

**NATIONAL PETROCHEMICAL COMPANY
(PETROCHEM)
(A Saudi Joint Stock Company)**

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2021
AND REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021

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Report on review of condensed interim financial statements

To the shareholders of National Petrochemical Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of National Petrochemical Company (the "Company") as of 30 September 2021 and the related condensed interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and the condensed interim statements of changes in equity and cash flows for the nine-month period ended 30 September 2021 and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements 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 these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Emphasis of matter

We draw attention to Note 14 to the accompanying condensed interim financial statements, which sets out the impact of restatement on investments in Saudi Polymers Company ("SPCO") and Gulf Polymers Distribution Company ("GPDC") that were previously consolidated. Based on management's reassessment of the contractual arrangements between the shareholders, these investments should have been accounted for as investments in joint ventures using the equity method as the Company exercised joint control over these investments.

Note 14 to the accompanying condensed interim financial statements also sets out:

- the impact of this restatement to the respective:
 - statements of financial position as of 31 December 2020 and 1 January 2020 and statement of profit or loss and other comprehensive income for the year ended 31 December 2020;
 - condensed interim statements of financial position as of 30 June 2021 and 31 March 2021, and condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2021 and the three-month period ended 31 March 2021;
 - 2020 comparative periods of these condensed interim financial statements; and
- that the restatement had no impact on the total equity attributable to the shareholders of the Company, net income and earnings per share (basic and diluted).

Our conclusion is not modified in respect of this matter.

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27 October 2021



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NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
Condensed interim statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 30 September 2021 (Unaudited)	As at 31 December 2020 (Restated)	As at 1 January 2020 (Restated)
Assets				
Non-current assets				
Property and equipment		470	691	1,034
Investments in joint ventures accounted for using the equity method	5	6,898,741	8,087,372	8,017,989
Subordinated loan to a joint venture	6	-	-	339,291
Other assets		2,890	3,524	4,265
Total non-current assets		6,902,101	8,091,587	8,362,579
Current assets				
Prepayments and other current assets		3,079	3,643	3,714
Due from related parties	6	1,060,496	-	960
Cash and cash equivalents	7	1,235,936	382,298	144,066
Total current assets		2,299,511	385,941	148,740
Total assets		9,201,612	8,477,528	8,511,319
Equity and liabilities				
Equity				
Share capital	8	4,800,000	4,800,000	4,800,000
Statutory reserve		438,294	438,294	415,317
Retained earnings		3,675,378	2,877,752	2,932,677
Total equity		8,913,672	8,116,046	8,147,994
Liabilities				
Non-current liability				
Employee benefit obligations		7,921	7,094	9,309
Current liabilities				
Due to related parties	6	617	234	1,169
Accrued and other liabilities		2,178	2,726	2,785
Zakat	9	277,224	351,428	350,062
Total current liabilities		280,019	354,388	354,016
Total liabilities		287,940	361,482	363,325
Total equity and liabilities		9,201,612	8,477,528	8,511,319

The accompanying notes are an integral part of these condensed interim financial statements.

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
Condensed interim statement of profit or loss and other comprehensive income
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited) (Restated)	2021 (Unaudited)	2020 (Unaudited) (Restated)
Share of net profit of joint ventures accounted for using the equity method	5	258,737	116,169	1,126,225	20,973
General and administrative expenses		(7,397)	(3,494)	(18,803)	(13,411)
Operating profit		251,340	112,675	1,107,422	7,562
Finance income		1,743	-	3,097	733
Other income - net		80	2,317	85	6,616
Profit before zakat		253,163	114,992	1,110,604	14,911
Zakat (expense) credit	9	(9,375)	1,957	47,022	(36,663)
Profit (loss) for the period		243,788	116,949	1,157,626	(21,752)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (loss) for the period		243,788	116,949	1,157,626	(21,752)
Earnings (loss) per share					
Basic and diluted	11	0.51	0.24	2.41	(0.05)

The accompanying notes are an integral part of these condensed interim financial statements.

