

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)  
FOR THE THREE-MONTH PERIOD AND YEAR ENDED 31  
DECEMBER 2021  
AND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY  
(A Saudi Joint Stock Company)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2021**

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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 2021 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 2021 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.

### Emphasis of matter

We draw attention to Note 14 to the accompanying condensed consolidated interim financial statements, which sets out the impact of restatement on investments in Saudi Polymers Company (“SPCO”) and Gulf Polymers Distribution Company (“GPDC”) that were previously consolidated by the Company’s subsidiary, National Petrochemical Company (“Petrochem”). Based on Petrochem’s reassessment of its contractual arrangements with the respective shareholders of SPCO and GPDC, these investments should have been accounted for as investments in joint ventures using the equity method as Petrochem exercised joint control over these investments.

Note 14 to the accompanying condensed consolidated interim financial statements sets out:

- the impact of this restatement to the respective 2020 comparative periods of these condensed consolidated interim financial statements and the condensed consolidated interim statement of financial position as of 1 January 2020; and
- that the restatement had no impact on the total equity attributable to the shareholders of the Company, net income and earnings per share (basic and diluted).

Our conclusion is not modified in respect of this matter.

### PricewaterhouseCoopers

Ali A. Alotaibi  
License Number 379



26 January 2022

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY**  
**(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 2021 (Unaudited)	As at 31 December 2020 (Restated)	As at 1 January 2020 (Restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment		1,651	1,539	1,766
Investments in joint ventures accounted for using the equity method	5	8,729,948	9,378,318	10,028,631
Subordinated loan to a joint venture	6	-	-	339,291
Other assets		4,986	5,195	6,267
<b>Total non-current assets</b>		<b>8,736,585</b>	<b>9,385,052</b>	<b>10,375,955</b>
<b>Current assets</b>				
Prepayments and other current assets		4,492	6,621	11,902
Due from related parties	6	1,259,561	608,750	960
Short-term deposits		493,000	-	-
Cash and cash equivalents	7	1,816,811	1,165,742	1,316,833
<b>Total current assets</b>		<b>3,573,864</b>	<b>1,781,113</b>	<b>1,329,695</b>
<b>Total assets</b>		<b>12,310,449</b>	<b>11,166,165</b>	<b>11,705,650</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	8	4,500,000	4,500,000	4,500,000
Statutory reserve		1,019,928	906,301	897,136
Retained earnings		1,808,544	1,005,359	1,396,789
Equity attributable to the shareholders of Saudi Industrial Investment Group Company		7,328,472	6,411,660	6,793,925
Non-controlling interests		4,564,866	4,059,923	4,075,371
<b>Total equity</b>		<b>11,893,338</b>	<b>10,471,583</b>	<b>10,869,296</b>
<b>Liabilities</b>				
<b>Non-current liability</b>				
Employee benefit obligations		19,965	18,551	20,547
<b>Current liabilities</b>				
Due to related parties	6	51	51	-
Accrued and other liabilities		33,920	32,184	29,265
Dividends payable		-	225,000	337,500
Zakat	9	363,175	418,796	449,042
<b>Total current liabilities</b>		<b>397,146</b>	<b>676,031</b>	<b>815,807</b>
<b>Total liabilities</b>		<b>417,111</b>	<b>694,582</b>	<b>836,354</b>
<b>Total equity and liabilities</b>		<b>12,310,449</b>	<b>11,166,165</b>	<b>11,705,650</b>

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

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY**  
**(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	
		2021 (Unaudited)	2020 (Unaudited) (Restated)	2021 (Unaudited)	2020 (Audited) (Restated)
Share of net profit of joint ventures accounted for using the equity method	5	<b>299,926</b>	338,600	<b>1,905,924</b>	253,514
General and administrative expenses		<b>(27,664)</b>	(24,315)	<b>(69,110)</b>	(52,300)
<b>Operating profit</b>		<b>272,262</b>	314,285	<b>1,836,814</b>	201,214
Finance costs		<b>(339)</b>	(372)	<b>(339)</b>	(372)
Finance income		<b>3,961</b>	3,762	<b>10,445</b>	20,005
Finance income - net		<b>3,622</b>	3,390	<b>10,106</b>	19,633
Other income – net		<b>137</b>	88	<b>522</b>	85
<b>Profit before zakat</b>		<b>276,021</b>	317,763	<b>1,847,442</b>	220,932
Zakat (expense) credit		<b>(49,855)</b>	44,916	<b>(29,669)</b>	(13,876)
<b>Profit for the period / year</b>		<b>226,166</b>	362,679	<b>1,817,773</b>	207,056
<b>Other comprehensive income</b>					
<i>Item that will not be reclassified to profit or loss</i>					
Re-measurements of employee benefit obligations		<b>190</b>	(855)	<b>190</b>	(855)
Share of net other comprehensive income (loss) of joint ventures accounted for using the equity method	5	<b>8,792</b>	(33,914)	<b>8,792</b>	(33,914)
<b>Other comprehensive income (loss) for the period / year</b>		<b>8,982</b>	(34,769)	<b>8,982</b>	(34,769)
<b>Total comprehensive income for the period / year</b>		<b>235,148</b>	327,910	<b>1,826,755</b>	172,287

(continued)

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of profit or loss and other comprehensive**  
**income (continued)**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 December		For the year ended 31 December	
		2021 (Unaudited)	2020 (Unaudited) (Restated)	2021 (Unaudited)	2020 (Audited) (Restated)
<b>Profit for the period / year is attributable to:</b>					
Shareholders of Saudi Industrial Investment Group Company		<b>121,649</b>	235,017	<b>1,136,272</b>	91,645
Non-controlling interests		<b>104,517</b>	127,662	<b>681,501</b>	115,411
		<b>226,166</b>	362,679	<b>1,817,773</b>	207,056
<b>Total comprehensive income for the period / year is attributable to:</b>					
Shareholders of Saudi Industrial Investment Group Company		<b>127,189</b>	211,107	<b>1,141,812</b>	67,735
Non-controlling interests		<b>107,959</b>	116,803	<b>684,943</b>	104,552
		<b>235,148</b>	327,910	<b>1,826,755</b>	172,287
<b>Earnings per share</b>					
Basic and diluted	11	<b>0.27</b>	0.52	<b>2.53</b>	0.20

