

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD AND YEAR
ENDED 31 DECEMBER 2023
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 PERIOD AND YEAR ENDED 31 DECEMBER 2023

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Report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Industrial Investment Group Company (the “Company”) and its subsidiary (together the “Group”) as of 31 December 2023 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period and year then ended and the condensed consolidated interim statements of changes in equity and cash flows for the year ended 31 December 2023 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

A blue ink signature, appearing to read 'Sahar Hashem', written over a circular stamp or seal.

Sahar Hashem
License Number 439

31 January 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 31 December 2023 (Unaudited)	As at 31 December 2022 (Audited)
Assets			
Non-current assets			
Property and equipment		1,779	1,690
Investments accounted for using the equity method	5	9,026,482	8,694,689
Other assets		5,519	5,492
Total non-current assets		9,033,780	8,701,871
Current assets			
Prepayments and other current assets		8,703	4,187
Due from related parties	6	903,077	903,077
Short-term murabaha deposits	8	251,032	1,245,030
Cash and cash equivalents	7	575,780	200,046
Total current assets		1,738,592	2,352,340
Total assets		10,772,372	11,054,211
Equity and liabilities			
Equity			
Share capital	1, 9	7,548,000	7,548,000
Share premium	1	7,970,520	7,970,520
Statutory reserve	10	-	1,047,672
Acquisition reserve	1	(6,349,090)	(6,337,411)
Retained earnings		853,134	458,190
Total equity		10,022,564	10,686,971
Liabilities			
Non-current liability			
Employee benefit obligations		25,316	20,570
Current liabilities			
Accrued and other liabilities		419,056	38,135
Zakat provision	11	305,436	308,535
Total current liabilities		724,492	346,670
Total liabilities		749,808	367,240
Total equity and liabilities		10,772,372	11,054,211

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 31 December		For the year ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Audited)
Share of net profit (loss) of investments accounted for using the equity method				
General and administrative expenses	43,564	(288,185)	188,169	494,073
Operating profit (loss)	(19,503)	(19,469)	(63,029)	(71,971)
Finance income from murabaha deposits	8,502	17,301	55,676	45,006
Other income - net	-	108	2	386
Profit (loss) before zakat	32,563	(290,245)	180,818	467,494
Zakat expense	(21,323)	(6,191)	(68,617)	(73,811)
Profit (loss) for the period/year	11,240	(296,436)	112,201	393,683
Other comprehensive (loss) income for the period/year				
<i>Items that will not be reclassified to profit or loss:</i>				
Re-measurements of employee benefit obligations	(3,706)	1,405	(3,706)	1,405
Share of net other comprehensive (loss) income of investments accounted for using the equity method	(18,102)	598	(18,102)	96,845
Other comprehensive (loss) income for the period/year	(21,808)	2,003	(21,808)	98,250
Total comprehensive (loss) income for the period/year	(10,568)	(294,433)	90,393	491,933

(continued)



Khalil Al-Watban
Chairman - Board of Directors



Abdulrahman S. Alismail
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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 31 December		For the year ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Audited)
Profit (loss) for the period/year is attributable to:				
Shareholders of Saudi Industrial Investment Group Company	11,240	(296,436)	112,201	277,440
Non-controlling interests	-	-	-	116,243
	11,240	(296,436)	112,201	393,683
Total comprehensive (loss) income for the period/year is attributable to:				
Shareholders of Saudi Industrial Investment Group Company	(10,568)	(294,433)	90,393	375,690
Non-controlling interests	-	-	-	116,243
	(10,568)	(294,433)	90,393	491,933
Earning (loss) per share				
Basic and diluted	0.01	(0.39)	0.15	0.41

