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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) AND AUDITORS' LIMITED REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
AUDITORS' LIMITED REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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Building a better working world

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LIMITED REVIEW-REPORT TO THE SHAREHOLDERS OF ADVANCED PETROCHEMICAL COMPANY AND ITS SUBSIDIARIES (SAUDI JOINT STOCK COMPANY)

Scope of limited review:

We have reviewed the accompanying consolidated interim balance sheet of Advanced Petrochemical Company (the "Company"), a Saudi Joint Stock Company and its subsidiaries (collectively referred to as the "Group") as at 31 March 2016 and the related consolidated interim statements of income and cash flows for the three months period then ended. These consolidated interim financial statements have been prepared by the Group and submitted to us together with the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). The limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion of limited review:

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

for Ernst & Young

Abdulaziz Saud Alshubaibi
Certified Public Accountant
Registration No. 339

10 Rajab 1437H
17 April 2016

Alkhobar

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

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CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2016
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	31 March 2016	31 March 2015
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		271,100	461,277
Trade receivables		250,908	160,688
Short term investments		121,714	-
Prepayments and other current assets		111,508	28,700
Inventories		115,276	122,294
TOTAL CURRENT ASSETS		870,506	772,959
NON-CURRENT ASSETS			
Available for sale investments	4	404,195	463,139
Investment in unconsolidated subsidiary	1	376	376
Investment in an associated company	5	398,662	372,876
Property, plant and equipment		2,152,707	2,246,543
Intangible assets		4,653	10,863
Other non-current assets	6	4,167	28,019
TOTAL NON-CURRENT ASSETS		2,964,760	3,121,816
TOTAL ASSETS		3,835,266	3,894,775
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable, accruals and other current liabilities		176,488	248,559
Zakat and income tax provision		23,686	24,117
Dividends payable	7	129,461	234,694
Current portion of term loan		40,000	40,000
TOTAL CURRENT LIABILITIES		369,635	547,370
NON-CURRENT LIABILITIES			
Term loan		40,000	80,000
Sukuk		998,380	997,928
Employees' terminal benefits and other benefits		47,627	37,499
TOTAL NON-CURRENT LIABILITIES		1,086,007	1,115,427
TOTAL LIABILITIES		1,455,642	1,662,797
SHAREHOLDERS' EQUITY			
Share capital	1	1,639,950	1,639,950
Statutory reserve		353,138	290,798
Unrealized losses on available for sale investments	4	(121,276)	(16,084)
Retained earnings		507,812	317,314
TOTAL SHAREHOLDERS' EQUITY		2,379,624	2,231,978
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,835,266	3,894,775

KHALIFA A. AL-MULHEM	ABDULLAH M. AL-GARAWI	MOHAMMED H. QAHTANI
Chairman of the Board	President & CEO	Finance and Accounting Manager

The attached notes 1 to 10 form an integral part of these consolidated interim financial statements

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

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CONSOLIDATED INTERIM STATEMENT OF INCOME (UN-AUDITED)
FOR THE-THREE MONTH PERIOD ENDED 31 MARCH 2016
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Three-month period ended 31 March 2016	Three-month period ended 31 March 2015
Sales		488,066	467,941
Cost of sales		(330,733)	(356,824)
GROSS PROFIT		157,333	111,117
EXPENSES			
Selling and distribution		(2,534)	(2,555)
General and administration		(10,511)	(8,222)
INCOME FROM MAIN OPERATIONS		144,288	100,340
Financial charges		(5,214)	(3,759)
Realized gains/(losses) on available for sale investments, net		1,396	(7,531)
Impairment losses against available for sale investments	4	(17,196)	-
Other income, net		6,234	577
Gain on disposal of shares in an associated company	5	16,044	-
NET INCOME FOR THE PERIOD		145,552	89,627
Earnings per share (SR)			
Attributable to income from main operations		0.880	0.612
Attributable to net income		0.888	0.547
Weighted average number of shares outstanding (in thousands)		163,995	163,995

