

**NAMA CHEMICALS COMPANY AND  
SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS AND AUDITOR'S REPORT  
(LIMITED REVIEW) FOR THE THREE MONTH  
AND SIX MONTH PERIODS  
ENDED JUNE 30, 2016**

---

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
(LIMITED REVIEW)  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

<b>INDEX</b>	<b>PAGE</b>
Auditor's report (limited review)	2
Consolidated interim balance sheet	3
Consolidated interim statement of income	4
Consolidated interim statement of cash flows	5
Notes to the consolidated interim financial statements	6-13

**AUDITOR'S REPORT (LIMITED REVIEW)  
ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To the stockholders of  
NAMA Chemicals Company Al-Jubail, Kingdom of Saudi Arabia

**Scope of review**

We have reviewed the consolidated interim balance sheet of NAMA Chemicals Company (Saudi Joint Stock Company) and Subsidiaries as of June 30, 2016 and the related consolidated interim statements of income for the three month and six month periods then ended and consolidated statement of cash flows for the six months then ended, and notes from 1 to 16 which form an integral part of these consolidated interim financial statements. These consolidated interim financial statements are the responsibility of the Company's management and have been prepared by them and presented to us with all the necessary information and explanations.

We conducted our review in accordance with the standard of auditing applicable to interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data 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.

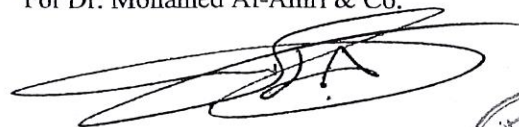
**Observation**

The Group has incurred gross losses in the current consolidated interim financial statements and in previous years (2015 and 2014). These results are indicative of impairment in property, plant and equipment. As explained in note 4 to the consolidated interim financial statements, the Group is conducting an impairment review to determine the extent of impairment across assets, if any. At present the amount of impairment, has not been quantified and as such we were unable to determine whether any adjustment was required in respect of impairment of property, plant and equipment.

**Review result**

Based on our limited review, with the exception of the matter described in the preceding paragraph, 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 generally accepted accounting standards in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Gihad M. Al-Amri  
Certified Public Accountant  
Registration No. 362



July 24, 2016-G  
Shawwal 19, 1437-H

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM BALANCE SHEET AS AT JUNE 30, 2016**

	Notes	2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		104,186	128,172
Time deposits		157,906	156,900
Trade receivables		105,592	124,761
Inventories		62,392	96,575
Advances, prepayments and other receivables		22,782	19,842
<b>Total current assets</b>		<b>452,858</b>	<b>526,250</b>
<b>Non-current assets</b>			
Available for sale investments		102,810	163,177
Other non-current assets		8,054	8,185
Cost of projects under development	3	187,418	113,672
Property, plant and equipment	4	1,610,057	1,696,588
Intangible assets		28,371	35,453
<b>Total non-current assets</b>		<b>1,936,710</b>	<b>2,017,075</b>
<b>TOTAL ASSETS</b>		<b>2,389,568</b>	<b>2,543,325</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short term borrowings	5	92,905	77,687
Current portion of long term debts	6	363,280	199,779
Accounts payable		61,634	62,221
Interest rate swap		277	1,829
Accrued expenses and other payables		95,897	86,017
<b>Total current liabilities</b>		<b>613,993</b>	<b>427,533</b>
<b>Non-current liabilities</b>			
Long-term debts	6	676,475	873,100
End-of-service indemnities		40,521	32,443
<b>Total non-current liabilities</b>		<b>716,996</b>	<b>905,543</b>
<b>Stockholders' equity</b>			
Share capital	1	1,285,200	1,285,200
Statutory reserve	7	-	-
Change in fair value of available for sale investments		64,135	109,179
Foreign currency translation adjustments		(648)	(627)
Accumulated losses		(290,108)	(183,503)
<b>Total stockholders' equity</b>		<b>1,058,579</b>	<b>1,210,249</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>2,389,568</b>	<b>2,543,325</b>

The accompanying notes from 1 to 16 form an integral part of these consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM STATEMENT OF INCOME**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

