

**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 2022
AND REPORT ON REVIEW OF 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 2022

	Page
Report on review of condensed consolidated interim financial statements	2
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of profit or loss and other comprehensive income	4 - 5
Condensed consolidated interim statement of changes in equity	6
Condensed consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial statements	8 - 22



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 2022 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 2022 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


Ali A. Alotaibi
License Number 379

31 January 2023

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 2022 (Unaudited)	As at 31 December 2021 (Audited)
Assets			
Non-current assets			
Property and equipment		1,690	1,651
Investments in joint ventures accounted for using the equity method	5	8,694,689	8,729,948
Other assets		5,492	4,986
Total non-current assets		8,701,871	8,736,585
Current assets			
Prepayments and other current assets		4,187	4,492
Due from related parties	6	903,077	1,259,561
Short-term Murabaha deposits	8	1,245,030	497,000
Cash and cash equivalents	7	200,046	1,813,811
Total current assets		2,352,340	3,574,864
Total assets		11,054,211	12,311,449
Equity and liabilities			
Equity			
Share capital	1, 9	7,548,000	4,500,000
Share premium	1	7,970,520	-
Statutory reserve		1,047,672	1,019,928
Other reserves	1	(6,337,411)	-
Retained earnings		458,190	1,808,544
Equity attributable to the shareholders of Saudi Industrial Investment Group Company		10,686,971	7,328,472
Non-controlling interests		-	4,564,866
Total equity		10,686,971	11,893,338
Liabilities			
Non-current liabilities			
Employee benefit obligations		20,570	19,965
Current liabilities			
Due to a related party	6	-	51
Accrued expenses and other liabilities		38,135	34,920
Zakat payable	10	308,535	363,175
Total current liabilities		346,670	398,146
Total liabilities		367,240	418,111
Total equity and liabilities		11,054,211	12,311,449

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


Hazem Swaireh
Finance Manager

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	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Audited)
Share of net (loss) profit of joint ventures accounted for using the equity method	5	(288,185)	299,926	494,073	1,905,924
General and administrative expenses		(19,469)	(27,664)	(71,971)	(69,110)
Operating (loss) profit		(307,654)	272,262	422,102	1,836,814
Finance income - net		17,301	3,622	45,006	10,106
Other income - net		108	137	386	522
(Loss) profit before zakat		(290,245)	276,021	467,494	1,847,442
Zakat expense		(6,191)	(49,855)	(73,811)	(29,669)
(Loss) profit for the period / year		(296,436)	226,166	393,683	1,817,773
Other comprehensive income for the period / year					
<i>Items that will not be reclassified to profit or loss:</i>					
Re-measurements of employee benefit obligations		1,405	190	1,405	190
Share of net other comprehensive income of joint ventures accounted for using the equity method	5	598	8,792	96,845	8,792
Other comprehensive income for the period / year		2,003	8,982	98,250	8,982
Total comprehensive (loss) income for the period / year		(294,433)	235,148	491,933	1,826,755

(continued)

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	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Audited)
(Loss) profit for the period / year is attributable to:				
Shareholders of Saudi Industrial Investment Group Company	(296,436)	121,649	277,440	1,136,272
Non-controlling interests	-	104,517	116,243	681,501
	(296,436)	226,166	393,683	1,817,773
Total comprehensive (loss) income for the period / year is attributable to:				
Shareholders of Saudi Industrial Investment Group Company	(294,433)	127,189	375,690	1,141,812
Non-controlling interests	-	107,959	116,243	684,943
	(294,433)	235,148	491,933	1,826,755
Earnings per share				
Basic and diluted	12 (0.39)	0.27	0.41	2.53

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




Hazem Swaireh
Finance Manger

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	Other reserves	Retained earnings	Total		
At 1 January 2021 (Audited)	4,500,000	-	906,301	-	1,005,359	6,411,660	4,059,923	10,471,583
Profit for the year	-	-	-	-	1,136,272	1,136,272	681,501	1,817,773
Other comprehensive income for the year	-	-	-	-	5,540	5,540	3,442	8,982
Total comprehensive income for the year	-	-	-	-	1,141,812	1,141,812	684,943	1,826,755
Transfer to statutory reserve	-	-	113,627	-	(113,627)	-	-	-
Transactions with shareholders in their capacity as shareholders:								
Dividends	13	-	-	-	(225,000)	(225,000)	(180,000)	(405,000)
At 31 December 2021 (Audited)	4,500,000	-	1,019,928	-	1,808,544	7,328,472	4,564,866	11,893,338
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	13	-	-	-	(1,698,300)	(1,698,300)	-	(1,698,300)
At 31 December 2022 (Unaudited)	7,548,000	7,970,520	1,047,672	(6,337,411)	458,190	10,686,971	-	10,686,971