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

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY**  
**(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			Total	Non- controlling interests	Total equity
		Share capital	Statutory reserve	Retained earnings			
<b>At 1 January 2020 (Audited)</b>		4,500,000	897,136	1,396,789	6,793,925	8,174,422	14,968,347
Change in accounting treatment	14	-	-	-	-	(4,099,051)	(4,099,051)
<b>At 1 January 2020 (Restated)</b>		4,500,000	897,136	1,396,789	6,793,925	4,075,371	10,869,296
Profit for the year		-	-	91,645	91,645	115,411	207,056
Other comprehensive loss for the year		-	-	(23,910)	(23,910)	(10,859)	(34,769)
<b>Total comprehensive income for the year</b>		-	-	67,735	67,735	104,552	172,287
Transfer to statutory reserve		-	9,165	(9,165)	-	-	-
<b>Transactions with shareholders in their capacity as shareholders:</b>							
Dividends	12	-	-	(450,000)	(450,000)	(120,000)	(570,000)
<b>At 31 December 2020 (Restated)</b>		4,500,000	906,301	1,005,359	6,411,660	4,059,923	10,471,583
<b>At 1 January 2021 (Audited)</b>		4,500,000	906,301	1,005,359	6,411,660	8,221,670	14,633,330
Change in accounting treatment	14	-	-	-	-	(4,161,747)	(4,161,747)
<b>At 1 January 2021 (Restated)</b>		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	<b>1,817,773</b>
Other comprehensive income for the year		-	-	5,540	5,540	3,442	<b>8,982</b>
<b>Total comprehensive income for the year</b>		-	-	1,141,812	1,141,812	684,943	<b>1,826,755</b>
Transfer to statutory reserve		-	113,627	(113,627)	-	-	-
<b>Transactions with shareholders in their capacity as shareholders:</b>							
Dividends	12	-	-	(225,000)	(225,000)	(180,000)	<b>(405,000)</b>
<b>At 31 December 2021 (Unaudited)</b>		<b>4,500,000</b>	<b>1,019,928</b>	<b>1,808,544</b>	<b>7,328,472</b>	<b>4,564,866</b>	<b>11,893,338</b>

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

**SAUDI INDUSTRIAL INVESTMENT GROUP COMPANY AND ITS SUBSIDIARY**  
**(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	
		2021 (Unaudited)	2020 (Audited) (Restated)
<b>Cash flows from operating activities</b>			
Profit before zakat		1,847,442	220,932
<u>Adjustments for:</u>			
Depreciation		782	803
Share of net profit of joint ventures accounted for using the equity method	5	(1,905,924)	(253,514)
Gain on disposals of property and equipment		(80)	-
Finance income - net		(10,106)	(19,633)
Loss on modification of subordinated loan from a related party		-	1,151
Provision for employee benefit obligations		1,498	4,034
<u>Changes in operating assets and liabilities:</u>			
Decrease in prepayments and other current assets		4,580	8,593
Change in due from related parties		(368)	2,351
Increase in due to related parties		-	51
Change in accrued and other liabilities		(1)	2,919
Cash utilized in operations		(62,177)	(32,313)
Finance income received		8,203	17,765
Zakat paid		(85,290)	(44,122)
Employee benefit obligations paid		(201)	(8,648)
Dividends received from joint ventures	5	384,375	195,000
Contribution of share capital in a joint venture	5	-	(51)
Zakat reimbursed to joint ventures	5	(27,389)	(27,536)
<b>Net cash inflow from operating activities</b>		<b>217,521</b>	<b>100,095</b>
<b>Cash flows from investing activities</b>			
Payments for purchases of property and equipment		(894)	(658)
Proceeds from disposals of property and equipment		80	82
Placements in short-term deposits		(493,000)	-
Reduction in share capital of joint ventures	5	1,555,625	93,750
<b>Net cash inflow from investing activities</b>		<b>1,061,811</b>	<b>93,174</b>
<b>Cash flows from financing activities</b>			
Repayment of subordinated loan from a joint venture	6	-	338,140
Dividends paid	12	(448,263)	(562,500)
Dividends paid by a subsidiary to non-controlling Interests	12	(180,000)	(120,000)
<b>Net cash outflow from financing activities</b>		<b>(628,263)</b>	<b>(344,360)</b>
<b>Net change in cash and cash equivalents</b>		<b>651,069</b>	<b>(151,091)</b>
Cash and cash equivalents at beginning of year		1,165,742	1,316,833
<b>Cash and cash equivalents at end of year</b>	7	<b>1,816,811</b>	<b>1,165,742</b>
<b>Non-cash operating and investing activities:</b>			
Reduction in share capital of joint ventures adjusted against due from related parties	5	2,206,100	702,500
Transfer of employee benefit obligations from a related party	6	-	1,391

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



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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 2021  
(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 direct subsidiary (together the “Group”):

	<b>Country of incorporation</b>	<b>Effective ownership percentage at</b>	
		<b>31 December 2021</b>	<b>31 December 2020</b>
National Petrochemical Company (a Saudi joint stock company) (“Petrochem”)	Kingdom of Saudi Arabia	<b>50%</b>	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 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).

