



SAUDI BASIC INDUSTRIES CORPORATION (SABIC) AND ITS SUBSIDIARIES

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

CHEMISTRY THAT MATTERS™

SAUDI BASIC INDUSTRIES CORPORATION (SABIC) AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020

Index	Pages
Independent auditor's review report	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of income	4
Interim condensed consolidated statement of comprehensive income	5
Interim condensed consolidated statement of changes in equity	6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8–19



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**Independent auditor's review report on the interim condensed consolidated financial statements to the shareholders of Saudi Basic Industries Corporation (SABIC)
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Basic Industries Corporation ("SABIC") and its subsidiaries (collectively with SABIC referred to as "the Group") as at 30 June 2020, and the related interim condensed consolidated statements of income and comprehensive income for the three and six months periods ended 30 June 2020, and the related interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated 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" 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 that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young

Rashid S. AlRashoud
Certified Public Accountant
License No. (366)

Riyadh: 23 Dhul-Hijjah 1441H
(13 August 2020)

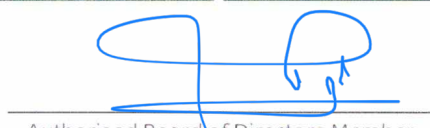
SAUDI BASIC INDUSTRIES CORPORATION (SABIC) AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals '000 unless otherwise stated)

	<i>Notes</i>	As at 30 June 2020	As at 31 December 2019 (Restated, Note 10)
ASSETS			
Non-current assets:			
Property, plant and equipment		133,182,368	136,416,155
Right-of-use assets		6,018,604	6,440,505
Intangible assets	3.1	20,179,452	20,491,548
Investments in associates and joint ventures	3.1, 4.1	39,721,461	38,765,203
Other non-current assets	5	9,275,087	10,844,838
Total non-current assets		208,376,972	212,958,249
Current assets:			
Inventories		21,495,663	22,565,110
Trade receivables		14,271,195	16,746,049
Prepayments and other current assets		4,768,765	6,013,341
Short-term investments		9,913,459	5,558,554
Cash and bank balances		26,048,921	36,639,314
Total current assets		76,498,003	87,522,368
TOTAL ASSETS		284,874,975	300,480,617
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent		163,510,536	179,427,267
Non-controlling interests		25,350,936	27,077,411
Total equity		188,861,472	206,504,678
Non-current liabilities:			
Long-term debt and lease liabilities		35,175,567	36,128,330
Employee benefits		17,492,168	15,810,405
Other non-current liabilities	6	4,321,024	4,493,982
Total non-current liabilities		56,988,759	56,432,717
Current liabilities:			
Short-term borrowings, current portion of long-term debt and lease liabilities		8,203,519	8,216,808
Trade payables and other current liabilities		30,821,225	29,326,414
Total current liabilities		39,024,744	37,543,222
Total liabilities		96,013,503	93,975,939
TOTAL EQUITY AND LIABILITIES		284,874,975	300,480,617


EVP Corporate Finance


Vice Chairman & CEO



Authorised Board of Directors Member

The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

SAUDI BASIC INDUSTRIES CORPORATION (SABIC) AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(All amounts in Saudi Riyals '000 unless otherwise stated)

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2020	2019 (Restated)	2020	2019 (Restated, Note 10)
Revenue		24,619,429	34,899,150	54,812,574	70,909,545
Cost of sales		(21,145,256)	(26,356,233)	(46,631,404)	(52,960,508)
Gross profit		3,474,173	8,542,917	8,181,170	17,949,037
General and administrative expenses		(2,448,254)	(2,416,997)	(5,068,205)	(4,863,575)
Selling and distribution expenses		(2,317,831)	(2,508,654)	(4,672,230)	(4,939,555)
		(1,291,912)	3,617,266	(1,559,265)	8,145,907
Share of results of integral joint ventures	3.1	31,540	405,980	239,395	1,030,035
(Loss) income from operations		(1,260,372)	4,023,246	(1,319,870)	9,175,942
Share of results of non-integral joint ventures and associates	3.1, 4.1	(231,721)	(174,826)	(670,158)	32,366
Finance cost, net		(340,418)	(251,747)	(657,999)	(488,828)
Other (expenses) income, net		(36,055)	100,453	39,499	178,456
(Loss) income before zakat and income tax		(1,868,566)	3,697,126	(2,608,528)	8,897,936
Zakat expense		(505,432)	(648,752)	(997,525)	(1,298,029)
Income tax expense, net		163,223	(181,766)	422,268	(443,693)
Net (loss) income for the period		(2,210,775)	2,866,608	(3,183,785)	7,156,214
Attributable to:					
Equity holders of the Parent		(2,223,984)	2,029,979	(3,269,928)	5,352,564
Non-controlling interests		13,209	836,629	86,143	1,803,650
		(2,210,775)	2,866,608	(3,183,785)	7,156,214
Basic and diluted earnings per share (Saudi Riyals):					
Earnings per share from (loss) income from operations		(0.42)	1.34	(0.44)	3.06
Earnings per share from net (loss) income attributable to equity holders of the Parent		(0.74)	0.68	(1.09)	1.78