KHALIFA A. AL-MULHEM	ABDULLAH M. AL-GARAWI	MOHAMMED H. QAHTANI
Chairman of the Board	President & CEO	Finance and Accounting Manager

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Three-month period ended 31 March 2016	Three-month period ended 31 March 2015
OPERATING ACTIVITIES			
Net income for the period		145,552	89,627
Adjustments for:			
Depreciation		52,357	38,543
Amortization		664	7,486
Losses on disposal of property, plant and equipment		-	197
Realized (gains)/ losses on available for sale investments, net		(1,396)	7,531
Gain on disposal of shares in an associated company	5	(16,044)	-
Financial charges		5,214	3,759
Impairment losses against available for sale investments	4	17,196	-
Employees' terminal benefits and other benefits		2,971	2,513
		206,514	149,656
Changes in operating assets and liabilities:			
Trade receivables		(29,110)	37,364
Prepayments and other receivables		(6,507)	231
Inventories		9,015	1,054
Accounts payable, accruals and other liabilities		(44,364)	(26,117)
Cash from operating activities		135,548	162,188
Employees' terminal benefits and other benefits paid		(1,074)	(1,254)
Financial charges paid		(573)	(136)
Net cash from operating activities		133,901	160,798
INVESTING ACTIVITIES			
Net movement in available for sale investments		356,809	(300,233)
Additions to short term investments		(121,714)	-
Additions to investment in an associated company		(44,463)	(150,000)
Additions to intangible assets		(189)	(353)
Additions to property, plant and equipment		(25,893)	(115,287)
Proceeds on disposal of property, plant and equipment		-	7
Net movement in other non-current assets		21,839	161
Net cash from/(used in) investing activities		186,389	(565,705)
FINANCING ACTIVITIES			
Repayment of term loan		(10,000)	-
Dividends paid		(122,374)	(16,020)
Board of directors' remunerations paid		(1,800)	(1,800)
Net cash used in financing activities		(134,174)	(17,820)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		186,116	(422,727)
Cash and cash equivalents at the beginning of the period		84,984	884,004
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		271,100	461,277

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The attached notes 1 to 10 form an integral part of these consolidated interim financial statements

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

(All amounts in Saudi Riyals thousands unless otherwise stated)

Supplemental non-cash transactions:	Note	**Three-month period ended 31 March 2016**	Three-month period ended 31 March 2015
Dividends declared during the period		245,992	245,992
Receivable from disposal of shares in an associated company	5	87,419	-
Unrealized losses on available for sale investments		24,339	16,065
Accrued board of directors' remunerations		450	450
Amortization of prepaid financing costs related to Sukuk		113	293

KHALIFA A. AL-MULHEM
Chairman of the Board

ABDULLAH M. AL-GARAWI
President & CEO

MOHAMMED H. QAHTANI
Finance and Accounting Manager

(All amounts in Saudi Riyals thousands unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

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 1,639,950,000 divided into 163,995,000 shares of SR 10 each.

The consolidated interim financial statements as of 31 March 2016 include the financial statements of the Company and the following subsidiaries (collectively referred to as the "Group"):

	Effective ownership
Advanced Renewable Energy Company ("AREC") – note a	100%
Advanced Global Investment Company ("AGIC") – note b	100%

Notes:

a- Advanced Renewable Energy Company ("AREC"), is a mixed 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).

5% of this investment is held under a related party's name, on behalf of the Group. The related party has assigned its share to the Group and accordingly, the Group included 100% financial statements of AREC in the consolidated interim financial statements.

b- Advanced Global Investment Company ("AGIC") is a mixed limited liability company registered in Jubail, Kingdom of Saudi Arabia under commercial registration No. 2055017024 dated 12 Ramadan 1433H (corresponding to 1 August 2012).

5% of this investment is held under a related party's name, on behalf of the Group. The related party has assigned its share to the Group and accordingly, the Group included 100% financial statements of AGIC in the consolidated interim financial statements.

