(197,576)
Total equity		459,810	203,753
LIABILITIES			
Non-current liabilities			
Long-term loans	6	28,307	30,755
Lease liabilities – non-current portion		16,335	9,564
Employee benefits		28,425	29,430
Total non-current liabilities		73,067	69,749
Current liabilities			
Current portion of Long-term loans	6	48,100	76,558
Short-term loans	6	393,694	611,772
Lease liabilities – current portion		11,308	6,778
Trade payables		254,000	191,294
Due to related party		529	43
Accrued payables and other liabilities		133,867	144,453
Total current liabilities		841,498	1,030,898
Total liabilities		914,565	1,100,647
TOTAL EQUITY AND LIABILITIES		1,374,375	1,304,400


Nisar Ahmed
Chief Financial Officer


Majed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

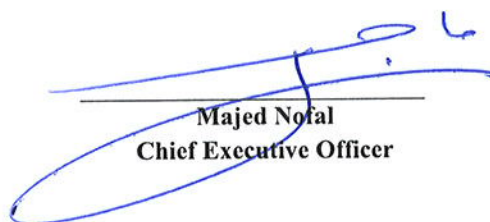
The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTH PERIOD ENDED JUNE 30, 2024

	From April 1 to June 30		From January 1 to June 30	
	2024	2023	2024	2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	SR '000	SR '000	SR '000	SR '000
Revenue	161,827	217,612	344,968	450,228
Cost of revenue	(140,664)	(209,227)	(296,706)	(426,689)
Gross profit	21,163	8,385	48,262	23,539
Administrative expenses	(7,502)	(12,186)	(13,931)	(23,325)
Selling, marketing and distribution expenses	(7,232)	(10,679)	(17,020)	(22,702)
Operating income/(loss)	6,429	(14,480)	17,311	(22,488)
Finance charges	(11,390)	(17,112)	(26,752)	(31,579)
Other income, net	1,083	1,769	3,570	1,054
Share in result of equity-accounted investment	(267)	(242)	(2,239)	(2,809)
Loss before zakat and income tax	(4,145)	(30,065)	(8,110)	(55,822)
Zakat and income tax	(24)	-	(56)	-
Net loss for the period	(4,169)	(30,065)	(8,166)	(55,822)
Other comprehensive income:				
Item that may be reclassified to statement of profit or loss				
Exchange differences on translation of foreign operation	(2,622)	(73)	(10,995)	(7,402)
Share of other comprehensive income from associate	157	34	157	34
Other comprehensive loss for the period	(2,465)	(39)	(10,838)	(7,368)
Total comprehensive loss for the period	(6,634)	(30,104)	(19,004)	(63,190)
Loss per share (SR)				
Basic and diluted loss per share	10 (0.061)	(0.551)	(0.119)	(1.023)



Nisar Ahmed
Chief Financial Officer



Majed Nofal
Chief Executive Officer



Abdulmohsen Al-Othman
Chairman

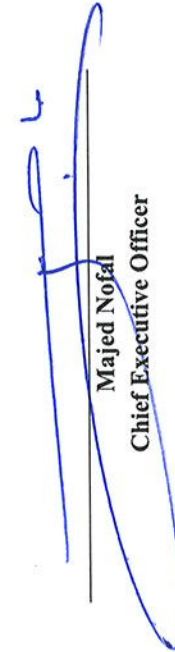
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TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Share capital SR '000	Other reserves SR '000	Accumulated losses SR '000	Total SR '000
Balance as at January 1, 2023 (audited)	950,000	(55,777)	(459,597)	434,626
Net loss for the period	-	-	(55,822)	(55,822)
Other comprehensive loss for the period	-	(7,368)	-	(7,368)
Total comprehensive loss for the period	-	(7,368)	(55,822)	(63,190)
Balance as at June 30, 2023 (un-audited)	950,000	(63,145)	(515,419)	371,436
Balance as of January 1, 2024 (audited)	464,646	(63,317)	(197,576)	203,753
Increase in share capital through rights issue (note 5)	300,000	-	-	300,000
Capital increase expenses	-	-	(24,939)	(24,939)
Net loss for the period	-	-	(8,166)	(8,166)
Other comprehensive loss for the period	-	(10,838)	-	(10,838)
Total comprehensive loss for the period	-	(10,838)	(8,166)	(19,004)
Balance as at June 30, 2024 (un-audited)	764,646	(74,155)	(230,681)	459,810



Nisar Ahmed
Chief Financial Officer



Majed Nofal
Chief Executive Officer



Abdulmohsen 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 CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

