

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

INTERIM FINANCIAL STATEMENTS (UN-AUDITED) AND
AUDITORS' LIMITED REVIEW REPORT

FOR THE THREE-MONTH AND TWELVE-MONTH PERIODS
ENDED 31 DECEMBER 2016

**LIMITED REVIEW REPORT TO THE SHAREHOLDERS
OF SAUDI ARABIAN FERTILIZERS COMPANY (SAFCO)
A SAUDI JOINT STOCK COMPANY**

Scope of limited review:

We have reviewed the accompanying interim balance sheet of Saudi Arabian Fertilizers Company ("SAFCO" or the "Company"), a Saudi Joint Stock Company as at 31 December 2016, and the related interim statement of income for the three-month and the twelve-month periods then ended and the interim statement of cash flows and statement of changes in shareholders' equity for the period then ended. These interim financial statements have been prepared by the Company and submitted to us together with the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). The limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion of limited review:

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

for Ernst & Young



Abdulaziz Saud Alshubaibi
Certified Public Accountant
Registration No. 339

17 Rabi'II 1438H
15 January 2017

Alkhobar

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

INTERIM BALANCE SHEET

As at 31 December 2016

| | Note | 2016 SR"000" (un-audited) | 2015 SR"000" (audited) |
|---|------|---------------------------------|------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 316,755 | 1,460,039 |
| Accounts receivable | | 448,254 | 637,606 |
| Prepayments and other receivables | | 270,517 | 267,775 |
| Inventories | | 505,306 | 434,634 |
| Home ownership receivable – current portion | | 18,211 | 15,250 |
| TOTAL CURRENT ASSETS | | 1,559,043 | 2,815,304 |
| NON-CURRENT ASSETS | | | |
| Investment in an associate | | 661,967 | 609,049 |
| Available for sale investments | | 512,867 | 307,587 |
| Property, plant and equipment | | 5,485,870 | 5,173,218 |
| Home ownership receivable | | 127,334 | 79,399 |
| Employees' advances | | 11,399 | 13,120 |
| Deferred costs | | 10,909 | 14,649 |
| TOTAL NON-CURRENT ASSETS | | 6,810,346 | 6,197,022 |
| TOTAL ASSETS | | 8,369,389 | 9,012,326 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable, other payables and provisions | | 627,219 | 564,008 |
| Dividends payable | | 178,724 | 185,537 |
| Zakat and income tax provision | | 40,941 | 70,640 |
| TOTAL CURRENT LIABILITIES | | 846,884 | 820,185 |
| NON-CURRENT LIABILITY | | | |
| Employee's terminal benefits and savings plan | | 546,171 | 595,956 |
| TOTAL LIABILITIES | | 1,393,055 | 1,416,141 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 3 | 4,166,667 | 4,166,667 |
| Statutory reserve | | 1,984,837 | 1,879,710 |
| General reserve | | 45,105 | 45,105 |
| Retained earnings | | 361,763 | 42,021 |
| Proposed dividends | | - | 1,250,000 |
| Unrealized gain from available for sale investments | | 417,962 | 212,682 |
| TOTAL SHAREHOLDERS' EQUITY | | 6,976,334 | 7,596,185 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 8,369,389 | 9,012,326 |



Designated Member
Abdulaziz H. Al-Habdan



Company's President
Ahmed M. Al Jabr



Finance Director
Abdullah A. Al Ghamdi

The attached notes form an integral part of these interim financial statements.