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 this interim financial statements for the period ended 31 March 2016 (2015: same) due to the absence of any activities during the period and has immaterial financial position.

The Group is licensed to engage in production and selling Polypropylene, 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 within and outside Kingdom of Saudi Arabia.

2. BASIS OF CONSOLIDATION

The consolidated interim financial statements include the interim financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date the Group obtains control until such time as control ceases. Acquisitions of the subsidiaries are accounted for using the purchase method of accounting. The interim financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profit and loss resulting from intra-group transactions that are recognized as assets, are eliminated in full.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated interim financial statements have been prepared in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia. The significant accounting policies adopted are as follows:

Accounting convention
The consolidated interim financial statements are prepared under the historical cost convention, modified to include the measurement at fair value of available for sale investments.

Use of estimates
The preparation of the consolidated interim financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are considered reasonable in the given circumstances of the Group.

Cash and cash equivalents
Cash and cash equivalents consist of bank balances, cash on hand, short term Murabaha that is readily convertible into known amounts of cash and have original maturities of three months or less.

Trade receivables
Trade receivables are stated at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when the collection of the trade receivables amount is considered doubtful. Bad debts are written off as incurred.

Inventories
Inventories are stated at the lower of cost and net realizable value, with due allowance for obsolete or slow moving items. Cost is determined as follows:

Raw materials, consumables and spare parts	- purchase cost on a weighted average basis.
Production in progress and finished products	- cost of direct materials and labor plus attributable overheads based on a normal level of activity.

Available for sale investments
After initial recognition, investments purchased neither with the intention of being held to maturity nor for trading purposes are classified as available for sale investments and are measured at fair value. Unrealized gains and losses are reported as a separate component of shareholders' equity until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment the cumulative gain or loss previously reported in shareholders' equity is included in the consolidated interim statement of income for the period.

Investment in unconsolidated subsidiary
Investment in unconsolidated subsidiary which is considered immaterial is accounted for under the equity method.

Investment in an associated company
The Group's investment in an associated company is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment of value. Construction work in progress is not depreciated. The cost of other property, plant and equipment is depreciated on a straight line basis over the estimated useful lives of the assets.

Improvements on assets are amortized on a straight-line basis over the shorter of the useful life of the improvement or the related assets.

Expenditure for repair and maintenance are charged to the consolidated interim statement of income. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Turnaround maintenance
Planned turnaround maintenance costs are capitalized and depreciated over the period until the date of next planned turnaround. Should unexpected turnaround occur prior to the previously envisaged date of planned turnaround, then the remaining net book value is immediately expensed and the new turnaround costs are capitalized and depreciated over the period likely to benefit from such costs. Planned turnaround maintenance costs are included under the assets in the consolidated interim balance sheet.

The estimated useful lives of the principal classes of assets are as follows:

	Years
Plants	20
Buildings	33
Machinery and equipment	10
Furniture, fixtures and office equipment	3 - 8
Catalysts	2 - 8
Laboratory and safety equipment	5
Vehicles and trucks	4 - 10
Leasehold improvements	10

Capital spare parts
Capital spare-parts which are considered essential to ensure continuous plant operation, are classified under tangible assets, and are depreciated using the straight-line method over 20 years. The following two conditions must apply to all capitalized spare-parts:

- They are not readily available in the market, or unavailable.
- Their manufacturing requires an extended time to complete.

Intangible assets
Costs that have future benefits are initially recognized as intangible assets. Intangible assets are amortized over a period not exceeding seven years. The amortization expenses are included under cost of sales in the consolidated interim statement of income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets

The Group reviews the carrying values of its non-current assets for impairment when events or circumstances indicate that carrying value may not be recoverable. If such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The carrying value of the asset (or cash generating unit) is reduced to the recoverable value when the recoverable value is below the carrying value. Impairment loss is recognized as expense when incurred.

Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. The reversal of impairment loss is recognized as income once identified.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Zakat and income tax

Zakat and income tax are provided for in the consolidated interim financial statements based on the interim period share of the estimated zakat and income tax for the whole year. Differences between the estimated zakat and income tax for the interim period and the provision that is calculated based on the detailed calculation at year end are accounted for at that time.

The liability is charged to retained earnings. Additional amounts, if any, that may become due on finalization of an assessment are accounted for at that time.

Employees' terminal benefits and other benefits

Employees' terminal benefits

Provision is made for amounts payable under the Group's policies applicable to employees accumulated periods of service at the consolidated interim balance sheet date.

Employees' saving plan

The Group maintains an employees' saving plan for its Saudi employees. The contributions from the participants are deposited in separate bank account and liability is established for the Group's contributions. The Group's contribution under the saving plan is charged to the consolidated interim statement of income.

Dividends

Dividends are recognized as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition
For international markets, all products are sold to the marketers, while for local markets (Saudi Arabia and GCC countries) the products are sold directly by the Group. Upon delivery to the marketers, sales are recorded at provisional sales prices that are later adjusted based upon actual selling prices received by the marketers from third parties, after deducting the costs of shipping and marketing fees etc. Adjustments are made, as they become known to the Group. Sales in local markets are recognized upon delivery of products to customers.

Expenses
Selling and distribution expenses principally comprise of costs incurred in the distribution and sale of the Group's products. All other expenses other than cost of sales, financial charges, realized losses on available for sale investments and provision against impaired available for sale investments are classified as general and administration expenses.

General and administration expenses include direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administration expenses and production costs, when required, are made on a consistent basis.

Leasing
Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee.

Operating leases are charged to consolidated interim statement of income on a straight-line basis over the term of the operating lease.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction for a long period or production of a qualifying asset, are capitalized as part of the cost of that asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed.

Earnings per share
Basic earnings per share from net income are calculated by dividing the net income for the period by the weighted average number of shares outstanding at period end.

Basic earnings per share from main operations are calculated by dividing income from main operations for the period by the weighted average number of shares outstanding at period end.

Foreign currency transactions
Transactions in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated interim balance sheet date. All differences are taken to the consolidated interim statement of income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmental Analysis
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.

As substantial portion of the Group's sales are made through marketers, substantially all of the Group's operations are conducted in the Kingdom of Saudi Arabia. Segmental analysis by geographical and operating segment has not been presented.

Fair values
For investments traded in organised markets, fair value is determined by reference to quoted market bid prices. The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

Results of interim period
The Group has made all necessary adjustments which are important in order to present fairly in all material respects the consolidated interim financial position and results of operations. The consolidated interim financial results may not be considered an accurate basis for the actual results for the whole year.

4. AVAILABLE FOR SALE INVESTMENTS

At 31 March 2016, available for sale investments includes investments in discretionary portfolios and marketable securities managed by local financial institutions and murabaha funds and are presented at fair value. The balance includes restricted cash held with the portfolio managers amounting to SR 6.45 million (31 March 2015: SR 19.48 million) classified as part of investments available for sale.

Management has performed a review of investments to assess whether impairment has occurred in the value of these investments. Based on the review, management has recorded impairment loss of SR 17.20 (31 March 2015: nil) in the consolidated interim statement of income for the period in respect of investments available for sale. Based on the latest available financial information, Board of Directors is of the view that no further impairment is required as at 31 March 2016, in respect of these investments.

Board of Directors also believes that the unrealized losses of SR 121.28 million at 31 March 2016 is temporary as the decline in the value of the investments is not "significant and prolonged". Considering that, for significant portion of the investments, the fair values were more than the average cost of individual equity shares at different dates during the last twelve months, that provide reasonable evidence of the fact that it does not meet the criteria for a "significant and prolonged' decline as at 31 March 2016.

