

**YANBU NATIONAL PETROCHEMICAL
COMPANY (YANSAB)
(A SAUDI JOINT STOCK COMPANY)**

FINANCIAL STATEMENTS

31 DECEMBER 2009

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
YANBU NATIONAL PETROCHEMICAL COMPANY - YANSAB
(A SAUDI JOINT STOCK COMPANY)**

Scope of audit:

We have audited the accompanying balance sheet of Yanbu National Petrochemical Company (YANSAB) ("the company") - A Saudi Joint Stock Company as at 31 December 2009, and the related statements of income, cash flows and changes in shareholders' equity for the year then ended. These financial statements are the responsibility of the company's management and have been prepared by them in accordance with the provisions of Article 123 of the Regulations for Companies and submitted to us together with all the information and explanations which we required. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable degree of assurance to enable us to express an opinion on the financial statements.

Unqualified opinion:

In our opinion, the financial statements taken as a whole:

- i) present fairly, in all material respects, the financial position of the company as at 31 December 2009 and the results of its operations and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.
- ii) comply with the requirements of the Regulations for Companies and the company's articles of association in so far as they affect the preparation and presentation of the financial statements.

for Ernst & Young



Ahmed I. Reda
Certified Public Accountant
Registration No. 356



12 Safar 1431 H
27 January 2010

Jeddah

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

BALANCE SHEET

As at 31 December 2009

	Note	2009 SR'000	2008 SR'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	605,631	1,033,029
Advances to suppliers and other receivables	4	864,932	175,855
Inventories	5	737,817	7,807
TOTAL CURRENT ASSETS		2,208,380	1,216,691
NON-CURRENT ASSETS			
Capital work in progress	6	18,575,835	17,105,252
Pre-operating expenses	7	200,000	200,000
Deferred charges	8, 12	109,595	121,132
Other non-current assets	9	30,165	34,012
TOTAL NON-CURRENT ASSETS		18,915,595	17,460,396
TOTAL ASSETS		21,123,975	18,677,087
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	10	275,809	63,105
Accruals and provisions	11	487,932	1,039,181
Current portion of long term loans	12	915,717	668,737
TOTAL CURRENT LIABILITIES		1,679,458	1,771,023
NON-CURRENT LIABILITIES			
Term loans	12	11,540,500	11,128,309
Employees' end of service benefits		81,107	80,832
Short term loan from a major shareholder	17	2,155,200	-
TOTAL NON CURRENT LIABILITIES		13,776,807	11,209,141
TOTAL LIABILITIES		15,456,265	12,980,164
SHAREHOLDERS' EQUITY			
Share capital	13	5,625,000	5,625,000
Statutory reserve		14,030	14,030
Retained earnings		28,680	57,893
TOTAL SHAREHOLDERS' EQUITY		5,667,710	5,696,923
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		21,123,975	18,677,087

The attached notes 1 to 23 form part of these financial statements.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

INCOME STATEMENT
Year ended 31 December 2009

	<i>Note</i>	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
EXPENSES			
General and administration	15	<u>(29,213)</u>	<u>(25,588)</u>
LOSS FOR THE YEAR		<u>(29,213)</u>	<u>(25,588)</u>
The weighted average number of shares	13	<u>562,500</u>	<u>562,500</u>
Basic loss per share (in SR)		<u>(0.052)</u>	<u>(0.045)</u>

The attached notes 1 to 23 form part of these financial statements.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	<i>Note</i>	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
PRE – OPERATING ACTIVITIES			
Loss before zakat		(29,213)	(25,588)
Adjustment for:			
Provision for employees' end of service benefits		13,665	21,366
		<u>(15,548)</u>	<u>(4,222)</u>
Working capital changes:			
Inventories		(730,010)	(7,807)
Receivables		(689,077)	104,729
Payables		(338,545)	(269,951)
		<u>(1,773,180)</u>	<u>(177,251)</u>
Cash used in pre-operating activities		(1,773,180)	(177,251)
Employees' end of service benefits paid		(13,390)	(272)
		<u>(1,786,570)</u>	<u>(177,523)</u>
INVESTING ACTIVITIES			
Capital work in progress		(1,470,583)	(4,106,403)
Other non current assets		15,384	(19,592)
		<u>(1,455,199)</u>	<u>(4,125,995)</u>
Net cash used in investing activities		(1,455,199)	(4,125,995)
FINANCING ACTIVITIES			
Proceeds from term loans		659,171	3,631,186
Loan from a shareholder	17	2,155,200	-
Employees' end of service benefits transferred in	17	-	11,066
		<u>2,814,371</u>	<u>3,642,252</u>
Net cash from financing activities		2,814,371	3,642,252
DECREASE IN CASH AND CASH EQUIVALENTS			
		<u>(427,398)</u>	<u>(661,266)</u>
Cash and cash equivalents at the beginning of the year		1,033,029	1,694,295
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	<u><u>605,631</u></u>	<u><u>1,033,029</u></u>