In response to the spread of the COVID-19 pandemic in territories where the Group operates and its consequential disruption to the social and economic activities in those markets, the Group’s management has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures to:

- ensure the health and safety of its employees; and
- minimizing the impact of the pandemic on its operations and product supply to the customers.

Despite these challenges, the Group’s business operations remain largely unaffected as the petrochemicals industry is, in general, exempted from the various restrictions and constraints imposed by various local regulatory authorities. The Group’s management believes that the COVID-19 pandemic, by itself, has had limited direct material effects on the Group’s reported results for the year ended 31 December 2021.

However, the Group’s management continues to monitor the situation closely in order to mitigate any disruptions as much as possible.

*Proposed 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 “Proposed 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 Proposed 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 Proposed Transaction would be implemented.

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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, as well as the terms and conditions as set out in the Implementation Agreement.

The condensed consolidated interim financial statements including notes and other explanatory information were approved and authorized for issue on 26 January 2022.

## **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 2020, except for the restatements as explained in Note 14.

#### *(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 2020.

#### *(c) Functional and presentation currency*

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

#### *(d) New standards and amendment to standards and interpretation*

There are no new standards applicable to the Group, however, certain amendments to standards became applicable for the current reporting period. The Group has applied the following amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2021:

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***IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform - Phase 2***

Phase 1 of these amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that Interbank Offered Rate (“IBOR”) reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the condensed consolidated interim statement of profit or loss and other comprehensive income.

The Phase 2 amendments require an entity to:

- account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate without the recognition of an immediate gain or loss;
- prospectively cease to apply the Phase 1 reliefs to a noncontractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to standards.

There are no other IFRSs or International Financing Reporting Interpretations Committee (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

*(d) Standards issued but not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**2.2 Basis of consolidation and equity accounting**

*(a) Subsidiary*

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2021. Subsidiaries are entities controlled by the Group. Controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following three elements:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of not wholly owned subsidiaries are shown separately in the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of financial position, respectively.

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*(b) Investments in joint ventures*

A joint venture is a type of joint arrangement where the Group has a contractual arrangement (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The condensed consolidated interim financial statements include the Group's share of the post-acquisition profits or losses of the investee in the profit or loss; and the Group's share of movements in other comprehensive income of the investee in the other comprehensive income, after adjustments to align the accounting policies with those of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment 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 arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **3 Fair value of assets and liabilities**

As at 31 December 2021 and 2020, 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 2020.

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However, as explained in Note 1, the Group’s management has proactively assessed the potential impact of the COVID-19 pandemic for any further regulatory and government restrictions both locally and in the markets in which the Group operates that could adversely affect the Group’s supply chain, production capabilities, demand of its products, as well as the sales distribution network that could cause a negative impact on the financial performance. Management has concluded that the Group’s critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances for the purpose of preparation of these condensed consolidated interim financial statements. Further, as the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

**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 2021	31 December 2020
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.

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 has 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 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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- 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, polypropylene and polystyrene. 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 December 31, 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 investment in joint ventures is as follows:

	<b>For the year ended 31 December 2021</b>					
	<b>SCP</b>	<b>JCP</b>	<b>ADCO</b>	<b>SPCO</b>	<b>GPDC</b>	<b>Total</b>
Opening balance, 1 January	536,698	699,739	54,509	7,493,025	594,347	<b>9,378,318</b>
Share of net profit	356,307	66,589	115,438	1,222,756	144,834	<b>1,905,924</b>
Share of net other comprehensive income	797	709	-	7,286	-	<b>8,792</b>
Reduction in share capital	-	-	-	(2,206,100)	-	<b>(2,206,100)</b>
Dividends received from joint ventures	(215,625)	-	(46,875)	-	(121,875)	<b>(384,375)</b>
Zakat reimbursed to joint ventures	6,245	8,026	-	13,118	-	<b>27,389</b>
Closing balance, 31 December	<b>684,422</b>	<b>775,063</b>	<b>123,072</b>	<b>6,530,085</b>	<b>617,306</b>	<b>8,729,948</b>
	<b>For the year ended 31 December 2020</b>					
	<b>SCP</b>	<b>JCP</b>	<b>ADCO</b>	<b>SPCO</b>	<b>GPDC</b>	<b>Total</b>
Opening balance, 1 January	744,390	1,266,252	-	7,324,455	693,534	10,028,631
Share of net profit (loss)	1,788	(71,190)	54,458	172,645	95,813	253,514
Share of net other comprehensive loss	(8,340)	(4,714)	-	(20,860)	-	(33,914)
Issuance of share capital	-	-	51	-	-	51
Reduction in share capital	(205,625)	(496,875)	-	-	-	(702,500)
Dividends received from joint ventures	-	-	-	-	(195,000)	(195,000)
Zakat reimbursed to joint ventures	4,485	6,266	-	16,785	-	27,536
Closing balance, 31 December	<b>536,698</b>	<b>699,739</b>	<b>54,509</b>	<b>7,493,025</b>	<b>594,347</b>	<b>9,378,318</b>

