

**TAKWEEN ADVANCED INDUSTRIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS  
PERIOD ENDED MARCH 31, 2023  
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**  
**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 March 31, 2023, 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.

### Emphasis of matter

We draw attention to Note 1 to the accompanying condensed consolidated interim financial statements which indicates that the Group incurred a net loss of SR 25.8 million, net operating cash outflow was SR 35.4 million and net cash outflow was SR 18.3 million during the period ended March 31, 2023, and as of that date the Group's current liabilities exceeded the current assets by SR 447.4 million. Moreover, the Group's accumulated losses were SR 485.4 million which exceeded the half of the Group's share capital, the Group has taken rectification measures following the requirement of the Companies regulation to reduce the accumulated losses. The Group's board of directors as of March 13, 2023, has submitted a recommendation to the Shareholders for reduction of share capital by absorbing the accumulated losses and a subsequent capital increase through rights issue.

These events and conditions, along with other matters as outlined in Note 1 to the accompanying condensed consolidated interim financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

For Al-Kharashi & Co.



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



Riyadh:

May 14, 2023 G


Shawwal 24, 1444 H

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Note	March 31, 2023 (Un-audited) SR '000	December 31, 2022 (Audited) SR '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		506,301	510,399
Intangible assets		1,265	1,372
Goodwill		323,582	323,582
Investments in an associate		103,376	105,943
<b>Total non-current assets</b>		<u>934,524</u>	<u>941,296</u>
<b>Current assets</b>			
Inventories	5	196,330	187,646
Trade receivables	6	341,416	343,579
Prepaid expenses and other assets		74,129	135,768
Investment held at amortized cost		3,861	6,501
Cash and cash equivalents		12,020	36,866
<b>Total current assets</b>		<u>627,756</u>	<u>710,360</u>
<b>TOTAL ASSETS</b>		<u>1,562,280</u>	<u>1,651,656</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	950,000	950,000
Other reserves		(63,106)	(55,777)
Accumulated losses		(485,354)	(459,597)
<b>Total equity</b>		<u>401,540</u>	<u>434,626</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Medium- and long-term loans	7	40,484	67,053
Lease liabilities – non-current portion		14,695	16,342
Employee benefits		30,364	29,787
<b>Total non-current liabilities</b>		<u>85,543</u>	<u>113,182</u>
<b>Current liabilities</b>			
Current portion of medium- and long-term loans	7	64,972	60,401
Short-term loans	7	554,080	505,305
Lease liabilities – current portion		6,244	6,076
Trade payables and other liabilities		448,163	530,328
Zakat payable		1,738	1,738
<b>Total current liabilities</b>		<u>1,075,197</u>	<u>1,103,848</u>
<b>Total liabilities</b>		<u>1,160,740</u>	<u>1,217,030</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,562,280</u>	<u>1,651,656</u>

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on May 11, 2023 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 PERIOD ENDED MARCH 31, 2023**

	Note	For the three months period ended	
		2023 (Un-audited) SR '000	2022 (Un-audited) SR '000
Revenue	10	232,616	249,651
Cost of revenue		(217,462)	(228,973)
<b>Gross profit</b>		<b>15,154</b>	<b>20,678</b>
Administrative expenses		(11,139)	(11,673)
Selling, marketing and distribution expenses		(12,023)	(12,727)
<b>Operating (loss)</b>		<b>(8,008)</b>	<b>(3,722)</b>
Finance charges		(14,467)	(5,551)
Other income, net		(715)	1,553
Share in result of equity-accounted investment		(2,567)	(1,256)
<b>(Loss) / profit before zakat and income tax</b>		<b>(25,757)</b>	<b>(8,976)</b>
Zakat and income tax		-	-
<b>Net (loss) / profit for the period</b>		<b>(25,757)</b>	<b>(8,976)</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		(7,329)	(2,493)
<b>Other comprehensive (loss) / income for the period</b>		<b>(7,329)</b>	<b>(2,493)</b>
<b>Total comprehensive (loss) / income for the period</b>		<b>(33,086)</b>	<b>(11,469)</b>
<b>(Loss) / earnings per share (SR)</b>			
Basic and diluted loss per share	11	(0.27)	(0.09)

