

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS
ENDED 30 JUNE 2024
AND REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024

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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 30 June 2024 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended 30 June 2024 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.

PricewaterhouseCoopers

Sahar Hashem
License Number 439

31 July 2024



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

	Note	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Assets			
Non-current assets			
Property and equipment		1,472	1,779
Investments accounted for using the equity method	5	8,940,996	9,026,482
Other assets		6,957	5,519
Total non-current assets		8,949,425	9,033,780
Current assets			
Prepayments and other current assets		7,827	8,703
Due from related parties	6	805,577	903,077
Short-term murabaha deposits	8	-	251,032
Cash and cash equivalents	7	694,207	575,780
Total current assets		1,507,611	1,738,592
Total assets		10,457,036	10,772,372
Equity and liabilities			
Equity			
Share capital	1, 9	7,548,000	7,548,000
Share premium	1	7,970,520	7,970,520
Acquisition reserve	1	(6,349,090)	(6,349,090)
Retained earnings		945,033	853,134
Total equity		10,114,463	10,022,564
Liabilities			
Non-current liability			
Employee benefit obligations		26,832	25,316
Current liabilities			
Accrued and other liabilities		35,804	419,054
Zakat provision	11	279,937	305,438
Total current liabilities		315,741	724,492
Total liabilities		342,573	749,808
Total equity and liabilities		10,457,036	10,772,372

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



Khalil Al-Watban
Chairman - Board of Directors



Abdulrahman S. Alismail
CEO



Husam Albader
CFO

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY

(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 30 June		For the six-month period ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Share of net profit (loss) of investments accounted for using the equity method	5	77,192	132,419	124,514	(96,581)
General and administrative expenses		(15,159)	(13,222)	(26,997)	(21,688)
Operating profit (loss)		62,033	119,197	97,517	(118,269)
Finance income from murabaha deposits		8,307	17,202	14,411	33,960
Profit (loss) before zakat		70,340	136,399	111,928	(84,309)
Zakat expense		(5,973)	(16,288)	(20,029)	(37,080)
Profit (loss) for the period		64,367	120,111	91,899	(121,389)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (loss) for the period		64,367	120,111	91,899	(121,389)
Earnings (loss) per share					
Basic and diluted	13	0.09	0.16	0.12	(0.16)

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



Khalil Al-Watban
Chairman - Board of Directors



Abdulrahman S. Alismail
CEO



Husam Albader
CFO

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

	Note	Share capital	Share premium	Statutory reserve	Acquisition reserve	Retained earnings	Total equity
At 1 January 2023 (Audited)		7,548,000	7,970,520	1,047,672	(6,337,411)	458,190	10,686,971
Loss for the period		-	-	-	-	(121,389)	(121,389)
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	-	(121,389)	(121,389)
Transfer from statutory reserve to retained earnings	10	-	-	(1,047,672)	-	1,047,672	-
At 30 June 2023 (Unaudited)		<u>7,548,000</u>	<u>7,970,520</u>	<u>-</u>	<u>(6,337,411)</u>	<u>1,384,473</u>	<u>10,565,582</u>
At 1 January 2024 (Audited)		7,548,000	7,970,520	-	(6,349,090)	853,134	10,022,564
Profit for the period		-	-	-	-	91,899	91,899
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	91,899	91,899
At 30 June 2024 (Unaudited)		<u>7,548,000</u>	<u>7,970,520</u>	<u>-</u>	<u>(6,349,090)</u>	<u>945,033</u>	<u>10,114,463</u>

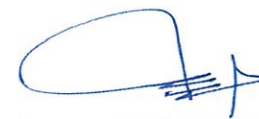
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Khalil Al-Watban
Chairman - Board of Directors



