

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
AND INDEPENDENT AUDITOR'S REVIEW REPORT

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Interim condensed financial statements (unaudited) for the three months period ended March 31, 2022

CONTENTS	PAGE
INDEPENDENT AUDITOR'S REVIEW REPORT	
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)	1
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)	2
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)	3
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)	4
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	5- 14

Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
58 Al Watan Al Arabi St. Al Hamra'a Dist.
P.O.Box 780, Jeddah 21421
Kingdom of Saudi Arabia
T: 012 669 3478 / 665 8711
F: 012 660 2432
Head Office
www.elayouty.com

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS
SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH - SAUDI ARABIA**

Introduction

We have reviewed the interim condensed statement of financial position of Saudi Arabian Refineries Company – Saudi Joint Stock Company - ("the Company") as at March 31, 2022, the interim condensed statements of profit or loss and other comprehensive income for the three months period ended on March 31, 2022, the condensed interim changes in shareholders' equity and the condensed interim cash flows for the three months period then ended, and summary of significant accounting policies, and the notes (1) to (23) which considered an integral part of these interim condensed financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information 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 condensed financial information 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 interim condensed financial information is 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 (21) to the interim condensed financial statements, in respect of the fiftieth ordinary general assembly of the shareholders of the company dated April 21, 2021 (corresponding to Ramadan 9, 1442 H), the following decisions have been taken:

Non-approval of the Board of Directors report and the financial statements for the year ended December 31, 2020 and the auditor's report, as well as not exonerating the Board of Directors from liability for the year 2020.

The company's management believes that there is no need for a new ordinary general assembly to be held for shareholders because the reason for non-approval was due to the fact that the percentage of voting in the general assembly was the majority for those abstaining from voting, Our opinion has not been modified accordingly.

FOR EL SAYED EL AYOUTY & CO,

JEDDAH: May 18, 2022
Shawwal 17, 1443H



A. Balamesh

Abdullah A, Balamesh
Certified Public Accountant
License No, (345)

An Independent Member Firm of Moore Global Network Limited - Member Firms in principal cities throughout the world.

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Interim condensed statement of financial position (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

		<u>As at March</u> <u>31, 2022</u>	<u>As at</u> <u>December</u> <u>31, 2021</u>
	Notes	<u>Unaudited</u>	<u>Audited</u>
Assets			
Non-current assets			
Property and equipment- net		57,539	56,330
Intangible assets – net		67,951	71,592
Investments in equity instruments at fair value through other comprehensive income	5,A	541,863,723	483,049,979
Investments in associates	6	49,243,475	49,378,292
Total non-current assets		591,232,688	532,556,193
Current assets			
Prepaid expense and other receivable balances	7	661,672	495,685
Cash and cash equivalents	9	29,381,336	30,425,868
Total current assets		30,043,008	30,921,553
Total assets		621,275,696	563,477,746
Shareholders' Equity and liabilities			
Shareholders' Equity			
Share capital	1	150,000,000	150,000,000
Statutory reserve	16	28,099,984	28,099,984
Reserve for valuation of investments in equity instruments at FVOCI	5,B	415,117,702	356,303,957
Retained earnings		24,472,431	25,130,877
Total shareholders' equity		617,690,117	559,534,818
Non-current liabilities			
Employees' defined benefits obligations		502,763	680,764
Total non-Current liabilities		502,763	680,764
Current liabilities			
Due to shareholders		2,412,901	2,415,472
Accrued expenses	10	118,415	396,192
Provision for zakat	11,B	551,500	450,500
Total current liabilities		3,082,816	3,262,164
Total liabilities		3,585,579	3,942,928
Total shareholders' equity and liabilities		621,275,696	563,477,746


 Accounts Officer


 Managing Director


 Chairman of the Board of Directors

The accompanying notes from (1) to (23) form an integral part of these interim condensed financial statements ,

