

**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, 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 MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 September 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 nine-months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

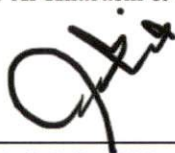
### Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared in, all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi & Co.



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



Riyadh:

November 8, 2022 G

Rabie Al Thani 14, 1444 H

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

	September 30, 2022 (Un-audited) SR '000	December 31, 2021 (Audited) SR '000
	<u>Note</u>	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	572,513	584,303
Intangible assets	1,560	1,857
Goodwill	323,582	323,582
Investments in an associate	108,191	115,770
<b>Total non-current assets</b>	<u>1,005,846</u>	<u>1,025,512</u>
<b>Current assets</b>		
Inventories	5 231,102	192,736
Trade receivables	6 361,961	381,954
Prepaid expenses and other assets	120,600	51,500
Investment held at amortized cost	7,087	7,087
Cash and cash equivalents	12,120	28,825
<b>Total current assets</b>	<u>732,870</u>	<u>662,102</u>
<b>TOTAL ASSETS</b>	<u>1,738,716</u>	<u>1,687,614</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1 950,000	950,000
Other reserves	(52,909)	(42,351)
Accumulated losses	(346,532)	(300,681)
<b>Total equity</b>	<u>550,559</u>	<u>606,968</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Medium- and long-term loans	7 73,171	123,415
Lease liabilities – non-current portion	6,446	5,473
Employee benefits	31,927	31,301
<b>Total non-current liabilities</b>	<u>111,544</u>	<u>160,189</u>
<b>Current liabilities</b>		
Current portion of medium- and long-term loans	7 60,401	62,900
Short-term loans	7 490,715	471,803
Lease liabilities – current portion	551	523
Trade payables and other liabilities	523,258	383,543
Zakat payable	1,688	1,688
<b>Total current liabilities</b>	<u>1,076,613</u>	<u>920,457</u>
<b>Total liabilities</b>	<u>1,188,157</u>	<u>1,080,646</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,738,716</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 November 8, 2022 and signed on their behalf by:

  
**Mohammed Mansour**

Chief Financial Officer (A)

  
**Jameel A. Al-Molhem**

Managing Director

  
**Abdul Mohsen Al-Othman**

Chairman

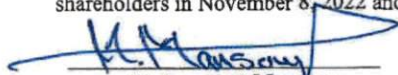
The accompanying notes form an integral part of these condensed consolidated interim financial statements.




**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Note	From July 1 to September 30		From January 1 to September 30	
		2022	2021	2022	2021
		(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000
Revenue	10	273,989	222,453	809,894	630,816
Cost of revenue		(262,001)	(198,309)	(760,684)	(582,944)
<b>Gross profit</b>		<b>11,988</b>	<b>24,144</b>	<b>49,210</b>	<b>47,872</b>
Administrative expenses		(10,075)	(14,714)	(29,576)	(37,835)
Selling, marketing and distribution expenses		(12,477)	(18,050)	(38,364)	(40,888)
<b>Operating (loss)</b>		<b>(10,564)</b>	<b>(8,620)</b>	<b>(18,730)</b>	<b>(30,851)</b>
Finance charges	10	(8,862)	(6,416)	(22,534)	(14,470)
Other income, net		626	835	2,804	87
Gain on disposal		-	53,115	-	53,115
Share in result of equity-accounted investment		(3,073)	1,426	(7,579)	1,426
<b>(Loss) / profit before zakat and income tax</b>		<b>(21,873)</b>	<b>40,340</b>	<b>(46,039)</b>	<b>9,307</b>
Zakat and income tax		(17)	-	188	-
<b>Net (loss) / profit for the period from continuing operations</b>		<b>(21,890)</b>	<b>40,340</b>	<b>(45,851)</b>	<b>9,307</b>
Net income for the period from discontinued operations		-	-	-	41,062
<b>Net (loss) / profit for the period</b>		<b>(21,890)</b>	<b>40,340</b>	<b>(45,851)</b>	<b>50,369</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		(1,564)	(41)	(10,557)	104
<b>Other comprehensive (loss) / income for the period</b>		<b>(1,564)</b>	<b>(41)</b>	<b>(10,557)</b>	<b>104</b>
<b>Total comprehensive (loss) / income for the period</b>		<b>(23,454)</b>	<b>40,299</b>	<b>(56,408)</b>	<b>50,473</b>
Total comprehensive loss for the period – continued operations		(23,454)	40,299	(56,408)	9,411
Total comprehensive income for the period – discontinued operations		-	-	-	41,062
<b>Total comprehensive (loss) / income for the period</b>		<b>(23,454)</b>	<b>40,299</b>	<b>(56,408)</b>	<b>50,473</b>
<b>(Loss) / earnings per share (SR)</b>					
Basic and diluted (loss) / earnings per share – continued operations	11	(0.23)	0.42	(0.48)	0.10
Basic and diluted earnings per share – discontinued operation	11	-	-	-	0.43

