



# SAUDI BASIC INDUSTRIES CORPORATION (SABIC) AND ITS SUBSIDIARIES

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
AND INDEPENDENT AUDITOR'S REVIEW REPORT

CHEMISTRY THAT MATTERS™

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

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**Ernst & Young & Co. (Certified Public Accountants)**  
**General Partnership**  
Head Office  
Al Faisaliah Office Tower - 14<sup>th</sup> floor  
King Fahad Road  
PO Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia

Registration No. 45/11/323  
C.R. No. 1010383821  
Tel: +966 11 215 9898  
+966 11 273 4740  
Fax: +966 11 273 4730  
riyadh@sa.ey.com  
www.ey.com/mena

**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 31 March 2019, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month 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. AIRashoud  
Certified Public Accountant  
License No. (366)

Riyadh: 23 Sha'aban 1440H  
(28 April 2019)



**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>	<b>As at 31 March 2019</b>	<b>As at 31 December 2018</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets:</b>			
Property, plant and equipment, and right-of-use assets	4 & 5	171,244,557	163,819,684
Intangible assets		12,776,117	12,947,211
Investment in associates and joint ventures		25,130,082	25,780,550
Other non-current assets	6	9,421,305	9,575,601
<b>Total non-current assets</b>		<b>218,572,061</b>	<b>212,123,046</b>
<b>Current assets:</b>			
Inventories		26,965,441	28,244,803
Trade receivables		22,254,165	21,821,849
Prepayments and other current assets		3,418,733	5,114,857
Short-term investments		12,057,770	9,815,499
Cash and bank balances		43,017,233	42,590,820
<b>Total current assets</b>		<b>107,713,342</b>	<b>107,587,828</b>
<b>TOTAL ASSETS</b>		<b>326,285,403</b>	<b>319,710,874</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
Equity attributable to equity holders of the Parent		175,051,105	173,084,380
Non-controlling interests		48,009,415	48,352,095
<b>Total equity</b>		<b>223,060,520</b>	<b>221,436,475</b>
<b>Non-current liabilities:</b>			
Long-term debt and lease liabilities	4	47,676,063	42,345,396
Employee benefits		16,118,071	15,000,025
Other non-current liabilities	7	3,885,422	3,820,575
<b>Total non-current liabilities</b>		<b>67,679,556</b>	<b>61,165,996</b>
<b>Current liabilities:</b>			
Short-term borrowings, current portion of long-term debt and lease liabilities	4	5,832,218	4,917,845
Trade payables and other current liabilities		29,713,109	32,190,558
<b>Total current liabilities</b>		<b>35,545,327</b>	<b>37,108,403</b>
<b>Total liabilities</b>		<b>103,224,883</b>	<b>98,274,399</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>326,285,403</b>	<b>319,710,874</b>

The notes on page 8 to 14 form an integral part of these interim condensed consolidated financial statements.

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

	For the three months period ended 31 March 2019	For the three months period ended 31 March 2018
Revenue	37,369,869	41,861,596
Cost of sales	(25,980,173)	(27,330,085)
<b>Gross profit</b>	<b>11,389,696</b>	<b>14,531,511</b>
General and administrative expenses	(2,739,321)	(2,977,782)
Selling and distribution expenses	(2,497,375)	(2,607,895)
<b>Income from operations</b>	<b>6,153,000</b>	<b>8,945,834</b>
Share of results of associates and joint ventures	216,973	366,223
Finance cost, net	(322,532)	(268,248)
Other (expenses) income, net	(40,535)	23,443
<b>Income before zakat and income tax</b>	<b>6,006,906</b>	<b>9,067,252</b>
Zakat expense	(675,000)	(650,000)
Income tax expense	(352,162)	(709,000)
<b>Net income for the period</b>	<b>4,979,744</b>	<b>7,708,252</b>
<b>Attributable to:</b>		
Equity holders of the Parent	3,408,098	5,508,081
Non-controlling interests	1,571,646	2,200,171
	<b>4,979,744</b>	<b>7,708,252</b>
<b>Basic and diluted earnings per share (Saudi Riyals):</b>		
Earnings per share from income from operations	2.05	2.98
Earnings per share from net income attributable to equity holders of the Parent	1.14	1.84

The notes on page 8 to 14 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 31 March 2019	For the three months period ended 31 March 2018
Net income for the period	4,979,744	7,708,252
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to the consolidated statement of income (net of tax):</i>		
- Re-measurement (loss) gain on defined benefit plans	(832,350)	496,394
- Share of other comprehensive income of associates and joint ventures	(6,253)	-
- Net change on revaluation of investments in equity instruments at Fair Value through Other Comprehensive Income (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	(264,568)	618,535
- Share of other comprehensive income of associates and joint ventures	(398,053)	534,180
<b>Movement of other comprehensive income</b>	(1,521,803)	1,649,109
<b>Total comprehensive income for the period</b>	<b>3,457,941</b>	<b>9,357,361</b>
<b>Attributable to:</b>		
Equity holders of the Parent	1,966,725	7,064,158
Non-controlling interests	1,491,216	2,293,203
	<b>3,457,941</b>	<b>9,357,361</b>