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME

For the three-month and twelve-month periods ended 31 December 2016

| | <i>For the three-month period ended 31 December</i> | | <i>For the twelve-month period ended 31 December</i> | |
|--|---|--|--|---------------------------------------|
| | <i>2016 SR"000" (un-audited)</i> | <i>2015 SR"000" (un-audited)</i> | <i>2016 SR"000" (un-audited)</i> | <i>2015 SR"000" (audited)</i> |
| Sales | 765,315 | 813,670 | 2,855,924 | 3,547,265 |
| Cost of sales | (454,139) | (453,364) | (1,806,246) | (1,462,213) |
| GROSS PROFIT | 311,176 | 360,306 | 1,049,678 | 2,085,052 |
| General and administration expenses | (20,230) | (17,994) | (69,407) | (71,222) |
| INCOME FROM MAIN OPERATIONS | 290,946 | 342,312 | 980,271 | 2,013,830 |
| Investment income | 379 | 3,671 | 12,697 | 9,727 |
| Other income, net | 14,303 | 12,431 | 27,883 | 54,704 |
| INCOME BEFORE SHARE IN RESULTS OF AN ASSOCIATE AND ZAKAT AND INCOME TAX | 305,628 | 358,414 | 1,020,851 | 2,078,261 |
| Share in results of an associate | (18,144) | 36,632 | 52,918 | 118,168 |
| INCOME BEFORE ZAKAT AND INCOME TAX | 287,484 | 395,046 | 1,073,769 | 2,196,429 |
| Zakat and income tax | (3,000) | (16,500) | (22,500) | (66,000) |
| NET INCOME FOR THE PERIOD/YEAR | 284,484 | 378,546 | 1,051,269 | 2,130,429 |

Earnings per share (SR):

| | | | | |
|---|---------|---------|---------|---------|
| Attributable to income from main operations | 0.70 | 0.82 | 2.35 | 4.83 |
| Attributable to net income | 0.68 | 0.91 | 2.52 | 5.11 |
| Weighted average number of shares outstanding (in thousands) | 416,667 | 416,667 | 416,667 | 416,667 |



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Saudi Arabian Fertilizers Company (SAFCO)
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INTERIM STATEMENT OF CASH FLOWS

For the twelve-month period ended 31 December 2016

| | 2016 SR"000" (un-audited) | 2015 SR"000" (audited) |
|---|---------------------------------|------------------------------|
| OPERATING ACTIVITIES | | |
| Income before zakat and income tax | 1,073,769 | 2,196,429 |
| Adjustments for: | | |
| Depreciation and amortization | 447,771 | 400,708 |
| Share in results of an associate | (52,918) | (118,168) |
| Dividends income from available for sale investments | (14,236) | (18,981) |
| Write-off of property, plant and equipment | 13,510 | 16,329 |
| Investment income | (12,697) | (9,727) |
| Provision for employees' terminal benefits and savings plan | 58,404 | 63,038 |
| | <u>1,513,603</u> | <u>2,529,628</u> |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 189,352 | (38,226) |
| Prepayments and other receivables | (2,742) | 11,324 |
| Inventories | (70,672) | (32,144) |
| Accounts payable, other payables and provisions | 63,211 | 317,088 |
| Cash from operations | <u>1,692,752</u> | <u>2,787,670</u> |
| Employees advances | 1,721 | (2,773) |
| Employees' terminal benefits and savings plan paid | (112,352) | (26,076) |
| Employees' contribution to savings plan | 3,686 | 6,056 |
| Commission earned on savings plan | 477 | 150 |
| Employees' home ownership program, net | 21,393 | 13,759 |
| Zakat paid | (52,199) | (83,014) |
| Net cash from operating activities | <u>1,555,478</u> | <u>2,695,772</u> |
| INVESTING ACTIVITIES | | |
| Additions of property, plant and equipment | (842,482) | (778,512) |
| Dividends received from available for sale investment and investment in an associate | 14,236 | 134,491 |
| Investment income received | 12,697 | 9,727 |
| Net cash used in investing activities | <u>(815,549)</u> | <u>(634,294)</u> |
| FINANCING ACTIVITY | | |
| Dividends paid and directors' remuneration | (1,883,213) | (2,241,533) |
| Net cash used in financing activity | <u>(1,883,213)</u> | <u>(2,241,533)</u> |
| DECREASE IN CASH AND CASH EQUIVALENTS | <u>(1,143,284)</u> | <u>(180,055)</u> |
| Cash and cash equivalents at the beginning of the year | <u>1,460,039</u> | <u>1,640,094</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u><u>316,755</u></u> | <u><u>1,460,039</u></u> |

The attached notes form an integral part of these interim financial statements.

