



**ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021**

**ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)



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**INDEPENDENT AUDITOR'S REVIEW REPORT  
AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021**

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Ernst and Young & Co Public Accountants (Professional Limited Liability Company)  
Paid-up capital (SR 5,500,000) (Five million and five hundred thousand Saudi Riyal)  
Adeer Tower, 15<sup>th</sup> Floor  
Prince Turki Bin Abdulaziz Street, Al Khobar Corniche  
P.O. Box 3795  
Al Khobar 31952  
Kingdom of Saudi Arabia  
Head Office – Riyadh

C.R. No. 2051058792

Tel: +966 13 840 4600

Fax: +966 13 882 0087

[ey.ksa@sa.ey.com](mailto:ey.ksa@sa.ey.com)  
[ey.com](http://ey.com)

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ADVANCED PETROCHEMICAL COMPANY (A SAUDI JOINT STOCK COMPANY)

### Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Advanced Petrochemical Company ("the Company"), a Saudi Joint Stock Company, and its subsidiaries (collectively referred to as "the Group") as at 30 September 2021, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods ended 30 September 2021 and related interim condensed consolidated statements of changes in equity and cash flows for the nine-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") 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 endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young

Marwan Al Afaliq  
Certified Public Accountant  
License No. 422

22 Rabi' al-Awwal 1443H  
28 October 2021

Alkhobar



ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES  
(A SAUDI JOINT STOCK COMPANY)






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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the three-month period ended 30 September 2021 <i>(Unaudited)</i>	For the three-month period ended 30 September 2020 <i>(Unaudited)</i>	For the nine-month period ended 30 September 2021 <i>(Unaudited)</i>	For the nine-month period ended 30 September 2020 <i>(Unaudited)</i>
Sales	805,331	544,953	2,205,873	1,598,509
Cost of sales	<u>(535,328)</u>	<u>(373,060)</u>	<u>(1,398,283)</u>	<u>(1,086,191)</u>
<b>GROSS PROFIT</b>	<b>270,003</b>	<b>171,893</b>	<b>807,590</b>	<b>512,318</b>
Selling and distribution expenses	(6,967)	(6,595)	(18,672)	(19,580)
General and administration expenses	<u>(31,706)</u>	<u>(24,974)</u>	<u>(110,168)</u>	<u>(74,911)</u>
<b>OPERATING PROFIT</b>	<b>231,330</b>	<b>140,324</b>	<b>678,750</b>	<b>417,827</b>
Finance costs	(3,156)	(2,051)	(10,870)	(2,990)
Share in results of an associate	(5,015)	22,181	36,925	10,659
Other income, net	<u>891</u>	<u>805</u>	<u>3,364</u>	<u>2,601</u>
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>	<b>224,050</b>	<b>161,259</b>	<b>708,169</b>	<b>428,097</b>
Zakat and income tax	11 <u>(6,294)</u>	<u>(4,764)</u>	<u>(54,435)</u>	<u>(12,316)</u>
<b>PROFIT FOR THE PERIOD</b>	<b><u>217,756</u></b>	<b><u>156,495</u></b>	<b><u>653,734</u></b>	<b><u>415,781</u></b>
<b>Earnings per share</b>				
- Basic and diluted earnings per share	14 <u>1.006</u>	<u>0.723</u>	<u>3.020</u>	<u>1.921</u>

  
KHALIFA A. AL-MULHEM  
Chairman of the Board

  
FAHAD S. AL-MATRAFI  
President & CEO

  
ABDULAZIZ S. AL-ARDHI  
Finance & Accounting Manager  
  


The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

**ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the three-month period ended 30 September 2021 <i>(Unaudited)</i>	For the three-month period ended 30 September 2020 <i>(Unaudited)</i>	For the nine-month period ended 30 September 2021 <i>(Unaudited)</i>	For the nine-month period ended 30 September 2020 <i>(Unaudited)</i>
<b>PROFIT FOR THE PERIOD</b>	217,756	156,495	653,734	415,781
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Other comprehensive (loss) /income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of investment in an associate	(31,180)	13,191	(56,247)	(8,269)
<i>Net other comprehensive loss /income to be reclassified to profit or loss in subsequent periods</i>	(31,180)	13,191	(56,247)	(8,269)
<i>Other comprehensive income /(loss) not to be reclassified to profit or loss in subsequent periods:</i>				
Unrealized fair value gain /(loss) on equity investment at fair value through other comprehensive income	169,215	116,636	396,545	(16,346)
<i>Net other comprehensive income /(loss) not to be reclassified to profit or loss in subsequent periods</i>	169,215	116,636	396,545	(16,346)
<b>Other comprehensive income /(loss) for the period</b>	138,035	129,827	340,298	(24,615)
<b>Total comprehensive income for the period</b>	355,791	286,322	994,032	391,166