	For the six months period ended	
	June 30, 2024 (Un-audited) SR '000	June 30, 2023 (Un-audited) SR '000
OPERATING ACTIVITIES		
Net loss for the period	(8,110)	(55,822)
<i>Adjustments for:</i>		
Depreciation and amortization	19,251	25,697
Write-off property, plant and equipment	15	-
Gain on disposal of fixed assets	(1,249)	-
Change in allowance for trade receivables	(2,025)	118
Change in allowances for inventories	(8,938)	(2,234)
Change in inventory valuation	(7,452)	-
Finance charges	26,752	31,579
Provision for employee benefits	2,435	1,987
Interest income on investment held at amortized cost	(395)	(243)
Share of loss of equity-accounted investees	2,239	2,809
	<u>22,523</u>	<u>3,891</u>
Movement in working capital:		
Inventories	1,380	930
Trade receivables	28,740	7,495
Due from related party	(42,302)	(25,356)
Prepaid expenses and other receivable	(30,929)	74,072
Trade payables	62,650	(53,091)
Due to related party	486	(15,778)
Accrued payable and other liabilities	(15,105)	(23,794)
Cash generated from / (used in) operations	<u>27,443</u>	<u>(31,631)</u>
Finance charges paid	(29,328)	(31,579)
Employee benefits paid	(3,440)	(1,472)
Net cash used in operating activities	<u>(5,325)</u>	<u>(64,682)</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,815)	(10,542)
Proceeds from disposal of property, plant and equipment	1,312	-
Proceeds from investment held at amortized costs	2,277	2,366
Net cash used in investing activities	<u>(1,226)</u>	<u>(8,176)</u>
FINANCING ACTIVITIES		
Issued shares net of underwriting commission	275,061	-
Net change in short term loans and facilities	(215,502)	52,230
Repayment of principal of lease liability	(3,699)	(3,024)
(Repayment) / receipt of medium and long-term loans	(30,906)	11,158
Net cash generated from financing activities	<u>24,954</u>	<u>60,364</u>
Net change in cash and cash equivalents	<u>18,403</u>	<u>(12,494)</u>
Cash and cash equivalents at the beginning of the period	5,892	36,866
Foreign currency translation reserve	(9,392)	(6,892)
Cash and cash equivalents at the end of the period	<u>14,903</u>	<u>17,480</u>



Nisar Ahmed
Chief Financial Officer



Majed Nofal
Chief Executive Officer



Abdulmohsen 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 SIX-MONTH PERIOD ENDED JUNE 30, 2024****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:

	Effective ownership	
	June 30, 2024	December 31, 2023
Saudi Plastic Packaging Systems ("Saudi Packaging")	100%	100%
Al-Sharq Company for Plastic Industries Limited ("Al-Sharq")	100%	100%
New Marina for Plastic Industries Company (S.A.E.) ("New Marina")	100%	100%
Ultra-Pak Manufacturing Company ("Ultra Pak")	100%	100%

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

These condensed consolidated interim financial statements 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, 2023.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Goodwill

Management has performed annual impairment testing of Goodwill amounting to SR 323.58 million as of December 31, 2023. The assessment 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, 2023, and June 30, 2024.

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 SIX-MONTH PERIOD ENDED JUNE 30, 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

2.3.1 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, 2024, 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, 2024, 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

	June 30, 2024 (Un-audited) SR '000	December 31, 2023 (Audited) SR '000
Finished goods	24,693	31,620
Raw and packaging materials and work in progress	51,662	46,353
Spare parts	41,422	42,053
	<u>117,777</u>	<u>120,026</u>
Allowances for inventories	<u>(11,694)</u>	<u>(29,187)</u>
	<u>106,083</u>	<u>90,839</u>

4. TRADE RECEIVABLES

	June 30, 2024 (Un-audited) SR '000	December 31, 2023 (Audited) SR '000
Trade receivables – third parties	265,828	294,314
Trade receivables – related parties	19	312
Trade receivables- gross	<u>265,847</u>	<u>294,626</u>
Allowance for trade receivables	<u>(65,466)</u>	<u>(68,718)</u>
	<u>200,381</u>	<u>225,908</u>

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024**5. Share capital**

As at 30 June 2024, the share capital of the Company amounted to SR 764,646,060 (31 December 2023: SR 464,646,060) divided into 76,464,606 shares (31 December 2023: 46,464,606 shares) fully paid and issued shares at a value of SR 10 per share.

On February 13, 2024 (corresponding to Sha'ban 3, 1445H), the Company's shareholders approved the Company's board of directors' recommendation for share capital increase by issuing right issues amounting to SR 300,000,000 to increase the share capital to SR 764,646,060. The Company issued 1 share for every 1.55 shares and the Company's shares after this increase were 76,464,606 shares instead of 46,464,606 shares. The Company has recognized a transaction cost related to the capital share increase by SR 24,938,629.

