

**TAKWEEN ADVANCED INDUSTRIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS AND SIX MONTHS  
PERIOD ENDED JUNE 30, 2022  
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 MONTH PERIODS ENDED JUNE 30, 2022**  
**WITH INDEOPENDENT 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, 2022, and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month and six-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:


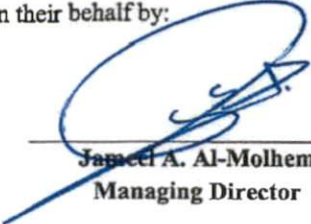

July 28, 2022 G

Dhul Hijjah 29, 1443 H

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	June 30, 2022 (Un-audited) SR '000	December 31, 2021 (Audited) SR '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		569,066	584,303
Intangible assets		1,686	1,857
Goodwill		323,582	323,582
Investments in an associate		111,264	115,770
<b>Total non-current assets</b>		<u>1,005,598</u>	<u>1,025,512</u>
<b>Current assets</b>			
Inventories	5	217,890	192,736
Trade receivables	6	358,490	381,954
Prepaid expenses and other assets		114,765	51,500
Investment held at amortized cost		7,087	7,087
Cash and cash equivalents		35,300	28,825
<b>Total current assets</b>		<u>733,532</u>	<u>662,102</u>
<b>TOTAL ASSETS</b>		<u>1,739,130</u>	<u>1,687,614</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	950,000	950,000
Other reserves		(51,344)	(42,351)
Accumulated losses		(324,642)	(300,681)
<b>Total equity</b>		<u>574,014</u>	<u>606,968</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Medium and long term loans	7	94,953	123,415
Lease liabilities – non-current portion		5,176	5,473
Employee benefits		31,643	31,301
<b>Total non-current liabilities</b>		<u>131,772</u>	<u>160,189</u>
<b>Current liabilities</b>			
Current portion of medium and long term loans	7	57,484	62,900
Short-term loans	7	421,978	471,803
Lease liabilities – current portion		536	523
Trade payables and other liabilities		551,658	383,543
Zakat payable		1,688	1,688
<b>Total current liabilities</b>		<u>1,033,344</u>	<u>920,457</u>
<b>Total liabilities</b>		<u>1,165,116</u>	<u>1,080,647</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,739,130</u>	<u>1,687,614</u>

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on July 28, 2022 and signed on their behalf by:

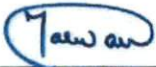
 <hr style="width: 100%;"/> <p><b>Marwan Jreige</b> Chief Financial Officer</p>	 <hr style="width: 100%;"/> <p><b>Jameel A. Al-Molhem</b> Managing Director</p>	 <hr style="width: 100%;"/> <p><b>Abdulmohsen Al-Othman</b> Chairman</p>
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The accompanying 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 PERIODS ENDED JUNE 30, 2022**