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Vice Chairman & CEO


Authorised Board of Directors Member

The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(All amounts in Saudi Riyals '000 unless otherwise stated)

	For the three months period ended 30 June		For the six months period ended 30 June	
	2020	2019 (Restated)	2020	2019 (Restated, Note 10)
Net (loss) income for the period	(2,210,775)	2,866,608	(3,183,785)	7,156,214
Other comprehensive income				
<i>Items that will not be reclassified to the consolidated statement of income (net of tax):</i>				
- Re-measurement loss on defined benefit plans and others	(1,080,899)	(314,778)	(1,323,988)	(1,119,047)
- Share of other comprehensive income of associates and joint ventures	(103,136)	(43,590)	(71,205)	(49,843)
- Net change on revaluation of investments in equity instruments at FVOCI	-	-	-	(20,579)
<i>Items that will be reclassified to the consolidated statement of income (net of tax):</i>				
- Exchange difference on translation of foreign operations and others	277,565	189,181	(283,930)	(75,387)
- Share of other comprehensive income of associates and joint ventures	41,452	461,968	(50,960)	63,915
Movement of other comprehensive (loss) income	(865,018)	292,781	(1,730,083)	(1,200,941)
Total comprehensive (loss) income for the period	(3,075,793)	3,159,389	(4,913,868)	5,955,273
Attributable to:				
Equity holders of the Parent	(2,905,722)	2,240,717	(4,816,731)	4,246,661
Non-controlling interests	(170,071)	918,672	(97,137)	1,708,612
	(3,075,793)	3,159,389	(4,913,868)	5,955,273


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SAUDI BASIC INDUSTRIES CORPORATION (SABIC) AND ITS SUBSIDIARIES

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Saudi Riyals '000 unless otherwise stated)

	Attributable to the equity holders of the Parent					Total	Non-controlling interests	Total equity
	Share capital	Statutory reserve	General reserve	Other reserves	Retained earnings			
Balance as at 31 December 2018	30,000,000	15,000,000	110,889,032	(1,359,184)	18,554,532	173,084,380	48,352,095	221,436,475
Change in accounting treatment (Note 3.1)	-	-	-	-	10,715,269	10,715,269	(16,908,621)	(6,193,352)
Balance as at 1 January 2019 (Restated)	30,000,000	15,000,000	110,889,032	(1,359,184)	29,269,801	183,799,649	31,443,474	215,243,123
Net income	-	-	-	-	5,352,564	5,352,564	1,803,650	7,156,214
Other comprehensive loss	-	-	-	(1,105,903)	-	(1,105,903)	(95,038)	(1,200,941)
Total comprehensive (loss) income	-	-	-	(1,105,903)	5,352,564	4,246,661	1,708,612	5,955,273
Acquisition of non-controlling interests	-	-	-	15,154	5,535,402	5,550,556	(532,811)	5,017,745
Dividends and others	-	-	-	-	(13,200,000)	(13,200,000)	(3,445,787)	(16,645,787)
Balance as at 30 June 2019	30,000,000	15,000,000	110,889,032	(2,449,933)	26,957,767	180,396,866	29,173,488	209,570,354
Balance as at 1 January 2020 (Restated, Note 10)	30,000,000	15,000,000	110,889,032	(3,265,084)	26,803,319	179,427,267	27,077,411	206,504,678
Net (loss) income	-	-	-	-	(3,269,928)	(3,269,928)	86,143	(3,183,785)
Other comprehensive loss	-	-	-	(1,546,803)	-	(1,546,803)	(183,280)	(1,730,083)
Total comprehensive loss	-	-	-	(1,546,803)	(3,269,928)	(4,816,731)	(97,137)	(4,913,868)
Transfer of non-controlling interests to non-current liabilities	-	-	-	-	-	-	30,769	30,769
Dividends and others	-	-	-	-	(11,100,000)	(11,100,000)	(1,660,107)	(12,760,107)
Balance as at 30 June 2020	30,000,000	15,000,000	110,889,032	(4,811,887)	12,433,391	163,510,536	25,350,936	188,861,472