KHALIFA A. AL-MULHEM  
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Finance & Accounting Manager

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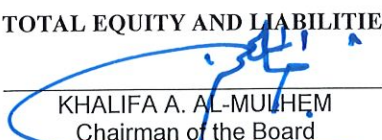


**ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	30 September 2021 (Unaudited)	31 December 2020 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,604,605	1,756,446
Right-of-use assets		13,443	12,196
Investment in an associate	6	663,295	692,935
Investment in an unconsolidated subsidiary		376	376
Equity investment at fair value through other comprehensive income		978,772	582,226
Other non-current assets	7	241,021	261,269
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,501,512</b>	<b>3,305,448</b>
<b>CURRENT ASSETS</b>			
Inventories		147,984	174,817
Trade receivables		504,639	328,043
Prepayments and other current assets		122,044	88,590
Investments at fair value through profit or loss		11,452	-
Cash and cash equivalents		312,496	61,921
<b>TOTAL CURRENT ASSETS</b>		<b>1,098,615</b>	<b>653,371</b>
<b>TOTAL ASSETS</b>		<b>5,600,127</b>	<b>3,958,819</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	1	2,164,734	2,164,734
Statutory reserve		696,502	696,502
Other components of equity	5	462,717	122,419
Retained earnings		667,062	435,451
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<b>3,991,015</b>	<b>3,419,106</b>
Non-controlling interest	1	225,394	-
<b>TOTAL EQUITY</b>		<b>4,216,409</b>	<b>3,419,106</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of lease liability		12,468	11,689
Employees' defined benefit liabilities and other benefits		132,510	129,400
Deferred tax liabilities, net		1,157	1,157
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>146,135</b>	<b>142,246</b>
<b>CURRENT LIABILITIES</b>			
Murabaha loans	8	779,531	-
Current portion of lease liability		1,392	1,190
Trade payable		155,982	144,164
Accruals and other current liabilities		262,306	216,319
Zakat and income tax provision		33,613	31,225
Dividend payable		4,759	4,569
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,237,583</b>	<b>397,467</b>
<b>TOTAL LIABILITIES</b>		<b>1,383,718</b>	<b>539,713</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,600,127</b>	<b>3,958,819</b>
 <b>KHALIFA A. AL-MULHEM</b> Chairman of the Board	 <b>FAHAD S. AL-MATRAFI</b> President & CEO	 <b>ABDULAZIZ S. AL-ARDHI</b> Finance & Accounting Manager	

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

**ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	<u>Other components of equity</u>							Total equity
	Share capital	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	
At 1 January 2020	2,164,734	636,943	83,150	575	464,929	3,350,331	-	3,350,331
Profit for the period	-	-	-	-	415,781	415,781	-	415,781
Other comprehensive loss for the period	-	-	(16,346)	(8,269)	-	(24,615)	-	(24,615)
Total comprehensive loss for the period	-	-	(16,346)	(8,269)	415,781	391,166	-	391,166
Dividends	-	-	-	-	(562,831)	(562,831)	-	(562,831)
At 30 September 2020 (Unaudited)	<u>2,164,734</u>	<u>636,943</u>	<u>66,804</u>	<u>(7,694)</u>	<u>317,879</u>	<u>3,178,666</u>	-	<u>3,178,666</u>
At 1 January 2021	2,164,734	696,502	82,928	39,491	435,451	3,419,106	-	3,419,106
Profit for the period	-	-	-	-	653,734	653,734	-	653,734
Other comprehensive income/ (loss) for the period	-	-	396,545	(56,247)	-	340,298	-	340,298
Total comprehensive income/ (loss) for the period	-	-	396,545	(56,247)	653,734	994,032	-	994,032
Non-controlling interest on initial investment	-	-	-	-	-	-	225,394	225,394
Dividends (note 10)	-	-	-	-	(422,123)	(422,123)	-	(422,123)
At 30 September 2021 (Unaudited)	<u>2,164,734</u>	<u>696,502</u>	<u>479,473</u>	<u>(16,756)</u>	<u>667,062</u>	<u>3,991,015</u>	<u>225,394</u>	<u>4,216,409</u>