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

For the three months period ended March 31, 2022

Interim condensed statement of profits or losses and other comprehensive income (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the period ended March 31,	
		2022 Unaudited	2021 Unaudited
Investment income	12	163,315	314,147
Company's share from results of investment in associates	13	(134,817)	876,280
		28,498	1,190,427
General and administrative expenses		(712,585)	(872,628)
Net (loss) / profit of the activity		(684,087)	317,799
Other income		126,641	86,681
Net (loss) / profit for the period before zakat		(557,446)	404,480
Zakat for the period	11,B	(101,000)	(180,250)
Zakat for prior years	11,A	-	(3,159)
Net (loss) / profit for the period		(658,446)	221,071
Items of other comprehensive income:			
Items that will not be re-classified subsequently within profits or losses:			
Unrealized profits from investments in equity instruments at fair value through other comprehensive income	5,B	58,813,745	78,333,792
Total comprehensive income for the period		58,155,299	78,554,863
Basic and diluted (loss) / profit per share of net (loss) / profit for the period	14	(0,04)	0,01



Accounts Officer



Managing Director



Chairman of the Board of Directors

The accompanying notes from (1) to (23) form an integral part of these interim condensed financial statements ,

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

For the three months period ended March 31, 2022

Interim condensed statement of changes in shareholders' equity (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Reserve for valuation of investments in equity instruments at FVOCI</u>	<u>Retained earnings</u>	<u>Total shareholders' equity</u>
Balance as at January 1, 2021 (audited)	150,000,000	27,440,161	301,906,348	28,977,168	508,324,277
Net profit for the period	-	-	-	221,071	221,071
Change in items of other comprehensive income for the period	-	-	78,333,792	-	78,333,792
Total comprehensive income for the year	-	-	78,333,792	221,071	78,554,863
Balance as at March 31, 2021 (unaudited)	150,000,000	27,440,161	380,240,140	29,198,239	586,879,140
Balance as at January 1, 2022 (audited)	150,000,000	28,099,984	356,303,957	25,130,877	559,534,818
Net (loss) for the period	-	-	-	(658,446)	(658,446)
Change in items of other comprehensive income for the period	-	-	58,813,745	-	58,813,745
Total comprehensive income for the period	-	-	58,813,745	(658,446)	58,155,299
Balance as at March 31, 2022 (unaudited)	150,000,000	28,099,984	415,117,702	24,472,431	617,690,117



Accounts Officer



Managing Director



Chairman of the Board of Directors

The accompanying notes from (1) to (23) form an integral part of these interim condensed financial statements ,

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

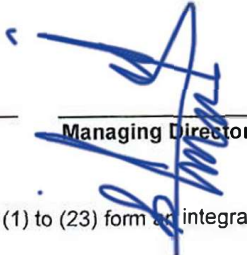
For the three months period ended March 31, 2022

Interim condensed statement of cash flows (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

	<u>For the period ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>
<u>Cash flows from operating activities:</u>		
Net (loss) / profit for the period before zakat	(557,446)	404,480
Adjustments for Net (loss) / profit for the year before zakat to net cash flows from operating activities:		
Depreciation of property and equipment	4,830	3,740
Intangible assets – net	3,641	-
Provided from employees' defined benefits obligations	142,992	17,095
Company's share from results of investment in associates	134,817	(876,280)
Changes in items of operating assets and liabilities:		
Prepaid expense and other receivable balances	(165,987)	8,070,074
Due to shareholders	(2,571)	(1,347,829)
Accruals and other current liabilities	(277,777)	(27,253)
Cash generated by operating activities	(717,501)	6,244,027
Zakat paid	-	(337,357)
Employee benefits - paid	(320,993)	-
Net Cash flows (used in) generated by operating activities	(1,038,494)	5,906,670
<u>Cash flows from investing activities:</u>		
Additional property and equipment	(6,038)	-
Net cash flows (used in) investing activities	(6,038)	-
<u>Cash flows from financing activities:</u>		
Dividends paid	-	-
Cash flows generated by financing activities	-	-
(Decrease) in cash and cash equivalents	(1,044,532)	5,906,670
Cash and cash equivalents at the beginning of the period	30,425,868	30,657,331
Cash and cash equivalents at the end of the period	29,381,336	36,564,001
<u>Non-cash transactions</u>		
Unrealized profits from investments in equity instruments at fair value through other comprehensive income	58,813,745	78,333,792