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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 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
<u>Current assets</u>						
<i>Cash and cash equivalents</i>	<b>196,148</b>	635,618	472,895	<b>278,276</b>	313,478	337,907
<i>Other current assets</i>	<b>1,419,353</b>	938,496	989,135	<b>1,132,823</b>	1,028,189	858,531
Total current assets	<b>1,615,501</b>	1,574,114	1,462,030	<b>1,411,099</b>	1,341,667	1,196,438
Non-current assets	<b>989,164</b>	970,688	1,066,168	<b>1,660,790</b>	1,849,437	2,111,739
<u>Current liabilities</u>						
<i>Financial liabilities (excluding trade payables)</i>	<b>(782,224)</b>	(921,749)	(614,578)	<b>(736,946)</b>	(987,236)	(183,197)
<i>Other current liabilities</i>	<b>(148,433)</b>	(181,392)	(129,511)	<b>(689,757)</b>	(692,351)	(518,217)
Total current liabilities	<b>(930,657)</b>	(1,103,141)	(744,089)	<b>(1,426,703)</b>	(1,679,587)	(701,414)
<u>Non-current liabilities</u>						
<i>Financial liabilities (excluding trade payables)</i>	<b>(821)</b>	(9,176)	(4,640)	<b>(4,639)</b>	(5,685)	(6,642)
<i>Other non-current liabilities</i>	<b>(223,283)</b>	(201,480)	(178,576)	<b>(119,712)</b>	(121,673)	(121,307)
Total non-current liabilities	<b>(224,104)</b>	(210,656)	(183,216)	<b>(124,351)</b>	(127,358)	(127,949)
<b>Net assets</b>	<b>1,449,904</b>	1,231,005	1,600,893	<b>1,520,835</b>	1,384,159	2,478,814

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**Summarised statement of financial position**

	ADCO			SPCO		
	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
<u>Current assets</u>						
<i>Cash and cash equivalents</i>	<b>286,091</b>	82,639	-	<b>598,729</b>	792,308	2,098,105
<i>Other current assets</i>	<b>508,117</b>	448,961	-	<b>1,923,478</b>	1,326,240	1,303,307
Total current assets	<b>794,208</b>	531,600	-	<b>2,522,207</b>	2,118,548	3,401,412
Non-current assets	-	-	-	<b>12,392,888</b>	13,142,310	14,375,642
<u>Current liabilities</u>						
<i>Financial liabilities (excluding trade payables)</i>	<b>(547,980)</b>	(422,513)	-	<b>(3,023,955)</b>	(1,200,228)	(1,660,949)
<i>Other current liabilities</i>	-	-	-	<b>(604,171)</b>	(519,870)	(435,776)
Total current liabilities	<b>(547,980)</b>	(422,513)	-	<b>(3,628,126)</b>	(1,720,098)	(2,096,725)
<u>Non-current liabilities</u>						
<i>Financial liabilities (excluding trade payables)</i>	-	-	-	<b>(799,425)</b>	(1,536,083)	(4,007,149)
<i>Other non-current liabilities</i>	<b>(86)</b>	(71)	-	<b>(653,944)</b>	(609,597)	(574,924)
Total non-current liabilities	<b>(86)</b>	(71)	-	<b>(1,453,369)</b>	(2,145,680)	(4,582,073)
<b>Net assets</b>	<b>246,142</b>	109,016	-	<b>9,833,600</b>	11,395,080	11,098,256



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**Summarised statement of financial position**

	<b>GPDC</b>		
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
<u>Current assets</u>			
Cash and cash equivalents	<b>95,693</b>	122,921	243,446
Other current assets	<b>1,475,171</b>	946,234	1,081,583
Total current assets	<b>1,570,864</b>	1,069,155	1,325,029
Non-current assets	<b>304</b>	1,376	2,483
<u>Current liabilities</u>			
Financial liabilities (excluding trade payables)	<b>(568,778)</b>	(88,579)	(210,660)
Other current liabilities	<b>(51,506)</b>	(66,592)	(46,910)
Total current liabilities	<b>(620,284)</b>	(155,171)	(257,570)
<u>Non-current liabilities</u>			
Financial liabilities (excluding trade payables)	-	(15)	(2,070)
Other non-current liabilities	<b>(1,182)</b>	(964)	(896)
Total non-current liabilities	<b>(1,182)</b>	(979)	(2,966)
<b>Net assets</b>	<b>949,702</b>	914,381	1,066,976

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

	<b>SCP</b>		<b>JCP</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Joint venture net assets	<b>1,449,904</b>	1,231,005	<b>1,520,835</b>	1,384,159
Group's share	<b>50%</b>	50%	<b>50%</b>	50%
	<b>724,952</b>	615,503	<b>760,418</b>	692,080
Intra-group eliminations	-	-	-	-
Timing differences in zakat / current income tax recognition and reimbursement	<b>(40,530)</b>	(78,805)	<b>14,645</b>	7,659
Carrying value of investments	<b>684,422</b>	536,698	<b>775,063</b>	699,739
	<b>ADCO</b>		<b>SPCO</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Joint venture net assets	<b>246,142</b>	109,016	<b>9,833,600</b>	11,395,080
Group's share	<b>50%</b>	50%	<b>65%</b>	65%
	<b>123,072</b>	54,509	<b>6,391,840</b>	7,406,802
Intra-group eliminations	-	-	<b>(38,622)</b>	(36,754)
Timing differences in zakat / current income tax recognition and reimbursement	-	-	<b>176,867</b>	122,977
Carrying value of investments	<b>123,072</b>	54,509	<b>6,530,085</b>	7,493,025

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	<b>GPDC</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
Joint venture net assets	<b>949,703</b>	914,381
Group's share	<b>65%</b>	65%
Carrying value of investment	<b>617,306</b>	594,347

**Summarised statement of profit or loss and other comprehensive income**

	<b>SCP</b>			
	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers	<b>1,090,048</b>	707,937	<b>4,498,256</b>	2,703,428
Finance income	<b>643</b>	3,494	<b>2,618</b>	7,590
Depreciation	<b>(33,592)</b>	(22,359)	<b>(134,605)</b>	(127,448)
Finance costs	<b>(4,943)</b>	(5,903)	<b>(5,355)</b>	(9,105)
Zakat and income tax expense	<b>(8,977)</b>	(7,305)	<b>(80,640)</b>	(9,345)
Profit for the period / year	<b>50,807</b>	50,431	<b>634,223</b>	23,254
Other comprehensive income (loss) for the period / year	<b>1,594</b>	(15,011)	<b>1,594</b>	(15,011)
<b>Total comprehensive income (loss) for the period / year</b>	<b>52,401</b>	35,420	<b>635,817</b>	8,243