	Notes	From April 1 to June 30		From January 1 to June 30	
		2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)	2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)
Sales		117,034	114,624	224,755	241,622
Cost of sales		(128,750)	(105,566)	(243,419)	(239,017)
<b>Gross (loss) profit</b>		<b>(11,716)</b>	<b>9,058</b>	<b>(18,664)</b>	<b>2,605</b>
Selling and marketing expenses		(11,897)	(9,899)	(22,270)	(17,924)
General and administrative expenses		(9,071)	(8,171)	(17,514)	(15,556)
<b>Loss from operations</b>		<b>(32,684)</b>	<b>(9,012)</b>	<b>(58,448)</b>	<b>(30,875)</b>
Financial expenses		(8,061)	(8,537)	(15,491)	(15,561)
Change in interest rate swap position		591	1,289	572	1,148
Investment income, net	8	2,466	14,284	2,893	14,607
Other income, net	9	5,870	10,040	16,341	9,206
<b>Net (loss) income before zakat</b>		<b>(31,818)</b>	<b>8,064</b>	<b>(54,133)</b>	<b>(21,475)</b>
Zakat	10	(1,332)	(1,614)	(2,665)	(3,228)
<b>NET (LOSS) INCOME</b>		<b>(33,150)</b>	<b>6,450</b>	<b>(56,798)</b>	<b>(24,703)</b>
<b>Earnings (loss) per share –</b>	11				
(Loss) earnings per share from net (loss) income (in SR)		(0.26)	0.05	(0.44)	(0.19)
Loss per share from continuing main operations (in SR)		(0.33)	(0.15)	(0.60)	(0.39)
Earnings per share from other operations (in SR)		0.07	0.20	0.16	0.20
<b>Weighted average number of shares</b>		<b>128,520,000</b>	<b>128,520,000</b>	<b>128,520,000</b>	<b>128,520,000</b>

The accompanying notes from 1 to 16 form an integral part of these consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2016**

	2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss before zakat	(54,133)	(21,475)
Adjustments for:		
Depreciation	49,135	49,523
Amortization	3,541	3,541
End-of-service benefits	5,329	3,327
(Gain) loss on disposal of property, plant and equipment	(24)	430
Surplus realized on disposal of available for sale investments	-	(10,955)
Change in interest rate swap position	(572)	(1,148)
<b>Changes in operating assets and liabilities:</b>		
Trade receivables	(6,476)	27,296
Inventories	15,418	(29,282)
Advances, prepayments and other receivables	(8,822)	(4,542)
Accounts payable, accrued expenses and other payables	17,014	(35,619)
<b>Net cash from (used in) operations</b>	<b>20,410</b>	<b>(18,904)</b>
End-of-service benefits paid	(668)	(2,521)
Zakat paid	(3,227)	(6,404)
<b>Net cash from (used in) operating activities</b>	<b>16,515</b>	<b>(27,829)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(9,429)	(266)
Proceeds from disposal of property, plant and equipment	24	-
Additions to cost of projects under development	(23,962)	(25,334)
Change in other non-current assets	131	692
Proceeds from sale of available for sale investments	-	19,457
Change in time deposits	2,244	-
<b>Net cash used in investing activities</b>	<b>(30,992)</b>	<b>(5,451)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in short term borrowings	20,846	(895)
Long term debts obtained	-	5,000
Repayment of long term debts	(21,424)	(11,700)
<b>Net cash used in financing activities</b>	<b>(578)</b>	<b>(7,595)</b>
Net change in cash and cash equivalents	(15,055)	(40,875)
Foreign exchange differences on foreign operations	16	(24)
Cash and cash equivalents, January 1	119,225	169,071
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>104,186</b>	<b>128,172</b>
<b><u>Non cash transaction:</u></b>		
Capital spares transferred to property, plant and equipment	-	5,719

The accompanying notes from 1 to 16 form an integral part of these consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

**1. ORGANIZATION AND ACTIVITIES**

NAMA Chemicals Company (the Company") ("NAMA") is a Saudi Joint Stock Company registered in Al-Jubail Industrial City under the commercial registration number 2055007420. The share capital of the Company amounts to SR 1,285.2 million divided into 128.52 million shares of SR 10 each.

The subsidiaries of NAMA are as follows:

Al-Jubail Chemical Industries Co. ("JANA"), a limited liability company, is owned 95% by NAMA and 5% by NAMA Industrial Investment Company, a subsidiary of NAMA.

Arabian Alkali Company ("SODA"), a limited liability company, is owned 90% by NAMA and remaining 10% by JANA.

NAMA Industrial Investment Company, a limited liability company, is owned 95% by NAMA and 5% by SODA.

NAMA Europe GMBH, a limited liability company incorporated in Switzerland, is owned 99% by NAMA Industrial Investment Company and 1% by NAMA. The shareholding was notified in the commercial registry in Bern vide-CH-036.4.041.685-B.

The principal activities of NAMA and its subsidiaries ("the Group"), each of which operates under individual commercial registration, are to own, establish, operate and manage industrial projects in the petrochemical and chemical fields.