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders in November 8, 2022 and signed on their behalf by:

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

  
**James A. Al-Molhem**  
**Managing Director**

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

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

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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	-	-	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
<b>Balance as at January 1, 2022 (audited)</b>	950,000	(42,352)	(300,681)	606,967
Net loss for the period	-	-	(45,851)	(45,851)
Other comprehensive loss for the period	-	(10,557)	-	(10,557)
Total comprehensive loss for the period	-	(10,557)	(45,851)	(56,408)
<b>Balance as at September 30, 2022 (un-audited)</b>	<b>950,000</b>	<b>(52,909)</b>	<b>(346,532)</b>	<b>550,559</b>

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on November 8, 2022 and signed on their behalf by:

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

  
**Jameel A. Al-Molhem**  
**Managing Director**



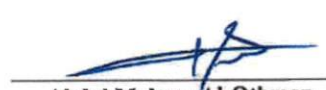
  
**Abdul Mohsen Al-Othman**  
**Chairman**

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

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	<b>For the nine months period ended</b>	
	<b>September 30, 2022 (Un-audited) SR '000</b>	<b>September 30, 2021 (Un-audited) SR '000</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) / profit for the period	(45,851)	50,369
<i>Adjustments for:</i>		
Depreciation and amortization	45,928	48,839
Write off of property, plant and equipment	182	19
Allowance for impairment of trade receivables	(927)	2,951
Reversal of allowance for inventories	(1,728)	(10,367)
Finance charges	22,534	14,470
Provision for employee benefits	3,122	3,920
Gain on disposal of investment	-	(53,115)
Share of loss/(gain) of equity-accounted investees	7,579	(1,426)
	<u>30,839</u>	<u>55,660</u>
<b>Movement in working capital:</b>		
Inventories	(36,124)	(3,521)
Trade receivables	21,866	(61,706)
Prepaid expenses and other assets	(69,100)	(10,326)
Trade payables and other liabilities	139,715	63,175
	<u>87,196</u>	<u>43,282</u>
<b>Cash generated from operations</b>		
Finance charges paid	(22,290)	(14,470)
Employee benefits paid	(2,496)	(1,932)
Zakat paid	-	988
	<u>62,410</u>	<u>27,868</u>
<b>Net cash generated from operating activities</b>		
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of subsidiary	-	189,000
Acquisition of property, plant and equipment	(36,227)	(23,079)
Proceeds from disposal of property, plant and equipment	90	-
Proceeds from disposal of investment held at amortized costs	18	14,283
	<u>(36,119)</u>	<u>180,204</u>
<b>Net cash (used in) / generated from investing activities</b>		
<b>FINANCING ACTIVITIES</b>		
Net change in short term loans	18,912	(15,489)
Repayment of principal of lease liability	(535)	(360)
Repayment of medium and long-term loans	(52,743)	(207,406)
	<u>(34,366)</u>	<u>(223,255)</u>
<b>Net cash used in financing activities</b>		
<b>Net change in cash and cash equivalents</b>		
	(8,075)	(15,183)
Cash and cash equivalents at the beginning of the period		
	28,825	40,040
Foreign currency translation reserve		
	(8,630)	85
	<u>12,120</u>	<u>24,942</u>
<b>Cash and cash equivalents at the end of the period</b>		

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders in November 8, 2022 and signed on their behalf by:

 Mohammed Mansour Chief Financial Officer (A)	 Jameel A. Al-Molhem Managing Director	 Abdul Mohsen Al-Othman Chairman
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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 MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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.

As a September 30, 2022, the group had accumulated losses of SR 346.5 million (2021: SR 300.6 million) and had current liabilities exceed current assets by SR 343.7 million (2021: SR 258.4 million) as at the date. Management has formulated various performance improvements for subsidiaries to enhance their profitability. The measures are taken by improving the efficiencies by investing in new advance machines, several cost reduction initiatives by HR & recruitments. Another factor which attributed the losses was the higher raw material prices, which have started normalizing and this will result in increase in the volumes of production and sales with companies’ competitive supply chain department planning.