Accounts Officer


Managing Director


Chairman of the Board of Directors

The accompanying notes from (1) to (23) form an integral part of these interim condensed financial statements

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

1. General

Saudi Arabian Refineries Company ("the company") is a Saudi joint stock company registered under the commercial registration issued at Jeddah with the number 4030003334 dated September 14, 1960 (corresponding to 19 Dhul -Hijjah 1379 H)

As at March 31, 2022, the company's share capital amounted to SR 150 million (March 31, 2021: SR 150 million) divided into 15 million shares (March 31, 2021: 15 million shares) with a par value of SR 10 per share,

The company is engaged in extracting crude oil, establishing refining and petrochemical plants and refineries, dealing in securities as principal, buying and selling land and real estate, dividing them and selling activities off-plan, managing and leasing owned or leased properties (non-residential),

The present activity of the company is investing in local companies, and therefore its activity is limited to the investment sector, and it has no other business sectors,

The company's registered office is located at the following address:

Adham Commercial Center, Jeddah

Madinah Road

P, O, Box 11113, Jeddah 21431, Kingdom of Saudi Arabia

The current period of the company starts at January 1, 2022 and ends at March 31, 2022, The company's fiscal year starts from the beginning of January of each calendar year and ends at the end of December of the same year

2. Basis of preparation

2.1. Statement of compliance

These interim condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" adopted in the Kingdom of Saudi Arabia (IFRS that determine the minimum of Interim Financial Reporting content) and other standards and pronouncements endorsed by Saudi Organization for Auditors and Accountants (SOCPA).

These interim condensed financial statements do not include all the information and explanations required for a complete set of financial statements prepared in accordance with IFRS, and should be read in conjunction with the Company's financial statements for the year ended 31 December 2021 (last annual financial statements), Furthermore, the interim results period ended at March 30, 2022 may not be considered as an indication of expected results for the year ended December 31, 2022.

2.2. Basis of measurement

These interim condensed financial statements have been prepared on the accrual basis of accounting using the going concern concept and on a historical cost basis, except for:

- Investments in equity instruments, which are measured at fair value through other comprehensive income.
- Investments in associates are accounted for using the equity method.
- Employees' defined benefit obligations, which are calculated on the basis of the present value of future obligations in accordance with the projected credit unit method.

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

2. Basis of preparation... (Continued)

2.3. Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyals ("SR") which is the functional and presentation currency of the company.

2.4. Going concern concept

The company has no doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. Significant accounting estimates, assumptions and judgments

The preparation of these interim condensed financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities at the reporting date. Actual results may differ from these estimates.

The significant judgments used by management in applying the Company's accounting policies, calculation methods and the key sources of estimation in these financial statements were the same as those that applied to the financial statements for the year ended 31 December 2021.

However, as indicated in Note (19) above regarding reviewing the significant sources of uncertainty cases of the outbreak of the novel coronavirus (Covid-19), the management is currently monitoring the situation and the extent of its impact on the Company's operations, cash flows and financial position. Based on its assessment, the management believes that the company has adequate liquidity to continue business in foreseeable future and to fulfill its financial obligations as they become due.

4. Changes in significant accounting policies

The accounting policies applied to these interim condensed financial statements are consistent with those followed in preparing the company's annual financial statements for the year ended 31 December 2021. There are no new standards were issued but there are a number of amendments on the standards effective at 1 January 2022, and has no material impact on the interim condensed financial statements.