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


Hazem Swaireh
Finance Manager

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	
		2022	2021
		(Unaudited)	(Audited)
Cash flows from operating activities			
Profit before zakat		467,494	1,847,442
<u>Adjustments for:</u>			
Depreciation		716	782
Share of net profit of joint ventures accounted for using the equity method	5	(494,073)	(1,905,924)
Finance income - net		(45,006)	(10,106)
Gain on disposals of property and equipment		-	(80)
Provision for employee benefit obligations		1,530	1,466
<u>Changes in operating assets and liabilities:</u>			
(Increase) decrease in prepayments and other assets		(2,443)	4,580
Increase in due from related parties		(15)	(368)
Decrease in due to a related party		(51)	-
(Decrease) increase in accrued expenses and other liabilities		(265)	1,031
Cash utilized in operations		(72,113)	(61,177)
Finance income received		47,806	8,203
Zakat paid		(128,452)	(85,290)
Employee benefit obligations paid		(77)	(201)
Dividends received from joint ventures	5	669,375	384,375
Zakat reimbursed to joint ventures	5	(43,198)	(27,389)
Net cash inflow from operating activities		473,341	218,521
Cash flows from investing activities			
Payments for purchases of property and equipment		(756)	(894)
Placements in short-term deposits		(748,030)	(497,000)
Proceeds from disposals of property and equipment		-	80
Reduction in share capital of joint ventures	6	356,500	1,555,625
Net cash (outflow) inflow from investing activities		(392,286)	1,057,811
Cash flows from financing activities			
Dividends paid		(1,694,820)	(448,263)
Dividends paid by a subsidiary to non-controlling interests		-	(180,000)
Cash outflow from financing activities		(1,694,820)	(628,263)
Net (decrease) increase in cash and cash equivalents		(1,613,765)	648,069
Cash and cash equivalents at beginning of the year		1,813,811	1,165,742
Cash and cash equivalents at end of the year	7	200,046	1,813,811

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


Hazem Swaireh
Finance Manager

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 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information

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

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

	Country of incorporation	Effective ownership percentage at 31 December 2022	31 December 2021
National Petrochemical Company (a Saudi Closed Joint Stock Company) ("Petrochem")	Kingdom of Saudi Arabia	100%	50%

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

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

Petrochem's acquisition

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

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

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

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

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

SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial statements (Unaudited)****For the three-month period and year ended 31 December 2022**

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information (continued)

During the general assembly meeting on 10 April 2022 (corresponding to 9 Ramadan 1443H), Petrochem's shareholders accepted the offer of the Company to Petrochem's shareholders 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	1.27
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)	4,500,000
Total issued share capital of the Company on 10 April 2022 (in Saudi Riyals 000's)	7,548,000

1.2 Share premium

Shares issued by the Company (in 000's)	304,800
Share price of the Company on 10 April 2022	36.15
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)	(3,048,000)
Share premium of the Company on 10 April 2022 (in Saudi Riyals 000's)	7,970,520

1.3 Other reserves

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

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

The condensed consolidated interim financial statements including notes and other explanatory information were approved and authorized for issue on 31 January 2023.

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 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Accounting policies

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

2.1 Basis of preparation

(a) Statement of compliance

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

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

(b) Historical cost convention

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

(c) Functional and presentation currency

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

(d) New standards and amendments to standards and interpretations

The Group has applied the following amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 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 interim financial statements.

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 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

3 Fair value of assets and liabilities

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

4 Critical accounting estimates and judgements

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

Impairment of investment in joint ventures:

At each reporting date, the Group tests the carrying amount of each of its investments in joint ventures 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 joint venture. 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 joint venture's underlying assets as reduced by the fair value of outstanding debt of the respective joint venture 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 joint venture. It also requires management to make estimates of future business growth, terminal growth rate and to determine the most appropriate discount rate.