Based on the group detailed business plan, which already reflect positive results in the coming years of the operations, the management has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

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 September 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>September 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 MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 September 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 MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.1 Basis of consolidation (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 September 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>September 30, 2022 (Un-audited) SR '000</b>	December 31, 2021 (Audited) SR '000
Finished goods	<b>60,804</b>	59,645
Raw and packaging materials and work in progress	<b>133,100</b>	106,107
Spare parts	<b>40,985</b>	40,069
Goods in transit	<b>7,056</b>	-
	<b>241,945</b>	205,821
Allowance for inventories	<b>(10,843)</b>	(13,085)
	<b>231,102</b>	192,736



**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****6. TRADE RECEIVABLES**

	September 30, 2022 (Un-audited) SR '000	December 31, 2021 (Audited) SR '000
Trade receivables – third parties	333,879	273,762
Trade receivables – related parties	16,894	81,913
Due from a related party	62,584	80,224
	<u>413,357</u>	<u>435,899</u>
Allowance for impairment for trade receivables	(51,396)	(53,945)
	<u>361,961</u>	<u>381,954</u>

**7. BORROWINGS**

	September 30, 2022 (Un-audited) SR '000	December 31, 2021 (Audited) SR '000
Medium and long-term loans (a)	133,572	186,315
Short-term loans (b)	490,715	471,803

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

	September 30, 2022 (Un-audited) SR '000	December 31, 2021 (Audited) SR '000
Commercial loan	133,572	186,315
Less: current portion	60,401	62,900
	<u>73,171</u>	<u>123,415</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), 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 MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 September 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.

<b>Related Party</b>	<b>Relationship</b>
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 (Wala)	Common directorship

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

<b><u>Nature of transaction</u></b>	<b>September 30, 2022 (Un-audited) SR '000</b>	<b>September 30, 2021 (Un-audited) SR '000</b>
Revenue	68,406	82,994
Accommodation, food and other miscellaneous expenses	508	3,942
IT services	74	1,014
Medical Service	5,100	3,990
Purchase of air tickets	-	187
Purchase of materials	346	556
Rentals	-	996

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

	<b>September 30, 2022 (Un-audited) SR '000</b>	<b>September 30, 2021 (Un-audited) SR '000</b>
Remuneration	5,156	8,708
House rent allowance	1,179	2,012
Employee benefits	300	565
Bonus	812	762
Medical allowance	70	134
Others	674	801
	<b>8,191</b>	<b>12,982</b>
BOD and related committees' remuneration	<b>345</b>	<b>1,898</b>

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 nine months period ended September 30, 2022 (Un-audited)</b>			
External revenue	809,894	-	809,894
Finance cost	22,534	-	22,534
Depreciation and amortization	45,971	-	45,971
Income before zakat and income tax	(38,460)	-	(38,460)
<b>For the three months period from June 1 to September 30, 2022 (Un-audited)</b>			
External revenue	273,989	-	273,989
Finance cost	8,862	-	8,862
Depreciation and amortization	15,061	-	15,061
Income before zakat and income tax	(18,800)	-	(18,800)
<b>For the nine months period ended September 30, 2022 (Un-audited)</b>			
Segment revenue	816,199	-	816,199
Intersegment revenue	(6,305)	-	(6,305)
External revenue	809,894	-	809,894
<b>For the three months period from June 1 to September 30, 2022 (Un-audited)</b>			
Segment revenue	275,574	-	275,574
Intersegment revenue	(1,585)	-	(1,585)
External revenue	273,989	-	273,989
<b>As of September 30, 2022 (Un-audited)</b>			
Total assets	1,738,716	-	1,738,716
Total liabilities	1,188,157	-	1,188,157
<b>As of September 30, 2022 (Un-audited)</b>			
Segment assets	3,200,711	-	3,200,711
Consolidated adjustments	(1,461,995)	-	(1,461,995)
Total assets	1,738,716	-	1,738,716
Segment liabilities	1,881,510	-	1,881,510
Consolidated adjustments	(693,353)	-	(693,353)
Total liabilities	1,188,157	-	1,188,157