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders in May 11, 2023 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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**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	<b>Share capital</b> <b>SR '000</b>	<b>Other</b> <b>reserves</b> <b>SR '000</b>	<b>Accumulated</b> <b>losses</b> <b>SR '000</b>	<b>Total</b> <b>SR '000</b>
Balance as at January 1, 2022 (audited)	950,000	(42,351)	(300,681)	606,968
Net loss for the period	-		(8,976)	(8,976)
Other comprehensive income for the period	-	(2,493)	-	(2,493)
Total comprehensive income/ (loss) for the period	-	(2,493)	(8,976)	(11,469)
Balance as at March 31, 2022 (un-audited)	950,000	(44,844)	(309,657)	595,499
<b>Balance as at January 1, 2023 (audited)</b>	<b>950,000</b>	<b>(55,777)</b>	<b>(459,597)</b>	<b>434,626</b>
Net loss for the period	-	-	(25,757)	(25,757)
Other comprehensive loss for the period	-	(7,329)	-	(7,329)
Total comprehensive loss for the period	-	(7,329)	(25,757)	(33,086)
<b>Balance as at March 31, 2023 (un-audited)</b>	<b>950,000</b>	<b>(63,106)</b>	<b>(485,354)</b>	<b>401,540</b>

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders on May 11, 2023 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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**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	<b>For the three months period ended</b>	
	<b>March 31, 2023 (Un-audited) SR '000</b>	<b>March 31, 2022 (Un-audited) SR '000</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) / profit for the period	(25,757)	(8,976)
<b>Adjustments for:</b>		
Depreciation and amortization	12,775	14,736
Allowance / (reversal of allowance) for impairment of trade receivables	7,392	(848)
Allowance / (reversal of allowance) for inventories	(2,236)	(359)
Finance charges	14,467	5,551
Provision for employee benefits	1,231	1,063
Interest income on investment held at amortized cost	(131)	-
Share of loss of equity-accounted investees	2,567	1,256
	<u>10,308</u>	<u>12,423</u>
<b>Movement in working capital:</b>		
Inventories	(6,103)	7,116
Trade receivables	(4,140)	10,278
Prepaid expenses and other assets	61,770	(24,003)
Trade payables and other liabilities	(82,166)	43,823
	<u>(20,331)</u>	<u>49,637</u>
<b>Cash generated from operations</b>	<b>(14,467)</b>	<b>(5,551)</b>
Finance charges paid	(654)	(1,630)
<b>Net cash generated from operating activities</b>	<b>(35,452)</b>	<b>42,456</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(10,842)	(9,571)
Proceeds from disposal of investment held at amortized costs	2,640	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(8,202)</b>	<b>(9,571)</b>
<b>FINANCING ACTIVITIES</b>		
Net change in short term loans	48,775	17,118
Repayment of principal of lease liability	(1,478)	(75)
Repayment of medium and long-term loans	(21,998)	(19,020)
<b>Net cash used in financing activities</b>	<b>25,299</b>	<b>(1,977)</b>
<b>Net change in cash and cash equivalents</b>	<b>(18,355)</b>	<b>30,908</b>
Cash and cash equivalents at the beginning of the period	36,866	28,825
Foreign currency translation reserve	(6,491)	(2,053)
<b>Cash and cash equivalents at the end of the period</b>	<b>12,020</b>	<b>57,680</b>

These condensed consolidated interim financial statements were authorized for issue by board of directors, on behalf of shareholders in May 11, 2023 and signed on their behalf by:

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

  
**Janteel 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)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

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

**Going Concern**

The Group incurred a net loss of SR 25.8 million, net operating cash outflow was SR 35.4 million and net cash outflow was SR 18.3 million during the period ended March 31, 2023, and, as of that date, the Group’s current liabilities exceeded its current assets by SR 447.4 million.

Moreover, the Group’s accumulated losses were SR 485.4 million as of March 31, 2023, which exceeded 50% of the share capital. Following the requirement of Article 132 of the Companies Regulation, the Group is required to take rectification measures to reduce the accumulated losses to lower than half of the Group’s share capital. The Group’s board of directors on March 13, 2023, submitted a recommendation to the shareholders to hold an extraordinary general assembly meeting for share capital reduction by absorbing the accumulated losses and a subsequent capital increase through rights issue.

These accumulated losses were mainly attributable to the low selling price of the Group’s products along with the increase in material costs.