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Vice Chairman & CEO


Authorised Board of Directors Member

The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals '000 unless otherwise stated)

	For the six months period ended 30 June 2020	For the six months period ended 30 June 2019 (Restated)
Operating activities:		
(Loss) income before zakat and income tax	(2,608,528)	8,897,936
<i>Adjustments to reconcile (loss) income before zakat and income tax to net cash inflow from operating activities:</i>		
- Depreciation, amortisation and impairment	9,172,271	7,029,282
- Finance costs	821,972	797,069
- Share of results of non-integral joint ventures and associates	670,158	(32,366)
- Provisions and other movements, net	409,724	66,021
Changes in operating assets and liabilities:		
(Increase) decrease in other non-current assets	(1,023,084)	1,347,469
Working capital changes	893,406	(1,161,781)
Increase in net employee benefits obligations	357,775	520,086
Other assets and liabilities changes	282,078	1,368,131
Cash from operations	8,975,772	18,831,847
Finance cost paid	(654,154)	(841,874)
Zakat and income tax paid	(21,567)	(3,039,708)
Net cash from operating activities	8,300,051	14,950,265
Investing activities:		
Purchase of tangible and intangible assets, net	(5,651,821)	(8,117,452)
Short-term investments, net	(4,576,317)	3,744,253
Other assets movements	549,764	475,473
Investments in associates and joint ventures, net	(1,918,358)	833,158
Net cash used in investing activities	(11,596,732)	(3,064,568)
Financing activities:		
Proceeds from debt	615,625	7,425,000
Proceeds against acquisition of non-controlling interests	1,687,500	1,125,000
Debt and lease repayments	(1,718,113)	(12,348,296)
Dividends to shareholders and non-controlling interests	(7,592,848)	(8,599,711)
Net cash used in financing activities	(7,007,836)	(12,398,007)
Net decrease in cash and cash equivalents	(10,304,517)	(512,310)
Cash and cash equivalents at the beginning of the period	35,292,318	36,915,581
Cash and cash equivalents at the end of the period	24,987,801	36,403,271
Cash and bank balances	26,048,921	36,597,337
Less: bank overdrafts	(1,061,120)	(194,066)
Cash and cash equivalents	24,987,801	36,403,271


EVP Corporate Finance


Vice Chairman & CEO


Authorised Board of Directors Member

The accompanying notes from 1 to 12 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

1. Corporate information

Saudi Basic Industries Corporation (“SABIC” or “the Parent”) is a Saudi Joint Stock Company established pursuant to Royal Decree Number M/66 dated 13 Ramadan 1396H (corresponding to 6 September 1976) registered in Riyadh under commercial registration No. 1010010813 dated 14 Muharram 1397H (corresponding to 4 January 1977).

On 16 June 2020, Saudi Arabian Oil Co. (“Saudi Aramco”) acquired 70% ownership over SABIC through one of its subsidiary, “Aramco Chemicals Company” from the Government of the Kingdom of Saudi Arabia (“KSA”) through the Public Investment Fund (“PIF”). The other 30% ownership is held by the private sector. The registered office is located at Qurtubah district, P.O. Box 5101, Riyadh 11422, KSA.

SABIC and its subsidiaries (collectively the “Group”) are engaged in the manufacturing, marketing and distribution of chemicals, polymers, plastics, agri-nutrients and metal products in global markets.

The interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 5 August 2020.

2. Basis of preparation

These interim condensed consolidated financial statements for the three and six months periods ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34 ‘*Interim Financial Reporting*’ (“IAS 34”) as endorsed in the KSA and other standards and pronouncements that are endorsed by the Saudi Organisation for Certified Public Accountants (“SOCPA”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

An interim period is considered as integral part of the whole fiscal year; however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

3. Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparing the Group’s annual consolidated financial statements for the year ended 31 December 2019, except for change in accounting treatment as elaborated in Note 3.1 and amendments to International Financial Reporting Standards (“IFRS”) that have to be mandatorily applied from 1 January 2020.