The key assumptions used to determine the recoverable amount for the investment in joint ventures, where the management identified impairment indicators as at 31 December 2022, including a sensitivity analysis, are disclosed and further explained in Note 5.

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 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Investments in joint ventures accounted for using the equity method

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

	Country of incorporation	Effective ownership percentage at 31 December	
		2022	2021
Saudi Chevron Phillips Company (a limited liability company) ("SCP")	Kingdom of Saudi Arabia	50%	50%
Jubail Chevron Phillips Company (a limited liability 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.

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

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

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

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

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

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

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 2022****(All amounts in Saudi Riyals thousands unless otherwise stated)****5 Investments in joint ventures accounted for using the equity method (continued)**

- 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 ACPPL.

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

	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

	For the year ended 31 December 2021					
	SCP	JCP	ADCO	SPCO	GPDC	Total
1 January 2021	536,698	699,739	54,509	7,493,025	594,347	9,378,318
Share of net profit	356,307	66,589	115,438	1,222,756	144,834	1,905,924
Share of other comprehensive income	797	709	-	7,286	-	8,792
Reduction in share capital	-	-	-	(2,206,100)	-	(2,206,100)
Dividends received from joint ventures	(215,625)	-	(46,875)	-	(121,875)	(384,375)
Zakat reimbursed to joint ventures	6,245	8,026	-	13,118	-	27,389
31 December 2021	684,422	775,063	123,072	6,530,085	617,306	8,729,948

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(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month period and year ended 31 December 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

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

Impairment assessment for investment in JCP:

As at 31 December 2022, due to the existence of certain impairment indicators, the Company's investment in JCP was tested for impairment. However, no impairment was required to be recognized as a result of such assessment as at 31 December 2022.

The calculation of value in use for Company's investment in JCP is most sensitive to the management's assumption used for compound annual growth rate (CAGR) of the prices of its products over the forecast period of 5 years, which is 3.2%. A revision in the weighted average CAGR to 2.6%, 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 decrease 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 venture and not the Company's share of those amounts.

Summarised statement of financial position

	SCP		JCP	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<u>Current assets</u>				
<i>Cash and cash equivalents</i>	374,513	196,148	199,898	278,276
<i>Other current assets</i>	1,416,143	1,419,353	1,069,822	1,132,823
Total current assets	1,790,656	1,615,501	1,269,720	1,411,099
Non-current assets	866,108	989,164	1,424,012	1,660,790
<u>Current liabilities</u>				
<i>Financial liabilities (excluding trade payables)</i>	(701,360)	(782,224)	(956,387)	(736,946)
<i>Other current liabilities</i>	(292,819)	(148,433)	(354,381)	(689,757)
Total current liabilities	(994,179)	(930,657)	(1,310,768)	(1,426,703)
<u>Non-current liabilities</u>				
<i>Financial liabilities (excluding trade payables)</i>	(79)	(821)	(4,838)	(4,639)
<i>Other non-current liabilities</i>	(194,756)	(223,283)	(79,208)	(119,712)
Total non-current liabilities	(194,835)	(224,104)	(84,046)	(124,351)
Net assets	1,467,750	1,449,904	1,298,918	1,520,835

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 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

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

Summarised statement of financial position

	ADCO		SPCO	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Current assets				
<i>Cash and cash equivalents</i>	200,299	286,091	211,065	598,729
<i>Other current assets</i>	269,801	508,117	1,487,653	1,923,478
Total current assets	470,100	794,208	1,698,718	2,522,207
Non-current assets	-	-	12,357,885	12,392,888
Current liabilities				
<i>Financial liabilities (excluding trade payables)</i>	(379,043)	(547,980)	(3,044,284)	(3,023,955)
<i>Other current liabilities</i>	-	-	(270,026)	(604,171)
Total current liabilities	(379,043)	(547,980)	(3,314,310)	(3,628,126)
Non-current liabilities				
<i>Financial liabilities (excluding trade payables)</i>	-	-	(42,454)	(799,425)
<i>Other non-current liabilities</i>	(101)	(86)	(573,946)	(653,944)
Total non-current liabilities	(101)	(86)	(616,400)	(1,453,369)
Net assets	90,956	246,142	10,125,893	9,833,600