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

5. Investments in equity instruments at fair value through other comprehensive income

5.A. Investments in equity instruments at FVOCI represent the following:

<u>Company name</u>	<u>Market value per share</u>		<u>Number of shares</u>		<u>Balance as at</u>	
	<u>March</u> <u>31, 2022</u>	<u>December</u> <u>31, 2021</u>	<u>March</u> <u>31, 2022</u>	<u>December</u> <u>31, 2021</u>	<u>March</u> <u>31, 2022</u>	<u>December</u> <u>31, 2021</u>
Saudi Industrial Investment Group	35,00	31,15	15,194,480	15,194,480	531,806,800	473,308,052
Saudi Arabian Oil Company (Saudi Aramco)	43,10	35,80	35,481	35,481	1,529,231	1,270,220
Southern region cement company	70,50	70,10	120,666	120,666	8,506,953	8,458,687
Aqua Power Co.	133,80	84,00	155	155	20,739	13,020
					<u>541,863,723</u>	<u>483,049,979</u>

5-B The Company recorded unrealized profits from investments in equity instruments at FVOCI as follows:

	<u>As at March</u> <u>31,2021</u>	<u>As at December</u> <u>31,2020</u>
Balance at beginning of the period / year	356,303,957	301,906,348
Unrealized profits during the period / year	58,813,745	55,922,461
Unrealized gains during the year from the sale of Tabuk Cement Company shares	-	(1,524,852)
	<u>415,117,702</u>	<u>356,303,957</u>

6. Investments in associates

Investments in associates represent the followings:

<u>Name of the company</u>	<u>Main business sector</u>	<u>Country of incorporation</u>	<u>Shareholding %</u>	<u>As at March</u> <u>31, 2022</u>	<u>As at December</u> <u>31, 2021</u>
A) Arab Company for Tanks Ltd.*	Services	KSA	27%		
Balance at beginning of the year				49,378,292	49,359,105
Company's share from the results of investment in associate				(134,817)	78,784
The Company's share of the other comprehensive income of the associate				-	(59,597)
Balance at end of the period / year				<u>49,243,475</u>	<u>49,378,292</u>

* Management financial statements were relied on in evaluating the investment in the Arab Company for Tanks Ltd.

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

6. Investments in associates (Continued)

<u>Name of the company</u>	<u>Main business sector</u>	<u>Country of incorporation</u>	<u>Shareholding %</u>	<u>As at March 31, 2022</u>	<u>As at December 31, 2021</u>
B) Arab Company for Sulfonates Ltd,	Industrial	KSA	34%		
Balance at beginning of the period / year				363,006	363,006
Provision for impairment of investment				(363,006)	(363,006)
				-	-
Balance at end of the period / year*				49,243,475	49,378,292

*The company's board of directors resolved, in its meeting held on October 10, 2016 (corresponding to Muharram 9, 1438 H,) to authorized the legal advisor of the company to file a lawsuit against the management of the Arab Sulfonate Company Ltd, for the unfavorable results of the aforementioned company, which resulted in losses of more than half of its share capital, The lawsuit No, (1574/2 / s) for the year 1438 H filed on November 21, 2016 (corresponding to Safar 21, 1438H) and claimed the Arab Company for Sulfonate Limited to pay a compensation of SR 26,268,133 representing all the losses incurred by the company as a result of its mismanagement, and claim compensation for the losses shown in the lawsuit against the Arab Sulfonate Company Limited.

On December 8, 2016 (corresponding to 9 Rabi' Awal 1438 H), the company received a notification of a lawsuit at the Administrative Court in Jeddah at the Second Commercial Department No(1659/2/P) raised by Mr/Sultan M, Qusai Waly Al Deen Assad (partner) in Arab Sulfonate Company Limited against Saudi Arabian Refineries Company, requesting to dissolve and liquidate the Arab Sulfonate Company Limited in accordance with the provisions of Article 181 of the Companies Act due to the company's exposure to losses exceeding half of its share capital.

On March 14, 2018 (corresponding to Jumada Al-Thani 26, 1439H), the Company was informed by the legal advisor in- charge to follow up the case that in this Judicial session, the Commercial Department has judged to dissolve and liquidate Arab Sulfonate Company and has appointed the certified public accountant / Saleh Abdullah Al-Naim as a liquidator to verify the losses and the Company's responsibility thereof.