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

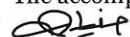


Husam Albader
CFO


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	Attributable to the shareholders of Saudi Industrial Investment Group Company						Non- controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Acquisition reserve	Retained earnings	Total		
At 1 January 2022 (Audited)	4,500,000	-	1,019,928	-	1,808,544	7,328,472	4,564,866	11,893,338
Profit for the year	-	-	-	-	277,440	277,440	116,243	393,683
Other comprehensive income for the year	-	-	-	-	98,250	98,250	-	98,250
Total comprehensive income for the year	-	-	-	-	375,690	375,690	116,243	491,933
Purchase of shareholding of non-controlling interest	1	3,048,000	7,970,520	-	(6,337,411)	-	4,681,109	(4,681,109)
Transfer to statutory reserve	-	-	27,744	-	(27,744)	-	-	-
Transactions with shareholders in their capacity as shareholders:								
Dividends	14	-	-	-	(1,698,300)	(1,698,300)	-	(1,698,300)
At 31 December 2022 (Audited)	7,548,000	7,970,520	1,047,672	(6,337,411)	458,190	10,686,971	-	10,686,971
At 1 January 2023 (Audited)	7,548,000	7,970,520	1,047,672	(6,337,411)	458,190	10,686,971	-	10,686,971
Profit for the year	-	-	-	-	112,201	112,201	-	112,201
Other comprehensive loss for the year	-	-	-	-	(21,808)	(21,808)	-	(21,808)
Total comprehensive income for the year	-	-	-	-	90,393	90,393	-	90,393
Transactions with shareholders in their capacity as shareholders:								
Dividends	14	-	-	-	(754,800)	(754,800)	-	(754,800)
Transfer from statutory reserve to retained earnings	10	-	-	(1,047,672)	-	1,047,672	-	-
Transfer from retained earnings to acquisition reserve	-	-	-	(11,679)	11,679	-	-	-
At 31 December 2023 (Unaudited)	7,548,000	7,970,520	-	(6,349,090)	853,134	10,022,564	-	10,022,564

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 cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December	
		2023 (Unaudited)	2022 (Audited)
Cash flows from operating activities			
Profit before zakat		180,818	467,494
<u>Adjustments for:</u>			
Depreciation		653	716
Share of net profit of investments accounted for using the equity method	5	(188,169)	(494,073)
Finance income from murabaha deposits		(55,676)	(45,006)
Provision for employee benefit obligations		1,469	1,530
<u>Changes in operating assets and liabilities:</u>			
Increase in prepayments and other current assets		(4,544)	(2,443)
Increase in due from related parties		-	(15)
Decrease in due to related parties		-	(51)
Decrease in accrued and other liabilities		6,289	(265)
Cash utilised in operations		(59,160)	(72,113)
Finance income from murabaha deposits received		56,574	47,806
Zakat paid		(71,714)	(128,452)
Employee benefit obligations paid		(1,326)	(77)
Dividends received from joint ventures	5	135,000	669,375
Zakat reimbursed to joint ventures	5	(15,753)	(43,198)
Net cash inflow from operating activities		43,621	473,341
Cash flows from investing activities			
Payment for purchase of property and equipment		(742)	(756)
Maturities of short-term murabaha deposits		1,245,030	497,000
Placements of short-term murabaha deposits		(251,032)	(1,245,030)
Payment for investment in an associate accounted for using the equity method	5	(280,973)	-
Reduction in share capital of joint ventures		-	356,500
Net cash inflow (outflow) from investing activities		712,283	(392,286)
Cash flows from financing activity			
Dividends paid		(380,170)	(1,694,820)
Net increase (decrease) in cash and cash equivalents		375,734	(1,613,765)
Cash and cash equivalents at beginning of the year		200,046	1,813,811
Cash and cash equivalents at end of the year	7	575,780	200,046

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



Khalil Al-Watban
Chairman - Board of Directors



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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 period and year ended 31 December 2023
(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 31 December 2023	31 December 2022
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. As a result, the Company’s share capital was increased from Saudi Riyals 4.5 billion (450,000,000 shares with a par value of Saudi Riyals 10) to Saudi Riyals 7.5 billion (754,800,000 shares with a par value of Saudi Riyals 10).

