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شركة آر إس أم المحاسبون المتحدون للإستشارات المهنية
RSM Allied Accountants Professional Services Co.

**BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
AND REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the shareholders of Basic Chemical Industries Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Basic Chemical Industries Company (the "Company"), a Saudi Joint Stock Company, and its subsidiaries (collectively the "Group") as at 31 March 2023 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for three-month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services




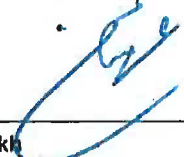

Mohammed Bin Farhan Bin Nader
License No. 435
Al Khobar, Saudi Arabia
2 Thul-Qi'dah 1444 H (Corresponding 22 May 2023)



BASIC CHEMICAL INDUSTRIES COMPANY**(A Saudi Joint Stock Company)****Condensed consolidated interim statement of profit or loss and other comprehensive income****(All amounts in Saudi Riyals unless otherwise stated)**

	Note	For the three-month period ended 31 March	
		2023 (Unaudited)	2022 (Unaudited)
Sales		177,783,437	166,678,934
Cost of sales		(141,081,982)	(122,825,227)
Gross profit		36,701,455	43,853,707
Selling and marketing expenses		(7,538,362)	(8,026,890)
Distribution expenses		(8,838,479)	(4,905,087)
General and administrative expenses		(9,104,035)	(7,063,413)
Other operating income - net		1,123,890	1,174,661
Operating profit		12,344,469	25,032,978
Gain on the fair value measurements of the derivative financial instrument		1,957,523	2,957,254
Finance costs		(6,265,454)	(27,027)
Profit before zakat and income tax		8,036,538	27,963,205
Zakat expense	10	(1,017,699)	(1,289,045)
Income tax expense	10	(1,586,934)	(2,327,382)
Profit for the period		5,431,905	24,346,778
Other comprehensive income for the period		-	-
Total comprehensive income for the period		5,431,905	24,346,778
Total comprehensive (loss) income for the period is attributable to:			
Shareholders of Basic Chemical Industries Company		(4,035,858)	17,437,671
Non-controlling interests		9,467,763	6,909,107
		5,431,905	24,346,778
Earnings (loss) per share for the period			
Basic and diluted earnings (loss) per share	12	(0.15)	0.63

The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 22 May 2023 and was signed on their behalf by:

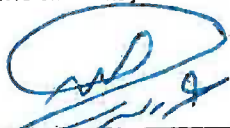
 Uthman Athumaidan Designated Member	 Alaa Al-Shaikh Chief Executive Officer	 Fares Nehme Lahoud Chief Financial Officer
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The accompanying notes are an integral part of this condensed consolidated interim financial information.

BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of financial position
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 31 March 2023 (Unaudited)	As at 31 December 2022 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	846,040,353	852,490,092
Right-of-use assets		15,367,956	15,712,170
Long-term investments	7	21,000,000	21,000,000
Total non-current assets		882,408,309	889,202,262
Current assets			
Inventories		121,857,495	130,048,867
Trade and other receivables	8	168,748,466	174,569,672
Cash and cash equivalents		118,308,026	61,960,384
Total current assets		408,913,987	366,578,923
Total assets		1,291,322,296	1,255,781,185
Equity and liabilities			
Equity			
Share capital		275,000,000	275,000,000
Statutory reserve		73,502,207	73,502,207
Retained earnings		260,925,166	264,961,024
Equity attributable to the shareholders of Basic Chemical Industries Company		609,427,373	613,463,231
Non-controlling interests		86,986,236	77,518,473
Total equity		696,413,609	690,981,704
Liabilities			
Non-current liabilities			
Long-term borrowings	9	343,100,000	321,900,000
Lease liabilities		13,313,644	13,362,487
Employee benefit obligations		21,381,005	24,019,278
Decommissioning liability		6,121,473	6,060,864
Derivative financial instruments		12,187,005	14,144,528
Total non-current liabilities		396,103,127	379,487,157
Current liabilities			
Short term loans		976,523	-
Lease liabilities - current portion		770,603	1,677,624
Long-term borrowings – current portion	9	40,450,000	39,300,000
Trade and other payables		142,487,024	132,817,923
Zakat and income tax payable	10	14,121,410	11,516,777
Total current liabilities		198,805,560	185,312,324
Total liabilities		594,908,687	564,799,481
Total equity and liabilities		1,291,322,296	1,255,781,185