We were provided with the first follow-up report from the judicial liquidator to liquidate Arab Sulfonate Company (associate) for the period 22/07/2018 to 31/12/2018 including his inability to prepare the financial statements for the associate for the year ended 31/12/2018, Also, the Company's management did not obtain the audited financial statements for the years ended December 31, 2018 and 2019 from the judicial liquidator of Arab Sulfonate Company to assess the investment or contingent liabilities to the Company.

We were also provided with the second follow-up report from the judicial liquidator for the liquidation of the Arab Sulfonate Company Ltd, (an associate) for the period from 1/1/2019 to 30/6/2019, which includes his inability to prepare the financial statements of the associate for the year ended 31/12/2019, and the company', The management did not obtain the audited financial statements for the financial years ended December 31, 2018, 2019 and 2020 from the judicial liquidator of the Arab Company for Sulfonates Limited.

Dated June 21, 2020, the legal liquidator and the certified public accountant, Saleh Abdullah Al-Naim died.

On Ramadan 8, 1442 AH (corresponding to April 20, 2021), the Second Circuit of the Jeddah Commercial Court decided to appoint Edraak International Company as a liquidator to succeed Saleh Al-Naim's office in the liquidation of the Arab Sulfonate Company Ltd.

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

7. Prepayments and other receivable balances

Other current assets are:

	<u>As at March 31,</u> <u>2022</u>	<u>As at December</u> <u>31, 2021</u>
Dividends receivable	150,833	-
Prepaid expenses *	252,098	231,019
Other receivable balances	258,741	264,666
	<u>661,672</u>	<u>495,685</u>

* The prepaid expenses include remunerations of members of the board of directors amounting to SR. 170,833.

8. Transactions with related parties

A) Related parties represent the shareholders of the company and the companies in which they directly or indirectly own shares / stakes that entitle them to control these companies, The following is a summary of the main transactions concluded and signed by these parties during the period / year:

	<u>Relationship</u>	<u>Nature of</u> <u>transaction</u>	<u>Size of transaction during</u>	
			<u>As at March 31,</u> <u>2022</u>	<u>As at March 31,</u> <u>2021</u>
Arab Company for Tanks Ltd.	Associate	Administrative services fees	75,375	86,681

B) Due from associates:

	<u>As at March 31,</u> <u>2022</u>	<u>As at December</u> <u>31, 2021</u>
Arab Company for Sulfonate Limited	2,639,014	2,639,014
Less: Provision for expected credit losses	(2,639,014)	(2,639,014)
	<u>-</u>	<u>-</u>

9. Cash and cash equivalents

	<u>As at March 31,</u> <u>2022</u>	<u>As at December</u> <u>31, 2021</u>
Cash on hand	827	3,853
Cash at banks	29,380,509	30,422,015
	<u>29,381,336</u>	<u>30,425,868</u>

10. Accrued expenses

Accrued expenses represented by the followings:

	<u>As at March 31,</u> <u>2022</u>	<u>As at December</u> <u>31, 2021</u>
Accrued expenses	118,415	396,192

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

11. Zakat

11. A. Zakat calculation

	<u>As at March 31,</u> <u>2022</u>	<u>As at December</u> <u>31, 2021</u>
Net amended profit	(442,952)	(2,474,465)
Total added items	143,301,922	515,888,453
Total deducted items	(150,313,395)	(540,671,966)
Zakat base	<u>(7,011,473)</u>	<u>(24,783,513)</u>
Zakat payable at 2,5% of net amended profit / Zakat base	<u>-</u>	<u>-</u>

11. B. Movement of zakat position

	<u>As at March 31,</u> <u>2022</u>	<u>As at December</u> <u>31, 2021</u>
Balance at beginning of the period / year	450,000	334,198
Amendment of 2020 return	-	3,159
Zakat differences for prior years	-	113,264
Payments during the period / year	-	(450,621)
Additions during the period/year	101,000	450,500
	<u>551,000</u>	<u>450,500</u>

11.C. Zakat status

The company filed its zakat returns for the years up to December 31, 2021, and obtained the zakat certificate for the year ended December 31, 2021.