**Summarised statement of profit or loss and other comprehensive income**

	<b>JCP</b>			
	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers	<b>1,690,985</b>	1,074,579	<b>6,019,253</b>	3,876,885
Finance income	<b>473</b>	969	<b>1,733</b>	3,814
Depreciation	<b>(67,965)</b>	(71,329)	<b>(270,286)</b>	(293,479)
Finance costs	<b>(2,266)</b>	(1,364)	<b>(2,445)</b>	(2,711)
Zakat and income tax credit (expense)	<b>9,620</b>	(12,790)	<b>(16,050)</b>	5,876
Profit (loss) for the period / year	<b>(13,265)</b>	84,790	<b>120,900</b>	(122,127)
Other comprehensive income (loss) for the period / year	<b>1,275</b>	(8,487)	<b>1,275</b>	(8,487)
<b>Total comprehensive income (loss) for the period / year</b>	<b>(11,990)</b>	76,303	<b>122,175</b>	(130,614)

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**Summarised statement of profit or loss and other comprehensive income**

	<b>ADCO</b>			
	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers	<b>1,084,979</b>	749,044	<b>4,236,593</b>	1,798,301
Depreciation	<b>(120)</b>	-	<b>(120)</b>	-
Finance costs	<b>(4)</b>	-	<b>(4)</b>	-
Profit for the period / year	<b>53,874</b>	66,446	<b>230,876</b>	108,915
Other comprehensive income for the period / year	-	-	-	-
<b>Total comprehensive income for the period / year</b>	<b>53,874</b>	66,446	<b>230,876</b>	108,915

**Summarised statement of profit or loss and other comprehensive income**

	<b>SPCO</b>			
	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers	<b>2,177,834</b>	1,527,472	<b>8,201,284</b>	5,532,143
Finance income	<b>1,045</b>	11,774	<b>5,719</b>	20,539
Depreciation	<b>(216,675)</b>	(216,450)	<b>(871,346)</b>	(875,138)
Finance costs	<b>(14,514)</b>	(24,498)	<b>(37,635)</b>	(86,494)
Zakat and income tax expense	<b>(10,368)</b>	(22,625)	<b>(171,046)</b>	(32,749)
Profit for the period / year	<b>302,218</b>	332,881	<b>1,763,036</b>	259,353
Other comprehensive income (loss) for the period / year	<b>10,425</b>	(29,847)	<b>10,425</b>	(29,847)
<b>Total comprehensive income for the period / year</b>	<b>312,643</b>	303,034	<b>1,773,461</b>	229,506

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**Summarised statement of profit or loss and other comprehensive income**

	<b>GPDC</b>			
	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers	<b>2,046,082</b>	1,344,101	<b>7,582,751</b>	4,944,986
Finance income	<b>(11)</b>	34	<b>15</b>	34
Depreciation	<b>(270)</b>	-	<b>(1,073)</b>	(1,106)
Finance costs	-	26	<b>(4)</b>	(79)
Profit for the period / year	<b>46,383</b>	57,060	<b>222,821</b>	147,405
Other comprehensive income for the period / year	-	-	-	-
<b>Total comprehensive income for the period / year</b>	<b>46,383</b>	57,060	<b>222,821</b>	147,405

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

	<b>31 December 2021</b>	<b>31 December 2020</b>
SCP	<b>738,647</b>	783,800
JCP	<b>971,762</b>	1,011,100
ADCO	-	-
SPCO	<b>1,256,083</b>	593,100
GPDC	-	-

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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) *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	
		2021	2020 (Restated)	2021	2020 (Restated)
<b>Joint venture:</b>					
SPCO	<i>Reduction in share capital</i>	-	-	<b>2,206,100</b>	-
SCP	<i>Reduction in share capital</i>	-	-	-	205,625
JCP	<i>Reduction in share capital</i>	-	-	-	496,875
ADCO	<i>Contribution of share capital</i>	-	-	-	(51)
GPDC	<i>Transfer of employee benefit obligations</i>	-	-	-	1,391

Also refer Note 14.

(i) *Subordinated loan to a joint venture*

Petrochem had provided a non-interest bearing subordinated loan, of Saudi Riyals 2.1 billion, to SPCO in prior years to finance the construction of a petrochemical plant. The repayment of the loan was subject to certain covenants being met under the terms of the commercial loan facilities of SPCO. SPCO settled the loan during the year ended 31 December 2020.

(ii) *Due from related parties*

	<b>31 December 2021</b>	<b>31 December 2020 (Restated)</b>
SPCO	<b>987,686</b>	-
JCP	<b>271,875</b>	496,875
SCP	-	111,875
	<b>1,259,561</b>	<b>608,750</b>

Also refer Note 14.

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(b) *Due to related parties*

	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>(Restated)</b>
ACPPCL	<b>51</b>	51

Also refer Note 14.

(c) *Key management personnel compensation*

	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Salaries and other short-term employee benefits	<b>8,026</b>	6,004	<b>21,396</b>	19,588
Employee benefit obligations	<b>531</b>	2,374	<b>1,892</b>	3,547
	<b>8,557</b>	8,378	<b>23,288</b>	23,135

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

Also refer Note 14.

## **7 Cash and cash equivalents**

	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>(Restated)</b>
Cash at banks	<b>35,811</b>	39,822
Cash in hand	-	20
Short-term deposits	<b>1,781,000</b>	1,125,900
	<b>1,816,811</b>	1,165,742

Short-term 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 0.35% to 1.25% per annum (2020: 0.45% to 0.85% per annum).

Also refer Note 14.

## **8 Share capital**

As at 31 December 2021, the authorized, issued and fully paid-up share capital comprised 450 million ordinary shares (31 December 2020 and 1 January 2020: 450 million ordinary shares) of Saudi Riyals 10 per share.

