

**SAUDI INDUSTRIAL INVESTMENT GROUP
COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022
AND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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Report on review of condensed consolidated interim financial statements

To the shareholders of Saudi Industrial Investment Group Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Industrial Investment Group Company (the "Company") and its subsidiary (together the "Group") as of 31 March 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 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 14 to the accompanying condensed consolidated interim financial statements, which sets out the impact of restatement on investments in Saudi Polymers Company ("SPCO") and Gulf Polymers Distribution Company ("GPDC") that were previously consolidated by the Company's subsidiary, National Petrochemical Company ("Petrochem"). Based on Petrochem's reassessment of its contractual arrangements with the respective shareholders of SPCO and GPDC, these investments should have been accounted for as investments in joint ventures using the equity method as Petrochem exercised joint control over these investments.

Note 14 to the accompanying condensed consolidated interim financial statements sets out:

- the impact of this restatement to the 2021 comparative periods of the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows; and
- that the restatement had no impact on the net income and earnings per share (basic and diluted).

Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers



Ali A. Alotaibi
License Number 379

10 May 2022



SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 31 March 2022 (Unaudited)	As at 31 December 2021 (Audited)
Assets			
Non-current assets			
Property and equipment		1,426	1,651
Investments in joint ventures accounted for using the equity method	5	8,873,683	8,729,948
Other assets		4,865	4,986
Total non-current assets		8,879,974	8,736,585
Current assets			
Prepayments and other current assets		5,916	4,492
Due from related parties	6	1,130,186	1,259,561
Short-term Murabaha deposits	8	690,000	497,000
Cash and cash equivalents	7	1,972,265	1,813,811
Total current assets		3,798,367	3,574,864
Total assets		12,678,341	12,311,449
Equity and liabilities			
Equity			
Share capital	9	4,500,000	4,500,000
Statutory reserve		1,019,928	1,019,928
Retained earnings		2,043,423	1,808,544
Equity attributable to the shareholders of Saudi Industrial Investment Group Company		7,563,351	7,328,472
Non-controlling interests		4,681,109	4,564,866
Total equity		12,244,460	11,893,338
Liabilities			
Non-current liability			
Employee benefit obligations		20,317	19,965
Current liabilities			
Due to related parties	6	-	51
Accrued and other liabilities		33,587	34,920
Zakat	10	379,977	363,175
Total current liabilities		413,564	398,146
Total liabilities		433,881	418,111
Total equity and liabilities		12,678,341	12,311,449

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

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of profit or loss and other comprehensive
income**

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited) (Restated)
Share of net profit of joint ventures accounted for using the equity method	5	381,860	493,615
General and administrative expenses		(9,528)	(9,716)
Operating profit		372,332	483,899
Finance income		6,466	1,312
Other income - net		81	99
Profit before zakat		378,879	485,310
Zakat expense		(27,757)	(24,806)
Profit for the period		351,122	460,504
Other comprehensive income for the period		-	-
Total comprehensive income for the period		351,122	460,504
Profit for the period is attributable to:			
Shareholders of Saudi Industrial Investment Group Company		234,879	305,413
Non-controlling interests		116,243	155,091
		351,122	460,504
Total comprehensive income for the period is attributable to:			
Shareholders of Saudi Industrial Investment Group Company		234,879	305,413
Non-controlling interests		116,243	155,091
		351,122	460,504
Earnings per share			
Basic and diluted	12	0.52	0.68

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

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of changes in equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Attributable to the shareholders of Saudi Industrial Investment Group Company			Total	Non- controlling interests	Total equity
		Share capital	Statutory reserve	Retained earnings			
At 1 January 2021 (Audited)		4,500,000	906,301	1,005,359	6,411,660	8,221,670	14,633,330
Change in accounting treatment	14	-	-	-	-	(4,161,747)	(4,161,747)
At 1 January 2021 (Restated)		4,500,000	906,301	1,005,359	6,411,660	4,059,923	10,471,583
Profit for the period		-	-	305,413	305,413	155,091	460,504
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	305,413	305,413	155,091	460,504
At 31 March 2021 (Restated)		4,500,000	906,301	1,310,772	6,717,073	4,215,014	10,932,087
At 1 January 2022 (Audited)		4,500,000	1,019,928	1,808,544	7,328,472	4,564,866	11,893,338
Profit for the period		-	-	234,879	234,879	116,243	351,122
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	234,879	234,879	116,243	351,122
At 31 March 2022 (Unaudited)		4,500,000	1,019,928	2,043,423	7,563,351	4,681,109	12,244,460