The attached notes 1 to 23 form part of these financial statements.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended 31 December 2009

	<i>Share capital SR'000</i>	<i>Statutory reserve SR'000</i>	<i>Retained earnings SR'000</i>	<i>Total SR'000</i>
Balance at 1 January 2008	5,625,000	14,030	83,481	5,722,511
Loss for the year	-	-	(25,588)	(25,588)
Balance at 31 December 2008	<u>5,625,000</u>	<u>14,030</u>	<u>57,893</u>	<u>5,696,923</u>
Loss for the year	-	-	(29,213)	(29,213)
Balance at 31 December 2009	<u>5,625,000</u>	<u>14,030</u>	<u>28,680</u>	<u>5,667,710</u>

The attached notes 1 to 23 form part of these financial statements.

Yanbu National Petrochemical Company (YANSAB) (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2009

1 ACTIVITIES

Yanbu National Petrochemical Company (YANSAB) (the company) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4700009432 dated 14 Muharram 1427H (corresponding to 13 February 2006) in accordance with the Ministerial Resolution declaring the incorporation of the company dated 12 Muharram 1427H (corresponding to 11 February 2006). The company has obtained Industrial License number S/1367 dated 18 Rajab 1426H (corresponding to 1 September 2005). The company is 51% owned by Saudi Basic Industries Corporation (SABIC) (the majority shareholder), and 49% are owned by others and publicly traded.

The company is engaged in the manufacturing of petrochemical products in accordance with company's Articles of Association and other Saudi Arabian applicable regulations. The company started its final production and shipped some of its products during the third quarter of the year.

Construction, engineering works and import of equipments have been completed and the factories have been retrieved by the company from contractors. The company is now in the process of assessing its performance and ensure it is in accordance with its design capacity and to test the quality of its products.

2 SIGNIFICANT ACCOUNTING POLICIES

The 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 financial statements have been prepared under the historical cost convention.

Use of estimate

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period.

Capital Work in Progress

Capital work in progress, representing plant under construction, is recorded at cost. Such costs include the cost of equipment, material and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Capitalisation of borrowing costs

Borrowing costs attributable to acquisition and construction of plant and equipment are capitalised during the construction period.

Pre-operating expenses

Pre-operating expenses are charged to the income statement unless their future benefits have been determined in which case they will be amortized using the straight line basis over the shorter of 7 years or their estimated period of benefit, from the commencement of commercial operations.

Deferred charges

Deferred charges relate to financial, legal advisory and arrangement fees for obtaining long term financing arrangements which are being used to partially finance the construction of the company's plants. These fees are amortised over the period of long term financing arrangements. The amortization portion that falls within the construction period is capitalised as part of capital work in progress.

Yanbu National Petrochemical Company (YANSAB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consists of bank balances, cash on hand, bank deposits and murabaha commodity placements with an original maturity of three months or less. Murabaha commodity placements with original maturity of three months or less are stated at cost, with accrued income being booked as other receivables until realized. Income from bank deposits and murabaha is accrued on a time apportionment basis over the period from disbursement of funds to the settlement date.

Inventories

Inventories are stated at the lower of cost and market value. Cost is determined as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a weighted average basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.
Spare parts	-	Purchase cost on a weighted average basis and provision of slow moving is established when required.

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 company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and may be measured reliably.

Employees' end of service benefits

Provision is made for amounts payable under the Saudi Arabian labour law and company's by laws applicable to employees' accumulated periods of service at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the rate 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 balance sheet date. All differences are taken to the income statement.