The transaction to acquire all shares in Petrochem which were not owned by the Company resulted in the following:

1.1 Share capital

Outstanding shares of Petrochem owned by non-controlling interests prior to 10 April 2022 (in 000’s)	240,000
Exchange ratio	<u>1.27</u>
Shares issued by the Company (in 000’s)	304,800
Par value of shares issued by the Company (at Saudi Riyals 10 per share and in Saudi Riyals 000’s)	3,048,000
Outstanding share capital of the Company prior to 10 April 2022 (in Saudi Riyals 000’s)	<u>4,500,000</u>
Total issued share capital of the Company on 10 April 2022 (in Saudi Riyals 000’s)	<u>7,548,000</u>

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
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1 General information (continued)

1.2 Share premium

Shares issued by the Company (in 000's)	304,800
Share price of the Company on 10 April 2022 (Saudi Riyals per share)	<u>36.15</u>
Total consideration (in Saudi Riyals 000's)	11,018,520
Less: par value of shares issued by the Company (at Saudi Riyals 10 per share and in Saudi Riyals 000's)	<u>(3,048,000)</u>
Share premium of the Company on 10 April 2022 (in Saudi Riyals 000's)	<u>7,970,520</u>

1.3 Acquisition reserve

The Company recorded the difference between the fair value of the total consideration and the carrying value of the acquired interest as "Acquisition reserve".

Total consideration (in Saudi Riyals 000's)	11,018,520
Less: carrying value of the acquired interest (in Saudi Riyals 000's)	<u>(4,681,109)</u>
Acquisition reserve of the Company on 10 April 2022 (in Saudi Riyals 000's)	<u>6,337,411</u>

The condensed consolidated interim financial statements including notes and other explanatory information were approved and authorised for issue on 31 January 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) and material accounting policy for investments in associates as set out in Note 2.2.

2.1 Basis of preparation

(a) Statement of compliance

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

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

(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 2022.

(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.

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month period and year ended 31 December 2023
(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

(d) New standards and amendment to standards and interpretation

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

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 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.

2.2 Basis of equity accounting - Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. Group's share of the profits or losses of the investees are presented in the profit or loss; and the Group's share of other comprehensive income of the investees are presented in other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Dividends received or receivable from the associates are recognised as a reduction in the carrying amount of the investments when the right to receive a dividend is established.

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

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments are recognised in the profit or loss.

The Group applies IAS 36 "Impairment of Assets" to determine whether an investment in an associate is impaired and accounts for any identified impairment loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3 Fair value of assets and liabilities

As at 31 December 2023 and 31 December 2022, 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.

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month period and year ended 31 December 2023
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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 2022, except for use of significant assumptions around estimation of impairment assessment of investment in joint ventures, as explained below.

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 31 December 2023, 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 31 December 2023.

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY
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5 Investments accounted for using the equity method

	Note	31 December 2023	31 December 2022
Investments in joint ventures	5.1	8,754,664	8,694,689
Investment in an associate	5.2	271,818	-
		9,026,482	8,694,689

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

	Note	For the three-month period ended 31 December		For the year ended 31 December	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Audited)
Joint ventures	5.1	50,972	(288,185)	197,324	494,073
Associate	5.2	(7,408)	-	(9,155)	-
		43,564	(288,185)	188,169	494,073

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	
		31 December 2023	31 December 2022
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.

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For the three-month period and year ended 31 December 2023
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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)

- 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.

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

	For the year ended 31 December 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)	181,929	(136,601)	24,128	14,814	113,054	197,324
Share of other comprehensive loss	(4,864)	(1,088)	-	(12,150)	-	(18,102)
Dividends received from a joint venture	-	-	(37,500)	-	(97,500)	(135,000)
Zakat reimbursed to joint ventures	10,989	3,195	-	1,569	-	15,753
31 December 2023	866,497	499,573	32,107	6,682,316	674,171	8,754,664
	For the year ended 31 December 2022					
	SCP	JCP	ADCO	SPCo	GPDC	Total
1 January 2022	684,422	775,063	123,072	6,530,085	617,306	8,729,948
Share of net profit (loss)	408,646	(157,164)	44,282	59,498	138,811	494,073
Share of other comprehensive income	26,076	14,321	-	56,448	-	96,845
Dividends received from joint ventures	(450,000)	-	(121,875)	-	(97,500)	(669,375)
Zakat reimbursed to joint ventures	9,299	1,847	-	32,052	-	43,198
31 December 2022	678,443	634,067	45,479	6,678,083	658,617	8,694,689

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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)

Impairment assessment for investment in JCP:

As at 31 December 2023, due to the continued net loss in the year ended 31 December 2023 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 31 December 2023.