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)

(A Saudi Joint Stock Company)

Condensed interim statement of changes in equity

(All amounts in Saudi Riyals thousands unless otherwise stated)

		Attributable to the shareholders of National Petrochemical Company				Non- controlling interest	Total equity
Note	Share capital	Statutory reserve	Retained earnings	Total			
At 1 January 2020 (Audited)		4,800,000	415,317	2,932,677	8,147,994	4,101,801	12,249,795
Change in accounting treatment	14	-	-	-	-	(4,101,801)	(4,101,801)
At 1 January 2020 (Restated)		4,800,000	415,317	2,932,677	8,147,994	-	8,147,994
Loss for the period		-	-	(21,752)	(21,752)	-	(21,752)
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	(21,752)	(21,752)	-	(21,752)
Transactions with shareholders in their capacity as shareholders:							
Dividends	12	-	-	(240,000)	(240,000)	-	(240,000)
At 30 September 2020 (Unaudited)		4,800,000	415,317	2,670,925	7,886,242	-	7,886,242
At 1 January 2021 (Audited)		4,800,000	438,294	2,877,752	8,116,046	4,165,547	12,281,593
Change in accounting treatment	14	-	-	-	-	(4,165,547)	(4,165,547)
At 1 January 2021 (Restated)		4,800,000	438,294	2,877,752	8,116,046	-	8,116,046
Profit for the period		-	-	1,157,626	1,157,626	-	1,157,626
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	1,157,626	1,157,626	-	1,157,626
Transactions with shareholders in their capacity as shareholders:							
Dividends	12	-	-	(360,000)	(360,000)	-	(360,000)
At 30 September 2021 (Unaudited)		4,800,000	438,294	3,675,378	8,913,672	-	8,913,672

The accompanying notes are an integral part of these condensed interim financial statements.

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
Condensed interim statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the nine-month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited) (Restated)
Cash flows from operating activities			
Profit before zakat		1,110,604	14,911
<u>Adjustments for:</u>			
Depreciation		232	393
Share of net profit of joint ventures accounted for using the equity method		(1,126,225)	(20,973)
Gain on modification of subordinated loan to a joint venture		-	(5,742)
Finance income		(3,097)	(733)
Gain on disposals of property and equipment		(80)	-
Provision for employee benefit obligations		859	658
<u>Changes in operating assets and liabilities:</u>			
Decrease in prepayments and other assets		1,198	(71)
Decrease in due from related parties		(53)	2,251
Decrease in due to related parties		383	1,259
Decrease in accrued and other liabilities		(548)	(1,472)
Cash generated from operations		(16,727)	(9,519)
Finance income received		3,097	733
Zakat paid		(27,182)	(22,166)
Dividends received from joint ventures	5	121,875	97,500
Zakat reimbursed to a joint venture	5	(13,119)	-
Net cash inflow from operating activities		67,944	66,548
Cash flows from investing activities			
Payments for purchases of property and equipment		(11)	(284)
Reduction in share capital of a joint venture		1,145,625	-
Payments collected from a subordinated loan to a joint venture		-	146,250
Proceeds from disposals of property and equipment		80	-
Net cash inflow from investing activities		1,145,694	145,966
Cash flows from a financing activity			
Dividends paid	12	(360,000)	(240,000)
Net change in cash and cash equivalents		853,638	(27,486)
Cash and cash equivalents at beginning of period		382,298	144,066
Cash and cash equivalents at end of period	7	1,235,936	116,580
Non-cash operating activity:			
Transfer of employee benefit obligations from a related party		(32)	1,391

The accompanying notes are an integral part of these condensed interim financial statements.

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Notes to the condensed interim financial statements (Unaudited)
For the three-month and nine-month periods ended 30 September 2021
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information

National Petrochemical Company (“Petrochem” or the “Company”) is a Saudi joint stock company registered under Commercial Registration (“CR”) Number 1010246363 issued in Riyadh on 8 Rabi Al Awwal 1429 H (corresponding to 16 March 2008), and it was established pursuant to the Ministry of Commerce’s resolution number 53/Q dated 16 Safar 1429 H (corresponding to 23 February 2008).

The Company is principally engaged in the development and establishment, operation and management and maintenance of petrochemical factories, gas, petroleum and other industries, wholesale and retail trade in material and petrochemical products and its derivatives.

In response to the spread of the COVID-19 pandemic in territories where the Company operates and its consequential disruption to the social and economic activities in those markets, the Company’s management has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures to:

- ensure the health and safety of its employees; and
- minimizing the impact of the pandemic on its operations and product supply to the customers.

Despite these challenges, the Company’s business operations remain largely unaffected as the petrochemicals industry is, in general, exempted from the various restrictions and constraints imposed by various local regulatory authorities. The Company’s management believes that the COVID-19 pandemic, by itself, has had limited direct material effects on the Company’s reported results for the periods ended 30 September 2021.