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**9 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 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 the ZATCA.

*(a) Status of assessments of the Company*

The Company has filed its Zakat with the ZATCA up to 2020. The Company has finalised its zakat status with the ZATCA for all years up to 31 December 2006 on standalone basis.

The 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 2020, the ZATCA raised assessments for the years from 2015 to 2018 with additional zakat liability of Saudi Riyals 38.7 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 17.0 million, which the Company has settled during the year ended 31 December 2021.

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, for which the Company has 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.

*(b) Status of assessments of Petrochem*

Petrochem has filed its Zakat return with the ZATCA up to 2020. 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:

The ZATCA raised assessments for the years from 2011 to 2013 with additional zakat liability of Saudi Riyals 95.5 million. Petrochem had filed an appeal against the additional zakat liability with the GSTC. During 2020, the committee at GSTC issued a final ruling in favor of the ZATCA's revised assessment, amounting to Saudi Riyals 5.7 million. Petrochem paid Saudi Riyals 3.5 million during 2020 and the remaining balance, amounting to Saudi Riyals 2.2 million, during the year ended 31 December 2021.

The ZATCA raised assessments for the years from 2014 to 2016 with additional zakat liability of Saudi Riyals 204.2 million. Petrochem had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC. During the year ended 31 December 2021, the Committee for Resolution of Tax Violations and Disputes ("CRTVD", the first level of the GSTC) issued its ruling, accepting Petrochem's appealed items partially and, accordingly, the zakat liability for such years has been reduced to Saudi Riyals 92.5 million. Petrochem and ZATCA, both, have filed an appeal to the Appellate Committee for Tax Violations and Disputes Resolution ("ACTVD", the final level of GSTC) and the final ruling is awaited.

During 2020, the ZATCA raised assessments for the years 2017 and 2018 with additional zakat liability of Saudi Riyals 128.9 million. Petrochem had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC. During 2022, the CRTVD issued its ruling, accepting Petrochem's appealed items partially and, accordingly, the zakat liability for such years has been reduced to Saudi Riyals 91.8 million. Petrochem intends to file an appeal to the ACTVD within the stipulated time.

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During 2021, the ZATCA raised assessments for the years 2019 and 2020 with additional zakat liability of Saudi Riyals 9.2 million. Petrochem has filed an appeal against the additional zakat liability to the ZATCA and the ZATCA's decision is awaited.

**10 Segment reporting**

In respect of performance appraisal and allocation of resources, management is of the opinion that all activities and operations of the Group and its joint ventures comprises two operating segments which are the 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:

<b>Polymers</b>	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Domestic/Middle East	<b>16%</b>	26%	<b>20%</b>	28%
Asia	<b>48%</b>	50%	<b>49%</b>	48%
Europe/Africa	<b>36%</b>	24%	<b>31%</b>	24%
	<b>100%</b>	100%	<b>100%</b>	100%

  

<b>Aromatics</b>	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Domestic/Middle East	<b>47%</b>	43%	<b>45%</b>	48%
Asia	<b>32%</b>	35%	<b>26%</b>	30%
Europe/Africa	<b>21%</b>	22%	<b>29%</b>	22%
	<b>100%</b>	100%	<b>100%</b>	100%

**11 Basic and diluted earnings per share**

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

	<b>For the three-month period ended 31 December</b>		<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Earnings for the period/year	<b>121,649</b>	235,017	<b>1,136,272</b>	91,645
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	<b>450,000</b>	450,000	<b>450,000</b>	450,000
Earnings per share	<b>0.27</b>	0.52	<b>2.53</b>	0.20



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**12 Dividends**

During the year ended 31 December 2021, the Company's shareholders approved dividends amounting to Saudi Riyals 225.0 million (Saudi Riyals 0.50 per share) which were fully paid during the year and also paid dividends amounting to Saudi Riyals 224.2 million (Saudi Riyals 0.50 per share), which were declared and approved in 2020 (31 December 2020: Saudi Riyals 225.0 million (Saudi Riyals 0.50 per share) which were fully paid during the year and paid dividends amounting to Saudi Riyals 337.5 million (Saudi Riyals 0.75 per share) which were declared and approved in 2019).

Furthermore, during the year ended 31 December 2021, the shareholders of Petrochem approved dividends amounting to Saudi Riyals 360.0 million (Saudi Riyals 0.75 per share), which were fully paid during the year (31 December 2020: Saudi Riyals 240.0 million (Saudi Riyals 0.50 per share) which were fully paid during the year).

**13 Contingencies and commitments**

At 31 December 2020, the Company was contingently liable for bank guarantees issued in the normal course of business amounting to Saudi Riyals 2.4 million (31 December 2021: Nil).

**14 Restatement**

Until 31 December 2020, Petrochem, a subsidiary of the Group, consolidated SPCO and GPDC on the judgement that it had control over both SPCO and GPDC. During the three-month period ended 30 September 2021, Petrochem reassessed this judgement in light of the contractual arrangements between the shareholders and concluded that Petrochem exercised joint control according to the requirements of IFRS 10, 'Consolidated Financial Statements' and IFRS 11 'Joint Arrangements'. As a consequence, Petrochem has now accounted for the investments in SPCO and GPDC as investments in joint ventures using the equity method in the condensed interim financial statements of Petrochem. Accordingly, the Group has included a restatement of these investments in these condensed consolidated interim financial statements. The restatement had no impact on the total equity attributable to the shareholders of SIIG, net income and earnings per share (basic and diluted). This restatement has resulted in the following:

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Condensed consolidated interim statement of financial position	At 31 December 2020			At 1 January 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	12,951,249	(12,949,710)	1,539	14,175,897	(14,174,131)	1,766
Investments in joint ventures accounted for using the equity method	1,290,946	8,087,372	9,378,318	2,010,642	8,017,989	10,028,631
Other assets	135,905	(130,710)	5,195	140,980	(134,713)	6,267
Right-of-use assets	63,266	(63,266)	-	69,280	(69,280)	-
Subordinated loan to a joint venture	-	-	-	-	339,291	339,291
<b>Total non-current assets</b>	<b>14,441,366</b>	<b>(5,056,314)</b>	<b>9,385,052</b>	<b>16,396,799</b>	<b>(6,020,844)</b>	<b>10,375,955</b>
<b>Current assets</b>						
Trade receivables	784,883	(784,883)	-	906,097	(906,097)	-
Inventories	1,013,390	(1,013,390)	-	915,053	(915,053)	-
Prepayments and other current assets	147,621	(141,000)	6,621	93,745	(81,843)	11,902
Due from related parties	838,231	(229,481)	608,750	264,920	(263,960)	960
Cash and cash equivalents	2,080,971	(915,229)	1,165,742	3,658,384	(2,341,551)	1,316,833
<b>Total current assets</b>	<b>4,865,096</b>	<b>(3,083,983)</b>	<b>1,781,113</b>	<b>5,838,199</b>	<b>(4,508,504)</b>	<b>1,329,695</b>
<b>Total assets</b>	<b>19,306,462</b>	<b>(8,140,297)</b>	<b>11,166,165</b>	<b>22,234,998</b>	<b>(10,529,348)</b>	<b>11,705,650</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Share capital	4,500,000	-	4,500,000	4,500,000	-	4,500,000
Statutory reserve	906,301	-	906,301	897,136	-	897,136
Retained earnings	1,005,359	-	1,005,359	1,396,789	-	1,396,789
Equity attributable to the shareholders of Saudi Industrial Investment Group Company	6,411,660	-	6,411,660	6,793,925	-	6,793,925
Non-controlling interest	8,221,670	(4,161,747)	4,059,923	8,174,422	(4,099,051)	4,075,371
<b>Total equity</b>	<b>14,633,330</b>	<b>(4,161,747)</b>	<b>10,471,583</b>	<b>14,968,347</b>	<b>(4,099,051)</b>	<b>10,869,296</b>

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Condensed consolidated interim statement of financial position	At 31 December 2020			At 1 January 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Long-term borrowings	1,493,854	(1,493,854)	-	3,435,135	(3,435,135)	-
Lease liabilities	42,244	(42,244)	-	52,097	(52,097)	-
Deferred tax liabilities, net	298,696	(298,696)	-	326,273	(326,273)	-
Employee benefit obligations	330,416	(311,865)	18,551	270,094	(249,547)	20,547
Subordinated loan from non-controlling interest	-	-	-	182,696	(182,696)	-
<b>Total non-current liabilities</b>	<b>2,165,210</b>	<b>(2,146,659)</b>	<b>18,551</b>	<b>4,266,295</b>	<b>(4,245,748)</b>	<b>20,547</b>
<b>Current liabilities</b>						
Trade payables	300,975	(300,975)	-	203,467	(203,467)	-
Accrued and other liabilities	392,367	(360,183)	32,184	364,304	(335,039)	29,265
Due to related parties	198,884	(198,833)	51	206,885	(206,885)	-
Dividends payable	225,000	-	225,000	337,500	-	337,500
Current portion of long-term borrowings	743,254	(743,254)	-	1,210,425	(1,210,425)	-
Current portion of lease liabilities	23,187	(23,187)	-	12,917	(12,917)	-
Zakat and income tax	624,255	(205,459)	418,796	664,858	(215,816)	449,042
<b>Total current liabilities</b>	<b>2,507,922</b>	<b>(1,831,891)</b>	<b>676,031</b>	<b>3,000,356</b>	<b>(2,184,549)</b>	<b>815,807</b>
<b>Total liabilities</b>	<b>4,673,132</b>	<b>(3,978,550)</b>	<b>694,582</b>	<b>7,266,651</b>	<b>(6,430,297)</b>	<b>836,354</b>
<b>Total equity and liabilities</b>	<b>19,306,462</b>	<b>(8,140,297)</b>	<b>11,166,165</b>	<b>22,234,998</b>	<b>(10,529,348)</b>	<b>11,705,650</b>

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Condensed consolidated interim statement of profit or loss and other comprehensive income	For the three-month period ended 31 December 2020			For the year ended 31 December 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Revenue from contracts with customers	1,643,649	(1,643,649)	-	6,112,766	(6,112,766)	-
Cost of revenues	(1,146,602)	1,146,602	-	(5,169,261)	5,169,261	-
<b>Gross profit</b>	<b>497,047</b>	<b>(497,047)</b>	<b>-</b>	<b>943,505</b>	<b>(943,505)</b>	<b>-</b>
Share of net profit (loss) of joint ventures accounted for using the equity method	91,115	247,485	338,600	(14,944)	268,458	253,514
Selling and distribution expenses	(81,725)	81,725	-	(333,263)	333,263	-
General and administrative expenses	(59,912)	35,597	(24,315)	(193,172)	140,872	(52,300)
<b>Operating profit</b>	<b>446,525</b>	<b>(132,240)</b>	<b>314,285</b>	<b>402,126</b>	<b>(200,912)</b>	<b>201,214</b>
Finance costs	(22,967)	22,595	(372)	(78,175)	77,803	(372)
Finance income	13,693	(9,931)	3,762	31,808	(11,803)	20,005
Finance (costs) income - net	(9,274)	12,664	3,390	(46,367)	66,000	19,633
Other income - net	2,995	(2,907)	88	24,070	(23,985)	85
<b>Profit before zakat and income tax</b>	<b>440,246</b>	<b>(122,483)</b>	<b>317,763</b>	<b>379,829</b>	<b>(158,897)</b>	<b>220,932</b>
Zakat credit (expense)	49,452	(4,536)	44,916	(23,881)	10,005	(13,876)
Income tax	18,089	(18,089)	-	(22,744)	22,744	-
<b>Profit for the period / year</b>	<b>507,787</b>	<b>(145,108)</b>	<b>362,679</b>	<b>333,204</b>	<b>(126,148)</b>	<b>207,056</b>