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

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited) (Restated)
Cash flows from operating activities			
Profit before zakat		378,879	485,310
<u>Adjustments for:</u>			
Depreciation		225	192
Share of net profit of joint ventures accounted for using the equity method	5	(381,860)	(493,615)
Finance income		(6,466)	(1,312)
Provision for employee benefit obligations		399	160
<u>Changes in operating assets and liabilities:</u>			
Decrease (increase) in prepayments and other current assets		816	(492)
Decrease in due to related parties		(51)	-
Decrease in accrued and other liabilities		(1,333)	(1,372)
Cash utilized in operations		(9,391)	(11,129)
Finance income received		4,347	2,356
Zakat paid		(10,955)	(17,048)
Employee benefit obligations paid		(47)	-
Dividends received from joint ventures	5	238,125	168,750
Net cash inflow from operating activities		222,079	142,929
Cash flows from investing activities			
Placements in short-term deposits		(193,000)	-
Reduction in share capital of joint ventures		129,375	111,875
Net cash (outflow) inflow from investing activities		(63,625)	111,875
Cash flows from financing activity			
Dividends paid		-	(225,000)
Net increase in cash and cash equivalents		158,454	29,804
Cash and cash equivalents at beginning of period		1,813,811	1,165,742
Cash and cash equivalents at end of period	7	1,972,265	1,195,546

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

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month period ended 31 March 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)**

1 General information

Saudi Industrial Investment Group Company (the “Company”) is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 1010139946 dated on 10 Shaban 1416 H (corresponding to 1 January 1996). The registered address of the Company is P.O. Box 99833, Riyadh, Kingdom of Saudi Arabia.

The accompanying condensed consolidated interim financial statements include the activities of the Company and its following direct subsidiary (together the “Group”):

	Country of incorporation	Effective ownership percentage at	
		31 March 2022	31 December 2021
National Petrochemical Company (a Saudi joint stock company) (“Petrochem”)	Kingdom of Saudi Arabia	50%	50%

The Company is principally engaged in the ownership of real estate, investing the funds of its subsidiary and the management of its subsidiary.

Petrochem is a Saudi joint stock company registered under CR number 1010246363 issued in Riyadh on 8 Rabi Al Awwal 1429 H (corresponding to 16 March 2008), and it was established pursuant to the Ministry of Commerce’s resolution number 53/Q dated 16 Safar 1429 H (corresponding to 23 February 2008).

Petrochem’s Acquisition

On 15 September 2020, the Board of Directors of the Company, approved the decision to initiate discussions with Petrochem to study the economic feasibility of merging the two related parties (the “Transaction”).

During the year ended 31 December 2021, the Company announced the completion of the initial economic feasibility study, on the basis of which the Company and Petrochem decided to commence reciprocal due diligence, negotiate the terms and conditions of the Transaction and initiate sharing of information between them.

Furthermore, on 27 September 2021 (corresponding to 20 Safar 1443H), the Company signed a non-binding memorandum of understanding (“MOU”) with Petrochem, in relation to the share exchange ratio and the structure through which the Transaction would be implemented.

On 27 October 2021 (corresponding to 21 Rabi ul Awwal 1443H), the Company entered into a legally binding implementation agreement with Petrochem (the “Implementation Agreement”), pursuant to which the Company and Petrochem have agreed that the Company will make an offer to acquire all shares issued by Petrochem which are not owned by the Company in exchange for the issuance of new shares in the Company to Petrochem’s shareholders in accordance with applicable regulations and rules issued by the board of Capital Market Authority (“CMA”), as well as the terms and conditions as set out in the Implementation Agreement.

On 16 March 2022 (corresponding to 13 Shaban 1443H), the CMA announced its resolution approving the proposed acquisition.