Summarised statement of financial position

	GPDC	
	31 December 2022	31 December 2021
Current assets		
<i>Cash and cash equivalents</i>	612,585	95,693
<i>Other current assets</i>	720,435	1,475,171
Total current assets	1,333,020	1,570,864
Non-current assets	1,605	304
Current liabilities		
<i>Financial liabilities (excluding trade payables)</i>	(305,040)	(568,778)
<i>Other current liabilities</i>	(15,008)	(51,506)
Total current liabilities	(320,048)	(620,284)
Non-current liabilities		
<i>Financial liabilities (excluding trade payables)</i>	-	-
<i>Other non-current liabilities</i>	(1,320)	(1,182)
Total non-current liabilities	(1,320)	(1,182)
Net assets	1,013,257	949,702

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 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

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

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

	SCP		JCP	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Joint venture net assets	1,467,750	1,449,904	1,298,918	1,520,835
Group's share	50%	50%	50%	50%
	733,875	724,952	649,459	760,418
Intra-group eliminations	(8,772)	-	-	-
Timing differences in zakat / current income tax recognition and reimbursement	(46,660)	(40,530)	(15,392)	14,645
Carrying value of investments	678,443	684,422	634,067	775,063

	ADCO		SPCO	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Joint venture net assets	90,956	246,142	10,125,893	9,833,600
Group's share	50%	50%	65%	65%
	45,478	123,072	6,581,831	6,391,840
Intra-group eliminations	1	-	(13,872)	(38,622)
Timing differences in zakat / current income tax recognition and reimbursement	-	-	110,124	176,867
Carrying value of investments	45,479	123,072	6,678,083	6,530,085

	GPDC	
	31 December 2022	31 December 2021
Joint venture net assets	1,013,257	949,702
Group's share	65%	65%
Carrying value of investment	658,617	617,306

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 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

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

Summarised statement of profit or loss and other comprehensive income

	SCP			
	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Revenue from contracts with customers	1,305,394	1,090,048	6,152,318	4,498,256
Finance income	1,237	643	5,790	2,618
Depreciation	(30,442)	(33,592)	(135,341)	(134,605)
Finance costs	(6,637)	(4,943)	(6,795)	(5,355)
Zakat and income tax expense	(4,893)	(8,977)	(97,736)	(80,640)
Profit for the period / year	60,013	50,807	755,745	634,223
Other comprehensive (loss) income for the period / year	(4,699)	1,594	46,935	1,594
Total comprehensive income for the period / year	55,314	52,401	802,680	635,817

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	
	2022	2021	2022	2021
Revenue from contracts with customers	1,435,418	1,690,985	6,775,793	6,019,253
Finance income	1,638	473	3,521	1,733
Depreciation	(66,796)	(67,965)	(268,100)	(270,286)
Finance costs	(2,726)	(2,266)	(2,891)	(2,445)
Zakat and income tax credit (expense)	15,288	9,620	26,598	(16,050)
(Loss) profit for the period / year	(100,680)	(13,265)	(278,290)	120,900
Other comprehensive (loss) income for the period / year	(776)	1,275	25,778	1,275
Total comprehensive (loss) income for the period / year	(101,456)	(11,990)	(252,512)	122,175

	ADCO			
	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Revenue from contracts with customers	770,807	1,084,979	4,617,428	4,236,593
Depreciation	(120)	(120)	(120)	(120)
Finance costs	-	(4)	-	(4)
Profit for the period / year	45,326	53,874	88,568	230,876
Other comprehensive income for the period / year	-	-	-	-
Total comprehensive income for the period / year	45,326	53,874	88,568	230,876

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 2022

(All amounts in Saudi Riyals thousands unless otherwise stated)

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

Summarised statement of profit or loss and other comprehensive income

	SPCO			
	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Revenue from contracts with customers	670,160	2,177,834	6,598,868	8,201,284
Finance income	6,119	1,045	12,983	5,719
Depreciation	(217,908)	(216,675)	(876,058)	(871,346)
Finance costs	(23,513)	(14,514)	(47,966)	(37,635)
Zakat and income tax credit (expense)	37,037	(10,368)	(12,371)	(171,046)
(Loss) profit for the period / year	(440,834)	302,218	50,978	1,763,036
Other comprehensive (loss) income for the period / year	(7,164)	10,425	80,764	10,425
Total comprehensive (loss) income for the period / year	(447,998)	312,643	131,742	1,773,461