The notes on page 8 to 14 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 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 1 January 2018	30,000,000	15,000,000	110,889,032	(1,860,638)	10,233,854	164,262,248	46,218,398	210,480,646
Net income	-	-	-	-	5,508,081	5,508,081	2,200,171	7,708,252
Other comprehensive income	-	-	-	1,556,077	-	1,556,077	93,032	1,649,109
Total comprehensive income	-	-	-	1,556,077	5,508,081	7,064,158	2,293,203	9,357,361
Dividends and others	-	-	-	-	-	-	(1,952,029)	(1,952,029)
Balance as at 31 March 2018	30,000,000	15,000,000	110,889,032	(304,561)	15,741,935	171,326,406	46,559,572	217,885,978
Balance as at 1 January 2019	30,000,000	15,000,000	110,889,032	(1,359,184)	18,554,532	173,084,380	48,352,095	221,436,475
Net income	-	-	-	-	3,408,098	3,408,098	1,571,646	4,979,744
Other comprehensive income	-	-	-	(1,441,373)	-	(1,441,373)	(80,430)	(1,521,803)
Total comprehensive income	-	-	-	(1,441,373)	3,408,098	1,966,725	1,491,216	3,457,941
Dividends and others	-	-	-	-	-	-	(1,833,896)	(1,833,896)
Balance as at 31 March 2019	30,000,000	15,000,000	110,889,032	(2,800,557)	21,962,630	175,051,105	48,009,415	223,060,520

The notes on page 8 to 14 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 three months period ended 31 March 2019	For the three months period ended 31 March 2018
<b><u>Operating activities:</u></b>		
Income before zakat and income tax	6,006,906	9,067,252
<i>Adjustments to reconcile income before zakat and tax to net cash inflow from operating activities:</i>		
- Depreciation, amortisation and impairment	4,000,031	3,656,682
- Finance costs	709,631	592,749
- Share of results of associates and joint ventures	(216,973)	(366,223)
- Provisions and other movements, net	5,122	130,553
<i>Changes in operating assets and liabilities:</i>		
Decrease in other non-current assets	201,446	224,240
Working capital changes	(534,431)	(3,795,046)
Increase (decrease) in employee benefits	147,080	(738,321)
Increase in other non-current liabilities	7,607	150,333
<b>Cash from operations</b>	<b>10,326,419</b>	<b>8,922,219</b>
Finance cost paid	(323,105)	(194,720)
Zakat and income tax paid	(135,449)	(230,168)
<b>Net cash from operating activities</b>	<b>9,867,865</b>	<b>8,497,331</b>
<b><u>Investing activities:</u></b>		
Purchase of tangible and intangible assets, net	(4,101,795)	(3,208,227)
Short-term investments, net	(2,309,455)	(3,031,852)
Other assets movements	60,982	(10,821,856)
Investment in associates and joint ventures, net	435,137	219,882
<b>Net cash used in investing activities</b>	<b>(5,915,131)</b>	<b>(16,842,053)</b>
<b><u>Financing activities:</u></b>		
Proceeds from debt	300,000	11,450,000
Debt and lease payments	(1,175,783)	(262,543)
Dividends paid to shareholders and non-controlling interests	(2,560,899)	(2,110,234)
<b>Net cash (used in) from financing activities</b>	<b>(3,436,682)</b>	<b>9,077,223</b>
Net increase in cash and cash equivalents	516,052	732,501
Cash and cash equivalents at the beginning of the period	41,423,231	57,973,656
<b>Cash and cash equivalents at the end of the period</b>	<b>41,939,283</b>	<b>58,706,157</b>
Cash and bank balances	43,017,233	59,963,960
Less: bank overdrafts	(1,077,950)	(1,257,803)
<b>Cash and cash equivalents at the end of the period</b>	<b>41,939,283</b>	<b>58,706,157</b>
<b><u>Supplemental non-cash information</u></b>		
- Right-of-use Assets	7,536,337	-
- Lease liabilities	7,070,359	-

The notes on page 8 to 14 form an integral part of these interim condensed consolidated financial statements.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

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**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). SABIC is 70% owned by the Government of the Kingdom of Saudi Arabia (“KSA”) through the Public Investment Fund (“PIF”) and 30% by the private sector. The registered office is located at Qurtubah district, P.O. Box 5101, Riyadh 11422, KSA.