Abdulrahman S. Alismail
CEO



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

	Note	For the six-month period ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities			
Profit (loss) before zakat		111,928	(84,309)
<u>Adjustments for:</u>			
Depreciation		329	319
Share of net (profit) loss of investments accounted for using the equity method	5	(124,514)	96,581
Finance income from murabaha deposits		(14,411)	(33,960)
Provision for employee benefit obligations		1,530	1,201
<u>Changes in operating assets and liabilities:</u>			
Increase in prepayments and other current assets		(561)	(2,953)
Decrease in accrued and other liabilities		(14,787)	(4,676)
Cash utilised in operations		(40,486)	(27,797)
Finance income from murabaha deposits received		14,411	33,960
Zakat paid		(44,236)	(71,715)
Employee benefit obligations paid		(14)	-
Dividends received from joint ventures	5.1	210,000	37,500
Zakat reimbursed to joint ventures	5.1	-	(15,752)
Net cash inflow (outflow) from operating activities		139,675	(43,804)
Cash flows from investing activities			
Payment for purchase of property and equipment		(22)	(52)
Maturities of short-term murabaha deposits		251,032	1,245,030
Payment for investment in an associate accounted for using the equity method	5.2	-	(97,141)
Proceeds from a related party		97,500	-
Net cash inflow from investing activities		348,510	1,147,837
Cash flows from financing activity			
Dividends paid		(369,758)	-
Net increase in cash and cash equivalents		118,427	1,104,033
Cash and cash equivalents at beginning of the period		575,780	200,046
Cash and cash equivalents at end of the period	7	694,207	1,304,079
Non-cash financing activity:			
Transfer of statutory reserve to retained earnings	10	-	1,047,672

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



Khalil Al-Watban
Chairman - Board of Directors



Abdulrahman S. Alismail
CEO



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SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month and six-month periods ended 30 June 2024
(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 subsidiary (together the “Group”):

	Country of incorporation	Effective ownership percentage at	
		30 June 2024	31 December 2023
National Petrochemical Company (a Saudi closed joint stock company) (“Petrochem”)	Kingdom of Saudi Arabia	100%	100%

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 closed 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).

During the year ended 31 December 2022, Petrochem’s shareholders accepted the offer of the Company to acquire all shares in Petrochem which were 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. This had the following impacts on the Company’s equity:

- 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);
- Share premium of Saudi Riyals 8.0 billion which represents the difference between the total consideration received from the Company’s shares issuance of Saudi Riyals 11.0 billion and the par value of the Company’s shares issued of Saudi Riyals 3.0 billion; and
- Acquisition reserve of Saudi Riyals 6.3 billion which represents the difference between the total consideration paid of Saudi Riyals 11.0 billion and the carrying value of the investment of Saudi Riyals 4.7 billion as of the acquisition date of 10 April 2022.

The condensed consolidated interim financial statements including notes and other explanatory information were approved and authorised for issue on 31 July 2024.

2 Material accounting policies

The material 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, except for the adoption of new and amended standards as set out in Note 2.1 (d).

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.

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
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2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

(a) Statement of compliance (continued)

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 2023.

(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 consolidated financial statements for the year ended 31 December 2023.

(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.

(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 30 June 2024 reporting period 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 condensed consolidated financial statements.

3 Fair value of assets and liabilities

As at 30 June 2024 and 31 December 2023, 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 realised 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 2023, except for use of significant assumptions around estimation of impairment assessment of investment in joint ventures, as explained below.

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
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4 Critical accounting estimates and judgements (continued)

Impairment of investments accounted for using the equity method (Critical estimate)

At each reporting date, the Group tests the carrying amount of each of its investments accounted for using the equity method for impairment whenever events or changes in circumstances indicate that the carrying amount of such investments may not be recoverable.

When one or more impairment triggers are identified, management estimates the recoverable amount - being the higher of value-in-use and fair value less costs of disposal - for each individual investment accounted for using the equity method ("Investment"). Recoverable amounts, in the case of value-in-use, comprise the Group's share of the discounted cash flows expected to be generated from the respective Investment's underlying assets as reduced by the fair value of outstanding debt of the respective Investment at the measurement date. Such an estimate is based on the management's view of key inputs around future business growth in the forecasted period as well as external market conditions such as future product prices as set out in the approved business plan of the respective investment. It also requires management to make estimates of future business growth rates and to determine the most appropriate discount rate.

The key assumptions used to determine the recoverable amount for the Investment, where the management identified impairment indicators as at 30 June 2024, including a sensitivity analysis, are disclosed and further explained in Note 5.

Existence of significant influence over Unibio International Plc (Significant judgment)

Through the Subscription and Share Sale Agreement, the Company acquired 24% shares in Unibio International Plc ("Unibio") during the year ended 31 December 2023, which also guarantees the Company a seat on the board of Unibio and the power to participate in all significant financial and operating decisions. The Company has therefore determined that it has significant influence over Unibio as at 30 June 2024.