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS - continued
For the twelve-month period ended 31 December 2016

Supplemental non-cash transactions:

| | 2016 SR"000" (un-audited) | 2015 SR"000" (audited) |
|--|---------------------------------|------------------------------|
| Transfer of spare parts from property, plant and equipment to inventory | - | 20,834 |
| Transfer of spare parts from inventory to property, plant and equipment | 5,499 | 5,221 |
| Dividends from investment in an associate | - | 125,000 |
| Dividends from available for sale investments | - | 9,490 |
| Transfer to employees' home ownership program from construction work in progress | 72,289 | 72,882 |



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Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the twelve-month period ended 31 December 2016

| | Share capital SR"000" | Statutory reserve SR"000" | General reserve SR"000" | Retained earnings SR"000" | Proposed dividends SR"000" | Unrealised gain from available for sale investments SR"000" | Total SR"000" |
|--|--------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|--|------------------|
| Balance at 31 December 2014 (audited) | 3,333,333 | 1,666,667 | 45,105 | 2,459,369 | - | 357,222 | 7,861,696 |
| Increase in share capital | 833,334 | - | - | (833,334) | - | - | - |
| Net income for the period | - | - | - | 2,130,429 | - | - | 2,130,429 |
| Transfer to statutory reserve | - | 213,043 | - | (213,043) | - | - | - |
| Dividends paid (note 4) | - | - | - | (2,250,000) | - | - | (2,250,000) |
| Directors' remuneration | - | - | - | (1,400) | - | - | (1,400) |
| Movement during the period | - | - | - | - | - | (144,540) | (144,540) |
| Proposed dividends (note 4) | - | - | - | (1,250,000) | 1,250,000 | - | - |
| Balance at 31 December 2015 (audited) | 4,166,667 | 1,879,710 | 45,105 | 42,021 | 1,250,000 | 212,682 | 7,596,185 |
| Net income for the period | - | - | - | 1,051,269 | - | - | 1,051,269 |
| Transfer to statutory reserve | - | 105,127 | - | (105,127) | - | - | - |
| Dividends paid (note 4) | - | - | - | - | (1,250,000) | - | (1,250,000) |
| Interim dividends (note 4) | - | - | - | (625,000) | - | - | (625,000) |
| Directors' remuneration | - | - | - | (1,400) | - | - | (1,400) |
| Movement during the period | - | - | - | - | - | 205,280 | 205,280 |
| Balance at 31 December 2016 (un-audited) | 4,166,667 | 1,984,837 | 45,105 | 361,763 | - | 417,962 | 6,976,334 |

Designated member

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The attached notes form an integral part of these interim financial statements.

Saudi Arabian Fertilizers Company (SAFCO) (A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

At 31 December 2016

1 ACTIVITIES

Saudi Arabian Fertilizers Company (the "Company" or "SAFCO") is a Saudi Joint Stock Company incorporated under Royal Decree Number M/13 dated 11 Jumada I 1385H (corresponding to 7 September 1965). The Company was initially registered in the city of Dammam with Commercial Registration number 2050001841 dated 1 Dhl al-Hijjah 1385H (corresponding to 24 March 1966), and later on the Company's head office was shifted to Jubail Industrial City with commercial registration number 2055002359 dated 29 Shawwal 1411H (corresponding to 14 May 1991). The previous commercial registration was converted to a branch.

The Company's present principal business activity is the manufacture and conversion of Urea and Ammonia.

SAFCO holds a 50% equity interest in National Chemical Fertilizers Company ("Ibn Al Baytar"), 3.87% equity interest in Arabian Industrial Fibers Company ("Ibn Rushd"), and 1.69% equity interest in Yanbu National Petrochemicals Company ("Yansab").

The Board of Directors approved in their meeting held on 11 Muharram 1433H corresponding to 6 December 2011 the capital expansion project for the new plant (SAFCO V) at the Company's complex in Jubail Industrial City for the manufacturing of Urea at an estimated cost of SR 2,000 million, with an annual capacity of 1.1 million metric tons. Total expenditures incurred up till 31 December 2015 amounted to SR 1,754 million in relation to this project (2014: SR 1,608 million). The construction of the plant has been completed in 2015 and it has started its commercial production on 14 July 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia. The significant accounting policies adopted are as follows:

Accounting convention

These interim financial statements are prepared under the historical cost convention except for the measurement of available for sale investments at fair value.

Use of estimates

The preparation of interim financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are considered reasonable in the given circumstances of the Company.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cash on hand, short term Murabahat that is readily convertible into known amounts of cash and have original maturities of three months or less.