	From April 1 to June 30		From January 1 to June 30	
	2022	2021	2022	2021
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	SR '000	SR '000	SR '000	SR '000
Revenue	286,254	222,050	535,905	408,363
Cost of revenue	(269,710)	(209,956)	(498,683)	(384,635)
<b>Gross profit</b>	<b>16,544</b>	<b>12,094</b>	<b>37,222</b>	<b>23,728</b>
Administrative expenses	(7,828)	(11,662)	(19,501)	(23,121)
Selling, marketing and distribution expenses	(13,160)	(10,003)	(25,887)	(22,838)
<b>Operating (loss)</b>	<b>(4,444)</b>	<b>(9,571)</b>	<b>(8,166)</b>	<b>(22,231)</b>
Finance charges	(8,121)	(711)	(13,672)	(8,054)
Other income/ (expense), net	625	(1,150)	2,178	(748)
Share in result of equity-accounted investment	(3,250)	-	(4,506)	-
<b>Loss before zakat and income tax</b>	<b>(15,190)</b>	<b>(11,432)</b>	<b>(24,166)</b>	<b>(31,033)</b>
Zakat and income tax	205	-	205	-
<b>Net loss for the period from continuing operations</b>	<b>(14,985)</b>	<b>(11,432)</b>	<b>(23,961)</b>	<b>(31,033)</b>
Net income for the period from discontinued operations	-	19,304	-	41,062
<b>Net (loss) / profit for the period</b>	<b>(14,985)</b>	<b>7,872</b>	<b>(23,961)</b>	<b>10,029</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	(6,500)	124	(8,993)	145
<b>Other comprehensive (loss)/ income for the period</b>	<b>(6,500)</b>	<b>124</b>	<b>(8,993)</b>	<b>145</b>
<b>Total comprehensive (loss)/ income for the period</b>	<b>(21,485)</b>	<b>7,996</b>	<b>(32,954)</b>	<b>10,174</b>
Total comprehensive loss for the period – continued operations	(21,485)	(11,308)	(32,954)	(30,888)
Total comprehensive income for the period – discontinued operations	-	19,304	-	41,062
<b>Total comprehensive (loss)/ income for the period</b>	<b>(21,485)</b>	<b>7,996</b>	<b>(32,954)</b>	<b>10,174</b>
<b>(Loss) earnings per share (SR)</b>				
Basic and diluted earnings (loss) per share – continued operations	11	(0.02)	(0.12)	(0.33)
Basic and diluted earnings (loss) per share – discontinued operation	11	-	0.20	0.43

These condensed consolidated interim financial statements were authorized for issue by the board of directors, on behalf of shareholders on July 28, 2022, 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 SIX MONTH PERIOD ENDED JUNE 30, 2022**

	Share capital SR '000	Other reserves SR '000	Accumulated losses SR '000	Total SR '000
Balance as at January 1, 2021 (audited)	950,000	(42,060)	(319,707)	588,233
Net profit for the period	-	-	10,029	10,029
Other comprehensive income for the period	-	145	-	145
Total comprehensive income for the period	-	145	10,029	10,174
Balance as at June 30, 2021 (un-audited)	950,000	(41,915)	(309,678)	598,407
<b>Balance as at January 1, 2022 (audited)</b>	<b>950,000</b>	<b>(42,351)</b>	<b>(300,681)</b>	<b>606,968</b>
Net loss for the period	-	-	(23,961)	(23,961)
Other comprehensive loss for the period	-	(8,993)	-	(8,993)
Total comprehensive loss for the period	-	(8,993)	(23,961)	(32,954)
<b>Balance as at June 30, 2022 (un-audited)</b>	<b>950,000</b>	<b>(51,344)</b>	<b>(324,642)</b>	<b>574,014</b>

These condensed consolidated interim financial statements were authorized for issue by the board of directors, on behalf of shareholders on July 28, 2022 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 CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022**

	<b>For the six-month period ended</b>	
	<b>June 30, 2022</b> <b>(Un-audited)</b> <b>SR '000</b>	<b>June 30, 2021</b> <b>(Un-audited)</b> <b>SR '000</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) for the period- continued operations	(23,961)	(31,033)
Net profit for the period - discontinued operations	-	41,062
<i>Adjustments for:</i>		
Depreciation and amortization	30,909	33,189
Write off of property, plant and equipment	182	170
Allowance for impairment of trade receivables	(927)	2,951
Reversal of allowance for inventories	(1,742)	(4,594)
Finance charges	13,672	9,785
Provision for employee benefits	2,060	3,486
Share of loss of equity-accounted investees	4,506	-
	<u>24,699</u>	<u>55,016</u>
<b>Movement in working capital:</b>		
Inventories	(22,985)	(42,455)
Trade receivables	25,165	(9,753)
Prepaid expenses and other assets	(63,265)	(34,413)
Trade payables and other liabilities	168,115	178,276
<b>Cash generated from operations</b>	<u>131,729</u>	<u>146,671</u>
Finance charges paid	(13,672)	(9,742)
Employee benefits paid	(1,718)	(1,403)
Zakat paid	-	(49)
<b>Net cash generated from operating activities</b>	<u>116,339</u>	<u>135,477</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(18,471)	(9,693)
Proceeds from disposal of property, plant and equipment	90	-
Proceeds from disposal of investment held at amortized costs	-	14,283
<b>Net cash (used in) / generated from investing activities</b>	<u>(18,381)</u>	<u>4,590</u>
<b>FINANCING ACTIVITIES</b>		
Net change in short term loans	(49,825)	(90,021)
Repayment of principal of lease liability	(284)	(1,234)
Repayment of medium and long-term loans	(33,879)	(55,985)
<b>Net cash used in financing activities</b>	<u>(83,988)</u>	<u>(147,240)</u>
<b>Net change in cash and cash equivalents</b>	<u>13,970</u>	<u>(7,173)</u>
Cash and cash equivalents at the beginning of the period	28,825	40,040
Net Cash and cash equivalents of asset held for sale	-	(3,589)
Foreign currency translation reserve	(7,495)	114
<b>Cash and cash equivalents at the end of the period</b>	<u>35,300</u>	<u>29,392</u>