KHALIFA A. AL-MULHEM  
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	30 September 2021	30 September 2020
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>OPERATING ACTIVITIES</b>		
Profit before zakat and income tax	708,169	428,097
Adjustment to reconcile profit before zakat and income tax to net cash flows:		
Depreciation of property, plant and equipment	164,661	161,499
Depreciation of right-of-use assets	944	901
Finance costs	10,870	2,990
Share in results of an associate	(36,925)	(10,659)
Employees' defined benefits liabilities and other benefits	15,452	13,430
	<u>863,171</u>	<u>596,258</u>
Working capital adjustments:		
Trade receivables	(176,596)	53,271
Prepayments and other current assets	(33,454)	(31,192)
Inventories	26,833	(11,049)
Trade payable	(11,818)	36,795
Accruals and other current liabilities	69,848	(20,704)
Cash from operating activities	<u>737,984</u>	<u>623,379</u>
Employees' defined benefits liabilities and other benefits paid	(12,342)	(1,634)
Finance costs paid	(10,713)	(2,598)
Zakat and income tax paid	(52,047)	(21,559)
<b>Net cash flows from operating activities</b>	<u>662,882</u>	<u>597,588</u>
<b>INVESTING ACTIVITIES</b>		
Net movement in investments at fair value through profit or loss	(11,452)	-
Additions to property, plant and equipment	(1,012,820)	(174,067)
Dividend received from an associate	10,317	17,875
Net movement in other non-current assets	20,248	13,200
Initial investment in a subsidiary by non-controlling shareholder	225,394	-
<b>Net cash flows used in investing activities</b>	<u>(768,313)</u>	<u>(142,992)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Murabaha loans	1,069,062	-
Repayment of Murabaha loans	(289,531)	-
Payment of lease liabilities	(1,592)	(1,173)
Dividends paid	(421,933)	(423,058)
<b>Net cash flows from/ (used in) financing activities</b>	<u>356,006</u>	<u>(424,231)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>250,575</u>	<u>30,365</u>
Cash and cash equivalents at the beginning of the period	<u>61,921</u>	<u>47,899</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>312,496</u>	<u>78,264</u>
<b>NON-CASH TRANSACTION:</b>		
Transfer from property, plant and equipment to other non-current assets	-	25,520
Financial charges on lease liabilities against right-of-use assets	381	392

  
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The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.



**ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**1. CORPORATE INFORMATION**

Advanced Petrochemical Company (the “Company”) is a Saudi joint stock company registered in Dammam, Kingdom of Saudi Arabia under commercial registration number 2050049604 dated 27 Sha’ban, 1426H (corresponding to 1 October 2005). The paid-up share capital of the Company is SR 2,164,734,000 divided into 216,473,400 shares of SR 10 each.

During the Company’s extraordinary General Assembly meeting held on 18 Muharram, 1441H (corresponding to 17 September 2019), an increase in share capital by 10% was approved by the shareholders by way of issuance of bonus shares. The increase in share capital was funded from the retained earnings account through the distribution of one share for every ten shares held by the existing shareholders. The number of shares increased from One Hundred Ninety Six Million Seven Hundred Ninety Four Thousand (196,794,000) shares to Two Hundred Sixteen Million Four Hundred Seventy Three Thousand Four Hundred (216,473,400) shares. Legal formalities relating to the above were also completed in 2019.

The interim condensed consolidated financial statements as at 30 September 2021 include the financial statements of the Company and the following subsidiaries (collectively referred to as the “Group”):

	<u>Effective ownership</u>
Advanced Renewable Energy Company (“AREC”) - note (a)	100%
Advanced Global Investment Company (“AGIC”) - note (b)	100%
Advanced Polyolefins Industry Company (“APOC”) – note (c)	85%

Notes:

- a- Advanced Renewable Energy Company (“AREC”), is a single shareholder limited liability company registered in Jubail, Kingdom of Saudi Arabia under commercial registration No. 2055015327 dated 27 Rabi’I 1433H (corresponding to 19 February 2012) and is 100% owned by the Company.
- b- Advanced Global Investment Company (“AGIC”) is a single shareholder limited liability company registered in Jubail, Kingdom of Saudi Arabia under commercial registration No. 2055017024 dated 12 Ramadan 1433H (corresponding to 1 August 2012) and is 100% owned by the Company.
- c- Advanced Polyolefins Industry Company (“APOC”) is a Saudi mixed closed joint stock company registered in Jubail, Kingdom of Saudi Arabia under commercial registration No. 20550130313 dated 14 Ramadan 1442H (corresponding to 26 April 2021) and is 85% owned by AGIC (remaining 15% is owned by SK Gas Petrochemical Pte. Ltd., a company organized and existing under the laws of Republic of Singapore). The Company has not commenced its commercial operations as its plants are under construction phase, which are expected to be completed by the end of second quarter of 2024.