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)**

Notes to the condensed consolidated interim financial statements (Unaudited)

For the three-month period ended 31 March 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information (continued)

During the general assembly meeting on 10 April 2022 (corresponding to 9 Ramadan 1443H), the Petrochem's shareholders accepted the offer of the Company to Petrochem's shareholders to acquire all shares in Petrochem which are not owned by the Company in accordance with the Merger and Acquisition Regulations in exchange for 1.27 shares in the Company for each share in Petrochem pursuant to the terms and conditions set out in the Implementation Agreement entered into between Petrochem and the Company. As a result and subsequent to 31 March 2022, the Company's share capital was increased from Saudi Riyals 4.5 billion (450,000,000 shares with a par value of Saudi Riyals 10) to Saudi Riyals 7.5 billion (754,800,000 shares with a par value of Saudi Riyals 10).

The condensed consolidated interim financial statements including notes and other explanatory information were approved and authorized for issue on 9 May 2022.

2 Accounting policies

The principal accounting policies applied in the preparation of the condensed consolidated interim financial statements of the Group are consistent with those of the previous financial year and corresponding interim reporting periods.

2.1 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements of the Group have been prepared in compliance with IAS 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

(b) Historical cost convention

The condensed consolidated interim financial statements are prepared under the historical cost convention, except as explained in the relevant accounting policies in the annual financial statements for the year ended 31 December 2021.

(c) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the 'functional currency'). The condensed consolidated interim financial statements are presented in "Saudi Riyals", which is the Company's functional currency as well.

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2 Accounting policies (continued)

2.1 Basis of preparation (continued)

(d) New standards and amendment to standards and interpretation

There are no new standards applicable to the Group, however, certain amendments to standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to standards.

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Group. The management is in the process of assessing the impact of the new standards and interpretations on its consolidated financial statements.

2.2 Basis of consolidation and equity accounting

(a) Subsidiary

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2022. Subsidiaries are entities controlled by the Group. Controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following three elements:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of not wholly owned subsidiaries are shown separately in the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of financial position, respectively.

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(A Saudi Joint Stock Company)
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2 Accounting policies (continued)

2.2 Basis of consolidation and equity accounting (continued)

(b) Investments in joint ventures

A joint venture is a type of joint arrangement where the Group has a contractual arrangement (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The condensed consolidated interim financial statements include the Group's share of the post-acquisition profits or losses of the investee in the profit or loss; and the Group's share of movements in other comprehensive income of the investee in the other comprehensive income, after adjustments to align the accounting policies with those of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment when the right to receive a dividend is established.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Fair value of assets and liabilities

As at 31 March 2022 and 31 December 2021, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short-term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of condensed consolidated interim statement of financial position. The fair values of the non-current financial instruments are estimated to approximate their carrying values as these are determined through cash flows discounted using interest rates which are based on prevailing market interest rates.

4 Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial statements requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no significant changes in critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial statements from those that were applied and disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

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5 Investments in joint ventures accounted for using the equity method

The Group has investments in the following joint venture limited liability companies:

	Country of incorporation	Effective ownership percentage at	
		31 March 2022	31 December 2021
Saudi Chevron Phillips Company (“SCP”)	Kingdom of Saudi Arabia	50%	50%
Jubail Chevron Phillips Company (“JCP”) Aromatics Distribution Company FZCO (a free zone limited liability company) (“ADCO”)	Kingdom of Saudi Arabia	50%	50%
Saudi Polymers Company (a limited liability company) (“SPCO”)	United Arab Emirates	50%	50%
Gulf Polymers Distribution Company FZCO (a free zone limited liability company) (“GPDC”)	Kingdom of Saudi Arabia	65%	65%
	United Arab Emirates	65%	65%

- a) SCP is principally engaged in the production of liquid fuels, basic organic chemicals, primary gases and gaseous fuels. SCP is a limited liability company registered in Jubail, Kingdom of Saudi Arabia under CR number 2055003839 dated 22 Safar 1417H (corresponding to 8 July 1996) with a branch in Jubail under CR number 2055009584.

During 2018, the shareholders of SCP resolved to decrease the share capital of SCP by Saudi Riyals 411 million through their resolution dated 4 September 2018 (corresponding to 24 Dhul Hijjah 1439H). The legal formalities in relation to this matter were completed during 2020. The reduction in share capital has been paid in full, to the shareholders of SCP as of 31 December 2021.