The Group’s management has assessed its going concern assumption based on the Group’s future business plan and approved projected cash flows, the Group’s management believes that the Group will have the ability to continue its operations and meet its obligations as they fall due within the next twelve months. The Group management assigned an external consultant to improve Group performance and prepare comprehensive business plan, The Group’s management expects that the results will gradually start reflecting positively on the Group’s financial results, which is a concern on the significant improvements Group’s operations where the Group focuses on strengthening the core position of its products in significant segments, by improving prices with key customers, in behind with investing in innovation and modern equipment and restoring competitiveness through cost management. The management continues to monitor the performance indicators of all segments and prevailing market conditions and will take the necessary corrective actions and amend its business plan, if necessary. Accordingly, management believes that the Group’s operation will continue for the foreseeable future by the normal course of business and the going concern assumption used in the preparation of this condensed consolidated interim financial statement remains appropriate.



**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**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>March 31, 2023</b>	<b>December 31, 2022</b>
Saudi Plastic Packaging Systems ("Saudi Packaging")	<b>100%</b>	100%
Al-Sharq Company for Plastic Industries Limited ("Al-Sharq")	<b>100%</b>	100%
New Marina for Plastic Industries Company (S.A.E.) ("New Marina")	<b>100%</b>	100%
Ultra-Pak Manufacturing Company ("Ultra Pak")	<b>100%</b>	100%

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

**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:

## TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.1 Basis of consolidation (continued)

- 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.

##### 4.1.1 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, 2023, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**TAKWEEN ADVANCED INDUSTRIES**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**5. INVENTORIES**

	<b>March 31, 2023 (Un-audited) SR '000</b>	December 31, 2022 (Audited) SR '000
Finished goods	57,595	62,491
Raw and packaging materials and work in progress	116,740	106,357
Spare parts	42,193	41,126
Goods in transit	(136)	-
	<u>216,392</u>	<u>209,974</u>
Allowance for inventories	(20,062)	(22,328)
	<u>196,330</u>	<u>187,646</u>

**6. TRADE RECEIVABLES**

	<b>March 31, 2023 (Un-audited) SR '000</b>	December 31, 2022 (Audited) SR '000
Trade receivables – third parties	351,897	355,302
Trade receivables – related parties	2,161	2,096
Due from a related party	47,131	46,624
	<u>401,189</u>	<u>404,022</u>
Allowance for impairment for trade receivables	(59,773)	(60,443)
	<u>341,416</u>	<u>343,579</u>

**TAKWEEN ADVANCED INDUSTRIES**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**7. BORROWINGS**

	<b>March 31, 2023 (Un-audited) SR '000</b>	December 31, 2022 (Audited) SR '000
Medium and long-term loans (a)	<b>105,456</b>	127,454
Short-term loans (b)	<b>554,080</b>	505,305

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

	<b>March 31, 2023 (Un-audited) SR '000</b>	December 31, 2022 (Audited) SR '000
Commercial loan	<b>105,456</b>	127,454
Less: current portion	<b>64,972</b>	60,401
	<b>40,484</b>	67,053

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

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

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

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, 2022.

**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 2022, the group has added additional short-term facility that was reflected in cash position as of March 31, 2023.

**TAKWEEN ADVANCED INDUSTRIES**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

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

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

<u>Nature of transaction</u>	<b>March 31, 2023 (Un-audited) SR '000</b>	March 31, 2022 (Un-audited) SR '000
Revenue	51,338	34,800
Accommodation, food and other miscellaneous expenses	245	76
IT services	23	0.5
Medical service	301	3,615
Purchase of materials	-	176
Rentals	554	-

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

	<b>March 31, 2023 (Un-audited) SR '000</b>	March 31, 2022 (Un-audited) SR '000
Remuneration	3,078	2,555
House rent allowance	689	592
Employee benefits	207	156
Bonus	313	502
Medical allowance	35	37
Others	374	333
	<b>4,696</b>	<b>4,175</b>
BOD and related committees' remuneration	<b>139</b>	<b>151</b>

**TAKWEEN ADVANCED INDUSTRIES**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**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:

	<b>Disposable polystyrene cups, lids, other plastic-related products and others</b>
	<b>SR '000</b>
<b>For the three months period ended March 31, 2023 (Un-audited)</b>	
External revenue	232,616
Finance cost	14,467
Depreciation and amortization	12,775
Loss before zakat and income tax	<u>(25,757)</u>
<b>As of March 31, 2023 (Un-audited)</b>	
Total assets	1,562,280
Total liabilities	<u>1,160,740</u>
<b>For the three months period ended March 31, 2023 (Un-audited)</b>	
Segment revenue	235,017
Intersegment revenue	<u>(2,401)</u>
External revenue	<u>232,616</u>
<b>As of March 31, 2023 (Un-audited)</b>	
Segment assets	3,034,163
Consolidated adjustments	<u>(1,471,883)</u>
Total assets	<u>1,562,280</u>
Segment liabilities	1,990,096
Consolidated adjustments	<u>(829,356)</u>
Total liabilities	<u>1,160,740</u>