The calculation of value in use for the Company's investment in JCP is most sensitive to the management's assumptions used for the pre-tax discount rate, which is 11.90%. A revision in the pre-tax discount rate to 13.99%, as used by the management in preparation of discounted cashflows to determine the value in use of the Company's investment in JCP, would make the value in use of the Company's investment in JCP equal to its carrying value. A further increase would result in an impairment loss in the Company's investment in JCP.

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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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	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<u>Current assets</u>				
Cash and cash equivalents	755,483	374,513	73,654	199,898
Other current assets	1,452,323	1,416,143	984,198	1,069,822
Total current assets	2,207,806	1,790,656	1,057,852	1,269,720
Non-current assets	907,309	866,108	1,350,451	1,424,012
<u>Current liabilities</u>				
Financial liabilities (excluding trade payables)	(743,877)	(701,360)	(924,878)	(956,387)
Other current liabilities	(264,094)	(292,819)	(306,105)	(354,381)
Total current liabilities	(1,007,971)	(994,179)	(1,230,983)	(1,310,768)
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade payables)	(2,989)	(79)	(16,043)	(4,838)
Other non-current liabilities	(224,295)	(194,756)	(91,313)	(79,208)
Total non-current liabilities	(227,284)	(194,835)	(107,356)	(84,046)
Net assets	1,879,860	1,467,750	1,069,964	1,298,918

Summarised statement of financial position

	ADCO		SPCo	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<u>Current assets</u>				
Cash and cash equivalents	138,529	200,299	96,098	211,065
Other current assets	296,760	269,801	1,487,670	1,487,653
Total current assets	435,289	470,100	1,583,768	1,698,718
Non-current assets	199	-	11,563,897	12,357,885
<u>Current liabilities</u>				
Financial liabilities (excluding trade payables)	(371,265)	(379,043)	(1,866,537)	(3,044,284)
Other current liabilities	-	-	(465,510)	(270,026)
Total current liabilities	(371,265)	(379,043)	(2,332,047)	(3,314,310)
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade payables)	-	-	(52,834)	(42,454)
Other non-current liabilities	(120)	(101)	(585,292)	(573,946)
Total non-current liabilities	(120)	(101)	(638,126)	(616,400)
Net assets	64,103	90,956	10,177,492	10,125,893

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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 financial position

	GPDC	
	31 December 2023	31 December 2022
<u>Current assets</u>		
Cash and cash equivalents	207,470	612,585
Other current assets	1,006,759	720,435
Total current assets	1,214,229	1,333,020
Non-current assets	1,033	1,605
<u>Current liabilities</u>		
Financial liabilities (excluding trade payables)	(157,329)	(305,040)
Other current liabilities	(19,098)	(15,008)
Total current liabilities	(176,427)	(320,048)
<u>Non-current liabilities</u>		
Financial liabilities (excluding trade payables)	-	-
Other non-current liabilities	(1,640)	(1,320)
Total non-current liabilities	(1,640)	(1,320)
Net assets	1,037,195	1,013,257

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

	SCP		JCP	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Joint venture net assets	1,879,860	1,467,750	1,069,964	1,298,918
Group's share	50%	50%	50%	50%
	939,930	733,875	534,982	649,459
Intra-group eliminations	(8,826)	(8,772)	-	-
Zakat and income tax differences*	(64,607)	(46,660)	(35,409)	(15,392)
Carrying value of investments	866,497	678,443	499,573	634,067
	ADCO		SPCo	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Joint venture net assets	64,103	90,956	10,177,492	10,125,893
Group's share	50%	50%	65%	65%
	32,052	45,478	6,615,369	6,581,831
Intra-group eliminations	-	1	(288)	(13,872)
Zakat and income tax differences*	55	-	67,235	110,124
Carrying value of investments	32,107	45,479	6,682,316	6,678,083