The Company has fulfilled all regulatory requirements related to the aforementioned capital increase during the current period ending on June 30, 2024.

impact of the increasing of number of shares and share capital is as follows;

	June 30, 2024 SR '000	December 31, 2023 SR '000
Authorized share capital		
76,465 million shares of SR 10 each (2023: 46,46 million)	<u>764,646</u>	<u>464,646</u>
Issued, subscribed and fully paid-up share capital		
76,465 million shares of SR 10 each (2023: 46,46 million)	<u>764,646</u>	<u>464,646</u>
	June 30, 2024	December 31, 2023
<i>Reconciliation of number of shares outstanding (in "000")</i>		
Opening balance	46,465	95,000
Increase / (reduction) of shares	<u>30,000</u>	<u>(48,535)</u>
Closing balance	<u>76,465</u>	<u>46,465</u>

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

6. BORROWINGS

	June 30, 2024 (Un-audited) SR '000	December 31, 2023 (Audited) SR '000
Long-term loans (a)	76,407	107,313
Short-term loans (b)	393,694	611,772

a) Long-term loans

	June 30, 2024 (Un-audited) SR '000	December 31, 2023 (Audited) SR '000
Commercial loan	76,407	107,313
Less: current portion	48,100	76,558
	<u>28,307</u>	<u>30,755</u>

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), SAR 209 million pertaining to schedule loan installment till September 2024. There was no change in the term of the loan, however, repayment has been rescheduled accordingly.

In 2023, the Group entered 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, 2023.

b) Short term loans

The Group has credit facilities agreements with local commercial banks 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 Year, the group has added additional short-term facility that was reflected in cash position as of June 30, 2024

During the period, the Group has paid scheduled loans as per the covenants post proceeds from rights issue.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

7. RELATED PARTY DISCLOSURES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, 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.

Company	Relationship
Al Othman Group of Companies	Affiliates
Al Ahsa Medical Services Company	Common directorship
Advanced Fabrics Factory Company	Assocaite

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

<u>Nature of transaction</u>	June 30, 2024 (Un-audited) SR '000	June 30, 2023 (Un-audited) SR '000
Revenue	40,878	45,245
Share Services Revenue	2,409	1,486
Accommodation, food and other miscellaneous expenses	29	534
IT services	20	23
Medical service	316	260
Purchase of materials	430	-
Rentals	483	845

8. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	June 30, 2023 (Un-audited) SR '000	June 30, 2022 (Un-audited) SR '000
Remuneration	4,743	6,265
House rent allowance	1,023	1,409
Employee benefits	370	182
Bonus	346	780
Medical allowance	68	59
Others	616	801
	7,166	9,496
BOD and related committees' remuneration	129	278

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

9. SEGMENTAL INFORMATION

The Group's principal activities are related to the following single business segment which 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.

The Group's operations are conducted in Saudi Arabia and the Arab Republic of Egypt. Selected financial information are as follows:

	Kingdom of Saudi Arabia	Arab Republic of Egypt	Total
	SR '000	SR '000	SR '000
For the six months period ended June 30, 2024 (Un-audited)			
Domestic revenue	290,456	19,400	309,856
Export	35,112	-	35,112
	325,568	19,400	344,968
As of June 30, 2024 (Un-audited)			
Non-current assets	857,369	5,153	862,522
For the six months period ended June 30, 2023 (Un-audited)			
Domestic revenue	359,913	13,723	373,636
Export	76,592	-	76,592
	436,505	13,723	450,228
As of June 30, 2023 (Un-audited)			
Non-current assets	912,393	8,670	921,063

Main customers and suppliers

During the period, sales to the main two customers of the Group represents 21.19% amounting to SR 73.1 million (2023: 16.90% amounting to SR 76.1 million)

During the period, purchases from the major supplier of the Group represents 70.47% amounting to SR 213.3 million (2023: 77.41% amounting to SR 372.9 million)

Manufacturing Agreement

During the period, the Company entered a manufacturing agreement with one of its major customers. Under this agreement, the customer provides the raw materials, and the Company is compensated solely for the conversion process, manufacturing costs and margin. Consequently, the reported revenue excludes the cost of raw materials, which was previously included in the revenue. This change impacts the comparability of revenue figures year-over-year.

The revenue from this manufacturing agreement amounted approximately SR 16.5 million as of 30 June 2024. The comparative revenue shows consistent performance in conversion activities compare to similar period last year.

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024**10. LOSS PER SHARE**

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods 2023 and 2024.

The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the element of the rights issue as required by IAS 33, "Earnings per share":

The weighted average number of ordinary shares for the prior period is computed using an adjustment factor of 1.18 which is a ratio of the theoretical ex-right price of SR 10 and the closing price per share of SR 16.12 per share on 13 February 2024, the last day on which the shares were traded before the rights issue.

The basic and diluted loss per share are as follows:

	June 30, 2024	June 30, 2023
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Net loss for the period	(8,166)	(55,822)
Weighted average number of ordinary shares ("000")	68,575	54,593
Basic and diluted earnings per share (restated)	(0.119)	(1.023)

11. CONTINGENCIES AND COMMITMENTS

The Group had the following contingencies and commitments:

	June 30, 2024	June 30, 2023
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Letters of guarantee and others	2,052	2,190
Capital commitments against purchase of property, plant and equipment	55,439	8,804

12. PRIOR YEAR RECLASSIFICATIONS

Certain comparative figures for the year ended December 31, 2023 have been reclassified to conform with the presentation in the current period.

13. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on August 4, 2024 G corresponding to Muharram 29, 1446 H