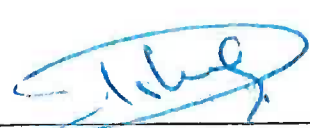
The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 22 May 2023 and was signed on their behalf by:



Uthman Alhumaidan
Designated Member



Alaa Al-Shaikh
Chief Executive Officer



Fares Nehme Lahoud
Chief Financial Officer

The accompanying notes are an integral part of this condensed consolidated interim financial information.

BASIC CHEMICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

Condensed consolidated interim statement of changes in equity

(All amounts in Saudi Riyals unless otherwise stated)

Note	Attributable to the shareholders of Basic Chemical Industries Company				Non- controlling interests	Total
	Share capital	Statutory reserve	Retained earnings	Total		
At 1 January 2022 (Audited)	275,000,000	69,458,983	225,686,166	570,145,149	58,249,591	628,394,740
Profit for the period	-	-	17,437,671	17,437,671	6,909,107	24,346,778
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	17,437,671	17,437,671	6,909,107	24,346,778
At 31 March 2022 (Unaudited)	275,000,000	69,458,983	243,123,837	587,582,820	65,158,698	652,741,518
At 1 January 2023 (Audited)	275,000,000	73,502,207	264,961,024	613,463,231	77,518,473	690,981,704
(Loss) profit for the period	-	-	(4,035,858)	(4,035,858)	9,467,763	5,431,905
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive (loss) income for the period	-	-	(4,035,858)	(4,035,858)	9,467,763	5,431,905
At 31 March 2023 (Unaudited)	275,000,000	73,502,207	260,925,166	609,427,373	86,986,236	696,413,609

The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 22 May 2023 and was signed on their behalf by:



Uthman Alhumaidan
Designated Member



Alaa Al-Shaikh
Chief Executive Officer



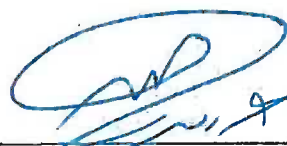
Fares Nehme Lahoud
Chief Financial Officer

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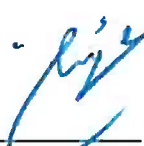
BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2023 (Unaudited)	2022 (Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		8,036,538	27,963,205
Adjustments for:			
Depreciation of property, plant and equipment	6	9,948,515	3,434,520
Depreciation of right-of-use assets		344,214	209,405
Finance costs		6,265,454	27,027
Gain on the fair value measurement of derivative financial instruments		(1,957,523)	(2,957,254)
Provision for employee benefit obligations		2,029,301	803,372
Changes in operating assets and liabilities:			
Decrease (increase) in inventories		8,191,372	(7,940,830)
Decrease (increase) in trade and other receivables		5,821,206	(26,078,088)
Increase in trade and other payables		8,445,115	51,113,520
Cash generated from operations		47,124,192	46,574,877
Finance costs paid		(4,832,743)	(2,875,882)
Employee benefit obligations paid		(4,667,574)	(6,852,418)
Net cash inflow from operating activities		37,623,875	36,846,577
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	6	(3,498,776)	(41,038,251)
Long-term investments		-	(21,000,000)
Net cash outflow from investing activities		(3,498,776)	(62,038,251)
Cash flow from financing activities			
Proceeds from long-term borrowings	9	22,350,000	3,100,000
Proceeds from short-term loans		976,523	19,000,000
Repayment of lease liabilities		(1,103,980)	(34,684)
Net cash inflow from financing activities		22,222,543	22,065,316
Net change in cash and cash equivalents		56,347,642	(3,126,358)
Cash and cash equivalents at beginning of the period		61,960,384	71,364,737
Cash and cash equivalents at end of the period		118,308,026	68,238,379
Non-cash transactions:			
Finance costs on loans capitalized		-	2,282,247
Depreciation on right-of-use assets capitalized		-	134,809


The interim condensed consolidated financial information including notes was authorized for issue by the Board of Directors on 22 May 2023 and was signed on their behalf by:



Uthman Alhumaidan
Designated Member



Alaa Al-Shaikh
Chief Executive Officer



Fares Nehme Lahoud
Chief Financial Officer

The accompanying notes are an integral part of this condensed consolidated interim financial information.