Accounts receivable

Accounts receivable are stated at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when the collection of the account receivable amount is considered doubtful. Bad debts are written off as incurred.

Inventories

Inventories are stated at the lower of cost and net realizable value, with due allowance for obsolete or slow moving items. Cost is determined as follows:

| | |
|--|--|
| Raw materials, consumables and spare parts | - purchase cost on a weighted average basis. |
| Finished goods | - cost of direct materials and labour plus attributable overheads based on a normal level of activity. |

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)-continued
At 31 December 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate

Investment in companies where the Company effectively participates in the financial and operational decisions of those investee companies, normally when the company acquires shares between 20% to 50%, are accounted for using the equity method.

Available for sale investments

Quoted shares are investments purchased neither with the intention of being held to maturity nor for trading purposes are classified as available for sale investments and are measured at fair value. After initial recognition, unrealized gains and losses are reported as a separate component of shareholders' equity until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment the cumulative gain or loss previously reported in shareholders' equity is included in the interim statement of income for the year.

Unquoted shares are bought not with the intention of trading purposes and are stated at fair value. Fair value is determined by reference to the market value of similar investments or is based on the expected discounted cash flows and other relevant factors. Cost is considered to be the fair value where there is no reliable fair value information is available for such investments.

Dividends from available for sales investments are recognized when dividends are declared and when the right to dividends distribution is established.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Construction work in progress is not depreciated. The cost of other property, plant and equipment is depreciated on a straight line basis over the estimated useful lives of the assets.

Turnaround costs related to major maintenance, which normally benefit more than one year are capitalised and are depreciated over the period until the date of the next planned turnaround. Should an unexpected turnaround occur prior to the previously envisaged date of planned turnaround, then the previously undepreciated costs are immediately expensed and the new turnaround costs are depreciated over the period likely to benefit from such costs.

Expenditures for repair and maintenance are charged to income. Improvement that increase the value or materially extend the life of the related assets are capitalized.

Capital spare-parts which are considered essential to ensure continuous plant operation, are classified under "property, plant and equipment" under the tangible assets, and are depreciated using the straight-line method in accordance with the applicable depreciation rates. The following two conditions must apply to all capitalized spare-parts:

- They are not readily available in the market, or unavailable.
- Their manufacturing requires an extended time to complete.

Employees' home ownership program

The Company has a Home Ownership Program that offers eligible Saudi employees home ownership (the "HOP") opportunities. Unsold housing units constructed for eventual sale to eligible Saudi employees are included under property, plant and equipment and depreciated over 33 years. Upon signing the sale contract, the related cost and accumulated depreciation are derecognized and the loans receivable from the employees in respect of the purchase of the housing units are classified under long term assets and are recovered over a period not exceeding twenty years. Installments recoverable within twelve months period from the date of the interim balance sheet are classified under current assets.

Deferred costs

Deferred costs represent the cost incurred for developing the infrastructure of land that will be used by the home ownership program (the "HOP") in the future. Deferred costs are classified under non-current assets and amortized over 5 years.

The amortization expenses are included under cost of sales in the interim statement of income.

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)-continued
At 31 December 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets

The Company reviews the carrying values of its non-current assets for impairment when events or circumstances indicate that carrying value may not be recoverable. If such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The carrying value of the asset (or cash generating unit) is reduced to the recoverable value when the recoverable value is below the carrying value. Impairment loss is recognized as expense when incurred.

Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. The reversal of impairment loss is recognized as income in the period in which the indicators are no longer exist.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Zakat and income tax

The Company is subject to the Regulations of the General Authority of Zakat and Tax ("GAZT") in the Kingdom of Saudi Arabia. Zakat and income tax is determined based on effective ownership interest reflected in the register of shareholders in the capital market authority (CMA) at the end of the period. Zakat and income tax estimate is provided on an accruals basis and charged to the interim statement of income. The zakat charge is computed at 2.5% on the zakat base or adjusted net income attributable to Saudi shareholders, whichever is higher while income tax relating to the non-Saudi ownership has been provided based on share of assessable profit at 20%. Any difference in the estimate is recorded when the final assessment is agreed. It is noteworthy that the Company is still discussing with GAZT the mechanism of applying the circular of calculating income tax.

Employees' terminal benefits

Provision is made for amounts payable under the Company's policies applicable to employees accumulated periods of service at the interim balance sheet date.