5 Investments accounted for using the equity method

	Note	30 June 2024	31 December 2023
Investments in joint ventures	5.1	8,682,646	8,754,664
Investment in an associate	5.2	258,350	271,818
		8,940,996	9,026,482

Share of net profit (loss) of investments accounted for using the equity method

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Joint ventures	5.1	82,728	133,453	137,982	(95,547)
Associate	5.2	(5,536)	(1,034)	(13,468)	(1,034)
		77,192	132,419	124,514	(96,581)

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
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(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Investments accounted for using the equity method (continued)

5.1 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	
		30 June 2024	31 December 2023
Saudi Chevron Phillips Company ("SCP")	Kingdom of Saudi Arabia	50%	50%
Jubail Chevron Phillips Company ("JCP")	Kingdom of Saudi Arabia	50%	50%
Aromatics Distribution Company FZCO (a free zone limited liability company) ("ADCO")	United Arab Emirates	50%	50%
Saudi Polymers Company (a limited liability company) ("SPCo")	Kingdom of Saudi Arabia	65%	65%
Gulf Polymers Distribution Company FZCO (a free zone limited liability company) ("GPDC")	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.

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.

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 and polypropylene. 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.

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
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(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Investments accounted for using the equity method (continued)

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

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

	For the six-month period ended 30 June 2024					
	SCP	JCP	ADCO	SPCo	GPDC	Total
1 January 2024	866,497	499,573	32,107	6,682,316	674,171	8,754,664
Share of net profit (loss)	123,475	(65,490)	14,280	10,016	55,701	137,982
Dividends received from joint ventures	(112,500)	-	-	-	(97,500)	(210,000)
30 June 2024	877,472	434,083	46,387	6,692,332	632,372	8,682,646
	For the six-month period ended 30 June 2023					
	SCP	JCP	ADCO	SPCo	GPDC	Total
1 January 2023	678,443	634,067	45,479	6,678,083	658,617	8,694,689
Share of net profit (loss)	84,592	(80,032)	17,286	(179,498)	62,105	(95,547)
Dividends received from a joint venture	-	-	(37,500)	-	-	(37,500)
Zakat reimbursed to joint ventures	10,989	3,194	-	1,569	-	15,752
30 June 2023	774,024	557,229	25,265	6,500,154	720,722	8,577,394

Impairment assessment for investment in JCP:

As at 30 June 2024, due to the continued net loss during the period ended 30 June 2024 which represents an impairment indicator, the Company's investment in JCP was tested for impairment. However, no impairment was required to be recognised as a result of such assessment as at 30 June 2024.

There were no significant changes in the inputs of the impairment assessment from the ones considered as at 31 December 2023. Reference can be drawn to the annual financial statements for the year ended 31 December 2023. A reasonable change in the other assumptions used in the calculation of value in use of the Company's investment in JCP is not expected to result in any material adjustment to the carrying value of Company's investment in JCP.

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

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For the three-month and six-month periods ended 30 June 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Investments accounted for using the equity method (continued)

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

Summarised statement of financial position

	SCP		JCP	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<u>Current assets</u>				
Cash and cash equivalents	417,598	755,483	86,712	73,654
Other current assets	2,475,219	1,452,323	1,714,611	984,198
Total current assets	2,892,817	2,207,806	1,801,323	1,057,852
Non-current assets	1,004,391	907,309	1,526,850	1,350,451
<u>Current liabilities</u>				
Financial liabilities (excluding trade payables)	(1,477,976)	(743,877)	(1,911,258)	(924,878)
Other current liabilities	(269,248)	(264,094)	(339,484)	(306,105)
Total current liabilities	(1,747,224)	(1,007,971)	(2,250,742)	(1,230,983)
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade payables)	(2,512)	(2,989)	(23,618)	(16,043)
Other non-current liabilities	(233,462)	(224,295)	(100,883)	(91,313)
Total non-current liabilities	(235,974)	(227,284)	(124,501)	(107,356)
Net assets	1,914,010	1,879,860	952,930	1,069,964

Summarised statement of financial position

	ADCO		SPCo	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<u>Current assets</u>				
Cash and cash equivalents	162,991	138,529	159,116	96,098
Other current assets	322,984	296,760	1,714,863	1,487,670
Total current assets	485,975	435,289	1,873,979	1,583,768
Non-current assets	149	199	11,087,495	11,563,897
<u>Current liabilities</u>				
Financial liabilities (excluding trade payables)	(393,329)	(371,265)	(1,593,425)	(1,866,537)
Other current liabilities	-	-	(500,289)	(465,510)
Total current liabilities	(393,329)	(371,265)	(2,093,714)	(2,332,047)
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade payables)	-	-	(50,985)	(52,834)
Other non-current liabilities	(134)	(120)	(598,115)	(585,292)
Total non-current liabilities	(134)	(120)	(649,100)	(638,126)
Net assets	92,661	64,103	10,218,660	10,177,492