3.1 Change in accounting treatment for certain joint arrangements (Note 10)

During the period, in connection with the acquisition of 70% of SABIC by Saudi Aramco, SABIC has reappraised certain critical management judgments, which it has previously applied and disclosed in Note 3.2.2 of the consolidated financial statements for the year ended at 31 December 2019 relating to determination of whether control, joint control or significant influence is present with respect to investments in non-wholly owned subsidiaries and joint arrangements, respectively. To support the control presumption when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group now places more weight on the legal and contractual ability to exercise power, including the potential substantive voting rights, if any. As a result of this reassessment, SABIC has concluded that four entities which were previously accounted as subsidiaries (KEMYA, YANPET, SHARQ and SAMAC) should now be accounted for as joint arrangements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

3. Summary of significant accounting policies (continued)

3.1 Change in accounting treatment for certain joint arrangements (Note 10) (continued)

Further, SADAF and AR-RAZI that are subsidiaries at 30 June 2020 and consolidated line by line in these interim condensed consolidated financial statements have also been accounted as joint arrangements since their founding, based on the reappraised critical judgment, until SABIC acquired control in 2017 and 2018, respectively. The impact of this step acquisition upon acquiring control by SABIC is recognised in the interim condensed consolidated statement of financial position and changes in equity.

The acquisition of 70% of SABIC by Saudi Aramco has neither changed nor is expected to change the existing relationship between SABIC and the four entities mentioned above, which are now accounted for as joint arrangements. Hence, the resultant change in accounting treatment from the reassessment of management judgments has been considered a change in accounting treatment and applied retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Based on the contractual arrangement, management has assessed that, of the four entities noted above, KEMYA, YANPET and SHARQ meets the definition of a joint venture and SAMAC meets the definition of a joint operation, in accordance with IFRS 11 'Joint Arrangements'.

Reassessment of critical management judgment relating to determination of whether control, joint control or significant influence is present with respect to investments in non-wholly owned subsidiaries, joint arrangements or associates, respectively, has affected the total equity at 1 January 2019, as per below:

	Attributable to the equity holders of the Parent	Non-controlling interests	Total equity
Balance as at 31 December 2018	173,084,380	48,352,095	221,436,475
<i>Change in accounting treatment</i>			
- SHARQ	-	(8,470,937)	(8,470,937)
- YANPET	-	(3,366,385)	(3,366,385)
- KEMYA	-	(4,852,558)	(4,852,558)
- SAMAC (50%)	-	(849,230)	(849,230)
- SADAF	4,371,776	-	4,371,776
- AR-RAZI	6,343,493	630,489	6,973,982
	10,715,269	(16,908,621)	(6,193,352)
Balance as at 1 January 2019 (restated)	183,799,649	31,443,474	215,243,123

The restatement, reflecting the above changes, is set out in Note 10 to the interim condensed consolidated financial statements. Further to this change in accounting, SABIC has also revised its definition of 'income from operations' as presented in the interim condensed consolidated statement of income. Having considered the nature and objective of its interests in associates and joint ventures, SABIC concluded that its interest in joint ventures for which it manages the production, logistics, feedstock and shared services are integral to, and support SABIC's core operating activities. Accordingly, SABIC has chosen to revise its definition of 'income from operations' to include its share of results of integral joint ventures, whilst its share of results of associates and non-integral joint ventures continues to be reported outside 'income from operations', in order to provide reliable and more relevant information. KEMYA, YANPET and SHARQ are considered to be integral joint ventures.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

3. Summary of significant accounting policies (continued)

3.2 Amendments to IFRS

The following amendments to IFRS that have to be mandatorily applied as per 1 January 2020 by the Group, which are relevant to the Group:

3.2.1 Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 '*Business Combinations*' clarifies the definition of a business as an integrated set of activities and assets that must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. However, a business can exist without including all of the inputs and processes needed to create outputs. These amendments have no impact on the interim condensed consolidated financial statements of the Group, but may affect future periods should the Group enter into any business combinations.

3.2.2 Amendments to IAS 1 and IAS 8: Definition of Material

The amendments to IAS 1 '*Presentation of Financial Statements*' and IAS 8 '*Accounting policies, Changes in Accounting Estimates and Errors*' provide a new definition of material. This definition states: "*information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.*" Materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the interim condensed consolidated financial statements. The Group has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

4. Significant matters during the period

4.1. Investment in Clariant AG

In March 2020, SABIC, announced the acquisition of approximately 21 million additional shares in Clariant AG ("Clariant"), a global specialty chemicals company listed at the Swiss stock exchange ("SIX"). This stake represents 6.51% of Clariant's shares, and it has increased SABIC's total share in Clariant from 24.99% to 31.50%. The completion of the transaction is still subject to regulatory approvals. As major stakeholder, management's position, considering having significant influence without having control over Clariant, will not change with these additional shares. Accordingly, the investment in Clariant AG is continued to be accounted for as an associate using the equity method. Consequently, this acquisition is recognised as part of the carrying amount of Investments in associates and joint ventures.