- b) JCP is principally engaged in the production of basic organic chemicals, propylene and liquid fuels. JCP is a limited liability company registered in Jubail, Kingdom of Saudi Arabia under CR number 2055005901 dated 25 Jumada’ II 1424H (corresponding to 23 August 2003).

During 2018, the shareholders of JCP resolved to decrease the share capital of JCP by Saudi Riyals 994 million through their resolution dated 4 September 2018 (corresponding to 24 Dhul Hijjah 1439H). The legal formalities in relation to this matter were completed during 2020. The reduction in share capital is payable on demand to the shareholders of JCP, dependent on its financial capabilities, and is treated as a current liability in JCP’s financial statements (also see Note 6).

- c) ADCO is principally engaged to distribute the aromatic products (styrene, cyclohexane, propane and benzene) produced by JCP and SCP. ADCO is registered in Dubai Airport Free Zone (“DAFZA”), United Arab Emirates under license number 4105.

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Notes to the condensed consolidated interim financial statements (Unaudited)

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(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Investments in joint ventures accounted for using the equity method (continued)

d) SPCO is a limited liability company registered in Jubail, Saudi Arabia under CR number 2055008886 dated 29 Dhul-Qadah 1428H (corresponding to 9 December 2007), with a branch in Jubail under Commercial Registration number 2055009065. The principal activities of SPCO are to produce and sell motor fuel blend stock, fuel oil, ethylene, propylene, 1-Hexene, high density and low-density polyethylene, polypropylene and polystyrene. SPCO is a joint venture between Petrochem and Arabian Chevron Phillips Petrochemical Company Limited (“ACPPCL”).

During 2019, the shareholders of SPCO resolved to decrease the share capital of SPCO from Saudi Riyals 4.8 billion to Saudi Riyals 1.4 billion. The legal formalities in relation to this matter were completed during the year ended 31 December 2021. The balance of reduction in share capital is payable on demand, dependent on its financial capabilities, and is treated as a current liability in SPCO’s financial statements (also see Note 6).

e) GPDC was formed in the Dubai Airport Free Zone on 15 February 2011 as per DAFZA trade license. The registered address of GPDC is DFZA, Office No.6EA 420, Dubai, United Arab Emirates. The principal activities of GPDC are facilitating sales of polymer and monomer products and provision of international warehousing. GPDC is a distributor for SPCO and is a joint venture of Petrochem and ACPPCL.

Movement in the carrying amount of investment in joint ventures is as follows:

	For the three-month period ended 31 March 2022					
	SCP	JCP	ADCO	SPCO	GPDC	Total
Opening balance, 1 January	684,422	775,063	123,072	6,530,085	617,306	8,729,948
Share of net profit	79,844	9,130	41,155	164,978	86,753	381,860
Dividends received from joint ventures	(93,750)	-	(46,875)	-	(97,500)	(238,125)
Closing balance, 31 March	670,516	784,193	117,352	6,695,063	606,559	8,873,683
	For the three-month period ended 31 March 2021					
	SCP	JCP	ADCO	SPCO	GPDC	Total
Opening balance, 1 January	536,698	699,739	54,509	7,493,025	594,347	9,378,318
Share of net profit	72,991	16,618	71,324	285,602	47,080	493,615
Dividends received from joint ventures	-	-	(46,875)	-	(121,875)	(168,750)
Closing balance, 31 March	609,689	716,357	78,958	7,778,627	519,552	9,703,183

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5 Investments in joint ventures accounted for using the equity method (continued)

Summarised financial information for joint ventures is provided below. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Company's share of those amounts.

