

**TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS AND NINE MONTHS
PERIOD ENDED SEPTEMBER 30, 2021
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021
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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 of September 30, 2021, the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months and nine months period then ended and notes including a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 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 condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

Other matter:

The financial statements of the company for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 22, 2021. Further the interim condensed financial statements of the company for the nine-month period ended September 30, 2020 were reviewed by another auditor who expressed an unmodified review conclusion on those financial statements on 29 April 2021 and 28 October 2020 respectively

For Al-Kharashi Co.
Sulieman A. Al-Kharashi
License No. (91)

Riyadh:

Rabie 'awal 21,1443H

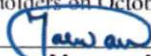
October 27, 2021G




TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021

	September 30, 2021 (Un-audited) SR '000	December 31, 2020 (Audited) SR '000
ASSETS		
Non-current assets		
Property, plant and equipment	600,971	629,150
Intangible assets	1,979	2,364
Goodwill	323,582	323,582
Investments in Associate	102,676	-
Total non-current assets	1,029,208	955,096
Current assets		
Inventories	5 177,119	163,242
Trade receivables	6 378,313	214,320
Prepaid expenses and other assets	53,201	42,875
Investment held at amortized cost	-	14,283
Cash and cash equivalents	24,942	40,040
Assets held for sale	13 -	470,344
Total current assets	633,575	945,104
TOTAL ASSETS	1,662,783	1,900,200
EQUITY AND LIABILITIES		
Equity		
Share capital	1 950,000	950,000
Other reserves	(41,956)	(42,060)
Accumulated losses	(269,338)	(319,707)
Total equity	638,706	588,233
LIABILITIES		
Non-current liabilities		
Medium and long term loans	7 124,014	309,295
Lease liabilities – non-current portion	5,383	5,996
Employee benefits	31,346	29,358
Total non-current liabilities	160,743	344,649
Current liabilities		
Current portion of medium and long term loans	7 60,698	82,823
Short-term loans	7 474,238	489,727
Lease liabilities – current portion	751	498
Trade payables and other liabilities	326,659	263,484
Zakat payable	988	-
Liabilities directly associated with assets held for sale	13 -	130,786
Total current liabilities	863,334	967,318
Total liabilities	1,024,077	1,311,967
TOTAL EQUITY AND LIABILITIES	1,662,783	1,900,200

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on October 21 2021 and signed on their behalf by:


Marwan Jreige
Chief Financial Officer


Jameel A. Al-Molhem
Managing Director



Abdulmohsen Al-Othman
Chairman

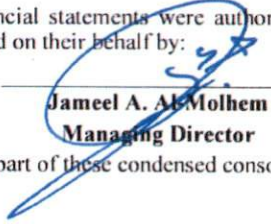
The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Note	From July 1 to September 30		From January 1 to September 30	
		2021	2020	2021	2020
		(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000
Revenue	10	222,453	183,336	630,816	582,513
Cost of revenue	8	(198,309)	(165,426)	(582,944)	(525,357)
Gross profit		24,144	17,910	47,872	57,156
Administrative expenses	8	(14,714)	(15,316)	(37,835)	(42,279)
Selling, marketing and distribution expenses		(18,050)	(11,494)	(40,888)	(30,816)
Operating loss		(8,620)	(8,900)	(30,851)	(15,940)
Finance charges	10	(6,416)	(8,720)	(14,470)	(28,389)
Other (expense) / income, net		835	2,749	87	4,103
Gain on disposal of a subsidiary co. profit from investments in associate	13	53,115 1,426	- -	53,115 1,426	- -
Income (Loss) before zakat and income tax		40,340	(14,871)	9,307	(40,226)
Zakat and income tax		-	-	-	-
Net income (loss) for the period from continuing operations		40,340	(14,871)	9,307	(40,226)
Net income for the period from discontinued operations	13	-	21,014	41,062	37,608
Net income / (loss) for the period		40,340	6,143	50,369	(2,618)
Other comprehensive income:					
Item that may be reclassified to statement of profit or loss					
Exchange differences on translation of foreign operation		(41)	787	104	587
Other comprehensive income for the period		(41)	787	104	587
Total comprehensive income / (loss) for the period		40,299	6,930	50,473	(2,031)
Total comprehensive income (loss) for the period – continued operations		40,299	(14,084)	9,411	(39,638)
Total comprehensive income for the period – discontinue	13	-	21,014	41,062	37,608
Total comprehensive income (loss) for the period		40,299	6,930	50,473	(2,031)
(Loss) earnings per share (SR)					
Basic and diluted earnings / (loss) per share – continued operations	11	0.42	(0.15)	0.10	(0.42)
Basic and diluted earnings / (loss) per share – discontinued operation	11	-	0.22	0.43	0.40