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 nine months period ended September 30, 2021 (Un-audited)</b>			
External revenue	630,816	187,242	818,058
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
<b>For the three months period from June 1 to September 30, 2021(Un-audited)</b>			
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
<b>For the nine months period ended September 30, 2021 (Un-audited)</b>			
Segment revenue	638,705	187,242	825,947
Intersegment revenue	(7,888)	-	(7,888)
External revenue	630,817	187,242	818,059
<b>For the three months period from June 1 to September 30, 2021 (Un-audited)</b>			
Segment revenue	224,523	-	224,523
Intersegment revenue	(2,069)	-	(2,069)
External revenue	222,454	-	222,454
<b>As of September 30, 2021(Un-audited)</b>			
Total assets	1,662,783	-	1,662,783
Total liabilities	1,024,077	-	1,024,077
<b>As of September 30, 2021(Un-audited)</b>			
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



**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 nine months period ended September 31, 2022 (Un-audited)</b>			
External revenue	765,119	44,775	809,894
Finance cost	22,149	385	22,534
Depreciation and amortization	44,368	1,603	45,971
Income before zakat and income tax	(35,419)	(3,041)	(38,460)
<b>For the three months period from June 1 to September 30, 2022 (Un-audited)</b>			
External revenue	260,332	13,657	273,989
Finance cost	8,669	193	8,862
Depreciation and amortization	14,587	474	15,061
Income before zakat and income tax	(17,747)	(1,053)	(18,800)
<b>For the nine months period ended September 30, 2022 (Un-audited)</b>			
Segment revenue	771,424	44,775	816,199
Intersegment revenue	(6,305)	-	(6,305)
External revenue	765,119	44,775	809,894
<b>For the three months period from June 1 to September 30, 2022 (Un-audited)</b>			
Segment revenue	261,917	13,657	275,574
Intersegment revenue	(1,585)	-	(1,585)
External revenue	260,332	13,657	273,989
<b>As of September 30, 2022 (Un-audited)</b>			
Total assets	1,684,850	53,866	1,738,716
Total liabilities	1,175,045	13,112	1,188,157
<b>As of September 30, 2022 (Un-audited)</b>			
Segment assets	3,146,845	53,866	3,200,711
Consolidated adjustments	(1,461,995)	-	(1,461,995)
Total assets	1,684,850	53,866	1,738,716
Segment liabilities	1,866,888	14,622	1,881,510
Consolidated adjustments	(691,843)	(1,510)	(693,353)
Total liabilities	1,175,045	13,112	1,188,157

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)****FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****10. SEGMENTAL INFORMATION (Continued)**

	Kingdom of Saudi Arabia SR '000	Arab Republic of Egypt SR '000	Total SR '000
<b>For the nine months period ended September 31, 2021 (Un-audited)</b>			
External revenue	782,324	35,734	818,058
Finance cost	15,910	290	16,200
Depreciation and amortization	47,513	1,418	48,931
Income before zakat and income tax	52,244	(1,875)	50,369
<b>For the three months period from June 1 to September 30, 2021 (Un- audited)</b>			
External revenue	211,020	11,433	222,453
Finance cost	6,335	81	6,416
Depreciation and amortization	15,208	533	15,741
Income before zakat and income tax	41,345	(1,005)	40,340
<b>For the nine months period ended September 30, 2021 (Un-audited)</b>			
Segment revenue	790,212	35,734	825,946
Intersegment revenue	(7,888)		(7,888)
External revenue	782,324	35,734	818,058
<b>For the three months period from June 1 to September 30, 2021 (Un- audited)</b>			
Segment revenue	213,089	11,433	224,522
Intersegment revenue	(2,069)	-	(2,069)
External revenue	211,020	11,433	222,453
<b>As of September 30, 2021 (Un-audited)</b>			
Total assets	1,594,513	68,270	1,662,783
Total liabilities	1,010,680	13,397	1,024,077
<b>As of September 30, 2021 (Un-audited)</b>			
Segment assets	2,892,679	68,270	2,960,949
Consolidated adjustments	(1,298,166)	-	(1,298,166)
Total assets	1,594,513	68,270	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

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 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 September 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
Basic / Dilutive (loss)/ earnings per share (SR) – continuing operations	<b>(0.48)</b>	0.10
Basic/ Dilutive earnings per share (SR) – discontinuing operations	-	0.43
(Loss) / earnings for the period (SR '000) – continuing operations	<b>(45,851)</b>	9,307
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>September 30, 2022</b>	September 30, 2021
	<b>(Un-audited)</b>	(Un-audited)
	<b>SR '000</b>	SR '000
Letters of guarantee and others	<b>1,351</b>	2,185
Capital commitments against purchase of property, plant and equipment	<b>11,289</b>	27,351

**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 November 8, 2022 corresponding to Rabie Al Thani 14, 1444 H