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For the three-month and six-month periods ended 30 June 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Investments accounted for using the equity method (continued)

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

Summarised statement of financial position

	GPDC	
	30 June 2024	31 December 2023
<u>Current assets</u>		
Cash and cash equivalents	205,483	207,470
Other current assets	1,111,374	1,006,759
Total current assets	1,316,857	1,214,229
Non-current assets	600	1,033
<u>Current liabilities</u>		
Financial liabilities (excluding trade payables)	(330,687)	(157,329)
Other current liabilities	(12,324)	(19,098)
Total current liabilities	(343,011)	(176,427)
<u>Non-current liabilities</u>		
Financial liabilities (excluding trade payables)	-	-
Other non-current liabilities	(1,567)	(1,640)
Total non-current liabilities	(1,567)	(1,640)
Net assets	972,879	1,037,195

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

	SCP		JCP	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Joint venture net assets	1,914,010	1,879,860	952,930	1,069,964
Group's share	50%	50%	50%	50%
	957,005	939,930	476,465	534,982
Intra-group eliminations	(17,048)	(8,826)	-	-
Cumulative excess of zakat over income tax expense	(62,485)	(64,607)	(42,382)	(35,409)
Carrying value of investments	877,472	866,497	434,083	499,573
	ADCO		SPCo	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Joint venture net assets	92,661	64,103	10,218,660	10,177,492
Group's share	50%	50%	65%	65%
	46,331	32,052	6,642,129	6,615,370
Intra-group eliminations	-	-	(17,123)	(288)
Cumulative deficit of zakat over income tax expense	56	55	67,326	67,234
Carrying value of investments	46,387	32,107	6,692,332	6,682,316

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5 Investments accounted for using the equity method (continued)

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

	GPDC	
	30 June 2024	31 December 2023
Joint venture net assets	972,879	1,037,195
Group's share	65%	65%
	632,371	674,177
Intra-group eliminations	-	-
Cumulative deficit (excess) of zakat over income tax expense	1	(6)
Carrying value of investments	632,372	674,171

Summarised statement of profit or loss and other comprehensive income

	SCP			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Revenue from contracts with customers	1,308,617	1,232,887	2,156,603	2,440,480
Finance income	5,086	2,574	12,764	4,657
Depreciation	(45,260)	(30,171)	(75,680)	(60,961)
Finance costs	(322)	(77)	(122)	(136)
Zakat and income tax expense	(10,946)	(8,008)	(33,363)	(24,878)
Profit for the period	136,953	38,280	237,032	157,504
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	136,953	38,280	237,032	157,504

Summarised statement of profit or loss and other comprehensive income

	JCP			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Revenue from contracts with customers	1,571,944	1,515,067	2,479,812	3,123,266
Finance income	885	2,243	2,498	3,788
Depreciation	(94,373)	(75,736)	(164,531)	(134,019)
Finance costs	(417)	(52)	(1,980)	(105)
Zakat and income tax credit	6,387	12,157	9,417	19,114
Loss for the period	(64,571)	(106,099)	(117,038)	(140,957)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(64,571)	(106,099)	(117,038)	(140,957)

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5 Investments accounted for using the equity method (continued)

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

Summarised statement of profit or loss and other comprehensive income

	ADCO			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Revenue from contracts with customers	910,149	786,313	1,501,048	1,802,079
Depreciation	(25)	(41)	(50)	(48)
Finance costs	(1)	(2)	(2)	(4)
Profit for the period	17,493	15,017	28,559	34,571
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	17,493	15,017	28,559	34,571

Summarised statement of profit or loss and other comprehensive income

	SPCo			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Revenue from contracts with customers	1,441,106	1,628,666	2,904,435	2,401,359
Finance income	2,524	4,486	5,545	8,621
Depreciation	(227,610)	(216,524)	(468,142)	(454,425)
Finance costs	(1,291)	(11,509)	(1,676)	(23,208)
Zakat and income tax (expense) credit	(1,883)	(17,345)	(7,146)	15,522
Profit (loss) for the period	19,323	171,115	41,171	(197,067)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	19,323	171,115	41,171	(197,067)