Summarised statement of financial position

	SCP		JCP	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<u>Current assets</u>				
<i>Cash and cash equivalents</i>	332,873	196,148	154,141	278,276
<i>Other current assets</i>	1,451,306	1,419,353	1,296,720	1,155,822
Total current assets	1,784,179	1,615,501	1,450,861	1,434,098
Non-current assets	958,060	989,164	1,597,515	1,660,790
<u>Current liabilities</u>				
<i>Financial liabilities (excluding trade payables)</i>	(832,303)	(782,224)	(1,115,566)	(1,137,510)
<i>Other current liabilities</i>	(219,483)	(148,433)	(269,794)	(312,191)
Total current liabilities	(1,051,786)	(930,657)	(1,385,360)	(1,449,701)
<u>Non-current liabilities</u>				
<i>Financial liabilities (excluding trade payables)</i>	(765)	(821)	(4,695)	(4,640)
<i>Other non-current liabilities</i>	(228,935)	(223,283)	(119,091)	(119,712)
Total non-current liabilities	(229,700)	(224,104)	(123,786)	(124,352)
Net assets	1,460,753	1,449,904	1,539,230	1,520,835

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5 Investments in joint ventures accounted for using the equity method (continued)

Summarised statement of financial position

	ADCO		SPCO	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<u>Current assets</u>				
Cash and cash equivalents	165,518	286,091	689,677	598,729
Other current assets	598,282	508,117	1,985,164	1,923,478
Total current assets	763,800	794,208	2,674,841	2,522,207
Non-current assets	-	-	12,205,350	12,392,888
<u>Current liabilities</u>				
Financial liabilities (excluding trade payables)	(529,013)	(547,980)	(2,863,153)	(3,023,955)
Other current liabilities	-	-	(509,583)	(604,171)
Total current liabilities	(529,013)	(547,980)	(3,372,736)	(3,628,126)
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade payables)	-	-	(793,782)	(799,425)
Other non-current liabilities	(90)	(86)	(655,690)	(653,944)
Total non-current liabilities	(90)	(86)	(1,449,472)	(1,453,369)
Net assets	234,697	246,142	10,057,983	9,833,600

Summarised statement of financial position

	GPDC	
	31 March 2022	31 December 2021
<u>Current assets</u>		
Cash and cash equivalents	107,723	95,693
Other current assets	1,360,425	1,475,171
Total current assets	1,468,148	1,570,864
Non-current assets	281	304
<u>Current liabilities</u>		
Financial liabilities (excluding trade payables)	(443,400)	(568,778)
Other current liabilities	(90,634)	(51,506)
Total current liabilities	(534,034)	(620,284)
<u>Non-current liabilities</u>		
Financial liabilities (excluding trade payables)	-	-
Other non-current liabilities	(1,226)	(1,182)
Total non-current liabilities	(1,226)	(1,182)
Net assets	933,169	949,702

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5 Investments in joint ventures accounted for using the equity method (continued)

The reconciliation of the Group's interest in the joint ventures is as given below:

	SCP		JCP	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Joint venture net assets	1,460,753	1,449,904	1,539,230	1,520,835
Group's share	50%	50%	50%	50%
	730,377	724,952	769,615	760,418
Intra-group eliminations	-	-	-	-
Timing differences in zakat / current income tax recognition and reimbursement	(59,861)	(40,530)	14,578	14,645
Carrying value of investments	670,516	684,422	784,193	775,063
	ADCO		SPCO	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Joint venture net assets	234,697	246,142	10,057,983	9,833,600
Group's share	50%	50%	65%	65%
	117,348	123,072	6,537,689	6,391,840
Intra-group eliminations	4	-	(18,801)	(38,622)
Timing differences in zakat / current income tax recognition and reimbursement	-	-	176,175	176,867
Carrying value of investments	117,352	123,072	6,695,063	6,530,085
	GPDC			
	31 March 2022	31 December 2021		
Joint venture net assets	933,169	949,703		
Group's share	65%	65%		
Carrying value of investment	606,559	617,306		

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5 Investments in joint ventures accounted for using the equity method (continued)

Summarised statement of profit or loss and other comprehensive income

	SCP	
	For the three-month period ended 31 March	
	2022	2021
Revenue from contracts with customers	1,617,027	863,047
Finance income	1,336	262
Depreciation	(33,022)	(33,107)
Finance costs	(62)	(827)
Zakat and income tax expense	(25,896)	(15,072)
Profit for the period	198,350	145,283
Other comprehensive income for the period	-	-
Total comprehensive income for the period	198,350	145,283