Due to prevailing law and regulations, the preliminary Purchase Price Allocation ("PPA") for the additional shares is based on publicly available information only. The consideration paid amount to USD 499 million. As part of the initial PPA for these additional shares, the goodwill for these has been determined at approximately USD 194 million, which is subject to further assessment of the fair value of the (net) assets of Clariant during the next 12 months. The trading price of a Clariant share as at 30 June 2020 was CHF 18.61.

4.2. Restructuring of asset portfolio

In February 2020, SABIC has announced that it will suspend the production of ULTEM™ high heat polymers ("HHP") at its Cartagena (Spain) facility during the year as part of its global operation optimisation. The impact of this restructuring program is SR 713 million for the period ended 30 June 2020, which is included in cost of sales in the interim condensed consolidated income statement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

4. Significant matters during the period (continued)

4.2 Restructuring of asset portfolio (continued)

During the three-month period ended 30 June 2020, a SR 1.18 billion plant and equipment impairment charge was recorded. The impairment refers to positioning certain Petrochemical SBU assets in the European region driven by the Company's continuous efforts to strengthen synergies in its asset base and operating model and following ongoing changes in the market conditions and competitive environment.

4.3 COVID-19 assessment

The outbreak of novel coronavirus ("COVID-19") since early 2020 and its spread across mainland China and then globally caused disruptions to businesses and economic activities including the KSA. The World Health Organisation qualified COVID-19 as a pandemic, with governments issuing strict regulations and guidance for its populations and companies. It necessitated the Group to re-assess its judgments and the key sources of estimation applied to the annual financial statements for the year ended 31 December 2019.

During the quarter ended 30 June 2020, management has assessed the overall impact on the Group's operations and business aspects, and considered factors like effects on supply chain, impact of decreased oil prices, operating rates of its plants and lost volume, additional cost in supply chain, margin squeeze, and product demand. Majority of the planned shutdowns and turnarounds, which drive some part of the fixed costs have been rescheduled. Based on this assessment, no significant adjustments were required in the interim condensed consolidated financial statements for the period ended 30 June 2020. However, in view of the ongoing uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and/or liabilities in future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

5. Other non-current assets

	As at 30 June 2020	As at 31 December 2019 (Restated, Note 10)
Employee advances and loans	3,566,219	3,700,444
Long-term receivable from associates and joint ventures	1,396,609	1,439,878
Investments in debt instruments	989,385	1,345,592
Investments in equity instruments and funds	1,111,599	1,046,009
Receivables from JSMC	-	1,606,049
Deferred tax assets	1,222,838	711,609
Others	988,437	995,257
	9,275,087	10,844,838

6. Other non-current liabilities

	As at 30 June 2020	As at 31 December 2019 (Restated, Note 10)
Deferred tax liabilities	591,513	707,108
Long-term payables to associates and joint ventures	1,609,489	1,685,892
Obligation to acquire the remaining shares of certain subsidiaries	982,959	1,013,728
Others	1,137,063	1,087,254
	4,321,024	4,493,982

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

7. Fair value measurement

Description of valuation techniques used and key inputs to valuation investments in equity instruments is as follows:

Valuation technique	Significant non-observable input	Range
Market approach	<ul style="list-style-type: none"> Equity value to EBITDA multiple Midpoint of Net Asset Value and Price to Book multiple 	7.9 to 13.1 0.76
Net Asset Value approach	Point estimate of distributable cash and cash equivalents and net assets	SR 46.1 to SR 49.9
Expected Returns approach	Equity value to Revenue multiple	0.73

At 30 June 2020, the fair values of Group's other financial assets and financial liabilities approximate the carrying value.

8. Related party transactions and balances

The significant related party transactions and balances are broken down as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Loans to related parties	Loans from related parties
	For the six months period ended 30 June 2020		As at 30 June 2020		As at 30 June 2020	
Associates	5,692	1,759,182	11,349	266,912	35,135	-
Joint ventures and partners	4,965,307	1,061,418	1,094,913	182,552	711,272	107,812
Saudi Aramco and its subsidiaries [effective from 16 June]	222,123	535,683	464,203	2,386,493	-	-
	For the six months period ended 30 June 2019 (Restated)		As at 31 December 2019 (Restated)		As at 31 December 2019 (Restated)	
Associates	24,157	1,737,675	31,454	192,697	35,135	-
Joint ventures and partners	4,803,279	1,310,602	1,379,670	179,838	615,142	107,812

9. Segment information

For management purposes, the Group is organised into three Strategic Business Units ("SBUs") and Hadeed, a wholly owned manufacturing business, which based on its products are grouped in three reporting segments.