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders, on October 21, 2021, and signed on their behalf by:


Marwan Jreige
Chief Financial Officer


Jameel A. Al-Molhem
Managing Director


Abdulmohsen Al-Othman
Chairman

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

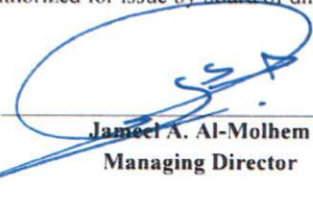
TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Share capital SR '000	Other reserves SR '000	Accumulated losses SR '000	Total SR '000
Balance as at January 1, 2020 (audited)	950,000	(43,392)	(313,694)	592,914
Net loss for the period	-		(2,618)	(2,618)
Other comprehensive income for the period	-	587	-	587
Total comprehensive income / (loss) for the period	-	587	(2,618)	(2,031)
Balance as at September 30, 2020 (un-audited)	950,000	(42,805)	(316,312)	590,883
Balance as at January 1, 2021 (audited)	950,000	(42,060)	(319,707)	588,233
Net income for the period	-		50,369	50,369
Other comprehensive income for the period	-	104	-	104
Total comprehensive income for the period	-	104	50,369	50,473
Balance as at September 30, 2021 (un-audited)	950,000	(41,956)	(269,338)	638,706

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Marwan Jreige
Chief Financial Officer



Jameel A. Al-Molhem
Managing Director



Abdulmohsen Al-Othman
Chairman

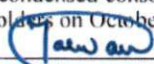
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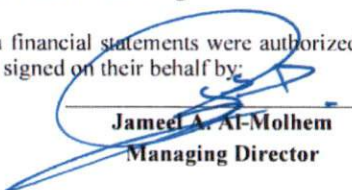
TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)


CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Continued)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	For the nine months period ended	
	September 30,	September 30,
	2021	2020
	(Un-audited)	(Un-audited)
	SR '000	SR '000
OPERATING ACTIVITIES		
Net income (loss) for the period	50,369	(2,618)
<i>Adjustments for:</i>		
Depreciation and amortization	48,839	75,053
Write off of property, plant and equipment	19	585
Allowance for impairment of trade receivables	2,951	-
(Reversal of allowance)/ allowance for inventories	(10,367)	3,150
Gain on disposal on investment	(53,115)	-
Share of profit of equity-accounted investees	(1,426)	-
Finance charges	14,470	36,311
Provision for employee benefits	3,920	4,256
	<u>55,660</u>	<u>116,737</u>
Movement in working capital:		
Inventories	(3,521)	20,838
Trade receivables	(61,706)	(11,144)
Prepaid expenses and other assets	(10,326)	4,597
Trade payables and other liabilities	63,175	25,183
Cash generated from operations	<u>43,282</u>	<u>156,211</u>
Finance charges paid	(14,470)	(35,693)
Employee benefits paid	(1,932)	(4,731)
Zakat paid	988	-
Net cash generated from operating activities	<u>27,868</u>	<u>115,787</u>
INVESTING ACTIVITIES		
Proceeds from sale of subsidiary	189,000	-
Payment to property, plant, and equipment	(23,079)	(28,657)
Proceeds from disposal of investment held at amortized costs	14,283	7,016
Net cash generated from (used in) investing activities	<u>180,204</u>	<u>(21,641)</u>
FINANCING ACTIVITIES		
Net Change in short term loans	(15,489)	(56,127)
Repayment of principal of lease liability	(360)	(623)
Repayment of medium and long term loans	(207,406)	(33,378)
Net cash used in financing activities	<u>223,255</u>	<u>(90,128)</u>
Net change in cash and cash equivalents	<u>(15,183)</u>	<u>4,018</u>
Cash and cash equivalents at the beginning of the period	40,040	40,274
Foreign currency translation reserve	85	384
Cash and cash equivalents at the end of the period	<u>24,942</u>	<u>44,676</u>
NON-CASH AND SUPPLEMENTAL INFORMATION:		
Re-scheduling of short term loans to medium and long term loans	-	75,000