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	For the three-month period ended 31 December 2020			For the year ended 31 December 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of employee benefit obligations	(32,948)	32,093	(855)	(32,948)	32,093	(855)
Deferred tax	2,246	(2,246)	-	2,246	(2,246)	-
Share of net other comprehensive loss of joint ventures accounted for using the equity method	(13,054)	(20,860)	(33,914)	(13,054)	(20,860)	(33,914)
<b>Other comprehensive loss for the period / year</b>	<b>(43,756)</b>	<b>8,987</b>	<b>(34,769)</b>	<b>(43,756)</b>	<b>8,987</b>	<b>(34,769)</b>
<b>Total comprehensive income for the period / year</b>	<b>464,031</b>	<b>(136,121)</b>	<b>327,910</b>	<b>289,448</b>	<b>(117,161)</b>	<b>172,287</b>
<b>Total comprehensive income for the period / year is attributable to:</b>						
Shareholders of SIIG	211,107	-	211,107	67,735	-	67,735
Non-controlling interest	252,924	(136,121)	116,803	221,713	(117,161)	104,552
	<b>464,031</b>	<b>(136,121)</b>	<b>327,910</b>	<b>289,448</b>	<b>(117,161)</b>	<b>172,287</b>
<b>Earnings per share</b>						
Basic and diluted	<b>0.52</b>	-	<b>0.52</b>	<b>0.20</b>	-	<b>0.20</b>

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<b>Condensed consolidated interim statement of cash flows</b>	<b>For the year ended 31 December 2020</b>		
	<b>As previously reported</b>	<b>Restatement</b>	<b>As restated</b>
<b>Cash flows from operating activities</b>			
Profit before zakat and income tax	379,829	(158,897)	220,932
<b>Adjustments for:</b>			
Depreciation	877,045	(876,242)	803
Impairment of property, plant and equipment	389,969	(389,969)	-
Gain on disposals of property, plant and equipment	(953)	953	-
Finance costs – net	46,367	(66,000)	(19,633)
Loss on modification of subordinated loan to a joint venture	-	1,151	1,151
Gain on modification of subordinated loan from non-controlling interest	(619)	619	-
Share of net profit of joint ventures accounted for using the equity method	14,944	(268,458)	(253,514)
Provision for employee benefit obligations	29,575	(25,541)	4,034
<b>Changes in operating assets and liabilities:</b>			
Increase in inventories	(98,337)	98,337	-
(Increase) decrease in prepayments and other current assets and loans to employees	(19,053)	27,646	8,593
Decrease in due from related parties	133,557	(131,206)	2,351
Decrease in trade receivables	121,214	(121,214)	-
Increase in trade payables	97,508	(97,508)	-
(Decrease) increase in due to related parties	(8,001)	8,052	51
Increase in accrued and other liabilities	28,063	(25,144)	2,919
Cash generated from (utilized in) operations	<u>1,991,108</u>	<u>(2,023,421)</u>	<u>(32,313)</u>
Finance costs paid	(59,001)	59,001	-
Finance income received	18,048	(283)	17,765
Zakat and income tax paid	(124,572)	80,450	(44,122)
Employee benefit obligations paid	(14,535)	5,887	(8,648)
Loans to employees paid	(4,966)	4,966	-
Dividends received from a joint venture	-	195,000	195,000
Contribution of share capital in a joint venture	(51)	-	(51)
Zakat reimbursed to joint ventures	(10,751)	(16,785)	(27,536)
<b>Net cash inflow from operating activities</b>	<b><u>1,795,280</u></b>	<b><u>(1,695,185)</u></b>	<b><u>100,095</u></b>
<b>Cash flows from investing activities</b>			
Payments for purchases of property, plant and equipment	(25,461)	24,803	(658)
Proceeds from disposals of property, plant and equipment	5,591	(5,509)	82
Reduction in share capital of a joint venture	-	93,750	93,750
<b>Net cash (outflow) inflow from investing activities</b>	<b><u>(19,870)</u></b>	<b><u>113,044</u></b>	<b><u>93,174</u></b>

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	<b>As previously reported</b>	<b>Restatement</b>	<b>As restated</b>
<b>Cash flows from financing activities</b>			
Proceeds from long-term borrowings	2,980,369	(2,980,369)	-
Repayments of long-term borrowings	(5,399,038)	5,399,038	-
Repayment of subordinated loan from a joint venture	(182,077)	520,217	338,140
Dividends paid	(562,500)	-	(562,500)
Principal elements of lease payments	(15,112)	15,112	-
Dividends paid by a subsidiary to non-controlling interest	(225,000)	105,000	(120,000)
Income tax reimbursed by non-controlling interest	50,535	(50,535)	-
<b>Net cash outflow from financing activities</b>	<b>(3,352,823)</b>	<b>3,008,463</b>	<b>(344,360)</b>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year	3,658,384	(2,341,551)	1,316,833
<b>Cash and cash equivalents at end of year</b>	<b>2,080,971</b>	<b>(915,229)</b>	<b>1,165,742</b>
<b>Non-cash operating, investing and financing activities:</b>			
Reduction in share capital of joint ventures adjusted against due from related parties	702,500	-	702,500
Amortization of transaction costs	10,217	(10,217)	-
Transfer of employee benefit obligations from a joint venture	1,702	(311)	1,391