Summarised statement of profit or loss and other comprehensive income

	JCP	
	For the three-month period ended 31 March	
	2022	2021
Revenue from contracts with customers	1,634,655	1,011,970
Finance income	296	330
Depreciation	(66,531)	(65,640)
Finance costs	(56)	(46)
Zakat and income tax expense	(2,229)	(5,525)
Profit for the period	16,872	28,276
Other comprehensive income for the period	-	-
Total comprehensive income for the period	16,872	28,276

Summarised statement of profit or loss and other comprehensive income

	ADCO	
	For the three-month period ended 31 March	
	2022	2021
Revenue from contracts with customers	1,164,608	721,819
Depreciation	(30)	-
Finance costs	-	-
Profit for the period	82,309	142,648
Other comprehensive income for the period	-	-
Total comprehensive income for the period	82,309	142,648

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5 Investments in joint ventures accounted for using the equity method (continued)

Summarised statement of profit or loss and other comprehensive income

	SPCO	
	For the three-month period ended 31 March	
	2022	2021
Revenue from contracts with customers	1,815,357	1,961,768
Finance income	1,212	1,064
Depreciation	(215,126)	(217,082)
Finance costs	(5,863)	(8,328)
Zakat and income tax expense	(16,964)	(48,592)
Profit for the period	212,277	461,297
Other comprehensive income for the period	-	-
Total comprehensive income for the period	212,277	461,297

Summarised statement of profit or loss and other comprehensive income

	GPDC	
	For the three-month period ended 31 March	
	2022	2021
Revenue from contracts with customers	1,895,190	1,700,044
Finance income	-	-
Depreciation	(23)	(266)
Finance costs	(11)	(15)
Profit for the period	133,466	72,431
Other comprehensive income for the period	-	-
Total comprehensive income for the period	133,466	72,431

The joint ventures' contingent liabilities with respect to bank guarantees and approved capital expenditures are as follows:

	31 March 2022	31 December 2021
SCP	721,390	738,647
JCP	968,382	971,762
ADCO	-	-
SPCO	1,222,734	1,256,083
GPDC	-	-

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6 Related party transactions and balances

Related parties comprise the shareholders, directors, associated companies and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest (“other related parties”).

(a) Due from related parties

	31 March 2022	31 December 2021
SPCO	914,561	987,686
JCP	215,625	271,875
	1,130,186	1,259,561

(b) Due to related parties

	31 March 2022	31 December 2021
ACPPCL	-	51

(c) Key management personnel compensation

	For the three-month period ended 31 March	
	2022	2021 (Restated)
Salaries and other short-term employee benefits	2,507	2,632
Employee benefit obligations	335	327
	2,842	2,959

Key management personnel represent board members, directors and key personnel of the Group.

Also refer Note 14.

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7 Cash and cash equivalents

	31 March 2022	31 December 2021
Cash at banks	52,755	36,811
Cash in hand	10	-
Murabaha deposits	1,919,500	1,777,000
	1,972,265	1,813,811

Murabaha deposits are placed with commercial banks, with a maturity period of three months or less from date of placement, and yield finance income at commercial rates ranging from 0.65% to 0.95% per annum (2021: 0.35% to 0.85% per annum).

8 Short-term Murabaha deposits

Short-term Murabaha deposits, with maturity periods of more than three months and less than twelve months from the date of placement, yield finance income at commercial rates ranging from 1.00% to 2.10% per annum (2021: 0.90% to 1.25%).

9 Share capital

As at 31 March 2022, the authorized, issued and fully paid-up share capital comprised 450 million ordinary shares (31 December 2021: 450 million ordinary shares) of Saudi Riyals 10 per share.

10 Zakat

The Group is subject to zakat in accordance with the regulation of the Zakat, Tax and Customs Authority (the "ZATCA"). Provisions for zakat are charged to the profit or loss.

The Group's management believes that the existing provisions in the condensed consolidated interim statement of financial position are adequate to cover any additional zakat liabilities that may arise from the ZATCA.

(a) Status of assessments of the Company

The Company has filed its Zakat return with the ZATCA up to 2021. The Company has finalised its zakat status with the ZATCA for all years up to 31 December 2006 on standalone basis.