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on October 21, 2021 and signed on their behalf by:


Marwan Jreige
Chief Financial Officer


Jameel A. Al-Molhem
Managing Director


Abdulmohsen Al-Othman
Chairman

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

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 share capital is SR 950 million divided into 95 million shares of SR 10 each.

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 and 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.

Management has performed annual impairment testing of Goodwill amounting to SR 323.58 million as of December 31, 2020. 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, 2020 and Sep 30, 2021.

2. STRUCTURE OF THE GROUP

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

	Effective ownership	
	September 30, 2021	December 31, 2020
• Saudi Plastic Packaging Systems (“Saudi Packaging”)	100%	100%
• Advanced Fabrics Factory Company (“SAAF”)	30%	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%

During the year 2020, the Group signed a share purchase agreement with China-based Company JOFO Nonwoven Company Limited to sell 70% of its subsidiary, Advanced Fabrics Factory Company (“SAAF”).

The transaction was completed in July 2021 after obtaining all regulatory & governmental approval and fulfilling all conditions of the share purchase agreement. The financial impact was recorded in Q3 financials (note 13).

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed consolidated interim financial statements for the nine months' period ended September 30, 2021 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, 2020.

3.2 Preparation of the condensed consolidated interim financial statements

The 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.

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies applied by the group.

4.1 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 2. 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1.1 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.

4.2 New Standards, Amendments to Standards and Interpretations

A number of new standards, amendments to standards are effective from January 1, 2021 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 September 30, 2021 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.

5. INVENTORIES

	September 30, 2021 (Un-audited) SR '000	December 31, 2020 (Audited) SR '000
Finished goods	63,186	53,794
Raw and packaging materials and work in process	86,565	95,695
Spare parts	39,672	37,311
Scrap	898	-
	<u>190,321</u>	<u>186,800</u>
Allowance for inventories	<u>(13,202)</u>	<u>(23,558)</u>
	<u>177,119</u>	<u>163,242</u>

6. TRADE RECEIVABLES

	September 30, 2021 (Un-audited) SR '000	December 31, 2020 (Audited) SR '000
Trade receivables	287,377	252,013
Trade receivables - related parties	44,524	11,427
Due from a related party	98,515	17
	<u>430,416</u>	<u>263,457</u>
Allowance for impairment of trade receivables	<u>(52,103)</u>	<u>(49,137)</u>
	<u>378,313</u>	<u>214,320</u>

7. BORROWINGS

	September 30, 2021 <u>(Un-audited)</u>	December 31, 2020 <u>(Audited)</u>
Medium and long-term loans (a)	184,712	392,118
Short-term loans (b)	474,238	489,727

a) Medium and long-term loans

	September 30, 2021 <u>(Un-audited)</u> <u>SR '000</u>	December 31, 2020 <u>(Audited)</u> <u>SR '000</u>
Commercial loans	184,712	392,118
Less: current portion	<u>60,698</u>	<u>82,823</u>
	<u>124,014</u>	<u>309,295</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”) 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 Production and Processing 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.

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, 2021 and year ended December 31, 2020. In 2020, in continuation of the original Murabaha Facilities Agreement with Arab National Bank, the Company has restructured SR 354.39 million and restructured a loan amounting SR 75 million from National Commercial Bank from short term to medium and long term loans.

Takween Advanced industries has made in July 2021 an early settlement of SR 152.3 million using part of SAAF disposal proceeds and has rescheduled the existing balance amounting 209,5 million riyals till September 2024.

b) Short term loans

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.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

8. RELATED PARTIES TRANSACTIONS

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.