During 2014, AGIC made 100% investment in Advanced Global Holding Limited (“AGHL”), a limited liability company incorporated in Luxembourg. AGHL has not been consolidated in these interim condensed consolidated financial statements due to immaterial financial position.

The Group is licensed to engaged in production and selling Propylene, Polypropylene, Isopropyl Alcohol, Polysilicon and Polysilicon downstream products which includes Photovoltaic cells and Photovoltaic, and establishing, operating and investing in industrial projects including petrochemical, chemical, basic and conversion industries and industries relating to renewable energy both within and outside the Kingdom of Saudi Arabia.

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

These interim condensed consolidated financial statements have been prepared using historical cost convention except for equity investments at fair value through other comprehensive income (“FVOCI”) and investments at fair value through profit or loss (“FVP&L”) which are measured at fair value. For employees’ defined benefit liabilities, actuarial present value calculation is used. These interim condensed consolidated financial statements are prepared in Saudi Riyals, which is both the functional and presentation currency of the Group. These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed by Saudi Organization for Chartered and Professional Accountant (“SOCPA”) in the Kingdom of Saudi Arabia. These interim condensed consolidated financial statements include all the disclosures required for interim condensed consolidated financial statements but do not include all of the disclosures required for the consolidated annual financial statements and should be read in conjunction with Group’s annual consolidated financial statements for the year ended 31 December 2020.



## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (Continued)

These interim condensed consolidated financial statements of the Group were approved on 26 October 2021.

### *Basis of consolidation*

These interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2021. Control is achieved 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:

- 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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholders of the Group to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The outbreak of novel coronavirus ("COVID-19") since early 2020, its spread across mainland China and then globally caused disruptions to businesses and economic activity globally including the Kingdom of Saudi Arabia and the declaration of this pandemic by the World Health Organization necessitated the Group's management to revisit its significant judgments in applying the Group's accounting policies and the methods of computation and the key sources of estimation applied to the annual financial statements for the year ended 31 December 2020. Whilst it is challenging now, to predict the full extent and duration of its business and economic impact, the Group's management carried out an impact assessment on the overall Group's operations and business aspects including factors like supply chain, travel restrictions, oil prices, product demand, etc. and concluded that, as of the issuance date of these interim condensed financial statements, no significant changes are required to the judgements and key estimates. However, the view of the current 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 or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.



#### 4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### 5. OTHER COMPONENTS OF EQUITY

	<b>30 September 2021</b>	31 December 2020
	<i>(Unaudited)</i>	<i>(Audited)</i>
Fair value reserve	<b>479,473</b>	82,928
Foreign currency translation reserve	<b>(16,756)</b>	39,491
	<b>462,717</b>	122,419

#### 6. INVESTMENT IN AN ASSOCIATE

	<b>30 September 2021</b>	31 December 2020
	<i>(Unaudited)</i>	<i>(Audited)</i>
At the beginning of the period/year	<b>692,935</b>	637,483
Share in results of an associate	<b>36,925</b>	34,360
Exchange differences on translation of investment in an associate	<b>(56,247)</b>	38,916
Dividend received from an associate	<b>(10,318)</b>	(17,874)
Prior year adjustment/reclassification	-	50
<b>At the end of the period/year</b>	<b>663,295</b>	692,935

The Group has an investment in SK Advanced Co. Limited through its subsidiary AGIC, in which AGIC owns 30% shareholding, and is classified as investment in an associate in these interim condensed consolidated financial statements. It was incorporated in South Korea in accordance with the Commercial Act of the Republic of Korea. The ownership of the associated Company is divided between AGIC with 30%, SK Gas Co. Limited with 45% and Petrochemical Industries Company K.S.C with 25%. It operates a PDH Plant with nameplate capacity of 600,000 MT per annum.

#### 7. OTHER NON-CURRENT ASSETS

	<b>30 September 2021</b>	31 December 2020
	<i>(Unaudited)</i>	<i>(Audited)</i>
Employees' home ownership program (note a)	<b>241,021</b>	255,768
Others	-	5,501
	<b>241,021</b>	261,269

- a) It represents balances related to employees' Home Ownership Program (HOP). The Group started building residential houses for its employees in 2013. In May 2016, completed housing units were distributed to direct hire Saudi employees under a long term repayment agreement in Phase-I. Further, in July 2019, additional completed housing units were distributed in Phase-II. During 2020, remaining completed housing units were also distributed to employees related to Phase-II. The employees pay 17% of their monthly basic salary in addition to their housing allowance which is being applied as loan repayment/installment until the total HOP loan is fully repaid. As at reporting date, SR 241 million represents non-current portion and SR 19 million represents current portion.