On 27 March 2019, PIF and Saudi Aramco have signed a share purchase agreement pursuant to which Saudi Aramco has agreed to acquire all of PIF’s stake in SABIC. Completion of the transaction is subject to customary closing conditions, including regulatory approvals. Upon completion of the transaction, Saudi Aramco will own 70% of SABIC’s issued share capital.

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 three months period ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2019.

**2. Basis of preparation**

These interim condensed consolidated financial statements for the three months period ended 31 March 2019 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 issued by the Saudi Organization 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 2018.

Certain prior periods’ figures have been reclassified to conform to the current period’s presentation.

**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 2018, except for the adoption of International Financial Reporting Standard 16 ‘*Leases*’ (“IFRS 16”) at its effective date 1 January 2019.

IFRS 16 replaces IAS 17 ‘*Leases*’ (“IAS 17”), IFRIC 4 ‘*Whether an arrangement contains a lease*’ (“IFRIC 4”), SIC-15 ‘*Operating leases - Incentives*’ and SIC-27 ‘*Evaluating the substance of transactions involving the legal form of a lease*’. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

**4. Changes in accounting policies**

**IFRS 16 – Leases**

The Group has adopted IFRS 16 from its mandatory adoption date 1 January 2019 using the modified simplified transition approach as permitted under the specific transition provisions in the standard. As a result, comparatives have not been restated.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

**4. Changes in accounting policies (continued)**

**IFRS 16 – Leases (continued)**

The Group has not used the practical expedient of applying IFRS 16 to only those contracts that were previously identified as leases under IAS 17 (and IFRIC 4.) In adopting IFRS 16, the Group has applied the following practical expedients:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounting for operating leases in accordance with IAS 17 as short-term leases with a remaining lease term of less than 12 months at 1 January 2019;
- exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- the election, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

As at 1 January 2019, the Group has recognised lease liabilities amounting to SR 6.83 billion and associated right-of-use assets amounting to SR 7.29 billion in relation to contracts that have been concluded as leases under the principles of IFRS 16. The liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The associated right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of prepayments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The Group's weighted average incremental borrowing rate applied to the lease liabilities was 4.04%.

The following table shows the reconciliation of operating lease commitments under IAS 17 to the lease liability under IFRS 16 on 1 January 2019:

	<u>1 January 2019</u>
Operating lease commitments disclosed as at 31 December 2018	8,905,562
Discounted using the Group's incremental borrowing rate	(1,980,916)
(Less): short-term leases recognised on a straight-line basis as expense	(190,859)
(Less): low-value leases recognised on a straight-line basis as expense	(19,493)
Add: contracts reassessed as lease agreements	118,287
	<u>6,832,581</u>
Add: finance lease liabilities recognised as at 31 December 2018	738,925
Lease liability recognised as at 1 January 2019	<u>7,571,506</u>

Leases are recognised as right-of-use assets along with their corresponding liabilities at the date of which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is recognized in the interim condensed consolidated statement of income over the lease term. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

4. Changes in accounting policies (continued)

IFRS 16 – Leases (continued)

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs; if applicable.

Lease liabilities include, if applicable, the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

*Short-term and low value assets' leases*

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items that do not meet the Group's capitalisation threshold and are considered to be insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognised on a straight-line basis in the interim condensed consolidated statement of income.

*Variable lease payments*

Some leases contain variable payments that are linked to the usage or performance of the leased asset. Such payments are recognised in the interim condensed consolidated statement of income.

*Extension and termination options*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within control.

5. Property, plant and equipment, and right-of-use assets

	As at 31 March 2019	As at 31 December 2018
Property, plant and equipment	163,538,846	163,819,684
Right-of-use assets	7,705,711	-
	<u>171,244,557</u>	<u>163,819,684</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

**6. Other non-current assets**

	As at 31 March 2019	As at 31 December 2018
Investments in debt instruments	2,479,497	2,493,880
Investments in equity instruments and funds	1,097,704	1,090,109
Deferred tax assets	876,536	865,156
Others	4,967,568	5,126,456
	<b>9,421,305</b>	<b>9,575,601</b>

**7. Other non-current liabilities**

	As at 31 March 2019	As at 31 December 2018
Deferred tax liabilities	1,721,378	1,664,138
Others	2,164,044	2,156,437
	<b>3,885,422</b>	<b>3,820,575</b>

**8. Significant matters during the period**

**8.1 Increase of shareholding in a subsidiary**

On 4 December 2018, the Group and Japan Saudi Arabia Methanol Company, Inc. ("JSMC"), the partner in Saudi Methanol Company (Ar-Razi), entered into an agreement for the Group to acquire 50% of JSMC's share in Ar-Razi (equivalent to 25% of total shares in Ar-Razi) for SR 562.5 million (USD 150 million), which will increase the Group's shareholding in Ar-Razi to 75%.