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on July 28, 2022 and signed on their behalf by:

 <hr style="width: 100%; border: 0.5px solid black;"/> <p><b>Marwan Jreige</b> Chief Financial Officer</p>	 <hr style="width: 100%; border: 0.5px solid black;"/> <p><b>Jameel A. Al-Molhem</b> Managing Director</p>	 <hr style="width: 100%; border: 0.5px solid black;"/> <p><b>Abdulmohsen Al-Othman</b> Chairman</p>
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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**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022**

**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, 2021. 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, 2021 and June 30, 2022

**2. STRUCTURE OF THE GROUP**

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

	<b>Effective ownership</b>	
	<b>June 30, 2022</b>	<b>December 31, 2021</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%



## TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022

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#### 3. BASIS OF PREPARATION

##### 3.1 Statement of compliance

These condensed consolidated interim financial statements for the six-month period ended June 30, 2022 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, 2021.

##### 3.2 Preparation of the condensed consolidated interim financial statements

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.

##### 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.

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**4.1.1 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, 2022 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, 2022 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**

	<b>June 30, 2022 (Un-audited) SR '000</b>	December 31, 2021 (Audited) SR '000
Finished goods	59,434	59,645
Raw and packaging materials and work in progress	123,258	106,107
Spare parts	40,426	40,069
Goods in transit	5,688	-
	<b>228,806</b>	205,821
Allowance for inventories	<b>(10,916)</b>	(13,085)
	<b>217,890</b>	192,736

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022****6. TRADE RECEIVABLES**

	<b>June 30, 2022 (Un-audited) SR '000</b>	December 31, 2021 (Audited) SR '000
Trade receivables – third parties	<b>322,835</b>	273,762
Trade receivables – related parties	<b>17,349</b>	81,913
Due from a related party	<b>69,874</b>	80,224
	<b>410,058</b>	435,899
Allowance for impairment for trade receivables	<b>(51,568)</b>	(53,945)
	<b>358,490</b>	381,954

**7. BORROWINGS**

	<b>June 30, 2022 (Un-audited) SR '000</b>	December 31, 2021 (Audited) SR '000
Medium and long-term loans (a)	<b>152,437</b>	186,315
Short-term loans (b)	<b>421,978</b>	471,803

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

	<b>June 30, 2022 (Un-audited) SR '000</b>	December 31, 2021 (Audited) SR '000
Commercial loan	<b>152,437</b>	186,315
Less: current portion	<b>57,484</b>	62,900
	<b>94,953</b>	123,415

**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.

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, 2022 and year ended December 31, 2021.

**TAKWEEN ADVANCED INDUSTRIES**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022**

**7. BORROWINGS (Continued)**

**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. In March, 2022 the group has added additional short term facility that was reflected in cash position as of June 30, 2022.