**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**10. SEGMENTAL INFORMATION (Continued)**

	Disposable polystyrene cups, lids, other plastic- related products and others
	SR '000
For the three months period ended March 31, 2022 (Un-audited)	
External revenue	249,651
Finance cost	5,551
Depreciation and amortization	14,736
Income before zakat and income tax	(8,976)
As of March 31, 2022 (Un-audited)	
Total assets	1,717,425
Total liabilities	1,121,926
For the three months period ended March 31, 2022 (Un-audited)	
Segment revenue	249,651
Intersegment revenue	-
External revenue	249,651
As of March 31, 2022 (Un-audited)	
Segment assets	3,123,486
Consolidated adjustments	(1,406,061)
Total assets	1,717,425
Segment liabilities	1,731,422
Consolidated adjustments	(609,496)
Total liabilities	1,121,926

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****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 three months period ended March 31, 2023 (Un-audited)</b>			
External revenue	225,059	7,557	232,616
Finance cost	14,310	157	14,467
Depreciation and amortization	12,403	372	12,775
Income before zakat and income tax	(25,266)	(491)	(25,757)
<b>As of March 31, 2023 (Un-audited)</b>			
Total assets	1,531,566	30,714	1,562,280
Total liabilities	1,154,339	6,401	1,160,740
<b>For the three months period ended March 31, 2023 (Un-audited)</b>			
Segment revenue	227,460	7,557	235,017
Intersegment revenue	(2,401)	-	(2,401)
External revenue	225,059	7,557	232,616
<b>As of March 31, 2023 (Un-audited)</b>			
Segment assets	3,003,449	30,714	3,034,163
Consolidated adjustments	(1,471,883)	-	(1,471,883)
Total assets	1,531,566	30,714	1,562,280
Segment liabilities	1,982,000	8,096	1,990,096
Consolidated adjustments	(827,661)	(1,695)	(829,356)
Total liabilities	1,154,339	6,401	1,160,740



**TAKWEEN ADVANCED INDUSTRIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**10.SEGMENTAL INFORMATION (Continued)**

	Kingdom of Saudi Arabia SR '000	Arab Republic of Egypt SR '000	Total SR '000
For the three months period ended March 31, 2022 (Un-audited)			
External revenue	233,831	15,820	249,651
Finance cost	5,447	104	5,551
Depreciation and amortization	14,103	633	14,736
Income before zakat and income tax	(8,550)	(426)	(8,976)
As of March 31, 2022 (Un-audited)			
Total assets	1,653,728	63,697	1,717,425
Total liabilities	1,108,839	13,087	1,121,926
For the three months period ended March 31, 2022 (Un-audited)			
Segment revenue	233,831	15,820	249,651
Intersegment revenue	-	-	-
External revenue	233,831	15,820	249,651
As of March 31, 2022 (Un-audited)			
Segment assets	3,059,788	63,697	3,123,485
Consolidated adjustments	(1,406,060)	-	(1,406,060)
Total assets	1,653,728	63,697	1,717,425
Segment liabilities	1,717,114	14,308	1,731,422
Consolidated adjustments	(608,275)	(1,221)	(609,496)
Total liabilities	1,108,839	13,087	1,121,926

**TAKWEEN ADVANCED INDUSTRIES**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****11. LOSS PER SHARE**

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

Loss per share is represented as follows:

	<b>From January 1 to March 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
Basic / Dilutive loss per share (SR)	<b>(0.27)</b>	<b>(0.09)</b>
Loss for the period (SR '000)	<b>(25,757)</b>	<b>(8,976)</b>
Weighted average number of outstanding shares	<b>95,000,000</b>	<b>95,000,000</b>

**12. CONTINGENCIES AND COMMITMENTS**

The Group had the following contingencies and commitments:

	<b>March 31,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Letters of guarantee and others	<b>2,190</b>	<b>2,190</b>
Capital commitments against purchase of property, plant and equipment	<b>4,911</b>	<b>3,418</b>

**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 May 11, 2023 corresponding to Shawwal 21, 1444 H