Years from 2017 to 2018

The Authority issued zakat assessments and resulted in an additional zakat obligation on the company in the amount of SR 901,209, and an amount of SR 434,058 was paid during the fourth quarter of 2020, The company filed its objection to the remaining amount of SR 467,151.

12. Investment income

	<u>For the period ending March 31</u>	
	<u>2022</u>	<u>2021</u>
Saudi Arabian Oil Company (Aramco Saudi Arabia)	12,482	12,482
Southern Region Cement Company	150,833	301,665
	<u>163,315</u>	<u>314,147</u>

13. The company's share from the results of the business of associates

	<u>For the period ending March 31</u>	
	<u>2022</u>	<u>2021</u>
Arab Company for Tanks Ltd	<u>(134,817)</u>	<u>876,280</u>

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

14. Basic and diluted (loss) / profit per share of net (loss) / profit for the period

	For the period ending	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Net (loss) / profit for the period	(657,446)	221,071
Weighted average number of shares	15,000,000	15,000,000
Basic and diluted (loss) / profit per share of net (loss) / profit for the period	<u>(0.04)</u>	<u>0,01</u>

15. Dividends

On March 23, 2022, the Board of Directors submitted a recommendation to the Ordinary General Assembly (the fifty-second) to distribute dividends of amounting to SR. 7.5 million (50 Halals per share) for the year ending December 31, 2021.

16. Statutory reserve

Pursuant to the provisions of the Companies Act in the Kingdom of Saudi Arabia, the company is required to set aside 10% of the net annual income as a statutory reserve until it amounts to 30% of the share capital, This reserve is not available for distribution.

17. Segment information

The company is currently engaged in investing in local companies, and therefore its activity is limited to the investment sector, and it has no other business sectors, therefore, it does not report on operating segments in multiple products or in different geographies.

18. Financial risk management

The Company's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value, and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the fluctuations of the financial markets and the company's management attempts to minimize potential negative impacts on the company's financial performance.

Financial risk management framework

The risk management policy is implemented by the senior management in accordance with the policies approved by the Board of Directors, The senior management identifies, assesses and hedges financial risks in close cooperation with the operating units of the company, The most important types of risk are credit risk, currency risk or fair value and interest rates for cash flows.

The Board of Directors has an overall responsibility for establishing and overseeing the Company's risk management framework, the executive management is responsible for developing and monitoring the company's risk management policies, any changes or matters related to compliance with policies are reported to the Board of Directors through the Audit Committee.

The risk management regulations are reviewed regularly by the executive management to reflect changes in market conditions and the company's activities, the company aims, through training, management standards and procedures, to develop a responsible and constructive control environment so that all employees are aware of their roles and obligations.

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

18. Financial risk management (Continued)

Financial risk management framework... (Continued)

The audit committee oversees the management's compliance with the company's risk management policies and procedures, and reviews the appropriateness of the risk management framework in relation to the risks encountered by the company.

Financial instruments included in the statement of financial position consist of receivables and other current assets, due from associates, accruals and other current liabilities, The methods of evidence used are disclosed in the policy statement relating to each item.

Foreign exchange rate risk

Foreign exchange rate risk arises from changes and fluctuations in the value of financial instruments as a result of changes in foreign exchange rates.

The company did not carry out any transactions of materiality in currencies other than the Saudi Riyal, the US dollar, Since the Saudi Riyal exchange rate is pegged with the US dollar, it does not represent significant currency risks. The company's management monitors the currency exchange rates and believes that foreign exchange rate risk is not material.

Share price risk

The company is exposed to market price risks on its investments in traded shares arising from uncertainties surrounding the future value of traded shares, Reports on investment in traded shares are reported to the senior management on a regular basis.

Credit risk

Credit risk is the risk that one party in a financial instrument will fail to fulfill an obligation and causes the company to incur a financial loss, The Company's financial instruments that are subject to credit risk are primarily including of cash and cash equivalents, receivables and other current assets.