However, the Company’s management continues to monitor the situation closely in order to mitigate any disruptions as much as possible.

Proposed merger

On 15 September 2020, the Board of Directors of Saudi Industrial Investment Group Company (“SIIG”) (parent company and ultimate controlling party) approved the decision to initiate discussions with the Company to study the economic feasibility of merging the two related parties (the “Proposed Transaction”).

During the nine-month period ended 30 September 2021, SIIG announced the completion of the initial economic feasibility study, on the basis of which SIIG and the Company decided to commence reciprocal due diligence, negotiate the terms and conditions of the Proposed Transaction and initiate sharing of information between them.

Furthermore, on 27 September 2021 (corresponding to 20 Safar 1443H), the Company signed a non-binding memorandum of understanding (“MOU”) with SIIG, in relation to the share exchange ratio and the structure through which the Proposed Transaction would be implemented.

SIIG and the Company aim to satisfy the requirements applicable to the Proposed Transaction within 2021 and to present the Proposed Transaction to their respective shareholders in accordance with applicable laws and regulations. The completion of the Proposed Transaction is subject to a number of conditions which include obtaining approvals from the relevant authorities.

SIIG and the Company are not under an obligation to proceed with the Proposed Transaction. Therefore, the signing of the MOU does not necessarily mean that the Company and SIIG will reach a final and binding agreement in relation to the Proposed Transaction or that the Proposed Transaction will be completed.

As a result of the Proposed Transaction, the Company initiated a review of the contractual arrangements for its investees and identified a need for a restatement in these condensed interim financial statements. Refer to Note 14 for details.

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The condensed interim financial statements including notes and other explanatory information were approved and authorized for issue on 27 October 2021.

2 Accounting policies

The principal accounting policies applied in the preparation of the condensed interim financial statements of the Company are consistent with those of the previous financial year and corresponding interim reporting periods.

2.1 Basis of preparation

(a) Statement of compliance

These condensed interim financial statements of the Company have been prepared in compliance with IAS 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020, except for the restatements as explained in Note 14.

(b) Historical cost convention

The condensed interim financial statements are prepared under the historical cost convention, except as explained in the relevant accounting policies in the annual consolidated financial statements for the year ended 31 December 2020.

(c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The condensed interim financial statements are presented in "Saudi Riyals", which is the Company's functional currency as well.

(d) New standards and amendment to standards and interpretation

There are no new standards applicable to the Company, however, certain amendments to standards became applicable for the current reporting period. The Company has applied the following amendments to the standards for the first time for their reporting periods commencing on or after 1 January 2021:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform - Phase 2

Phase 1 of these amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that Interbank Offered Rate ("IBOR") reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the condensed interim statement of profit or loss and other comprehensive income.

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The Phase 2 amendments require an entity to:

- account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate without the recognition of an immediate gain or loss;
- prospectively cease to apply the Phase 1 reliefs to a noncontractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued.

The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to standards.

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(f) Investments in joint ventures

A joint venture is a type of joint arrangement where the Company has a contractual arrangement (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The condensed interim financial statements include the Company's share of the post-acquisition profits or losses of the investee in the profit or loss; and the Company's share of movements in other comprehensive income of the investee in the other comprehensive income, after adjustments to align the accounting policies with those of the Company. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment when the right to receive a dividend is established.

When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Fair value of assets and liabilities

As at 30 September 2021 and 31 December 2020, the fair values of the Company'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 condensed interim statement of financial position. The fair values of the non-current financial instruments are estimated to approximate their carrying values as these are determined through cash flows discounted using interest rates which are based on prevailing market interest rates.

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4 Critical accounting estimates and judgements

The preparation of condensed interim financial statements 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 revenues 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 Company 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 interim financial statements from those that were applied and disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

However, as explained in Note 1, the Company's management has proactively assessed the potential impact of the COVID-19 pandemic for any further regulatory and government restrictions both locally and in the markets in which the Company operates that could adversely affect the Company's financial performance. Management has concluded that the Company's critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances for the purpose of preparation of these condensed interim financial statements. Further, as the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

5 Investments in joint ventures accounted for using the equity method

Set out below are the joint ventures of the Company as at 30 September 2021, 31 December 2020 and 1 January 2020. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. During the three-month period ended 30 September 2021, the management of the Company assessed the contractual arrangements between the shareholders of its joint ventures and concluded that both entities were jointly controlled. Also refer to Note 14.