5. INVESTMENT IN AN ASSOCIATED COMPANY

On 3 September 2014, the Board of Directors of the Group approved the equity investment in PDH Plant with SK Gas (the "JV Co."), for the production of Propylene in South Korea, through AGIC. The total cost of the project is expected to be approximately US$ 900 million (SR 3.37 billion) and the project is financed 40% by equity from shareholders and 60% by the JV Co. through borrowing from lenders. AGIC previously owns 35% equity stake which was financed and guaranteed by the Group. Total commitment of the Group for investment in the associate is US$ 125.14 million (SR 469.23 million) which was fully paid in January 2016. The project has commenced the trial production in March 2016 and it is scheduled to start the commercial production in the second quarter of 2016, with a designed capacity of 600,000 metric tons (MT) per annum.

5. INVESTMENT IN AN ASSOCIATED COMPANY (continued)

On 19 January 2016, the Group announced on Tadawul the admission of Petrochemical Industries Company (PIC), a 100% owned subsidiary of Kuwait Petroleum Corporation (the national oil company of State of Kuwait, KPC) as a 3rd joint venture partner in the JV Co. PIC has acquired 25% equity and AGIC has sold 5% of its equity ownership in the JV Co. Accordingly, the new shareholding of the JV Co. is 45% by SK Gas, 30% by AGIC and 25% by PIC. As a result of this transaction, the Company has recorded a gain in the consolidated interim statement of income amounting to SR 16.04 million (31 March 2015: nil) and the related receivable balance is recorded in the consolidated interim balance sheet amounting to SR 87.42 million (31 March 2015: nil) under prepayments and other current assets.

6. OTHER NON-CURRENT ASSETS

Other non-current assets primarily represent balances related to Employee Share Ownership Program ("ESOP"). During 2012, the Board of Directors approved an ESOP which provides a 5 year service benefits to eligible employees effective 1 June 2012. These employees, subject to their subscription to ESOP and meeting the underlying conditions, are given an option to buy the Company's shares, at an agreed exercise price, at a future date (the "vesting date") once they become fully entitled to the shares. The ESOP cost is recognized as an expense over the period in which the service conditions are fulfilled by the employees.

In relation to ESOP, the Company purchased its shares at SR 30 million through a local financial institution under a custody arrangement and these shares are held by the local financial institution as the Group at no point will become legal owner. The value of such shares has been recorded under other non-current assets. The eligible employees will repay the exercise price of the shares to the Company at the completion of the vesting period. During the period, the Company has collected the dividend pertaining to the current and prior periods amounting to SR 21.71 million from a local financial institution (acting as the custodian) on behalf of the employees and the Company has adjusted the same with the ESOP receivables from employees.

Other non-current assets also includes amount due from a related party (key management personnel of the Company) amounted to SR 1.167 million (2015: SR 1.667 million).

7. DIVIDENDS

On 1 March 2016, the Board of Directors resolved to distribute interim cash dividend for the first quarter of 2016 of SR 0.75 per share (totaling SR 123 million).

In November 2015, the Board of Directors proposed to distribute final cash dividend of SR 0.75 per share (totaling to SR 123 million) for the fourth quarter of 2015. This has been approved by the General Assembly in their meeting held on 1 March 2016.

8. COMMITTMENTS

Capital commitments contracted but not yet incurred amounted to SR 145.8 million in respect of the employee home ownership program (2015: SR 211.5 million).

The Group has signed an 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.

9. CONTINGENCIES

The Group's banker has given payment guarantees on behalf of the Group in favor of Saudi Aramco for the propane and sales gas supply agreements and others amounting to SR 302.19 million (2015: SR 452.03 million).

The Company has been filing its annual Zakat and Income Tax returns with the Department of Zakat and Income Tax ("the DZIT") for the years from 2005 to 2014. However, there is no assessment received so far from the DZIT with respect to those years.

The Zakat base has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. However, the zakat regulations in Saudi Arabia are subject to different interpretations and a new zakat regulation is expected to be announced in due course. Accordingly, the assessments to be raised by the DZIT for those years could be different from the returns filed by the Company.

10. COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform with the presentation in the current period.