BASIC CHEMICAL INDUSTRIES COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial information (Unaudited)****For the three-month period ended 31 March 2023**

(All amounts in Saudi Riyals unless otherwise stated)

1 General information

Basic Chemical Industries Company (the "Company" or "BCI") and its subsidiaries (collectively the "Group") consist of the Company and its subsidiaries as listed below. The Group is principally engaged in the manufacturing of various chemicals as well as to purchase, formulation, processing, export, import, marketing, distribution and acting as an agent for the sale of chemicals.

The Company is a joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 2050002795 issued in Dammam on 28 Dhul Al Hijjah 1392H (corresponding to 2 February 1973). The registered address of the Company is P.O. Box 1053, Dammam 31431, Kingdom of Saudi Arabia.

The accompanying condensed consolidated interim financial information includes the accounts of the Company, its branches and its various Saudi Arabian subsidiaries, operating under individual CRs, as follows:

	Country of incorporation	Effective ownership percentage		Principal activities
		31 March 2023	31 December 2022	
Chemical Marketing and Distribution Company Limited ("CMDC")	Saudi Arabia	100%	100%	Manufacture and wholesale and retail of chemicals
Basic Chemicals National Company Limited ("BCNC")	Saudi Arabia	-	100%	Manufacture and sale of chemicals
Saudi Water Treatment Company ("SWTC")	Saudi Arabia	-	100%	Manufacture and sale of chemicals
Huntsman APC ("HAPC")	Saudi Arabia	49%	49%	Manufacture and sale of chemicals
National Adhesives Company Limited ("NAL")	Saudi Arabia	47%	47%	Manufacture and sale of chemicals
OKAZ Chemical Materials Marketing and Distribution Company	United Arab Emirates	100%	-	Sale of basic industrial chemicals and solvents

During 2022,

- the Company has decided to transfer the equity interests in Basic Chemicals National Company Limited ("BCNC") and Saudi Water Treatment Company ("SWTC"), wholly owned subsidiaries, to Chemical Marketing and Distribution Company Limited ("CMDC"), another wholly owned subsidiary, and changes the legal status of BCNC and SWTC from a limited liability company to branches of CMDC. The legal formalities related to change of the legal status and ownership were completed during the year 2022;
- CMDC has changed the legal status of one of its branch Okaz Chemical Materials Marketing & Distribution L.L.C "OKAZ", incorporated in United Arab Emirates, to a limited liability company which is wholly owned by CMDC. All the assets, liabilities of the branch were transferred at book values; and
- the Company completed the construction of its plant in Jubail with a total cost of Saudi Riyals 774.7 million and commenced commercial operations.

The changes in the legal structure of the above subsidiaries and branches have not resulted in any gain or loss as the transactions were among the entities under common control.

2 Accounting policies

The principal accounting policies applied in the preparation of condensed consolidated interim financial information of the Group are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

2.1 Basis of preparation

This interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month period ended 31 March 2023
(All amounts in Saudi Riyals unless otherwise stated)

2 Accounting policies (Continued)

2.2 New and amended standards

Certain amendments to existing standards became applicable for the current reporting period. The amendments did not have an impact on the condensed consolidated interim financial information of the Group and accordingly, the Group did not have to change its accounting policies or make any retrospective adjustments.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 Fair value of assets and liabilities

As at 31 March 2023 and 31 December 2022, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of statement of financial position. The fair values of the non-current financial liabilities and long-term investments are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

4 Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial information in conformity with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA, requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of sales and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no significant changes in critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial information from those that were applied and disclosed in the annual financial statements for the year ended 31 December 2022.