**8. 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.

<u>Related Party</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>June 30, 2022 (Un-audited) SR '000</u>	<u>June 30, 2021 (Un-audited) SR '000</u>
Revenue	68,406	44,410
Accommodation, food and other miscellaneous expenses	508	1,362
IT services	74	793
Medical Service	5,100	6,268
Purchase of air tickets	-	207
Purchase of materials	346	423
Rentals	-	996

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

	<u>June 30, 2022 (Un-audited) SR '000</u>	<u>June 30, 2021 (Un-audited) SR '000</u>
Remuneration	5,156	5,715
House rent allowance	1,179	1,311
Employee benefits	300	420
Bonus	812	498
Medical allowance	70	83
Others	674	452
	<u>8,191</u>	<u>8,479</u>
BOD and related committees remuneration	<u>345</u>	<u>1,797</u>

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022****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

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
<b>For the six months period ended June 30, 2022 (Un-audited)</b>			
External revenue	535,905	-	535,905
Finance cost	13,672	-	13,672
Depreciation and amortization	30,910	-	30,910
Loss before zakat and income tax	(19,660)	-	(19,660)
<b>For the three months period from April 1 to June 30, 2022 (Un-audited)</b>			
External revenue	286,254	-	286,254
Finance cost	8,121	-	8,121
Depreciation and amortization	16,174	-	16,174
Loss before zakat and income tax	(11,940)	-	(11,940)
<b>For the six months period ended June 30, 2022 (Un-audited)</b>			
Segment revenue	540,625	-	540,625
Intersegment revenue	(4,720)	-	(4,720)
External revenue	535,905	-	535,905
<b>For the three months period from April 1 to June 30, 2022 (Un-audited)</b>			
Segment revenue	290,974	-	290,974
Intersegment revenue	(4,720)	-	(4,720)
External revenue	286,254	-	286,254
<b>As of June 30, 2022 (Un-audited)</b>			
Total assets	1,739,130	-	1,739,130
Total liabilities	1,165,116	-	1,165,116
<b>As of June 30, 2022 (Un-audited)</b>			
Segment assets	3,188,752	-	3,188,752
Consolidated adjustments	(1,449,622)	-	(1,449,622)
Total assets	1,739,130	-	1,739,130
Segment liabilities	1,830,531	-	1,830,531
Consolidated adjustments	(665,415)	-	(665,415)
Total liabilities	1,165,116	-	1,165,116

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022****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
<b>For the six months period ended June 30, 2021 (Un-audited)</b>			
External revenue	408,363	187,242	595,605
Finance cost	8,054	1,731	9,785
Depreciation and amortization	33,190	-	33,190
Loss before zakat and income tax	(31,033)	41,062	10,029
<b>For the three months period from April 1 to June 30, 2021(Un-audited)</b>			
External revenue	222,050	90,621	312,671
Finance cost	711	1,278	1,989
Depreciation and amortization	15,619	-	15,619
Loss before zakat and income tax	(11,432)	19,304	7,872
<b>For the six months period ended June 30, 2021(Un-audited)</b>			
Segment revenue	414,182	187,242	601,424
Intersegment revenue	(5,819)	-	(5,819)
External revenue	408,363	187,242	595,605
<b>For the three months period from April 1 to June 30, 2021 (Un-audited)</b>			
Segment revenue	224,721	90,621	315,342
Intersegment revenue	(2,671)	-	(2,671)
External revenue	222,050	90,621	312,671
<b>As of June 30, 2021(Un-audited)</b>			
Total assets	1,459,523	483,966	1,943,489
Total liabilities	1,230,151	114,930	1,345,081
<b>As of June 30, 2021(Un-audited)</b>			
Segment assets	3,085,442	488,070	3,573,512
Consolidated adjustments	(1,625,919)	(4,104)	(1,630,023)
Total assets	1,459,523	483,966	1,943,489
Segment liabilities	1,694,072	234,725	1,928,797
Consolidated adjustments	(463,921)	(119,795)	(583,716)
Total liabilities	1,230,151	114,930	1,345,081