<u>Company</u>	<u>Relationship</u>
Al Othman Group of companies	Affiliates
National Agricultural Development Company (NADEC)	Common directorship
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:

<u>Nature of transaction</u>	<u>September 30, 2021 (Un-audited) SR '000</u>	<u>September 30, 2020 (Un-audited) SR '000</u>
Revenue	82,994	72,038
Accommodation, food and other miscellaneous expenses	3,942	1,847
IT services	1014	4,557
Medical Service	3,990	-
Purchase of air tickets	187	916
Purchase of materials	556	1108
Rentals	996	917

9. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	<u>September 30, 2021 (Un-audited) SR '000</u>	<u>September 30, 2020 (Un-audited) SR '000</u>
Remuneration	8,708	8,528
House rent allowance	2,012	2,170
Employee benefits	565	525
Bonus	762	934
Medical allowance	134	383
Utilities allowance	15	-
Others	801	970
	<u>12,997</u>	<u>13,510</u>
BOD and related committees remuneration	<u>1,898</u>	<u>1,718</u>

10. 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
- **Non-woven fabrics:** These includes the composite fabrics, for use in health, industrial and medical sectors, alcohol resistant and anti-static electricity fabrics used for surgical drapes, medical and protective gowns use and fabrics made for health usages, such as children and adult diapers and women's diapers. SAAF represents non-woven fabrics segment of the Group which is classified as held for sale during the period/year (Note 13).

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

10. SEGMENTAL INFORMATION (Continued)

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

	Disposable polystyrene cups, lids, other plastic-related products and others	Assets and liabilities classified as held for sale/ Discontinued operations	Total
	SR '000	SR '000	SR '000
For the nine months period ended September 30, 2021 (Un-audited)			
External revenue	630,816	187,242	818,059
Finance cost	14,470	1,731	16,201
Depreciation and amortization	48,931	-	48,931
Income before zakat and income tax	9,307	41,062	50,369
For the three months period from June 1 to September 30, 2021(Un-audited)			
External revenue	222,453	-	222,453
Finance cost	6,416	-	6,416
Depreciation and amortization	15,741	-	15,741
Income before zakat and income tax	40,340	-	40,340
For the nine months period ended September 30, 2021(Un-audited)			
Segment revenue	638,705	187,242	825,947
Intersegment revenue	(7,888)	-	(7,888)
External revenue	630,817	187,242	818,059
For the three months period from June 1 to September 30, 2021 (Un-audited)			
Segment revenue	224,523	-	224,523
Intersegment revenue	(2,069)	-	(2,069)
External revenue	222,454	-	222,454
As of September 30, 2021(Un-audited)			
Total assets	1,662,783	-	1,662,783
Total liabilities	1,024,077	-	1,024,077
As of September 30, 2021(Un-audited)			
Segment assets	2,960,949	-	2,960,949
Consolidated adjustments	(1,298,166)	-	(1,298,166)
Total assets	1,662,783	-	1,662,783
Segment liabilities	1,534,179	-	1,534,179
Consolidated adjustments	(510,102)	-	(510,102)
Total liabilities	1,024,077	-	1,024,077

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
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10. SEGMENTAL INFORMATION (Continued)

	Disposable polystyrene cups, lids, other plastic-related products and others	Assets and liabilities classified as held for sale/ Discontinued operations	Total
	SR '000	SR '000	SR '000
For the nine months period ended September 30, 2020 (Un-audited)			
External revenue	582,513	272,444	854,957
Finance cost	28,389	7,922	36,311
Depreciation and amortization	51,902	23,151	75,053
(Loss) income before zakat and income tax	(40,226)	37,608	(2,618)
For the three months period from June 1 to September 30, 2020 (Un-audited)			
External revenue	183,336	104,887	288,223
Finance cost	8,720	2,185	10,905
Depreciation and amortization	17,386	7,758	25,144
(loss) Income before zakat and income tax	(14,871)	21,014	6,143
For the nine months period ended September 30, 2020 (Un-audited)			
Segment revenue	589,603	272,444	862,047
Intersegment revenue	(7,090)	-	(7,090)
External revenue	582,513	272,444	854,957
For the three months period from June 1 to September 30, 2020 (Un-audited)			
Segment revenue	185,536	104,887	290,423
Intersegment revenue	(2,200)	-	(2,200)
External revenue	183,336	104,887	288,223
As of September 30, 2020 (Un-audited)			
Total assets	1,422,069	477,507	1,899,576
Total liabilities	1,175,761	132,932	1,308,693
As of September 30, 2020 (Un-audited)			
Segment assets	3,129,741	592,583	3,722,324
Consolidated adjustments	(1,707,672)	(115,076)	(1,822,748)
Total assets	1,422,069	477,507	1,899,576
Segment liabilities	1,717,601	455,361	2,172,962
Consolidated adjustments	(541,840)	(322,429)	(864,269)
Total liabilities	1,175,761	132,932	1,308,693