The transfer of shares and payment are expected to be completed during 2019, subject to regulatory approvals. As there is no change in control, the acquisition would be accounted for as an equity transaction.

**8.2 Fair value measurement**

Derivative financial assets and derivative financial liabilities, amounting to SR 42.5 million and SR 26.7 million respectively (as at 31 December 2018: SR 29.7 million and SR 0.4 million) are valued at fair value and classified as Level 2 measurement.

The fair value of equity instruments at FVOCI is determined using a significant non-observable input and is classified as a level 3 measurement.

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

Valuation technique	Significant unobservable input	Range
Market approach	• Equity value to EBITDA multiple	7.9 to 13.1
	• Midpoint of Net Asset Value and Price to Book multiple	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 31 March 2019, the fair values of Group's other financial assets and financial liabilities approximate the carrying value.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

9 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 three months period ended 31 March 2019		As at 31 March 2019		As at 31 March 2019	
Associates	12,887	1,261,670	34,071	36,748	35,135	-
Joint ventures and partners	2,973,364	214,182	2,861,457	22,321	761,812	2,314,624
	For the three months period ended 31 March 2018		As at 31 December 2018		As at 31 December 2018	
Associates	524	1,435,685	27,818	23,499	35,135	-
Joint ventures and partners	3,098,288	123,697	3,098,870	24,025	769,654	2,309,743

10 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. Accordingly, segment information for prior period are restated in line with current period presentation.

All intercompany transactions within the reporting segments have been appropriately eliminated. The segments' financial details are shown below:

	For the three months period ended 31 March 2019			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	32,304,135	1,810,545	3,255,189	37,369,869
Depreciation, amortisation and impairment	(3,508,294)	(201,850)	(289,887)	(4,000,031)
Income from operations	5,531,098	574,905	46,997	6,153,000
Share of results of associates and joint ventures	174,792	42,181	-	216,973
Finance cost, net				(322,532)
Other expenses, net				(40,535)
Income before zakat and income tax				6,006,906

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

**10 Segment information (continued)**

	For the three months period ended 31 March 2018			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Revenue	36,868,483	1,724,611	3,268,502	41,861,596
Depreciation, amortisation and impairment	(3,213,775)	(178,169)	(264,738)	(3,656,682)
Income from operations	8,556,250	316,295	73,289	8,945,834
Share of results of associates and joint ventures	346,637	19,586	-	366,223
Finance cost, net				(268,248)
Other income, net				23,443
Income before zakat and income tax				9,067,252

	As at 31 March 2019			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	296,269,750	11,831,588	18,184,065	326,285,403
Total liabilities	96,059,021	2,221,021	4,944,841	103,224,883

	As at 31 December 2018			
	Petro-chemicals & Specialties	Agri-nutrients	Hadeed	Consolidated
Total assets	290,154,965	10,975,287	18,580,622	319,710,874
Total liabilities	91,477,792	3,009,863	3,786,744	98,274,399

**Geographical distribution of sales**

	For the three months period ended 31 March 2019		For the three months period ended 31 March 2018	
	Amount	Percentage	Amount	Percentage
KSA	6,486,065	17%	6,554,904	16%
China	6,290,666	17%	7,477,270	18%
Rest of Asia	8,207,823	22%	9,054,461	22%
Europe	8,723,877	23%	10,380,950	25%
Americas	3,210,642	9%	3,494,143	8%
Others	4,450,796	12%	4,899,868	11%
	<b>37,369,869</b>	<b>100%</b>	<b>41,861,596</b>	<b>100%</b>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019  
(All amounts in Saudi Riyals '000 unless otherwise stated)

**10 Segment information (continued)**

**Geographical distribution of property, plant and equipment**

	<u>As at 31 March 2019</u>		<u>As at 31 December 2018</u>	
KSA	137,567,127	84%	138,563,584	85%
Europe	13,759,873	8%	13,949,262	8%
Americas	10,683,534	7%	9,758,799	6%
Asia	1,525,691	1%	1,545,193	1%
Others	2,621	-	2,846	-
	<u>163,538,846</u>	<u>100%</u>	<u>163,819,684</u>	<u>100%</u>

**11 Subsequent events**

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 recognized in equity. The remaining of the dividend declared of SR 6.6 billion will be recognized in the interim condensed consolidated financial statements for the period ending 30 June 2019.

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

In the opinion of management, there have been no further significant subsequent events since the period ended 31 March 2019, which would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.