	Country of incorporation	Effective ownership percentage at	
		30 September 2021	31 December 2020
Saudi Polymers Company (a limited liability company) ("SPCO")	Kingdom of Saudi Arabia	65%	65%
Gulf Polymers Distribution Company FZCO (a free zone limited liability company) ("GPDC")	United Arab Emirates	65%	65%

SPCO is a limited liability company registered in Jubail, Saudi Arabia under CR number 2055008886 dated 29 Dhul-Qadah 1428H (corresponding to 9 December 2007), with a branch in Jubail under Commercial Registration number 2055009065. The principal activities of SPCO are to produce and sell motor fuel blend stock, fuel oil, ethylene, propylene, 1-Hexene, high density and low-density polyethylene, polypropylene and polystyrene.

During 2019, the shareholders of SPCO resolved to decrease the share capital of SPCO from Saudi Riyals 4.8 billion to Saudi Riyals 1.4 billion. The legal formalities in relation to this matter were completed during the nine-month period ended 30 September 2021. The balance of reduction in share capital is payable on demand, dependent on its financial capabilities, and is treated as a current liability in SPCO's financial statements. Also refer to Note 6.

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GPDC was formed in the Dubai Airport Free Zone on 15 February 2011 as per DAFZA trade license. The registered address of GPDC is Dubai Airport Free Zone, Office No.6EA 420, Dubai, United Arab Emirates. The principal activities of GPDC are facilitating sales of polymer and monomer products and provision of international warehousing. GPDC is a distributor for SPCO, a related party, which is located in Jubail, Kingdom of Saudi Arabia, which manufactures polyethylene, polypropylene and 1-hexene.

Movement in carrying amount of investment in joint ventures is as follows:

	For the nine-month period ended 30 September 2021			For the nine-month period ended 30 September 2020		
	SPCO	GPDC	Total	SPCO	GPDC	Total
1 January	7,493,024	594,348	8,087,372	7,324,455	693,534	8,017,989
Share of net profit (loss)	1,011,543	114,682	1,126,225	(37,751)	58,724	20,973
Share of other comprehensive loss	-	-	-	-	-	-
Reduction in share capital	(2,206,100)		(2,206,100)	-	-	-
Dividends received from joint ventures	-	(121,875)	(121,875)	-	(97,500)	(97,500)
Zakat reimbursed to joint ventures	13,119	-	13,119	-	-	-
30 September	6,311,586	587,155	6,898,741	7,286,704	654,758	7,941,462

Summarised financial information for joint ventures is provided below. The information disclosed reflects the amounts presented in the financial statements of the joint ventures and not the Company's share of those amounts.

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Summarised statement of financial position

	SPCO			GPDC		
	30 September 2021	31 December 2020	1 January 2020	30 September 2021	31 December 2020	1 January 2020
<u>Current assets</u>						
Cash and cash equivalents	572,492	792,308	2,098,105	156,551	122,921	243,446
Other current assets	1,707,304	1,326,240	1,303,307	1,164,634	946,234	1,081,583
Total current assets	2,279,796	2,118,548	3,401,412	1,321,185	1,069,155	1,325,029
Non-current assets	12,534,166	13,142,310	14,375,642	574	1,376	2,483
<u>Current liabilities</u>						
Financial liabilities (excluding trade payables)	(3,176,410)	(1,200,228)	(1,660,949)	(317,854)	(88,579)	(210,660)
Other current liabilities	(327,722)	(519,870)	(435,776)	(99,446)	(66,592)	(46,910)
Total current liabilities	(3,504,132)	(1,720,098)	(2,096,725)	(417,300)	(155,171)	(257,570)
<u>Non-current liabilities</u>						
Financial liabilities (excluding trade payables)	(1,153,534)	(1,536,083)	(4,007,149)	-	(15)	(2,070)
Other non-current liabilities	(659,408)	(609,597)	(574,924)	(1,140)	(964)	(896)
Total non-current liabilities	(1,812,942)	(2,145,680)	(4,582,073)	(1,140)	(979)	(2,966)
Net assets	9,496,888	11,395,080	11,098,256	903,319	914,381	1,066,976

The reconciliation of Petrochem's interest in the joint ventures is as given below:

	30 September 2021		30 December 2020	
	SPCO	GPDC	SPCO	GPDC
Joint venture net assets	9,496,888	903,319	11,395,080	914,381
Petrochem's share	65%	65%	65%	65%
	6,172,977	587,157	7,406,802	594,348
Intra-group eliminations	(39,016)	-	(36,754)	-
Timing differences in zakat / current income tax recognition and reimbursement	177,623	-	122,976	-
Carrying value of investments	6,311,584	587,157	7,493,024	594,348

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Summarised statement of profit or loss and other comprehensive income

	SPCO			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	2021	2020
Revenue from contracts with customers	1,706,071	1,408,366	6,023,450	4,004,671
Finance income	1,301	100	4,674	8,765
Depreciation	217,927	216,314	654,671	658,688
Finance costs	(6,746)	(15,507)	(23,121)	(61,996)
Zakat and income tax expense	(28,203)	(25,253)	(160,678)	(55,374)
Profit (loss) for the period	180,770	193,893	1,460,818	(73,528)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	180,770	193,893	1,460,818	(73,528)

Summarised statement of profit or loss and other comprehensive income

	GPDC			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	2021	2020
Revenue from contracts with customers	1,769,453	1,225,785	5,536,669	3,600,885
Finance income	12	-	26	-
Finance costs	(4)	-	(4)	(105)
Profit for the period	88,009	22,481	176,438	90,345
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	88,009	22,481	176,438	90,345

The joint ventures' contingent liabilities with respect to bank guarantees and approved capital expenditures is as follows:

	30 September 2021	31 December 2020
SPCO	533,500	593,100
GPDC	-	-

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6 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 entered into by the Company with its related parties:

Related parties	Nature of transactions	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021	2020 (Restated)	2021	2020 (Restated)
Shareholder:					
SIIG	Support services	90	370	493	1,159
	Transfer of employee benefit obligations	1	-	32	-
Joint venture:					
	Reduction in share capital of joint venture				
SPCO		-	-	2,206,100	-

Also refer to Note 14.

(i) Subordinated loan to a joint venture

The Company had provided a non-interest bearing subordinated loan, of Saudi Riyals 2.1 billion, to SPCO in prior years to finance the construction of a petrochemical plant. The repayment of the loan was subject to certain covenants being met under the terms of the commercial loan facilities of SPCO. SPCO settled the loan during the year ended 31 December 2020.

(ii) Due from related parties

	30 September 2021	31 December 2020 (Restated)
SPCO	1,060,475	-
SIIG	21	-
	1,060,496	-

Also refer to Note 14.

(iii) Due to related parties

	30 September 2021	31 December 2020 (Restated)
SIIG	617	234

Also refer to Note 14.

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(b) Key management personnel compensation

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020 (Restated)	2021	2020 (Restated)
Salaries and other short-term employee benefits	1,231	2,676	6,309	5,612
Employee benefit obligations	156	347	815	552
	1,387	3,023	7,124	6,164

Key management personnel represent board members, directors and key personnel of the Company.

Also refer to Note 14.

7 Cash and cash equivalents

	30 September 2021	31 December 2020 (Restated)
Cash at banks	13,936	7,298
Short-term deposits	1,222,000	375,000
	1,235,936	382,298

Short-term Murabaha deposits are placed with commercial banks, with a maturity period of three months or less from date of placement, and yield finance income at commercial rates ranging from 0.70% to 0.95% per annum (2020: 0.45% to 0.65%).

Also refer to Note 14.

8 Share capital

As at 30 September 2021, the authorized, issued and fully paid-up share capital comprised 480 million ordinary shares (31 December 2020 and 1 January 2020: 480 million ordinary shares) of Saudi Riyals 10 per share.

9 Zakat

The Company is subject to zakat in accordance with the regulation of the Zakat, Tax and Customs Authority (the "ZATCA"). Provisions for zakat are charged to the profit or loss.

The Company's management believes that the existing provisions in the condensed interim statement of financial position are adequate to cover any additional zakat liabilities that may arise from the ZATCA.