TAKWEEN ADVANCED INDUSTRIES
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

10. 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:

	Kingdom of Saudi Arabia SR '000	Arab Republic of Egypt SR '000	Total SR '000
For the nine months period ended September 31, 2021 (Un-audited)			
External revenue	782,324	35,734	818,059
Finance cost	15,910	290	16,200
Depreciation and amortization	47,513	1,418	48,931
Income (loss) before zakat and income tax	52,244	(1,875)	50,369
For the three months period from June 1 to September 30, 2021 (Un-audited)			
External revenue	211,020	11,433	222,453
Finance cost	6,335	81	6,416
Depreciation and amortization	15,208	533	15,741
Income (loss) before zakat and income tax	41,345	(1,005)	40,340
For the nine months period ended September 30, 2021 (Un-audited)			
Segment revenue	790,212	35,734	825,946
Intersegment revenue	(7,888)	-	(7,888)
External revenue	782,324	35,734	818,059
For the three months period from June 1 to September 30, 2021 (Un-audited)			
Segment revenue	213,089	11,433	224,522
Intersegment revenue	(2,069)	-	(2,069)
External revenue	211,020	11,433	222,453
As of September 30, 2021 (Un-audited)			
Total assets	1,594,513	68,270	1,662,783
Total liabilities	1,010,680	13,397	1,024,077
As of September 30, 2021 (Un-audited)			
Segment assets	2,892,679	68,270	2,960,950
Consolidated adjustments	(1,298,166)		(1,298,166)
Total assets	1,594,513	68,271	1,662,783
Segment liabilities	1,492,261	41,919	1,534,180
Consolidated adjustments	(481,581)	(28,522)	(510,103)
Total liabilities	1,010,680	13,397	1,024,077

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10. SEGMENTAL INFORMATION (Continued)

	Kingdom of Saudi Arabia SR '000	Arab Republic of Egypt SR '000	Total SR '000
For the nine months period ended September 31, 2020 (Un-audited)			
External revenue	826,028	28,929	854,957
Finance cost	36,049	262	36,311
Depreciation and amortization	73,555	1498	75,053
Loss before zakat and income tax	(104)	(2,514)	(2,618)
For the three months period from June 1 to September 30, 2020 (Un-audited)			
External revenue	281,812	6,411	288,223
Finance cost	10,847	58	10,905
Depreciation and amortization	24,618	526	25,144
Loss before zakat and income tax	6,223	(80)	6,143
For the nine months period ended September 30, 2020 (Un-audited)			
Segment revenue	833,118	28,929	862,047
Intersegment revenue	(7,090)	-	(7,090)
External revenue	826,028	28,929	854,957
For the three months period from June 1 to September 30, 2020 (Un-audited)			
Segment revenue	284,012	6,411	290,423
Intersegment revenue	(2,200)	-	(2,200)
External revenue	281,812	6,411	288,223
As of September 30, 2020 (Un-audited)			
Total assets	1,831,304	68,272	1,899,576
Total liabilities	1,296,970	11,723	1,308,693
As of September 30, 2020 (Un-audited)			
Segment assets	3,653,227	69,097	3,722,324
Consolidated adjustments	(1,821,923)	(825)	(1,822,748)
Total assets	1,831,304	68,272	1,899,576
Segment liabilities	2,135,620	37,342	2,172,962
Consolidated adjustments	(838,650)	(25,619)	(864,269)
Total liabilities	1,296,970	11,723	1,308,693