Summarised statement of profit or loss and other comprehensive income

	GPDC			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Revenue from contracts with customers	1,422,511	1,368,349	2,769,616	2,162,955
Finance income	1,693	3,300	4,613	8,138
Depreciation	(216)	(103)	(432)	(115)
Finance costs	(2)	(11)	(2)	(19)
Profit for the period	42,547	94,170	85,694	95,535
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	42,547	94,170	85,694	95,535

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5 Investments accounted for using the equity method (continued)

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

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

	30 June 2024	31 December 2023
SCP	387,949	831,345
JCP	188,476	1,236,196
ADCO	162,991	-
SPCo	239,681	349,851
GPDC	205,669	9,694

5.2 Investment in an associate accounted for using the equity method

The Group has an investment in the following associate:

	<div>Country of incorporation</div>	<div>Effective ownership percentage at</div>	
		<div>30 June 2024</div>	<div>31 December 2023</div>
Unibio	England and Wales	24%	24%

Unibio is a public company limited by shares, unlisted and incorporated in England and Wales under the Companies Act 2006. Principally Unibio is a holding company having investments in associates primarily engaged in the bioprotein sector.

Movement in the carrying amount of investment in an associate is as follows:

	For the six-month period ended 30 June	
	2024	2023
1 January	271,818	-
Acquisition of interest in Unibio during the period	-	97,141
Share of net loss from an associate accounted for using the equity method	(13,468)	(1,034)
30 June	258,350	96,107

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5 Investments accounted for using the equity method (continued)

5.2 Investment in an associate accounted for using the equity method (continued)

Summarised statement of financial position

	Unibio	
	30 June 2024	31 December 2023
<u>Current assets</u>		
<i>Cash and cash equivalents</i>	209,512	234,634
<i>Other current assets</i>	13,143	8,516
Total current assets	222,655	243,150
 Non-current assets	 18,984	 21,365
<u>Current liabilities</u>		
<i>Financial liabilities (excluding trade payables)</i>	(6,794)	(7,264)
<i>Other current liabilities</i>	(2,553)	(3,036)
Total current liabilities	(9,347)	(10,300)
 <u>Non-current liabilities</u>		
<i>Financial liabilities (excluding trade payables)</i>	(2,181)	(2,624)
<i>Other non-current liabilities</i>	-	-
Total non-current liabilities	(2,181)	(2,624)
 Net assets	 230,111	 251,591

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

	Unibio	
	30 June 2024	31 December 2023
Associate net assets	230,111	251,591
Group's share	24%	24%
	55,227	60,382
Intangible assets - net of amortisation	203,123	211,436
Carrying value of investment	258,350	271,818

Summarised statement of profit or loss and other comprehensive income

	Unibio	
	For the three- month period ended 30 June 2024	For the six- month period ended 30 June 2024
Finance income	2,201	6,730
Loss for the period	(14,898)	(23,594)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(14,898)	(23,594)

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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*

	30 June 2024	31 December 2023
SPCo	646,451	743,951
JCP	159,126	159,126
	805,577	903,077

(b) *Key management personnel compensation*

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Salaries and other short-term employee benefits	5,243	2,197	7,367	5,043
Employee benefit obligations	258	(56)	515	694
	5,501	2,141	7,882	5,737

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

7 Cash and cash equivalents

	30 June 2024	31 December 2023
Cash at banks	45,249	418,535
Cash in hand	80	80
Murabaha deposits	648,878	157,165
	694,207	575,780

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 5.70% to 6.20% per annum (31 December 2023: 4.35% to 6.15% per annum).

8 Short-term murabaha deposits

Short-term murabaha deposits represent deposits with maturity periods of more than three months and less than twelve months from the date of placement and yield finance income at commercial rates ranging from 5.85% to 6.25% per annum during the year ended 31 December 2023.

9 Share capital

As at 30 June 2024, the authorised, issued and fully paid-up share capital comprised 754.8 million ordinary shares (31 December 2023: 754.8 million ordinary shares) of Saudi Riyals 10 per share.

Also refer to Note 1.

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10 Statutory reserve

In accordance with the Company's By-laws and the Regulations for Companies in the Kingdom of Saudi Arabia, applicable until January 2023, the Company was required to transfer 10% of the net profit for the year to a statutory reserve until such reserve equals 30% of share capital.

However, with the introduction of new Regulations for Companies in the Kingdom of Saudi Arabia, the requirement to maintain statutory reserve is no longer applicable. Accordingly, during the period ended 30 June 2023, the shareholders of the Company resolved to transfer the balance of statutory reserve to retained earnings.

11 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 condensed consolidated interim statement of profit or loss and other comprehensive income.