The Company has filed its zakat returns with the ZATCA up to 2020. The Company has finalised its zakat status with the ZATCA for all years up to 31 December 2010. A number of additional assessments have been issued by the ZATCA as follows:

The ZATCA raised assessments for the years from 2011 to 2013 with additional zakat liability of Saudi Riyals 95.5 million. The Company had filed an appeal against the additional zakat liability with the General Secretariat of Tax Committees (the "GSTC"). During 2020, the committee at GSTC issued a final ruling in favor of the ZATCA's revised assessment, amounting to Saudi Riyals 5.7 million. The Company paid Saudi Riyals 3.5 million during 2020 and the remaining balance, amounting to Saudi Riyals 2.2 million, during the nine-month period ended 30 September 2021.

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The ZATCA raised assessments for the years from 2014 to 2016 with additional zakat liability of Saudi Riyals 204.2 million. The Company had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC. During the nine-month period ended 30 September 2021, the Committee for Resolution of Tax Violations and Disputes (the first level of the GSTC) issued its ruling, with accepting the Company's appealed items partially and, accordingly, the zakat liability for such years has been reduced to Saudi Riyals 92.5 million. The Company and ZATCA, both, have filed an appeal to the Appellate Committee for Tax Violations and Disputes Resolution (the final level of GSTC) and the ruling is awaited.

During 2020, the ZATCA raised assessments for the years 2017 and 2018 with additional zakat liability of Saudi Riyals 128.9 million. The Company has filed an appeal against the additional zakat liability with the GSTC and the final ruling is awaited.

The assessments for 2019 and 2020 are still under the ZATCA's review.

10 Segment reporting

In respect of performance appraisal and allocation of resources, management is of the opinion that all activities and operations of the Company and its joint ventures comprises a single operating segment which is the within the petrochemical sector i.e. the polymers product envelope.

Operating assets are located in the Kingdom of Saudi Arabia. The revenue of the operating segment is geographically distributed as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	2021	2020
Domestic/Middle East	17%	28%	21%	30%
Asia	51%	50%	49%	48%
Europe/Africa	32%	22%	30%	22%
	100%	100%	100%	100%

11 Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) for the period attributable to the shareholders 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 (loss) per share is the same as the basic earnings (loss) per share.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	2021	2020
Earnings (loss) for the period	243,788	116,949	1,157,626	(21,752)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	480,000	480,000	480,000	480,000
Earnings (loss) per share	0.51	0.24	2.41	(0.05)

12 Dividends

During the nine-month period ended 30 September 2021, the Company's shareholders approved dividends amounting to Saudi Riyals 360.0 million (Saudi Riyals 0.75 per share), which were fully paid during the period (30 September 2020: Saudi Riyals 240.0 million (Saudi Riyals 0.50 per share) which were fully paid during the period).

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13 Contingencies and commitments

At 31 December 2020, the Company was contingently liable for bank guarantees issued in the normal course of business amounting to Saudi Riyals 2.4 million (30 September 2021: Nil).

14 Restatement

Until 31 December 2020, the management of the Company consolidated SPCO and GPDC on the judgement that it had control over both SPCO and GPDC. During the three-month period ended 30 September 2021, the management of the Company reassessed this judgement in light of the contractual arrangements between the shareholders and concluded that the Company exercised joint control according to the requirements of IFRS 10, 'Consolidated Financial Statements' and IFRS 11 'Joint Arrangements'. As a consequence, the management of the Company has accounted for the investments in SPCO and GPDC as investments in joint ventures using the equity method and, accordingly, has included a restatement in these condensed interim financial statements. The restatement had no impact on the total equity attributable to the shareholders of the Company, net income and earnings per share (basic and diluted). This restatement has resulted in the following changes:

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Statement of financial position	At 31 December 2020			At 1 January 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Assets						
Non-current assets						
Property, plant and equipment	12,950,401	(12,949,710)	691	14,175,165	(14,174,131)	1,034
Investments in joint ventures accounted for using the equity method	-	8,087,372	8,087,372	-	8,017,989	8,017,989
Other assets	134,234	(130,710)	3,524	138,978	(134,713)	4,265
Right-of-use assets	63,266	(63,266)	-	69,280	(69,280)	-
Subordinated loan to a joint venture	-	-	-	-	339,291	339,291
Total non-current assets	13,147,901	(5,056,314)	8,091,587	14,383,423	(6,020,844)	8,362,579
Current assets						
Trade receivables	784,883	(784,883)	-	906,097	(906,097)	-
Inventories	1,017,190	(1,017,190)	-	917,803	(917,803)	-
Prepayments and other current assets	144,643	(141,000)	3,643	85,557	(81,843)	3,714
Due from related parties	229,481	(229,481)	-	264,920	(263,960)	960
Cash and cash equivalents	1,297,527	(915,229)	382,298	2,485,617	(2,341,551)	144,066
Total current assets	3,473,724	(3,087,783)	385,941	4,659,994	(4,511,254)	148,740
Total assets	16,621,625	(8,144,097)	8,477,528	19,043,417	(10,532,098)	8,511,319
Equity and liabilities						
Equity						
Share capital	4,800,000	-	4,800,000	4,800,000	-	4,800,000
Statutory reserve	438,294	-	438,294	415,317	-	415,317
Retained earnings	2,877,752	-	2,877,752	2,932,677	-	2,932,677
Equity attributable to shareholders of Petrochem	8,116,046	-	8,116,046	8,147,994	-	8,147,994
Non-controlling interest	4,165,547	(4,165,547)	-	4,101,801	(4,101,801)	-
Total equity	12,281,593	(4,165,547)	8,116,046	12,249,795	(4,101,801)	8,147,994

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Statement of financial position	At 31 December 2020			At 1 January 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Liabilities						
Non-current liabilities						
Long-term borrowings	1,493,854	(1,493,854)	-	3,435,135	(3,435,135)	-
Lease liabilities	42,244	(42,244)	-	52,097	(52,097)	-
Deferred tax liabilities, net	298,696	(298,696)	-	326,273	(326,273)	-
Employee benefit obligations	318,959	(311,865)	7,094	258,856	(249,547)	9,309
Subordinated loan from non-controlling interest	-	-	-	182,696	(182,696)	-
Total non-current liabilities	2,153,753	(2,146,659)	7,094	4,255,057	(4,245,748)	9,309
Current liabilities						
Trade payables	300,975	(300,975)	-	203,467	(203,467)	-
Accrued and other liabilities	362,909	(360,183)	2,726	337,824	(335,039)	2,785
Due to related parties	199,067	(198,833)	234	208,054	(206,885)	1,169
Current portion of long-term borrowings	743,254	(743,254)	-	1,210,425	(1,210,425)	-
Current portion of lease liabilities	23,187	(23,187)	-	12,917	(12,917)	-
Zakat and income tax	556,887	(205,459)	351,428	565,878	(215,816)	350,062
Total current liabilities	2,186,279	(1,831,891)	354,388	2,538,565	(2,184,549)	354,016
Total liabilities	4,340,032	(3,978,550)	361,482	6,793,622	(6,430,297)	363,325
Total equity and liabilities	16,621,625	(8,144,097)	8,477,528	19,043,417	(10,532,098)	8,511,319

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Condensed interim statement of financial position	At 30 June 2021			At 31 March 2021		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Assets						
Non-current assets						
Property, plant and equipment	12,555,487	(12,554,952)	535	12,754,772	(12,754,161)	611
Investments in joint ventures accounted for using the equity method	-	6,626,887	6,626,887	-	8,298,179	8,298,179
Other assets	123,569	(120,470)	3,099	129,532	(126,344)	3,188
Right-of-use assets	51,317	(51,317)	-	57,292	(57,292)	-
Total non-current assets	12,730,373	(6,099,852)	6,630,521	12,941,596	(4,639,618)	8,301,978
Current assets						
Trade receivables	1,210,407	(1,210,407)	-	1,072,999	(1,072,999)	-
Inventories	1,008,923	(1,008,923)	-	1,014,933	(1,014,933)	-
Prepayments and other current assets	153,262	(151,002)	2,260	141,550	(137,109)	4,441
Due from related parties	248,268	1,214,395	1,462,663	238,648	(238,648)	-
Cash and cash equivalents	1,404,969	(551,344)	853,625	1,765,116	(1,264,351)	500,765
Total current assets	4,025,829	(1,707,281)	2,318,548	4,233,246	(3,728,040)	505,206
Total assets	16,756,202	(7,807,133)	8,949,069	17,174,842	(8,367,658)	8,807,184
Equity and liabilities						
Equity						
Share capital	4,800,000	-	4,800,000	4,800,000	-	4,800,000
Statutory reserve	438,294	-	438,294	438,294	-	438,294
Retained earnings	3,431,590	-	3,431,590	3,188,502	-	3,188,502
Equity attributable to shareholders of Petrochem	8,669,884	-	8,669,884	8,426,796	-	8,426,796
Non-controlling interest	3,313,652	(3,313,652)	-	4,262,177	(4,262,177)	-
Total equity	11,983,536	(3,313,652)	8,669,884	12,688,973	(4,262,177)	8,426,796