5 Segment information

The Group's operations are principally organized into the following business segments based on its products:

- **Chemicals:** this part of the business manufactures and sells industrial chemicals such as hydrochloric acid, caustic soda, chlorine gas, sodium hypochlorite, polyurethane chemicals etc. used in multiple industries. Various chemicals products are produced through using the same assets and liabilities. And segment results that are reported to the Group's Chief Executive Officer who is the Chief Operating Decision Maker, include items directly attributable to a segment includes only operational results.
- **Polymers:** this part of the business manufactures and sells rigid, and semi-rigid polyurethane systems for the manufacture of different density foams. Being the lightest insulation material with the lowest thermal conductivity and polyurethane foam.
- **Adhesives and other materials:** this part of the business manufactures and sells ferric chloride, hot and cold melt adhesives, sulfuric acid etc. used in multiple industries.

BASIC CHEMICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial information (Unaudited)

For the three-month period ended 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

5 Segment information (continued)

Selected financial information as of 31 March 2023 and 31 March 2022 and for the three-month period then ended, summarized by the above operating segments, is as follows:

	Chemicals products				
	Basic Chemicals	Industrial Chemicals	Toll Manufacturing	Water Treatment	Total
For the three-month period ended 31 March 2023					
Sales	27,846,554	23,369,954	12,270,758	4,713,539	68,200,805
Cost of sales	(24,984,177)	(22,063,717)	(11,592,408)	(3,938,354)	(62,578,656)
Gross profit	2,862,377	1,306,237	678,350	775,185	5,622,149
Selling and marketing expenses	(2,376,070)	(161,452)	(576,222)	(150,536)	(3,264,280)
Distribution expenses	(4,043,699)	(300,059)	(982,176)	(257,997)	(5,583,931)
General and administrative expenses	(4,729,415)	(328,421)	(1,144,661)	(299,429)	(6,501,926)
Other operating income - net	598,866	48,424	142,817	37,257	827,364
Operating profit (loss)	(7,687,941)	564,729	(1,881,892)	104,480	(8,900,624)
Gain on the fair value of the derivative financial instrument					
Finance costs					
Profit before zakat and income tax	1,957,523				1,957,523
Zakat expense	(6,259,902)				(6,259,902)
Income tax expense	(3,203,003)				(3,203,003)
Profit for the period	(506,817)				(506,817)
Depreciation expense					
	(13,709,820)	9,239,906	9,901,819		5,431,905
	(9,694,275)	(154,958)	(443,496)		(10,292,729)
Total assets	1,022,457,325	99,546,525	169,318,446	1,291,322,296	1,291,322,296
Total liabilities	521,615,504	23,197,012	50,096,171	594,908,687	594,908,687
Property, plant and equipment	836,503,083	1,611,558	7,925,712	846,040,353	846,040,353
Additions to property, plant and equipment	3,132,976	154,800	211,000	3,498,776	3,498,776

BASIC CHEMICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial information (Unaudited)

For the three-month period ended 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

6 Segment information (continued)

	Chemicals products				
	Basic Chemicals	Industrial Chemicals	Toll Manufacturing	Water Treatment	Total
For the three-month period ended 31 March 2022					
Sales	21,506,680	20,193,600	9,821,667	3,943,863	55,465,810
Cost of sales	(12,690,426)	(14,477,471)	(7,570,605)	(3,374,600)	(38,113,102)
Gross profit	8,816,254	5,716,129	2,251,062	569,263	17,352,708
Selling and marketing expenses	(2,621,718)	(201,531)	(1,113,392)	(148,029)	(4,084,670)
Distribution expenses	(1,234,470)	(96,992)	(527,523)	(67,589)	(1,926,574)
General and administrative expenses	(3,342,275)	(260,590)	(1,424,602)	(183,714)	(5,211,181)
Other operating income – net	633,170	53,761	293,049	38,507	1,018,487
Operating profit (loss)	2,250,961	5,210,777	(521,406)	208,438	7,148,770
Gain on the fair value of the derivative financial instrument					
Finance costs					
Profit before zakat and income tax					
Zakat expense					
Income tax expense					
Profit for the period					
Depreciation expense					
Total assets					
Total liabilities					
Property, plant and equipment					
Additions to property, plant and Equipment					