Zakat

Zakat is provided for in accordance with Saudi Arabia fiscal regulations. The provision is charged to the income statement.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

Expenses

As the company is still in the pre-operation stage, all expenses incurred are classified as general and administration expenses.

3 CASH AND CASH EQUIVALENTS

	2009 SR'000	2008 SR'000
Murabha Commodity placements and time deposits	585,000	1,018,069
Current accounts	20,631	14,960
	<u>605,631</u>	<u>1,033,029</u>

Time deposits are maintained with banks inside the Kingdom of Saudi Arabia.

Yanbu National Petrochemical Company (YANSAB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

4 ADVANCES TO SUPPLIERS AND OTHER RECEIVABLES

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Amounts due from shareholder (see note below and note 13)	841,342	101,064
Advances to suppliers and contractors	7,381	52,376
Other receivables	16,209	22,415
	<u>864,932</u>	<u>175,855</u>

This balance represents advance payments to a shareholder in the normal course of business for the purchase of materials and receivables for product sales under pre-marketing arrangement. (see note 17)

5 INVENTORIES

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Finished goods	401,114	-
Raw materials	67,933	5,419
Spare parts	240,171	-
Goods-in transit	28,599	2,388
	<u>737,817</u>	<u>7,807</u>

6 CAPITAL WORK IN PROGRESS

a) Capital work in progress relates to the construction of the company's plant and comprises:

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Cost of work executed (see note below)	16,294,928	15,233,682
Borrowing costs	844,038	690,066
Product licenses	201,109	160,166
Project management costs	680,883	386,401
Systems set-up charges (note 13)	141,916	142,945
Service agreements	173,270	163,393
Other	239,691	328,599
	<u>18,575,835</u>	<u>17,105,252</u>

b) The cost of work executed have been reduced by the value of net Revenue from sold products which took place during the third and the fourth quarter of the year.

c) The plant is situated on land leased from the Royal Commission in Yanbu for 35 Hijra years from 1 Dul Hijah 1426 H (corresponding to 1 January 2006). The lease is renewable for further similar periods at the option of the parties.

Yanbu National Petrochemical Company (YANSAB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

7 PRE-OPERATING EXPENSES

These represent contributions amounting to SR 200 million to the Centennial Fund and Higher Plastic Institute that will financially support small and medium sized projects in the related industry and were conditional for the company to secure the gas and feedstock required to manufacture its products. Pre-operating expenses will be amortised using the straight line basis over the shorter of 7 years or their estimated useful life, with effect from the commencement of commercial operations.

8 DEFERRED CHARGES

These represent financial consultancy, legal, and arrangement fees totaling SR 143.2 million, relating to obtaining funds under long term financing arrangements to finance partial construction of the company's plant. These fees are included in the initial recognition of the related financing arrangements and amortized, using the effective interest rate, over the period of the long term financing agreements. The amortization portion that falls within the construction period amounting to SR 33.6 million as at 31 December 2009 (2008: SR 22 million) is capitalised as part of capital work in progress (note 12).

9 OTHER NON-CURRENT ASSETS

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Amount due from a shareholder (note 17)	7,500	7,500
Home ownership receivables (see note below)	1,621	2,036
Advances to contractors	13,814	16,053
Advance payment of employees' furniture allowance	7,230	8,423
	<u>30,165</u>	<u>34,012</u>

In line with the majority shareholder's policy (SABIC) the company has a home ownership plan. Under the plan the company builds and transfer houses to its employees at cost. The cost will be recovered over maximum of 20 years. The company has not yet started the plan. As such, the above amount represents the balance to be recovered from the employees of SABIC affiliated companies transferred to the company.