The Group incurs costs on projects under construction and development and subsequently establishes a separate company for each project that has its own commercial registration. Costs incurred by the Group are transferred to the separate company when it is established.

In order to improve the profitability and financial position the Company has entered into a long term agreement with Huntsman Europe to supply its products for a initial period of 5 years which can be renewed for further periods. In addition, the Company has decided to produce special grade products as well as import substitution products to the Kingdom of Saudi Arabia. To raise the necessary funds for this project, the Company has decided to increase its share capital through a right issue and has negotiated with the bank to reschedule the bank borrowings to improve the cash flow position.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying interim consolidated financial statements have been prepared in accordance with the Standard for Interim Financial Information issued by the Saudi Organization for Certified Public Accountants. Significant accounting policies adopted by the Group are summarized as follows:

**Accounting estimates**

Preparing consolidated interim financial statements requires management to use assumptions and estimates which have an impact over the consolidated interim balance sheet and consolidated interim statement of income. The actual results may differ from these estimates,

**Accounting convention**

The consolidated interim financial statements are prepared under the historical cost convention, except for derivatives and investments in securities which are stated at fair value.

**Principles of consolidation**

The consolidated interim financial statements include the accounts of NAMA and its subsidiaries which are owned above 50% after eliminating significant inter-company balances and transactions between the Company and its subsidiaries

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

**Cash and cash equivalents**

Cash and cash equivalents comprise cash, time deposits and highly liquid investments with original maturities of three months or less.

**Trade receivable**

Accounts receivable are carried at their original amount less provision made for doubtful accounts. An allowance for doubtful accounts is established when there is significant doubt that the Group will be able to collect all amounts due according to the original terms of accounts receivable.

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined, for finished goods, on a weighted average cost basis and includes cost of materials, labour and an appropriate proportion of direct overheads. All other inventories are valued on a weighted average cost basis.

**Investments**

Investments in financial instruments are classified according to Group's intent with respect to these securities. Investments in companies whose shares are not readily marketable and in which NAMA owns less than 20% of the share capital are accounted for at cost. Impairment in value is recorded in the period in which the impairment is determined and charged to the consolidated interim statement of income. Dividends are recorded when received.

Investments in funds and marketable securities classified as available for sale are stated at market values. Changes in market values are credited or debited to stockholders' equity. The carrying amount of such investments is reduced to recognize any impairment in the value of the individual investment.

**Derivative financial instruments**

Derivative financial instruments are initially recorded at cost and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the consolidated statement of income as they arise.

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability that is already recognized in the consolidated interim balance sheet. The gain or loss from the change in the fair value of the hedging instrument is recognized immediately in the consolidated statement of income. At the same time, the carrying amount of the hedged item is adjusted for the corresponding gain or loss since the inception of the hedge, which is also immediately recognized in the consolidated statement of income.

A cash flow hedge is a hedge of the exposure to variability in cash flows relating to a recognized asset or liability, an unrecognized firm commitment or a forecasted transaction. To the extent that the hedge is effective, the portion of the gain or loss on the hedging instrument is recognized initially directly in stockholders' equity. Subsequently, the amount is included in the consolidated statement of income in the same period or periods during which the hedged item affects net profit or loss. For hedges of forecasted transactions, the gain or loss on the hedging instrument will adjust the recorded carrying amount of the acquired asset or liability.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

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

	<u>Years</u>
Buildings and improvements on lease land	20 - 40
Plant and machinery	5 - 30
Vehicles	4
Furniture, fixtures and office equipment	5 - 10

Cost of assets disposed of and the related accumulated depreciation are removed from the consolidated interim financial statements and the resulting gain or loss is taken to the consolidated interim statement of income, at the time of disposal of assets.

**Impairment**

As of each balance sheet date, the Group reviews the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but 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 (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized as income immediately.

**Intangible assets**

Intangible assets principally represent pre-operating costs, deferred charges, front-end fee and enterprise resource planning (ERP) solution program implementation costs. The pre-operating costs and ERP solution program implementation costs are amortized on the straight-line method over 5 to 7 years from date of commencement of commercial operations of the consolidated subsidiary. The front-end fees charged by lenders of loan are amortized over the terms of the loans.

Deferred charges principally represent pre-operating costs incurred, prior to commencement of commercial operations of the projects. These charges were reduced by the revenue generated by the sale of products manufactured during the commissioning stage. Deferred charges are amortized on the straight-line method over seven years from the dates of commencement of commercial operations of the projects.

**Provision for obligation**

A provision is recognized in the consolidated interim balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**End-of-service indemnities**

End-of-service benefits, required by Saudi Arabian labour law, are provided in the consolidated interim financial statements based on the employees' length of service.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

**Revenue recognition**

Sales are recognized upon delivery of goods to customers. Investment income, principally commissions on time deposits, is recognized on accruals basis.