BASIC CHEMICAL INDUSTRIES COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial information (Unaudited)****For the three-month period ended 31 March 2023**

(All amounts in Saudi Riyals unless otherwise stated)

6 Property, plant and equipment

	1 January 2023	Additions	Disposals	31 March 2023
31 March 2023				
Cost				
Land	2,824,561	-	-	2,824,561
Buildings and leasehold improvements	432,733,627	197,770	-	432,931,397
Plant and machinery	895,198,658	3,032,489	-	898,231,147
Furniture, fixtures and office equipment	23,206,076	151,717	(33,737)	23,324,056
Vehicles	32,807,312	-	-	32,807,312
Capital work-in-progress	1,796,849	116,800	-	1,913,649
	1,388,567,083	3,498,776	(33,737)	1,392,032,122
Accumulated depreciation and impairment				
Buildings and leasehold Improvements	(71,910,212)	(2,961,936)	-	(74,872,148)
Plant and machinery	(415,305,306)	(6,555,256)	-	(421,860,562)
Furniture, fixtures and office equipment	(19,955,072)	(172,714)	33,737	(20,094,049)
Vehicles	(28,906,401)	(258,609)	-	(29,165,010)
	(536,076,991)	(9,948,515)	33,737	(545,991,769)
Net book value	852,490,092			846,040,353

Buildings and plant facilities of Yanbu sulphur plant are also constructed on plot of land leased under a renewable lease agreement at annual rent from the Royal Commission for Jubail and Yanbu for 25 Hijri years beginning from 17 Shaban 1422 H (corresponding to 3 November 2001).

The manufacturing facility in Jubail is constructed on a land leased under a renewable lease agreement with Royal Commission for Jubail and Yanbu. The lease term is 30 Hijri years beginning from 21 Jumada Al Thani 1441H (corresponding to 16 February 2020) and carries an extension option for additional ten Hijri years. The Company's manufacturing and administrative facility are constructed on owned land in Dammam.

	1 January 2022	Additions	31 March 2022
31 March 2022			
Cost			
Land	2,824,561	-	2,824,561
Buildings and leasehold improvements	101,779,529	139,800	101,919,329
Plant and machinery	444,888,461	521,697	445,410,158
Furniture, fixtures and office equipment	28,187,258	200,719	28,387,977
Vehicles	33,508,892	-	33,508,892
Capital work-in-progress	669,682,592	42,593,091	712,275,683
	1,280,871,293	43,455,307	1,324,326,600
Accumulated depreciation and impairment			
Buildings and leasehold Improvements	(74,653,164)	(743,342)	(75,396,506)
Plant and machinery	(396,678,026)	(2,268,305)	(398,946,331)
Furniture, fixtures and office equipment	(26,497,682)	(127,610)	(26,625,292)
Vehicles	(28,725,099)	(295,263)	(29,020,362)
	(526,553,971)	(3,434,520)	(529,988,491)
Net book value	754,317,322		794,338,109

During 2022, the Company capitalized its production facility in Jubail and wrote off of cost related to administrative building at Dammam which were included in capital work-in-progress at as 31 March 2022.

7 Long-term investments

Long-term investments represent investment made during 2022 in various Sukuks issued by a Saudi commercial bank and earns profits at fixed rates. The initial maturity of these Sukuks falls due in 2027. Long-term investments are subsequently measured at amortised cost.

BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month period ended 31 March 2023
(All amounts in Saudi Riyals unless otherwise stated)

8 Trade and other receivables

	As at 31 March 2023	As at 31 December 2022
Trade receivables - Third parties	149,655,689	148,880,003
- Related parties	6,344,559	6,385,188
	156,000,248	155,265,191
Less: allowance for expected credit losses	(11,646,807)	(11,574,723)
Net trade receivables	144,353,441	143,690,468
Advances to suppliers	14,888,532	14,718,515
Prepaid expenses	5,680,600	5,586,548
Due from employees	1,724,435	1,816,654
Advance income tax	-	3,106,508
Value added tax receivable	-	3,576,256
Other	2,101,458	2,074,723
	168,748,466	174,569,672