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022**

**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
<b>For the six months period ended June 30, 2022 (Un-audited)</b>			
External revenue	504,787	31,118	535,905
Finance cost	13,480	192	13,672
Depreciation and amortization	29,781	1,129	30,910
Loss before zakat and income tax	(17,672)	(1,988)	(19,660)
<b>For the three months period from April 1 to June 30, 2022 (Un-audited)</b>			
External revenue	270,956	15,298	286,254
Finance cost	8,033	88	8,121
Depreciation and amortization	15,678	496	16,174
Loss before zakat and income tax	(10,378)	(1,562)	(11,940)
<b>For the six months period ended June 30, 2022 (Un-audited)</b>			
Segment revenue	509,507	31,118	540,625
Intersegment revenue	(4,720)	-	(4,720)
External revenue	504,787	31,118	535,905
<b>For the three months period from April 1 to June 30, 2022 (Un-audited)</b>			
Segment revenue	275,676	15,298	290,974
Intersegment revenue	(4,720)	-	(4,720)
External revenue	270,956	15,298	286,254
<b>As of June 30, 2022 (Un-audited)</b>			
Total assets	1,684,355	54,775	1,739,130
Total liabilities	1,153,474	11,642	1,165,116
<b>As of June 30, 2022 (Un-audited)</b>			
Segment assets	3,133,977	54,775	3,188,752
Consolidated adjustments	(1,449,622)	-	(1,449,622)
Total assets	1,684,355	54,775	1,739,130
Segment liabilities	1,817,622	12,909	1,830,531
Consolidated adjustments	(664,148)	(1,267)	(665,415)
Total liabilities	1,153,474	11,642	1,165,116

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022****10. SEGMENTAL INFORMATION (Continued)**

	Kingdom of Saudi Arabia SR '000	Arab Republic of Egypt SR '000	Total SR '000
<b>For the six months period ended June 30, 2021 (Un-audited)</b>			
External revenue	571,303	24,301	595,604
Finance cost	9,575	209	9,784
Depreciation and amortization	32,305	885	33,190
Loss before zakat and income tax	10,899	(870)	10,029
<b>For the three months period from April 1 to June 30, 2021 (Un-audited)</b>			
External revenue	301,126	11,544	312,670
Finance cost	1,888	100	1,988
Depreciation and amortization	15,254	365	15,619
Loss before zakat and income tax	8,756	(884)	7,872
<b>For the six months period ended June 30, 2021 (Un-audited)</b>			
Segment revenue	577,122	24,301	601,423
Intersegment revenue	(5,819)	-	(5,819)
External revenue	571,303	24,301	595,604
<b>For the three months period from April 1 to June 30, 2021 (Un-audited)</b>			
Segment revenue	303,797	11,544	315,341
Intersegment revenue	(2,671)	-	(2,671)
External revenue	301,126	11,544	312,670
<b>As of June 30, 2021 (Un-audited)</b>			
Total assets	1,863,254	80,235	1,943,489
Total liabilities	1,320,638	24,444	1,345,082
<b>As of June 30, 2021 (Un-audited)</b>			
Segment assets	3,493,277	80,235	3,573,512
Consolidated adjustments	(1,630,023)	-	(1,630,023)
Total assets	1,863,254	80,235	1,943,489
Segment liabilities	1,875,977	52,821	1,928,798
Consolidated adjustments	(555,339)	(28,377)	(583,716)
Total liabilities	1,320,638	24,444	1,345,082



**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022****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:

	<b>From January 1 to June 30</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Basic/ Dilutive loss per share (SR) – continuing operations	<b>(0.25)</b>	(0.33)
Basic/ Dilutive earnings (loss) per share (SR) – discontinuing operations	-	0.43
Loss for the period (SR '000) – continuing operations	<b>(23,961)</b>	(31,033)
Profit for the period (SR '000) – discontinuing operations	-	41,062
Weighted average number of outstanding shares	<b>95,000,000</b>	95,000,000

**12. CONTINGENCIES AND COMMITMENTS**

The Group had the following contingencies and commitments:

	<b>June 30,</b>	December 31,
	<b>2022</b>	2021
	<b>(Un-audited)</b>	(Audited)
	<b>SR '000</b>	<b>SR '000</b>
Letters of guarantee and others	<b>1,351</b>	1,685
Capital commitments against purchase of PPE	<b>11,289</b>	19,695

**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 July 28, 2022 corresponding to Dhul Hijjah 29, 1443H