11. (LOSS) EARNINGS 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) / earnings per share are represented as follows:

	From January 1 to September 31	
	2021	2020
	(Un-audited)	(Un-audited)
Basic/ Dilutive loss per share (SR) – continuing operations	0.10	(0.42)
Basic/ Dilutive earnings (loss) per share (SR) – discontinuing operations	0.43	0.40
Loss for the period (SR '000) – continuing operations	9,307	(40,226)
Earnings (loss) for the period (SR '000) – discontinuing operations	41,062	37,608
Weighted average number of outstanding shares	95,000,000	95,000,000

12. CONTINGENCIES AND COMMITMENTS

The Group had the following contingencies and commitments:

	September 30, 2021	December 31, 2020
	(Un-audited)	(Audited)
	SR '000	SR '000
Letters of credit	-	16,836
Letters of guarantee and others	2,185	1,335
Capital commitments against purchase of property, plant and equipment	27,351	19,235

13. DISCONTINUED OPERATION

13.1. Description

During the year 2020, the Group has signed a share purchase agreement with China-based Company JOFO Nonwoven Company Limited to sell 70% shares of Advanced Fabrics Factory Company (“SAAF”) a wholly owned subsidiary. The total value of SAAF for the 100% of the shares amounted USD 90 million (SR 337.5 million) subject to certain adjustments based on net debt and working capital at transaction completion date. The associated assets and liabilities were consequently presented as held for sale in the 2020 financial statements.

The transaction was completed in July 2021 after obtaining all regulatory & governmental approval and fulfilling all conditions of the share purchase agreement. The financial impact was recorded in Q3 financials.

13.2. Financial performance

The financial performance and cash flow information presented are for the nine months ended 30 September 2021 (2020 column):

	2021	2020
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Revenue	187,242	272,444
Cost of sales	(128,616)	(207,638)
Other gains/losses	3,259	3,410
Expenses	(20,823)	(30,608)
Profit before Zakat and income tax	41,062	37,608
Zakat and income tax	-	-
Profit after income tax of discontinued operation	41,062	37,608
Gain on sale of the subsidiary after income tax (see below)	53,115	-
Profit from discontinued operation	94,177	37,608

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13. DISCONTINUED OPERATION (continued)

13.3. Details of the sale of the subsidiary

	2021 (Un-audited) SR '000	2020 (Un-audited) SR '000
Consideration received or receivable:		
Cash	189,000	-
Investment in Associate	101,250	-
Other receivable	8,690	-
Total disposal consideration	298,941	-
Carrying amount of net assets sold (see below)	(184,262)	-
Gain on sale	114,679	-
Write off Receivable	(51,781)	-
Project Bond Transactional Fee	(9,782)	-
Net Gain on disposal	53,115	-

The carrying amounts of assets and liabilities as at the date of sale were:

	SR '000
Property, plant and equipment	(308,143)
Intangible assets	(324)
Inventories, net	(81,051)
Trade receivables, net	(61,788)
Prepaid expenses and other assets	(10,459)
Cash and cash equivalents	(1,219)
Current portion of medium and long term loan	56,303
Lease liabilities	9,792
Employee benefits	6,332
Trade payables and other liabilities	206,295
Net assets	(184,262)

13.4. Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2020:

	30 September 2021 (Un-audited) SR '000	31 December 2020 (audited) SR '000
Property, plant and equipment	-	320,053
Intangible asset	-	360
Inventories- net	-	62,708
Trade receivables- net	-	72,810
Prepaid and other receivable	-	12,022
Cash and cash equivalent	-	2,391
Total assets of disposal group held for sale	-	470,344
Current portion of medium and long term loan	-	68,639
Lease liabilities	-	9,653
Employee benefits	-	5,973
Trade payables and other liabilities	-	46,521
Total liabilities of disposal group held for sale	-	130,786

14. 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 21, 2021 corresponding to Rabi Awal 15, 1443H