Movement in the ECL allowances for trade receivables is as follows:

	For the period ended 31 March 2023	For the year ended 31 December 2022
As at 1 January	11,574,723	12,387,735
Net impact of ECL allowance recognised in profit or loss during the period / year	72,084	(813,012)
	11,646,807	11,574,723

9 Long-term and short-term borrowings

9.1 Long-term borrowing

	As at 31 March 2023	As at 31 December 2022
Principal outstanding	383,550,000	361,200,000
	383,550,000	361,200,000
Borrowings are presented as follows:		
Non-current portion	343,100,000	321,900,000
Current portion	40,450,000	39,300,000
	383,550,000	361,200,000

The movement in borrowings is as follows:

	For the period ended 31 March 2023	For the year ended 31 December 2022
1 January	361,200,000	259,493,635
Proceeds from borrowings	22,350,000	102,300,000
Capitalized finance costs	-	6,531,453
Finance costs charge to statement of profit and loss	4,202,351	6,141,611
Repayment of finance costs	(2,978,364)	(13,266,699)
Sub-total	384,773,987	361,200,000
Accrued financial costs (classified under other payables)	(1,223,987)	-
Loan balance	383,550,000	361,200,000

Finance costs expenses include accrued financial costs of Saudi Riyals 1.2 million which is presented under other payables.

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9 Long-term and short-term borrowings (Continued)

9.1 Long-term borrowing (Continued)

During the year 2018, Basic Chemicals Industries Company entered into an agreement with a commercial bank for credit facilities amounting to Saudi Riyals 262 million to partially finance its project as explained in Note 6. During 2022, the Group renegotiated the terms of the agreement and increases the credit limit to Saudi Riyals 412 million and rescheduled the repayment period. During three-month period ended 31 March 2023, the Company has drawn Saudi Riyals 22.4 million from the existing facility. In accordance with the terms of the amendment loan agreement, such borrowings will be repayable in twenty-eight non equal quarterly installments commencing March 2023. Borrowings as at 31 March 2023 represent the amount drawn by the Group from such facility.

The loan is denominated in Saudi Riyals and bears financial charges based on prevailing market rates. There are no financial covenants applicable to the Company under such agreement with the bank.

Borrowing costs capitalized during the three-month period ended 31 March 2022 is Saudi Riyals 2.3 million (31 March 2023: Nil).

9.2 Short-term loans

During the three-month period ended 31 March 2023, the Company has utilized the credit facility of Saudi Riyals 976,523 which has the facility limit of Saudi Riyals 125 million against the promissory note to fulfill the working capital requirements. The loan carry financial charges at the prevailing market rates.

10 Zakat and income tax matters

10.1 Components of zakat base

The Group is subject to zakat and income tax in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat is calculated based on combined zakat declaration for the Company and its wholly owned subsidiaries of 100% and separate zakat and tax declarations for partially owned subsidiaries. The significant components of the zakat base of each company under applicable zakat regulations principally comprise shareholders' equity, provisions at beginning of the year and adjusted net profit, less deduction for the net book value of property, plant and equipment and certain other items.

In accordance with the regulations of the ZATCA, zakat is payable at 2.578% on all components of zakat base except for adjusted net profit for the year which is subject to zakat at the rate of 2.5%.

10.2 Provision for zakat and income taxes

	Zakat	Income tax	Total
1 January 2023	4,595,139	6,921,638	11,516,777
Provision for period	1,017,699	1,586,934	2,604,633
31 March 2023	5,612,838	8,508,572	14,121,410

At 31 December 2022, the portion of advance income tax paid by one of the subsidiaries in excess of the income tax liability is Saudi Riyals 3.1 million (31 March 2023: Nil) has been classified under "Trade and other receivables".

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10 Zakat and income tax matters (Continued)

10.3 Status of final assessments

a) Basic Chemicals Industries

ZATCA has finalized the zakat assessments for the Company for the years through 2010 which have been agreed by the Company.