**Expenses**

Selling and distribution expenses principally comprise of costs incurred in the sale and distribution of the Group's products and services. All other expenses are classified as general and administrative expenses.

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

**Borrowing costs**

Borrowing costs directly attributable to cost of projects under development are added to the cost of the project until such time as the project is ready for its intended use. Investment income earned on temporary investment of specific borrowings pending their expenditure on the project under construction is deducted from the borrowing costs eligible for capitalization.

**Foreign currency translation**

Transactions denominated in foreign currencies are translated into Saudi Riyals at exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into Saudi Riyals at exchange rates prevailing at the balance sheet date. Exchange gains or losses are credited or charged to the consolidated interim statement of income.

The Company's books of accounts are maintained in Saudi Riyals. Assets and liabilities of foreign subsidiary are re-translated in Saudi Riyals at the exchange rate in effect at the date of consolidated interim balance sheet. The components of foreign subsidiary's equity accounts, except retained earnings are translated at the exchange rates in effect at the dates when the related items originated. The elements of foreign subsidiary's income statement are translated using the weighted average exchange rate for the period. Adjustments resulting from the translation of foreign subsidiary's financial statements into Saudi Arabian Riyals are reported as a separate component of equity attributable to stockholders of the Company in the consolidated interim financial statements.

**Zakat**

NAMA and its subsidiaries are subject to zakat in accordance with the regulations of the General Authority of Zakat and Income Tax ("GZIT"). The foreign subsidiary is subject to tax regulations in the country of incorporation. Zakat is recorded at the quarter end based on quarter end figures and any difference between the estimate and the actual is adjusted at the fourth quarter. Any difference between the estimate and final assessment is recorded when settled.

**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. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the operating lease.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

**Segmental Reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographical segment), which is subject to risks and rewards that are different from those of the other segments. Because the Group carries out its activities in the Kingdom of Saudi Arabia and abroad reporting is provided by products and geographical segments.

**3. COST OF PROJECTS UNDER DEVELOPMENT**

The balance of cost of projects under development as of June 30, 2016 comprised the Employee Housing Project which included construction costs under various agreements and directly attributable costs to bring the asset to the location and working condition necessary for it to be capable of operating in a manner intended by the management. Directly attributable costs includes employee benefits, site preparation costs, and construction costs. Interest cost capitalized during the period is SR 2.45 million (2015: SR 1.97 million).

**4. PROPERTY, PLANT AND EQUIPMENT**

The Group is undergoing a review of the carrying amounts of its non-current assets to determine whether such assets have suffered an impairment loss as there are significant indications of such impairment. The review is still in progress at reporting date and is expected to be completed during third quarter of the current year. The results of the impairment, if any, will be included in the consolidated interim financial statements of the Group, for the third quarter.

**5. SHORT TERM BORROWINGS**

The Group has obtained short term working capital facilities with local banks. Commission is charged at commercial rates. The short term loans are secured by promissory notes.

**6. CURRENT PORTION OF LONG TERM LOANS**

During the period:

- loan installment of SR.150.08 million relating to Saudi Industrial Development Fund (SIDF) loan, due on April 20,2016 corresponding to Rajab 13,1437, was not paid. SIDF has agreed to include this installment in the next installment, which is due on July 20, 2016 corresponding to Shawwal 15, 1437.
- loan installment of SR. 26.30 million relating to Al Jazeera bank was partly settled. The remaining amount is agreed be paid with the next installment due on December 14, 2016 corresponding to Rabi Al- Awal 15, 1438.

One of the subsidiary has not complied with the covenant requirements of maintaining certain financial ratios of its loan agreements. However, the management of the Group is confident that the lenders will not demand immediate repayment of the loans as they have communicated with the respective lenders and obtained written waivers accordingly, the management has classified loans as current and non-current in accordance with the original loan repayment schedules.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

**7. STATUTORY RESERVE**

In accordance with its Articles of Association and the Regulations for Companies in the Kingdom of Saudi Arabia, NAMA allocates 10% of its net income each year after recovering any accumulated losses to form a statutory reserve until such reserve equals 50% of its share capital. This reserve is not available for dividend distributions.

As the Company has loss in the current and prior periods, no allocation has been made to the statutory reserve.