10 ACCOUNTS PAYABLE

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Suppliers and contractors	156,189	8,465
Amount due to a shareholder and a related party (note 17)	119,620	54,640
	<u>275,809</u>	<u>63,105</u>

11 ACCRUALS AND PROVISIONS

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Accrued expenses	317,699	829,401
Accrued expenses due to a shareholder and related parties (note 17)	129,940	129,022
Other payables	40,293	80,758
	<u>487,932</u>	<u>1,039,181</u>

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

12 TERM LOANS

The term loans are as follows:

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Public Investment Fund (PIF) (see note a) below	3,801,187	4,001,250
The Commercial, ECA, SACE and ECGD loans (see note b) below	5,670,060	4,620,296
Islamic financing facilities (see note c) below	2,984,970	3,175,500
	12,456,217	11,797,046
Less:		
Current portion of long term loans (notes a, b, c & d below)	(915,717)	(668,737)
	11,540,500	11,128,309
Financial advisory, legal and arrangement fees, net of amortisation (see note 8)	(109,595)	(121,132)
	11,430,905	11,007,177

- a) The PIF term loan obtained in 2007 to finance the partial construction of the plants is limited to SR 4,001 million. The term loan carries charges at commercial rates and is repayable in equal semi-annual installments of SR 200 million. The first installment is paid on 31 December 2009, and the last installment is payable on 30 June 2019.
- b) During 2007, the above loans obtained from a consortium of banks in three loans, of which two loans limited to SR 5,948 million and guaranteed by Export Credit Agencies (ECA), Servizi Assicurativi Del Commercio Estero and Export Credits Guarantee Department (ECGD) to finance the partial construction of plants and working capital. The loans which carry commission at commercial rates are repayable in semi-annual variable installments, the first installment is paid on 30 June 2009 and the last installment payable on 30 June 2018.
- c) The Islamic financing facilities represent advance payments received by the company from a consortium of banks ("Original Islamic Facility Participants") to finance the partial construction of the plants. The company has entered into financing agreement with the Original Participants of Islamic Financing Facility up to the maximum of SR 3,176 million. Under the financing agreement, the undivided 18% of the cost of the project will be delivered to the Original Islamic Facility Participants and then leased back (under Ijara agreement) to the company. The first installment for the lease payments is due on 30 June 2009, and last installment is due on 30 June 2018.

During the first quarter of 2009 the company withdrew the remaining balance of contracted bank facilities and loans including the facilities for working capital requirements.

During the second quarter of 2009 the company commenced the repayment of long term loans as scheduled and the first installment amounting to SR 234 million was repaid and the second installment on 31 December 2009 amounting to SR 435 was also repaid.

The term loans are secured on the proceeds of project, when the company starts its commercial operations. In addition, the company has signed an Equity Support, Subordination and Retention Agreement with the majority Shareholder (SABIC) under which SABIC shall maintain its ownership in Yansab at 51% for the life of the loans.

Yanbu National Petrochemical Company (YANSAB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

12 TERM LOANS (continued)

d) Total long term loans payable over the next years including term loan from shareholder are as follows:

	<i>2009</i> <i>SR'000</i>
2010	915,717
2011	946,812
2012	3,336,450
2013	1,278,891
2014	1,298,419
Thereafter	6,835,128
Total	<u>14,611,417</u>

13 SHARE CAPITAL

The authorized, issued and fully paid share capital of the company consists of 562.5 million shares of SR 10 each.

14 STATUTORY RESERVE

As required by Saudi Arabian Regulations for Companies the company must set aside 10% of net income for the period until it has built up a reserve equal to 50% of the capital. The company may resolve to discontinue such transfers when the reserve totals 50% of the capital. The reserve is not available for distribution.

15 GENERAL AND ADMINISTRATION EXPENSES

	<i>2009</i> <i>SR'000</i>	<i>2008</i> <i>SR'000</i>
Salaries and benefits	19,914	18,431
Training and trainees costs	169	5,139
Other expenses	9,130	2,018
	<u>29,213</u>	<u>25,588</u>

Yanbu National Petrochemical Company (YANSAB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

16 ZAKAT

The zakat provision is based on the following:

	2009 SR'000	2008 SR'000
Equity	5,696,923	5,722,512
Provision for employees' end of service benefits transferred to the company	78,823	59,739
Book value of long term assets (net of related financing)	(5,903,520)	(6,862,836)
	<u>(127,774)</u>	<u>(1,080,585)</u>
Zakatable loss for the year/period	<u>(34,759)</u>	<u>(25,588)</u>
Zakat base	<u>-</u>	<u>-</u>

The difference between the financial and the zakatable results for the year ended 31 December 2009 is mainly due to certain adjustments in compliance with the relevant fiscal regulations.