For the years 2011 to 2015, the ZATCA had issued assessments for the Company with an additional zakat liability of Saudi Riyals 12.9 million. The Company filed an appeal with the ZATCA requesting them to issue revised assessments based on their contentions in such appeals and correction of material errors. During the year ended 31 December 2019, ZATCA issued a revised additional assessments for the years 2011 and 2015, partially accepting the Company's contentions and accordingly, reduced the additional zakat liability from Saudi Riyals 12.9 million to Saudi Riyals 3.2 million. Upon the request of the Company, the case was transferred to General Secretariat of Tax Committees ("GSTC") in respect of the matters not accepted by the ZATCA. The Company management believes that no additional zakat liability will arise upon finalisation of the appeal.

For the years 2016 to 2020, the ZATCA issued assessments for the Company with an additional zakat liability of Saudi Riyals 0.7 million. The Company has accepted such additional assessment and settled the amount.

b) National Adhesives Company Limited "NAL"

For the years 2015 to 2018, the ZATCA issued assessments with an additional zakat liability of Saudi Riyals 11.1 million. NAL has filed an appeal with the ZATCA requesting them to issue revised assessment based on their contentions in such appeals and correction of material errors. The Group management believes that no additional zakat liability will arise upon finalisation of the appeal.

For the years 2019 and 2021, no assessments have been received.

c) Chemical Marketing and Distribution Company limited "CMDC"

For the years 2016 to 2017, the ZATCA issued assessments with an additional zakat liability of Saudi Riyals 2.1 million. CMDC has filed an appeal with the ZATCA requesting them to issue revised assessment based on their contentions in such appeals and correction of material errors. The Group management believes that no additional zakat liability will arise upon finalisation of the appeal. For the year 2018, the ZATCA issued assessments for the Company with an additional zakat liability and accepted and settled by the Company. For the years 2019 to 2020, no assessments have been received.

d) Huntsman APC ("HAPC")

For the years 2015 to 2020, the ZATCA issued assessments with an additional zakat and tax liabilities which was accepted and settled. For the year 2021, no zakat and tax assessments have been received.

The ZATCA has issued zakat and income tax assessments related to the remaining subsidiaries for certain years which have been agreed by the subsidiaries. Zakat and income tax assessments for certain years are currently under review by the ZATCA. The subsidiaries have received the respective zakat and income tax certificates for the years through 2022.

11 Related party transactions and balances

Related parties comprise the shareholders, directors, associated companies and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest ("other related parties").

(a) Following are the significant transactions with the associated entities entered into by the Group:

Nature of transaction	Relationship	For the three-month period ended 31 March	
		2023	2022
Sales of goods to related parties	Associated companies	-	4,083,198
Purchases from related parties	Associated companies	7,219,158	26,230,184
Royalty charged by a related party	Associated companies	2,510,974	2,471,045

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11 Related party transactions and balances (Continued)

(b) Key management personnel compensation:

	For the three-month period ended 31 March	
	2023	2022
Salaries and other short-term employee benefits	1,565,181	1,653,747
Employee benefit obligations	54,054	64,793
	1,619,235	1,718,540

Board of directors' fee for the three-month periods ended 31 March 2023 and 2022 was Saudi Riyals 0.5 million.

12 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	For the three-month period ended 31 March	
	2023	2022
(Loss) profit attributable to the shareholders of Basic Chemical Industries Company	(4,035,858)	17,437,671
Number of ordinary shares for basic and diluted earnings per share	27,500,000	27,500,000
Basic and diluted (loss) earnings per share	(0.15)	0.63

13 Contingencies

The Group is contingently liable at 31 March 2023 for bank guarantees issued in the normal course of business amounting to Saudi Riyals 14.5 million (31 December 2022: Saudi Riyals 10.6 million).

14 Reclassification

Certain amounts in comparative 2022 condensed consolidated interim financial information primarily related to presentation of distribution expenses separately has been reclassified to conform with current period presentation.

15 Approval of the condensed consolidated interim financial information

This condensed consolidated interim financial information was approved by the Board of Directors on 2 Thul-Qi'dah 1444 H (Corresponding 22 May 2023).