Based on a management decision and in line with changes in management reporting, the income, expenses, assets and liabilities relating to 'Corporate' segment, in prior years, has been allocated over the Petrochemicals & Specialties and Agri-nutrients SBUs and Hadeed according to an internally agreed consistent basis. All intercompany transactions within the reporting segments have been appropriately eliminated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

9. Segment information (continued)

The segments' financial details are shown below:

	For the three months period ended 30 June 2020			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	21,348,595	1,583,660	1,687,174	24,619,429
Depreciation, amortisation and impairment	(4,294,859)	(189,594)	(278,147)	(4,762,600)
(Loss) income from operations	(1,047,506)	374,803	(587,669)	(1,260,372)
Share of results of non-integral joint ventures and associates	(83,480)	(148,241)	-	(231,721)
Finance cost, net				(340,418)
Other expenses, net				(36,055)
Loss before zakat and income tax				<u>(1,868,566)</u>

	For the three months period ended 30 June 2019 (Restated)			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	30,536,222	1,801,592	2,561,336	34,899,150
Depreciation, amortisation and impairment	(3,129,873)	(190,366)	(270,427)	(3,590,666)
Income (loss) from operations	3,687,023	472,367	(136,144)	4,023,246
Share of results of non-integral joint ventures and associates	(150,573)	(24,253)	-	(174,826)
Finance cost, net				(251,747)
Other income, net				100,453
Income before zakat and income tax				<u>3,697,126</u>

	For the six months period ended 30 June 2020			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	47,306,539	3,053,670	4,452,365	54,812,574
Depreciation, amortisation and impairment	(8,222,406)	(388,312)	(561,553)	(9,172,271)
(Loss) income from operations	(1,256,653)	732,671	(795,888)	(1,319,870)
Share of results of non-integral joint ventures and associates	(435,035)	(235,123)	-	(670,158)
Finance cost, net				(657,999)
Other income, net				39,499
Loss before zakat and income tax				<u>(2,608,528)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

9. Segment information (continued)

	For the six months period ended 30 June 2019 (Restated, Note 10)			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	61,480,883	3,612,137	5,816,525	70,909,545
Depreciation, amortisation and impairment	(6,076,753)	(392,215)	(560,314)	(7,029,282)
Income (loss) from operations	8,283,093	1,023,278	(130,429)	9,175,942
Share of results of non-integral joint ventures and associates	14,438	17,928	-	32,366
Finance cost, net				(488,828)
Other income, net				178,456
Income before zakat and income tax				8,897,936

	As at 30 June 2020			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	256,906,333	11,869,196	16,099,446	284,874,975
Total liabilities	88,659,486	2,612,634	4,741,383	96,013,503

	As at 31 December 2019 (Restated, Note 10)			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	271,113,349	11,674,577	17,692,691	300,480,617
Total liabilities	87,081,152	2,295,442	4,599,345	93,975,939

Geographical distribution of revenue

	For the three months period ended 30 June 2020		For the three months period ended 30 June 2019 (Restated)	
KSA	3,843,353	16%	5,912,351	17%
China	5,043,759	20%	5,893,153	17%
Rest of Asia	5,799,464	24%	7,906,376	23%
Europe	5,695,153	23%	8,334,906	24%
Americas	2,210,560	9%	3,121,815	9%
Others	2,027,140	8%	3,730,549	10%
	24,619,429	100%	34,899,150	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

9. Segment information (continued)

	For the six months period ended 30 June 2020		For the six months period ended 30 June 2019 <i>(Restated, Note 10)</i>	
KSA	9,063,177	17%	12,620,001	18%
China	9,912,209	18%	11,942,919	17%
Rest of Asia	12,821,629	23%	15,798,370	22%
Europe	12,855,273	23%	16,723,575	24%
Americas	5,039,481	9%	6,252,724	9%
Others	5,120,805	10%	7,571,956	10%
	54,812,574	100%	70,909,545	100%

The revenue information above is based on the locations of the customers.