The company monitors credit risk related to receivable and related party balances and establishes provision for doubtful balances, The company deposits its funds in banks with high reliability and creditworthiness, The company also has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from this.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in obtaining the necessary finance to meet obligations related to financial instruments. Liquidity risk may arise when the inability to sell a financial asset quickly at a value approximate to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of the available liquidity to meet the financial obligations of the company. As the company has sufficient liquidity to pay its liabilities and for the liabilities owed by the company for more than a year, such as exchange for a bank guarantee for one of the local banks as the guarantor of the associate company, and it will be paid after end of the liquidation of the associate.

Capital risk management

For the purpose of managing the company's capital risk, the company's capital structure consists of shareholders' equity (consist of share capital, statutory reserve, retained earnings and equity instruments valuation reserve at FVOCI), the main objective of capital management is to maximize shareholders' equity.

SAUDI ARABIAN REFINERIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

18. Financial risk management (Continued)

Financial risk management framework... (Continued)

Capital risk management (Continued)

The company manages and adjusts its share capital structure in view of changes in economic conditions and financial commitment requirements. In order to maintain or adjust the share capital structure, the company may adjust dividends to shareholders or issue new shares.

The company has no capital structure with specific objectives or rates to be achieved in connection with managing capital risk, The overall strategy of the company remains unchanged from the previous year.

19. Position of the lawsuits

On 28 Rajab 1428 H, the company filed a lawsuit with the Board of Grievances against the Saudi Arabian Oil Company (Saudi Aramco) claiming revenues payable from prior years with sum of SR 2,03 billion.

On July 14, 2014 (corresponding to 17 Shaban 1435 H), a judgment was issued by the Administrative Court in Dammam (the Board of Grievances), and on Muharram 17, 1436H, this judgment was supported by the Dammam Court of appeal and stamped as final judgment, that Saudi Aramco must pay an amount of SR 137,1 million to the company.

The company filed a grievance appeal to the Royal Highness on February 18, 2016 (corresponding to Jumada Al-Awwal 9, 1437H), requesting the implementation of the aforementioned judgment and to oblige Saudi Aramco to pay. The law suit was referred to the Supreme Administrative Court in Riyadh for reconsideration and to issue a final judgment thereof.

The company was notified on February 11, 2020 (corresponding to 17 Jumada al-Akhir 1441H) by the legal advisor in charge of following up with the cassation of judgment along with the supporting judgment, and judged again to reject the lawsuit against the Saudi Arabian Oil Company (Saudi Aramco).

20. Impact of Coronavirus (Covid-19)

The impact of the spread of the Corona Virus (Covid-19) pandemic was disclosed in the annual financial statements for the year ending on December 31, 2021. The company's management did not notice any significant impact on the company's operations during the three-month period ending on March 31, 2022, as operations returned to their previous state during the third quarter of the year 2020. On the other hand, the company's management continues to closely monitor the situation of Covid-19 based on potential developments. The management has not been aware of any factors that would change the impact of the pandemic on the company's operations during or after 2022.

21. Significant events

On 9 Ramadan 1442H (corresponding to April 21, 2021), the fiftieth ordinary general assembly of the shareholders of the company held its meeting and decided the following:

- Non-approval of the Board of Directors' report for the financial year ended December 31, 2020.
- Non-approval of the financial statements for the financial year ended December 31, 2020.
- Non-approval of the auditor's report for the financial year ended December 31, 2020.
- And also non-approval to exonerate the members of the Board of Directors from liability for the financial year ended December 31, 2020.

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Notes to interim condensed financial statements for the three months period ended March 31, 2022 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

22. Subsequent events

The management believes that there have been no significant subsequent events since the date of the Company's interim condensed financial statements for the period ended March 31, 2022, Until the date of preparing these financial statements, they may have a material impact on the financial position of the company.

23. Approval of the interim condensed financial statements

These interim condensed financial statements for the period ended 31 March, 2022, were approved by the Board of Directors on May 18, 2022 (corresponding to Shawwal 17, 1443H).