Employees' saving plan

The Company maintains an employees' saving plan for Saudi employees. The contributions from the participants are deposited in separate bank account and liability is established for these contributions. The Company's contribution under the saving plan is charged to the interim statement of income.

Dividends

Dividends are recognized as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Revenue recognition

In general, most of the Company's sales are made to SABIC (the "Marketer"). Upon delivery of products to the Marketer, sales are recorded at provisional selling prices net of selling, distribution and marketing expenses paid directly by the Marketer. These selling prices are later adjusted based upon actual selling prices received by the Marketer from third parties.

Expenses

Expenses related to executive management and technology and innovation costs are classified as general and administration expenses. All other costs are considered as cost of sales.

Saudi Arabian Fertilizers Company (SAFCO)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)-continued
At 31 December 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per share

Basic earnings per share from net income are calculated by dividing the net income for the period/year by the weighted average number of shares outstanding at period/year end.

Basic earnings per share from main operations are calculated by dividing income from main operations for the period/year by the weighted average number of shares outstanding at period/year end.

Operating lease

Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

Foreign currency transactions

Transactions in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the interim balance sheet date. All differences are taken to the interim statement of income.

Segmental analysis

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

Substantially all of the Company's operations are related to one operating segment which is fertilizers including the production of Urea and Ammonia in one location. Accordingly, segmental analysis by geographical and operating segment has not been presented.

Fair values

For investments traded in organised markets, fair value is determined by reference to quoted market bid prices.

For unquoted equity investments, fair value is determined by reference to the related value of a similar investments in case such value is not determinable the cost is considered the fair value.

3 SHARE CAPITAL

Share capital is divided into 416,666,667 shares (2015: 416,666,667 shares) of SR 10 each.

4 DIVIDENDS

On 11 Ramadan 1437H (corresponding to 16 June 2016), the Board of Directors approved to distribute interim cash dividends amounting SR 1.5 per share (SR 625 million in total) for the first half of 2016. The dividends were paid during July 2016.

On 24 Safar 1437H (corresponding to 6 December 2015), the Board of Directors proposed to distribute cash dividends amounting SR 3 per share (SR 1,250 million in total) for the second half of 2015. This has been approved by the General Assembly in their meeting held on 21 Jumada' II 1437H (corresponding to 30 March 2016) and were paid on 10 April 2016.

On 18 Ramadan 1436H (corresponding to 5 July 2015), the Board of Directors approved to distribute interim cash dividends amounting SR 3 per share (SR 1,250 million in total) for the first half of 2015. The dividends were paid during 2015.

On 13 Rabi' I 1436H (corresponding to 4 January 2015), the Board of Directors proposed to distribute cash dividends amounting SR 3 per share (SR 1,000 million in total) for the second half of 2014 and 25% bonus shares (totaling to SR 833 million). This has been approved by the Extraordinary General Assembly in their meeting held on 17 Jumada' II 1436H corresponding to 6 April 2015 and were paid accordingly during 2015.

Saudi Arabian Fertilizers Company (SAFCO)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)-continued
At 31 December 2016

5 CAPITAL COMMITMENTS

The Board of Directors approved in their meeting held on 17 Jumada II 1436H (corresponding to 6 April 2015) a capital project to supply and build up the new electricity station for SAFCO II and SAFCO III at the Company's complex in Jubail Industrial City at an estimated cost of SR 276 million. Total expenditures incurred up till 31 December 2016 amounted to SR 194.7 million (2015: SR 57.8 million) in relation to this project.

The Board of Directors approved in their meeting held on 18 Ramadan 1436H (corresponding to 5 July 2015) a reliability project for SAFCO IV at the Company's complex in Jubail Industrial City with an estimated procurement and construction cost of SR 747 million. Total expenditures incurred up till 31 December 2016 amounted to SR 319.7 million (2015: SR 164 million) in relation to this project.

The Board of Directors approved in their meeting held on 6 Rabi Alawwal 1438H (corresponding to 5 December 2016) a reliability project for SAFCO III at the Company's complex in Jubail Industrial City with an estimated procurement and construction cost of SR 461 million.

Moreover, the directors approved future capital expenditure in relation to other projects with an amount of SR 490.6 million (2015: SR 327 million).