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	
	2022	2021	2022	2021
Revenue from contracts with customers	934,496	2,046,082	6,717,289	7,582,751
Finance income	972	(11)	1,433	15
Depreciation	-	(270)	-	(1,073)
Finance costs	(15)	-	(56)	(4)
Profit for the period / year	32,239	46,383	213,555	222,821
Other comprehensive income for the period / year	-	-	-	-
Total comprehensive income for the period / year	32,239	46,383	213,555	222,821

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

	31 December 2022	31 December 2021
SCP	896,469	738,647
JCP	1,287,756	971,762
ADCO	-	-
SPCO	132,289	1,256,083
GPDC	9,467	-

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 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

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) *Following are the significant transactions entered into by the Group with its related parties:*

Related parties	Nature of transactions	For the three-month period ended 31 December		For the year ended 31 December	
		2022	2021	2022	2021

Joint venture:

	<i>Reduction in share capital</i>				
SPCO		-	-	-	2,206,100

(i) Due from related parties

	31 December 2022	31 December 2021
SPCO	743,951	987,686
JCP	159,126	271,875
	903,077	1,259,561

(ii) Due to a related party

	31 December 2022	31 December 2021
ACPPCL	-	51

(b) *Key management personnel compensation*

	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Salaries and other short-term employee benefits	6,636	8,026	20,941	21,396
Employee benefit obligations	-	531	758	1,892
	6,636	8,557	21,699	23,288

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

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 2022
 (All amounts in Saudi Riyals thousands unless otherwise stated)

7 Cash and cash equivalents

	31 December 2022	31 December 2021
Cash at banks	40,374	36,811
Cash in hand	10	-
Murabaha deposits	159,662	1,777,000
	200,046	1,813,811

Murabaha deposits are placed with commercial banks, with a maturity period of three months or less from date of placement, and yield finance income at commercial rates ranging from 4.40% to 5.00% per annum (2021: 0.35% to 1.25% per annum).

8 Short-term Murabaha deposits

Short-term Murabaha deposits represents short-term deposits with maturity periods of more than three months and less than twelve months from the date of placement, and yield finance income at commercial rates ranging from 3.15% to 5.35% per annum (2021: 0.60% to 0.75% per annum).

9 Share capital

As at 31 December 2022, the authorized, issued and fully paid-up share capital comprised 754.8 million ordinary shares (31 December 2021: 450 million ordinary shares) of Saudi Riyals 10 per share.

Also refer to Note 1.

10 Zakat

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

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

(a) Status of assessments of the Company

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

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

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

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 2022
(All amounts in Saudi Riyals thousands unless otherwise stated)

10 Zakat (continued)

(b) Status of assessments of Petrochem

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

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, have filed an appeal to ACTVD and the final ruling 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.

11 Segment reporting

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

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

Polymers	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Domestic/Middle East	20%	16%	18%	20%
Asia	44%	48%	48%	49%
Europe/Africa	36%	36%	34%	31%
	100%	100%	100%	100%

Aromatics	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Domestic/Middle East	54%	47%	48%	45%
Asia	21%	32%	22%	26%
Europe/Africa	25%	21%	30%	29%
	100%	100%	100%	100%

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 2022****(All amounts in Saudi Riyals thousands unless otherwise stated)****12 Basic and diluted earnings per share**

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

	For the three-month period ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Earnings for the period / year	(296,436)	121,649	277,440	1,136,272
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	754,800	450,000	671,900	450,000
Earnings per share	(0.39)	0.27	0.41	2.53

Also see Note 1.

13 Dividends

On 14 April 2022, the Company's Board of Directors approved dividends amounting to Saudi Riyals 1.1 billion (Saudi Riyals 1.5 per share) of which Saudi Riyals 1.1 billion were paid during the year ended 31 December 2022 (31 December 2021: Saudi Riyals 225 million (Saudi Riyals 0.5 per share), which was fully paid during the year ended 31 December 2021).

Furthermore, on 5 December 2022, the Board of Directors approved dividends amounting to Saudi Riyals 566.1 million (Saudi Riyals 0.75 per share) of which Saudi Riyals 563.6 million were paid during the year ended 31 December 2022.