The ZATCA raised assessments for the years from 2007 to 2014 with additional zakat liability of Saudi Riyals 42.0 million. The Company has filed an appeal against the additional zakat liability with the General Secretariat of Tax Committees (the "GSTC") and the final ruling is awaited.

During 2021, the ZATCA raised assessments for the years from 2019 to 2020 with additional zakat liability of Saudi Riyals 15.7 million. The Company filed an appeal against the additional zakat liability with the ZATCA, following which the Company received revised assessments from ZATCA reducing the additional zakat liability to Saudi Riyals 14.8 million, for which the Company has settled Saudi Riyals 3.9 million during the year ended 31 December 2021 and the remaining balance of Saudi Riyals 10.9 million during January 2022.

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10 Zakat (continued)

(b) *Status of assessments of Petrochem*

Petrochem has filed its Zakat return with the ZATCA up to 2021. Petrochem has finalised its zakat status with the ZATCA for all years up to 31 December 2010 on a standalone basis. A number of additional assessments have been issued by the ZATCA as follows:

The ZATCA raised assessments for the years from 2014 to 2016 with additional zakat liability of Saudi Riyals 204.2 million. Petrochem had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC. During the year ended 31 December 2021, the Committee for Resolution of Tax Violations and Disputes (“CRTVD”, the first level of the GSTC) issued its ruling, accepting Petrochem’s appealed items partially and, accordingly, the zakat liability for such years has been reduced to Saudi Riyals 92.5 million. Petrochem and ZATCA, both, have filed an appeal to the Appellate Committee for Tax Violations and Disputes Resolution (“ACTVD”, the final level of GSTC) and the final ruling is awaited.

During 2020, the ZATCA raised assessments for the years 2017 and 2018 with additional zakat liability of Saudi Riyals 128.9 million. Petrochem had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC. During 2022, the CRTVD issued its ruling, accepting Petrochem’s appealed items partially and, accordingly, the zakat liability for such years has been reduced to Saudi Riyals 91.8 million. Petrochem and ZATCA, both, have filed an appeal to the ACTVD and the final ruling is awaited.

During 2021, the ZATCA raised assessments for the years 2019 and 2020 with additional zakat liability of Saudi Riyals 9.2 million. Petrochem had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC and GSTC’s decision is awaited.

11 Segment reporting

In respect of performance appraisal and allocation of resources, the activities and operations of the Group and its joint ventures comprises two operating segments which are the within the petrochemical sector i.e. the polymers and aromatics product envelopes.

Operating assets are located in the Kingdom of Saudi Arabia. The revenue of the operating segments is geographically distributed as follows:

Polymers	For the three-month period ended 31 March	
	2022	2021 (Restated)
Domestic/Middle East	21%	29%
Asia	49%	45%
Europe/Africa	30%	26%
	100%	100%

Aromatics	For the three-month period ended 31 March	
	2022	2021 (Restated)
Domestic/Middle East	37%	53%
Asia	33%	14%
Europe/Africa	30%	33%
	100%	100%

Also see Note 14.

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12 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	For the three-month period ended 31 March	
	2022	2021 (Restated)
Earnings for the period	234,879	305,413
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	450,000	450,000
Earnings per share	0.52	0.68

Also see Notes 1 and 14.

13 Dividends

Subsequent to 31 March 2022, on 14 April 2022, the Company's Board of Directors approved dividend distribution amounting to Saudi Riyals 566.1 million (Saudi Riyals 0.75 per share).

Also see to Note 1.

14 Restatement

Until 31 December 2020, Petrochem, a subsidiary of the Group, consolidated SPCO and GPDC on the assessment that it had control over both SPCO and GPDC. During the three-month period ended 30 September 2021, Petrochem reassessed the basis of this conclusion in light of the contractual arrangements between the shareholders and concluded that Petrochem exercised joint control according to the requirements of IFRS 10, 'Consolidated Financial Statements' and IFRS 11 'Joint Arrangements'. As a consequence, Petrochem has now accounted for the investments in SPCO and GPDC as investments in joint ventures using the equity method in the condensed interim financial statements of Petrochem. Accordingly, the Group has included a restatement of these investments in these condensed consolidated interim financial statements. The restatement had no impact on the total equity attributable to the shareholders of SIIG, net income and earnings per share (basic and diluted). This restatement has resulted in the following:

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14 Restatement (continued)

Condensed consolidated interim statement of profit or loss and other comprehensive income	For the three-month period ended 31 March 2021		
	As previously reported	Restatement	As restated
Revenue from contracts with customers	2,127,939	(2,127,939)	-
Cost of revenues	(1,444,719)	1,444,719	-
Gross profit	683,220	(683,220)	-
Share of net profit of joint ventures accounted for using the equity method	160,933	332,682	493,615
Selling and distribution expenses	(108,020)	108,020	-
General and administrative expenses	(37,679)	27,963	(9,716)
Operating profit	698,454	(214,555)	483,899
Finance costs	(8,328)	8,328	-
Finance income	2,391	(1,079)	1,312
Finance costs - net	(5,937)	7,249	1,312
Other income - net	(8,919)	9,018	99
Profit before zakat and income tax	683,598	(198,288)	485,310
Zakat expense	(36,885)	12,079	(24,806)
Income tax	(36,513)	36,513	-
Profit for the period	610,200	(149,696)	460,504
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	610,200	(149,696)	460,504
Profit for the period is attributable to:			
Shareholders of SIIG	305,413	-	305,413
Non-controlling interest	304,787	(149,696)	155,091
	610,200	(149,696)	460,504
Total comprehensive income for the period is attributable to:			
Shareholders of SIIG	305,413	-	305,413
Non-controlling interest	304,787	(149,696)	155,091
	610,200	(149,696)	460,504
Earnings per share			
Basic and diluted	0.68	-	0.68

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14 Restatement (continued)

Condensed consolidated interim statement of cash flows	For the period ended 31 March 2021		
	As previously reported	Restatement	As restated
Cash flows from operating activities			
Profit before zakat and income tax	683,598	(198,288)	485,310
<u>Adjustments for:</u>			
Depreciation	217,540	(217,348)	192
Finance costs - net	5,937	(7,249)	(1,312)
Share of net profit of joint ventures accounted for using the equity method	(160,933)	(332,682)	(493,615)
Provision for employee benefit obligations	9,157	(8,997)	160
<u>Changes in operating assets and liabilities:</u>			
Decrease in inventories	1,689	(1,689)	-
Change in prepayments and other current assets and loans to employees	(5,504)	5,012	(492)
Decrease in due from related parties	102,708	(102,708)	-
Increase in trade receivables	(288,116)	288,116	-
Increase in trade payables	19,742	(19,742)	-
Increase in due to related parties	39,671	(39,671)	-
Change in accrued and other liabilities	49,020	(50,392)	(1,372)
Cash generated from (utilized in) operations	674,509	(685,638)	(11,129)
Finance costs paid	(6,491)	6,491	-
Finance income received	276	2,080	2,356
Zakat and income tax paid	(38,910)	21,862	(17,048)
Employee benefit obligations paid	(1,760)	1,760	-
Loans to employees paid	4,415	(4,415)	-
Dividends received from a joint venture	46,875	121,875	168,750
Net cash inflow from operating activities	678,914	(535,985)	142,929
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	(15,825)	15,825	-
Reduction in share capital of a joint venture	-	111,875	111,875
Net cash (outflow) inflow from investing activities	(15,825)	127,700	111,875

(continued)

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14 Restatement (continued)

Condensed consolidated interim statement of cash flows	For the period ended 31 March 2021		
	As previously reported	Restatement	As restated
Cash flows from financing activities			
Dividends paid	(225,000)	-	(225,000)
Principal elements of lease payments	(6,665)	6,665	-
Dividends paid by a subsidiary to non-controlling interest	(65,625)	65,625	-
Income tax reimbursed by non-controlling interest	13,127	(13,127)	-
Net cash outflow from financing activities	(284,163)	59,163	(225,000)
Net increase in cash and cash equivalents	378,926	(349,122)	29,804
Cash and cash equivalents at beginning of period	2,080,971	(915,229)	1,165,742
Cash and cash equivalents at end of period	2,459,897	(1,264,351)	1,195,546
Non-cash operating activity:			
Amortization of transaction costs	1,837	(1,837)	-