Geographical distribution of property, plant and equipment

	As at 30 June 2020		As at 31 December 2019 <i>(Restated, Note 10)</i>	
KSA	104,360,286	78%	106,460,091	78%
Europe	12,298,885	10%	14,217,886	11%
Americas	15,089,781	11%	14,244,967	10%
Asia	1,429,613	1%	1,488,871	1%
Others	3,803	-	4,340	-
	133,182,368	100%	136,416,155	100%

10. Restatement due to change in accounting treatment

SABIC changed the accounting treatment of certain entities as elaborated in Note 3.1. In completion of the process for the acquisition of 70% of the shares of SABIC by Saudi Aramco, certain studies and analyses were accomplished to align the efforts of the two companies to achieve their strategic goals at the local and global levels. These studies and analyses included the alignment of significant accounting estimates, assumptions and judgments ("significant judgments") particularly in the control assessment of SABIC's investments in certain legal entities ("legal entities"), which SABIC holds 50% shareholding. Currently, the number of these legal entities is seven, and they are all located in the industrial cities of the Kingdom of Saudi Arabia.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020

(All amounts in Saudi Riyals '000 unless otherwise stated)

10. Restatement due to change in accounting treatment (continued)

In conformity with its previous critical judgments, SABIC had consolidated the financial statements of those legal entities in accordance with the IFRS as endorsed in KSA up to 31 March 2020. The consolidation of these legal entities' financial statements mainly depends on applying "critical judgments" besides applying the relevant standards, which in some cases are not compatible with the accounting judgments applied by Saudi Aramco. Being the "Parent Company" as of the date of acquiring SABIC, Saudi Aramco is required to prepare its consolidated financial statements using unified accounting policies and judgments for transactions and other events under similar circumstances. Accordingly, SABIC and Saudi Aramco have aligned the "critical judgments" applied in this regard, and to follow unified accounting policies and judgments applied by Saudi Aramco.

In line with these unified accounting policies and judgments, and based on a re-assessment of the control over these legal entities, the accounting treatment of the following four legal entities have changed:

1. Saudi Yanbu Petrochemical Company ("YANPET")
2. Al-Jubail Petrochemical Company ("KEMYA")
3. Eastern Petrochemical Company ("SHARQ")
4. Saudi Methacrylates Company ("SAMAC")

SABIC, as on the date of Saudi Aramco's acquisition during the second quarter of 2020, has ceased consolidating the financial statements of these four legal entities and considered them as "joint arrangements" and retrospectively recognised three of them ("YANPET", "KEMYA" and "SHARQ") as investment in "joint ventures", applying the equity method of accounting while recognizing SAMAC as investments in "joint operation" by recognising the related share of assets and liabilities, revenue and expenses.

Due to the change in critical judgments, SABIC reviewed other joint arrangements it held in the past and concluded that SADAF and AR-RAZI would have been similarly recognised. SABIC has applied acquisition accounting in accordance with IFRS 3 '*Business Combinations*' upon acquiring control.

In August 2017, SABIC increased its shareholding in SADAF from 50% to 100% as a result of exercising an option to purchase the remaining 50% of shares held by another investor and obtained control of SADAF at this date.

In November 2018, SABIC obtained control of AR-RAZI as a result of the expiry of the Joint Venture Agreement SABIC held with another investor, which gave SABIC the immediate right to purchase the remaining 50% of shares held by another investor. In addition, negotiations with the other investor resulted in the conclusion of a transaction in June 2019, which resulted in an increase of SABIC's shareholding in AR-RAZI to 75%. Considering this transaction is related to the acquisition of an additional ownership interest in a subsidiary without a change of control, accordingly, it has been accounted for as an equity transaction and excess consideration over the carrying amount of the non-controlling interests is recognised in equity attributable to the Parent amounting to SR 5,550 million.

At the time of acquiring control, as per the management's best estimates the acquisition accounting has resulted in the recognition of step up of property, plant and equipment of SAR 2,764 million (SADAF representing SR 1,655 million and AR-RAZI representing SR 1,109 million) and goodwill amounting of SR 8,888 million (SADAF representing SR 5,702 million and AR-RAZI representing SR 3,186 million). The impacts of this retrospective control assessment are non-cash in nature.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

10. Restatement due to change in accounting treatment (continued)

The impact of all above adjustments are presented in the below table:

	As at 31 December 2019 (Restated)	Adjustments	As at 31 December 2019
ASSETS			
Non-current assets:			
Property, plant and equipment	136,416,155	(26,574,129)	162,990,284
Right of use assets	6,440,505	(625,460)	7,065,965
Intangible assets	20,491,548	8,113,935	12,377,613
Investments in associates and joint ventures	38,765,203	15,414,809	23,350,394
Other non-current assets	10,844,838	1,224,559	9,620,279
Total non-current assets	<u>212,958,249</u>	<u>(2,446,286)</u>	<u>215,404,535</u>
Current assets:			
Inventories	22,565,110	(3,848,470)	26,413,580
Trade receivables	16,746,049	(1,576,503)	18,322,552
Prepayments and other current assets	6,013,341	(340,414)	6,353,755
Short-term investments	5,558,554	-	5,558,554
Cash and bank balances	36,639,314	(1,673,461)	38,312,775
Total current assets	<u>87,522,368</u>	<u>(7,438,848)</u>	<u>94,961,216</u>
TOTAL ASSETS	<u>300,480,617</u>	<u>(9,885,134)</u>	<u>310,365,751</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent	179,427,267	10,665,359	168,761,908
Non-controlling interests	27,077,411	(15,412,003)	42,489,414
Total equity	<u>206,504,678</u>	<u>(4,746,644)</u>	<u>211,251,322</u>
Non-current liabilities:			
Long-term debt and lease liabilities	36,128,330	(4,099,095)	40,227,425
Employee benefits	15,810,405	(2,238,443)	18,048,848
Other non-current liabilities	4,493,982	1,103,062	3,390,920
Total non-current liabilities	<u>56,432,717</u>	<u>(5,234,476)</u>	<u>61,667,193</u>
Current liabilities:			
Short-term borrowings, current portion of long-term debt and lease liabilities	8,216,808	(1,291,323)	9,508,131
Trade payables and other current liabilities	29,326,414	1,387,309	27,939,105
Total current liabilities	<u>37,543,222</u>	<u>95,986</u>	<u>37,447,236</u>
Total liabilities	<u>93,975,939</u>	<u>(5,138,490)</u>	<u>99,114,429</u>
TOTAL EQUITY AND LIABILITIES	<u>300,480,617</u>	<u>(9,885,134)</u>	<u>310,365,751</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020
(All amounts in Saudi Riyals '000 unless otherwise stated)

10. Restatement due to change in accounting treatment (continued)

	For the six months period ended 30 June 2019 (Restated)	Adjustments	For the six months period ended 30 June 2019
Revenue	70,909,545	(2,327,138)	73,236,683
Cost of sales	(52,960,508)	(1,015,469)	(51,945,039)
Gross profit	17,949,037	(3,342,607)	21,291,644
General and administrative expenses	(4,863,575)	358,225	(5,221,800)
Selling and distribution expenses	(4,939,555)	148,374	(5,087,929)
	8,145,907	(2,836,008)	10,981,915
Share of results of integral joint ventures	1,030,035	1,030,035	-
Income from operations	9,175,942	(1,805,973)	10,981,915
Share of results of non-integral joint ventures and associates	32,366	(10,241)	42,607
Finance cost, net	(488,828)	162,841	(651,669)
Other income (expenses), net	178,456	254,500	(76,044)
Income before zakat and income tax	8,897,936	(1,398,873)	10,296,809
Zakat expense	(1,298,029)	51,971	(1,350,000)
Income tax expense, net	(443,693)	224,967	(668,660)
Net income for the period	7,156,214	(1,121,935)	8,278,149
Attributable to:			
Equity holders of the Parent	5,352,564	(171,027)	5,523,591
Non-controlling interests	1,803,650	(950,908)	2,754,558
	7,156,214	(1,121,935)	8,278,149
Total comprehensive income for the period	5,955,273	(1,070,564)	7,025,837
Attributable to:			
Equity holders of the Parent	4,246,661	(171,027)	4,417,688
Non-controlling interests	1,708,612	(899,537)	2,608,149
	5,955,273	(1,070,564)	7,025,837

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2020

(All amounts in Saudi Riyals '000 unless otherwise stated)

11. Appropriations

The Annual General Assembly (“AGA”), in its meeting held on 4 Shabaan 1440H (corresponding to 9 April 2019), approved cash dividends of SR 13.2 billion (SR 4.4 per share), which includes the interim cash dividends amounting to SR 6.6 billion (SR 2.2 per share) for the first half of 2018, which has been recognised in equity in the consolidated financial statements for the year ended 31 December 2018. The remaining of the dividend declared of SR 6.6 billion has been recognised in the interim condensed consolidated financial statements for the period ended 30 June 2019.

The AGA also approved Board of Directors’ remuneration of SR 1.8 million that is charged to general and administrative expenses.

On 24 Shawwal 1441H (corresponding to 16 June 2020), SABIC declared interim cash dividends for the first half of the year 2020 amounting to SR 4.5 billion (at SR 1.5 per share), which has been recognised in these interim condensed consolidated financial statements for the period ended 30 June 2020.

12. Subsequent events

On 1 July 2020, Clariant (an associate) announced that it closed the deal to sell their Masterbatches business unit and therefore declared dividend CHF 3 a share which is paid in the first week of July.

In the opinion of management, there have been no further significant subsequent events since the period ended 30 June 2020, which would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.