**8. INVESTMENT INCOME**

	From January 1 to June 30	
	2016	2015
	SR'000	SR'000
	(Un-audited)	(Un-audited)
Interest on time deposits	888	644
Dividend income	2,005	3,008
Gain on disposal of available for sale investments	-	10,955
	<b>2,893</b>	<b>14,607</b>

**9. OTHER INCOME**

	From January 1 to June 30	
	2016	2015
	SR'000	SR'000
	(Un-audited)	(Un-audited)
Rent income	10,350	10,350
Insurance claims	3,748	5,000
Foreign exchange gain (loss)	1,119	(6,222)
Miscellaneous income	1,124	78
	<b>16,341</b>	<b>9,206</b>

**10. ZAKAT**

The Group has yet to receive the final zakat assessments for the years 2000 to 2015 as these are still under review by the GZIT, except for subsidiaries JANA and SODA for which the final zakat assessments for the years from 2003 to 2015 and from 2008 to 2015 respectively are under review by the GZIT.

**11. (LOSS) EARNINGS PER SHARE**

(Loss) earnings per share from net (loss) income are computed by dividing net (loss) income for the periods with the weighted average number of shares outstanding during the period.

Loss per share from the continuing main operations are computed by dividing loss from operations after finance charges and zakat for the period with the weighted average number of shares outstanding during the period.

Earnings per share from other operations are computed by dividing the total investment income, change in interest rate swap position and other income net, with the weighted average number of shares outstanding during the period.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES**  
**(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

**12. SEGMENTAL ANALYSIS**

a) As of June 30, analysis of sales, operating income and net assets by activities:

	<b>Sales</b>		<b>Operating loss</b>		<b>Net assets</b>	
	<b>For the six months ended June 30, 2016, SR 000</b>	<b>For the six months ended June 30, 2015, SR 000</b>	<b>For the six months ended June 30, 2016, SR 000</b>	<b>For the six months ended June 30, 2015, SR 000</b>	<b>As of June 30, 2016, SR 000</b>	<b>As of June 30, 2015, SR 000</b>
	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>
Epoxy resin products	148,649	194,771	(29,717)	(7,099)	233,654	303,999
Chlor Alkali products	85,672	78,569	(23,138)	(18,946)	44,647	109,050
Others	-	-	(5,593)	(4,830)	1,112,766	1,246,826
<b>Total</b>	<b>234,321</b>	<b>273,340</b>	<b>(58,448)</b>	<b>(30,875)</b>	<b>1,391,067</b>	<b>1,659,875</b>
Inter-company eliminations	(9,566)	(31,718)	-	-	(332,488)	(449,626)
<b>Net</b>	<b>224,755</b>	<b>241,622</b>	<b>(58,448)</b>	<b>(30,875)</b>	<b>1,058,579</b>	<b>1,210,249</b>

Nama Chemicals Company and NAMA Industrial Investment Company have been grouped as part of "Others".

b) As of June 30, analysis of sales and operating income by geographical location:

	<b>Sales</b>		<b>Operating loss</b>	
	<b>For the six months ended June 30, 2016, SR 000</b>	<b>For the six months ended June 30, 2015, SR 000</b>	<b>For the six months ended June 30, 2016, SR 000</b>	<b>For the six months ended June 30, 2015, SR 000</b>
	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>
Export sales	148,837	151,752	(35,529)	(15,057)
Local sales	85,484	121,588	(17,325)	(10,988)
Others	-	-	(5,594)	(4,830)
<b>Total</b>	<b>234,321</b>	<b>273,340</b>	<b>(58,448)</b>	<b>(30,875)</b>
Inter-company eliminations	(9,566)	(31,718)	-	-
<b>Net</b>	<b>224,755</b>	<b>241,622</b>	<b>(58,448)</b>	<b>(30,875)</b>

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES  
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2016**

---

**13. COMMITMENTS AND CONTINGENCIES**

As of June 30, 2016, the Group has outstanding letters of credit and letters of guarantee of SR 63.28 million (2015: SR 28.68 million) issued in the normal course of business.

As of June 30, the Group had the following capital commitments:

	<b>2016</b> <b>SR'000</b> <b>(Un-audited)</b>	<b>2015</b> <b>SR'000</b> <b>(Un-audited)</b>
Commitments for the acquisition/construction of property, plant and equipment	<b>31,640</b>	<b>97,210</b>

**14. RESULTS OF INTERIM PERIOD**

The Company has made all necessary adjustments which are important to present fairly in all material respects the interim financial position and interim results of operations. The interim financial results may not be considered an indicative of the actual results for the whole year.

**15. COMPARATIVE FIGURES**

Certain comparative figures for the second quarter of 2015 have been reclassified to conform to the presentation in current period.

**16. APPROVAL OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The financial statements have been approved by the Company's management on July 24, 2016-G corresponding to Shawwal 19, 1437-H.

---