Status of assessment

Zakat assessment for the period ended 31 December 2007 and the year ended 31 December 2008 have not yet been raised by Department of Zakat and Income Tax.

17 RELATED PARTY TRANSACTIONS AND BALANCES

The following are the details of major related party transactions during the year and the related balances at the period end:

Related party	Nature of transaction	Amount of transaction		Current and non-current balances	
		2009 SR'000	2008 SR'000	2009 SR'000	2008 SR'000
Amounts due from related parties					
Saudi Basic Industries Corporation (SABIC) (majority shareholder)	Sale of products	991,047	273,454	805,263	75,655
	Advance payments for purchase of materials	8,117	(15,605)	32,393	24,275
	Employees' end of service benefits transferred in, net	5,271	11,066	-	-
	Advance payment for products freight charges	-	-	7,500	7,500
Affiliates	Miscellaneous transfer	1,056	12,201	21	1,134
	Sale of Products	3,665	-	3,665	-
				<u>848,842</u>	<u>108,564</u>

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2009

17 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party	Nature of transaction	Amount of transaction		Current and non-current balances	
		2009 SR'000	2008 SR'000	2009 SR'000	2008 SR'000
<i>Amounts due to related parties</i>					
Saudi Basic Industries Corporation (SABIC) (majority shareholder)	Amounts paid on behalf of the company	(483,335)	(637,161)	(210,965)	(183,662)
	Loan from shareholder	(2,155,200)	-	(2,155,200)	-
	Ace commission on loan from shareholder	(7,789)	-	(7,789)	-
	Home ownership receivables transferred in	(1,471)	(3,645)	-	-
Other affiliates	Miscellaneous transactions	(222,386)	-	(38,595)	-
				<u>(2,412,549)</u>	<u>(183,662)</u>

The company obtained a loan from the above majority shareholder in accordance with the retention of shareholding and support agreement with the main shareholder (SABIC). The term loan which carries borrowing charges at commercial rates is fully payable within three years commencing on the date of withdrawal and the first installment is due on 30 June 2012.

18 RISK MANAGEMENT

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The company is subject to interest rate risk on its interest bearing assets and liabilities, including bank deposits and term loans. As required by loan agreement, the company has entered into hedging arrangements with local and international banks, under which the company pays a fixed interest rate and receive floating interest rate for part of SR 6,319 million (US\$ 1,685) (2008: SR 6,690 million) (US\$ 1,784 million).

The company is not exposed to interest rate risk on its Murabaha commodity placements as no interest is charged. The fair value of Murabaha commodity placements may be affected by current market forces including interest rates.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The company limits its liquidity risk by ensuring that bank facilities and the majority shareholder support are available.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company is subject to fluctuations in foreign exchange rates in the normal course of its business. The company did not undertake any significant transactions in currencies other than Saudi Riyals and US Dollars, during the year.

Yanbu National Petrochemical Company (YANSAB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2009

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The company's financial assets consist of cash and cash equivalents, advances to suppliers and other receivables, its financial liabilities consist of payables accruals and term loans. The fair values of final instruments are not materially different from their carrying values.

20 COMMITMENT AND CONTINGENCIES

- a) The Board of Directors in their meeting dated 25 November 2007 has approved a revised budget for the company's entire project amounting to SR 21,181 million. The cost of the project incurred by the company as at 31 December 2009 is SR 18,885 million.
- b) On 6 May 2006, the Board of Directors approved long term financing arrangements, including Islamic financing, SACE, Public Investment Funds, Export Credits Guarantee Agencies, commercial and working capital facilities totaling SR 13,125 million to finance the partial construction of the company's plants. All of these financing arrangements were withdrawn until 31 March 2009 (see note 12).

21 LEASE COMMITMENTS

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2008 are as follows:

	<i>2009</i>	<i>2008</i>
	<i>SR'000</i>	<i>SR'000</i>
Within one year	51,982	27,634
After one year but no more than five years	146,942	108,714
More than five years	82,744	96,434
	<u>281,668</u>	<u>232,782</u>

22 CONTINGENT LIABILITY

As of 31 December 2009, the company has contingent liability which represents letter of guarantees amounting to SR 44 million (2008: SR 45 million).

23 COMPARATIVE FIGURES

Certain prior year figures were reclassified to conform to the presentation in current year.