## 8. MURABAHA LOANS

In 2020, the Group entered into a Murabaha Facility Agreement on 9 July 2020 for a period of 5.5 years, with a consortium of local commercial banks amounting to SR 1.5 billion, bearing a commission rate of SIBOR plus a specified margin. This facility is intended to finance the equity for new PDH & PP Project. During the period, the Group has withdrawn SR 750 million and paid back SR 100 million, resulting in outstanding balance of SR 650 million as at 30 September 2021.

In 2019, the Group entered into a Murabaha Facility Agreement on 20 October 2019 for a period of 5 years, with a local commercial bank amounting to SR 250 million, bearing a commission rate of SIBOR plus a specified margin. This facility is intended to finance the working capital requirements of the Group. During the period, the Group has withdrawn SR 230 million and paid back SR 100 million, resulting in outstanding balance of SR 130 million as at 30 September 2021.

## 9. RELATED PARTY TRANSACTION AND BALANCES

Related parties represent major shareholders, associated company, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties.

During the period, no significant transactions/balances with related parties.

### Key management personnel compensation

	<b>For the three-month period ended 30 September 2021</b>	For the three-month period ended 30 September 2020
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Short-term employee benefits	<b>18,769</b>	11,766
End of service termination benefits	<b>3,103</b>	1,351
	<b>21,872</b>	13,117

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

## 10. DIVIDENDS

On 29 June 2021, the Board of Directors resolved to distribute interim cash dividend for the second quarter of 2021 of SR 0.65 per share (totaling SR 141 million).

On 30 March 2021, the Board of Directors resolved to distribute interim cash dividend for the first quarter of 2021 of SR 0.65 per share (totaling SR 141 million).

On 21 December 2020, the Board of Directors proposed to distribute final cash dividend of SR 0.65 per share (totaling SR 141 million) for the fourth quarter of 2020. This has been approved by the General Assembly in their meeting held on 30 March 2021.

## 11. ZAKAT & TAX ASSESSMENTS

The Company has been filing its annual zakat and income tax returns with Zakat, Tax and Customs Authority (the "ZATCA"), formerly General Authority of Zakat and Tax (the "GAZT"), for the years from 2005 to 2020. During the period ended 30 September 2021, the zakat and tax assessments have been agreed with ZATCA for the years 2006 and 2008 up to 2013 and 2018 amounting to SR 34 million and has been paid during the period.



## 12. COMMITMENTS AND CONTINGENCIES

At 30 September 2021, Capital commitments contracted but not yet incurred amounted to SR 6.53 billion in respect of the new PDH and PP project (31 December 2020: SR 222.4 million).

The Group has signed a five years agreement for the purchase of 80,000 MT per annum of propylene (an intermediate product) which have been used in the production of polypropylene since 1 October 2014. In 2017, this agreement is extended up to 31 July 2023 with increase in the quantity to 100,000 MT per annum.

### Contingencies

The Group's banker has given payment guarantees on behalf of the Group in favor of Jubail Commercial Port for land lease amounting to SR 1.95 million (31 December 2020: SR 301.95 million in favor of Saudi Aramco and Jubail Commercial Port).

## 13. SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Group's management is of the view that all activities and operations of the Group comprise of a single operating segment for the purpose of decision making with respect to performance appraisal and resources allocation.

Substantial portion of the Group's sales are made to the marketers and Group's operations are related to one operating segment. Accordingly, segmental analysis by geographical and operating segment has not been presented.

Operating assets of the Group are located in the KSA. The sales are geographically distributed between domestic sales in the Kingdom representing 6% of the total sales and overseas sales representing 94% of the total sales.

## 14. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares during the period.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<b>For the three-month period ended 30 September 2021</b>	For the three-month period ended 30 September 2020	<b>For the nine-month period ended 30 September 2021</b>	For the nine-month period ended 30 September 2020
Net profit attributable to equity holders of the Group	<b>217,756</b>	156,495	<b>653,734</b>	415,781
Weighted average number of ordinary shares ('000)	<b>216,473</b>	216,473	<b>216,473</b>	216,473
Earnings Per Share (SR)	<b>1.006</b>	0.723	<b>3.020</b>	1.921

There has been no item of dilution affecting the weighted average number of ordinary shares.

## 15. SUBSEQUENT EVENT

In the opinion of management, there have been no significant subsequent events since the period ended 30 September 2021 that would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.