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 2023. The Company has finalised its zakat status with the ZATCA for all years up to 31 December 2006 on a standalone basis.

ZATCA raised assessments for the years from 2007 to 2014 with additional zakat liability of Saudi Riyals 42.0 million. The Company had filed an appeal against the additional zakat liability with the General Secretariat of Tax Committees (the "GSTC"). During the period ended 30 June 2024, the Company received a settlement offer amounting to Saudi Riyals 15.0 million from ZATCA which has been accepted and settled by the Company.

(b) Status of assessments of Petrochem

Petrochem has filed its Zakat return with the ZATCA up to 2023. 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:

ZATCA raised additional zakat assessments for the years from 2014 to 2016 amounting to Saudi Riyals 204.2 million. Petrochem filed an appeal against such assessments with ZATCA, following which the case was escalated to GSTC. During the year ended 31 December 2021, the Committee for Resolution of Tax Violations and Disputes ("CRTVD", the first level of GSTC) issued its ruling, accepting Petrochem's appealed items partially and, accordingly, the assessments for such years were reduced to Saudi Riyals 92.5 million. Petrochem and ZATCA, both, had filed an appeal to the Appellate Committee for Tax Violations and Disputes Resolution ("ACTVD", the final level of GSTC). During 2022, ACTVD issued its decision accepting Petrochem's appealed items partially and returning one of the appeal's clauses to CRTVD to consider it again. Accordingly, Petrochem escalated the case to CRTVD again based on the decision of ACTVD. During the period ended 30 June 2024, CRTVD accepted the appeal in the Company's favour. However, ZATCA has filed an appeal against the CRTVD ruling with ACTVD. ACTVD has then issued its ruling and Petrochem is awaiting the final assessment from ZATCA.

During 2020, ZATCA raised additional zakat assessments for the years 2017 and 2018 amounting to Saudi Riyals 128.9 million. Petrochem had filed an appeal against such assessments with ZATCA, following which the case had been escalated to the GSTC. During 2022, CRTVD issued its ruling, accepting Petrochem's appealed items partially and, accordingly, the additional zakat assessments for such years has been reduced to Saudi Riyals 91.8 million. Petrochem and ZATCA, both, filed an appeal to ACTVD. During 2023, ACTVD issued its decision accepting Petrochem's appealed items partially and reduced the zakat liability to Saudi Riyals 71.7 million. While Petrochem had settled the revised zakat liability amounting to Saudi Riyals 71.7 million, however, it had submitted a reconsideration request for one of the rejected appealed items. During the period ended 30 June 2024, the ACTVD has rejected the reconsideration request submitted by Petrochem.

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11 Zakat (continued)

(b) Status of assessments of Petrochem (continued)

During 2021, the ZATCA raised additional zakat assessments for the years 2019 and 2020 amounting to Saudi Riyals 9.2 million. Petrochem had filed an appeal against such assessments with ZATCA, following which the case had been escalated to GSTC. During the period ended 30 June 2024, ACTVD issued its ruling, reducing the zakat liability to Saudi Riyals 6.6 million. Petrochem is in the process of reviewing the final assessment issued by ZATCA.

12 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 within the petrochemical sector. The two operating segments are polymers (representing SPCo and GPDC) and Aromatics (representing SCP, JCP and ADCo).

Refer to Note 5 for information about the performance of these joint ventures.

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 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Domestic/Middle East	18%	23%	19%	22%
Asia	48%	46%	49%	48%
Europe/Africa	34%	31%	32%	30%
	100%	100%	100%	100%

Aromatics	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Domestic/Middle East	49%	55%	48%	49%
Asia	24%	16%	19%	21%
Europe/Africa	27%	29%	33%	30%
	100%	100%	100%	100%

13 Basic and diluted earning (loss) 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 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
Earnings (loss) for the period	64,367	120,111	91,899	(121,389)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	754,800	754,800	754,800	754,800
Earnings (loss) per share	0.09	0.16	0.12	(0.16)

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14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The classification methodology used in this disclosure is in line with the annual consolidated financial statements. There were no transfers between Level I, Level II or Level III for the period ended 30 June 2024.

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 realised at their current carrying values within twelve months from the date of condensed consolidated interim statement of financial position.

15 Events after the reporting date

Subsequent to the period ended 30 June 2024, on 1 July 2024, the Company's Board of Directors approved dividend distribution amounting to Saudi Riyals 377.4 million (Saudi Riyals 0.5 per share).