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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	
	31 December 2023	31 December 2022
Joint venture net assets	1,037,195	1,013,257
Group's share	65%	65%
	674,177	658,617
Intra-group eliminations	-	-
Zakat and income tax differences*	(6)	-
Carrying value of investments	674,171	658,617

*Zakat and income tax differences represent the cumulative historical income tax allocated to the non-Saudi shareholder in the joint venture.

Summarised statement of profit or loss and other comprehensive income

	SCP			
	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Revenue from contracts with customers	1,133,010	1,305,394	4,755,544	6,152,318
Finance income	6,576	1,237	14,903	5,790
Depreciation	(27,154)	(30,442)	(118,538)	(135,341)
Finance costs	(9,260)	(6,637)	(9,480)	(6,795)
Zakat and income tax expense	(5,744)	(4,893)	(43,882)	(97,736)
Profit for the period/year	64,005	60,013	335,160	755,745
Other comprehensive (loss) income for the period/year	(8,756)	(4,699)	(8,756)	46,935
Total comprehensive income for the period/year	55,249	55,314	326,404	802,680

Summarised statement of profit or loss and other comprehensive income

	JCP			
	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Revenue from contracts with customers	1,485,187	1,435,418	6,038,768	6,775,793
Finance income	2,261	1,638	8,351	3,521
Depreciation	(67,329)	(66,796)	(268,705)	(268,100)
Finance costs	(5,655)	(2,726)	(5,809)	(2,891)
Zakat and income tax credit	14,673	15,288	28,466	26,598
Loss for the period/year	(140,246)	(100,680)	(242,899)	(278,290)
Other comprehensive (loss) income for the period/year	(1,958)	(776)	(1,958)	25,778
Total comprehensive loss for the period/year	(142,204)	(101,456)	(244,857)	(252,512)

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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 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Revenue from contracts with customers	772,661	770,807	3,371,948	4,617,428
Depreciation	(24)	(120)	(98)	(120)
Finance costs	(2)	-	(8)	-
(Loss) profit for the period/year	(1,613)	(45,326)	48,146	88,568
Other comprehensive income for the period/year	-	-	-	-
Total comprehensive (loss) income for the period/year	(1,613)	(45,326)	48,146	88,568

Summarised statement of profit or loss and other comprehensive income

	SPCo			
	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Revenue from contracts with customers	1,374,965	670,160	5,475,795	6,598,868
Finance income	3,945	6,119	16,661	12,983
Depreciation	(229,594)	(217,908)	(909,342)	(876,058)
Finance costs	(34,256)	(23,513)	(76,073)	(47,966)
Zakat and income tax credit (expense)	6,746	37,037	(2,426)	(12,371)
(Loss) profit for the period/year	(36,531)	(440,834)	6,418	50,978
Other comprehensive (loss) income for the period/year	(17,381)	(7,164)	(17,381)	80,764
Total comprehensive (loss) income for the period/year	(53,912)	(447,998)	(10,963)	131,742

Summarised statement of profit or loss and other comprehensive income

	GPDC			
	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Revenue from contracts with customers	1,300,545	934,496	5,006,850	6,717,289
Finance income	11,827	972	21,097	1,433
Depreciation	(691)	-	(864)	-
Finance costs	(9)	(15)	(37)	(56)
Profit for the period/year	104,947	32,239	173,927	213,555
Other comprehensive income for the period/year	-	-	-	-
Total comprehensive income for the period/year	104,947	32,239	173,927	213,555

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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:

	31 December 2023	31 December 2022
SCP	831,345	896,469
JCP	1,236,196	1,287,756
SPCo	349,851	132,289
GPDC	9,694	9,467

5.2 Investment in an associate accounted for using the equity method

The Group has an investment in the following associate, which is a limited liability company:

	Country of incorporation	Effective ownership percentage at	
		31 December 2023	31 December 2022
Unibio International Plc	England and Wales	24%	-

Unibio is a public company limited by shares (unlisted) 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 year ended 31 December 2023	2022
1 January	-	-
Acquisition of interest in Unibio during the period	280,973	-
Share of net loss from an associate accounted for using the equity method	(9,155)	-
31 December	271,818	-

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6 Related party transactions and balances

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

(a) *Due from related parties*

	31 December 2023	31 December 2022
SPCo	743,951	743,951
JCP	159,126	159,126
	903,077	903,077

(b) *Key management personnel compensation*

	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Short-term employee benefits	3,910	2,667	12,655	12,539
Employee benefit obligations	222	197	837	789
	4,132	2,864	13,492	13,328

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

7 Cash and cash equivalents

	31 December 2023	31 December 2022
Cash at banks	418,535	40,374
Cash in hand	80	10
Murabaha deposits	157,165	159,662
	575,780	200,046

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 6.15% to 6.20% per annum (2022: 4.40% to 5.00% 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 a commercial rate of 6.25% per annum (2022: 3.15% to 5.35% per annum).

9 Share capital

As at 31 December 2023, the authorised, issued and fully paid-up share capital comprised 754.8 million ordinary shares (31 December 2022: 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 year ended 31 December 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 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 2022. 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 has filed an appeal against the additional zakat liability with the General Secretariat of Tax Committees (the "GSTC") and the final ruling is awaited.

During 2021, the ZATCA raised assessments for the years from 2019 to 2020 with additional zakat liability of Saudi Riyals 15.7 million. The Company filed an appeal against the additional zakat liability with the ZATCA, following which the Company received revised assessments from ZATCA reducing the additional zakat liability to Saudi Riyals 14.8 million, which has already been settled by the Company during 2021 and 2022.

(b) Status of assessments of Petrochem

Petrochem has filed its Zakat return with the ZATCA up to 2022. 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, and decision of CRTVD is awaited.

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11 Zakat (continued)

(b) Status of assessments of Petrochem (continued)

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 has settled the revised zakat liability amounting to Saudi Riyals 71.7 million, however, it has submitted a reconsideration request for one of the rejected appealed items and decision of ACTVD is awaited.

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 and GSTC's decision is awaited.

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:

	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Polymers				
Domestic/Middle East	20%	20%	21%	18%
Asia	51%	44%	49%	48%
Europe/Africa	29%	36%	30%	34%
	100%	100%	100%	100%
	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Aromatics				
Domestic/Middle East	55%	54%	52%	48%
Asia	23%	21%	20%	22%
Europe/Africa	22%	25%	28%	30%
	100%	100%	100%	100%

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13 Basic and diluted (loss) earning per share

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

	For the three-month period ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
Earnings (losses) for the period/year	11,240	(296,436)	112,201	277,440
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	754,800	754,800	754,800	671,900
Earning (loss) per share	0.01	(0.39)	0.15	0.41

14 Dividends

On 1 August 2023, the Company's Board of Directors approved dividends amounting to Saudi Riyals 377.4 million (Saudi Riyals 0.5 per share) of which Saudi Riyals 376.69 million were paid during the year ended 31 December 2023 (31 December 2022: Saudi Riyals 1.70 billion (Saudi Riyals 2 per share), of which Saudi Riyals 1.69 billion were paid during the year ended 31 December 2022).

Furthermore, on 17 December 2023, the Board of Directors approved dividends amounting to Saudi Riyals 377.4 million (Saudi Riyals 0.5 per share) of which Saudi Riyals nil was paid during the year ended 31 December 2023.

15 Events after the reporting date

Subsequent to the year ended 31 December 2023, the Group's joint ventures received an official notification from Saudi Aramco relating to increase in the feedstock prices, which is expected to lead to higher production costs during the year 2024.

The estimated financial impact due to the above-mentioned increase is estimated to be 1.4% of the cost of goods sold of the joint ventures.