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Condensed interim statement of financial position	At 30 June 2021			At 31 March 2021		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Liabilities						
Non-current liabilities						
Long-term borrowings	1,121,310	(1,121,310)	-	1,495,081	(1,495,081)	-
Lease liabilities	34,532	(34,532)	-	37,826	(37,826)	-
Deferred tax liabilities, net	318,833	(318,833)	-	303,795	(303,795)	-
Employee benefit obligations	341,510	(333,761)	7,749	326,324	(319,102)	7,222
Total non-current liabilities	1,816,185	(1,808,436)	7,749	2,163,026	(2,155,804)	7,222
Current liabilities						
Trade payables	254,567	(254,567)	-	320,717	(320,717)	-
Accrued and other liabilities	361,221	(358,161)	3,060	413,098	(410,575)	2,523
Due to related parties	1,043,801	(1,043,274)	527	238,941	(238,504)	437
Current portion of long-term borrowings	744,475	(744,475)	-	743,864	(743,864)	-
Current portion of lease liabilities	12,684	(12,684)	-	20,940	(20,940)	-
Zakat and income tax	539,733	(271,884)	267,849	585,283	(215,077)	370,206
Total current liabilities	2,956,481	(2,685,045)	271,436	2,322,843	(1,949,677)	373,166
Total liabilities	4,772,666	(4,493,481)	279,185	4,485,869	(4,105,481)	380,388
Total equity and liabilities	16,756,202	(7,807,133)	8,949,069	17,174,842	(8,367,658)	8,807,184

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	For the three-month period ended 30 September 2020			For the nine-month period ended 30 September 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Condensed interim statement of profit or loss and other comprehensive income						
Revenue from contracts with customers	1,436,211	(1,436,211)	-	4,297,382	(4,297,382)	-
Cost of revenues	(1,120,954)	1,120,954	-	(3,853,674)	3,853,674	-
Gross profit	315,257	(315,257)	-	443,708	(443,708)	-
Share of results of joint ventures accounted for using the equity method	-	116,169	116,169	-	20,973	20,973
Selling and distribution expenses	(84,042)	84,042	-	(251,538)	251,538	-
General and administrative expenses	(39,103)	35,609	(3,494)	(118,686)	105,275	(13,411)
Operating profit	192,112	(79,437)	112,675	73,484	(65,922)	7,562
Finance costs	(12,326)	12,326	-	(55,208)	55,208	-
Finance income	100	(100)	-	9,498	(8,765)	733
Other income - net	9,603	(7,286)	2,317	20,801	(14,185)	6,616
Profit before zakat and income tax	189,489	(74,497)	114,992	48,575	(33,664)	14,911
Zakat expense	(5,807)	7,764	1,957	(51,204)	14,541	(36,663)
Income tax expense	(13,917)	13,917	-	(26,659)	26,659	-
Deferred tax expense	(3,572)	3,572	-	(14,174)	14,174	-
Profit (loss) for the period	166,193	(49,244)	116,949	(43,462)	21,710	(21,752)
Total comprehensive income (loss) for the period	166,193	(49,244)	116,949	(43,462)	21,710	(21,752)

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	For the three-month period ended 30 September 2020			For the nine-month period ended 30 September 2020		
	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Condensed interim statement of profit or loss and other comprehensive income						
Total comprehensive income (loss) for the period is attributable to:						
Shareholders of Petrochem	116,949	-	116,949	(21,752)	-	(21,752)
Non-controlling interest	49,244	(49,244)	-	(21,710)	21,710	-
	166,193	(49,244)	116,949	(43,462)	21,710	(21,752)
Earnings (loss) per share						
Basic and diluted	0.24	-	0.24	(0.05)	-	(0.05)

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	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Condensed interim statement of profit or loss and other comprehensive income						
Revenue from contracts with customers	2,455,720	(2,455,720)	-	4,583,659	(4,583,659)	-
Cost of revenues	(1,458,418)	1,458,418	-	(2,903,705)	2,903,705	-
Gross profit	997,302	(997,302)	-	1,679,954	(1,679,954)	-
Share of results of joint ventures accounted for using the equity method	-	534,806	534,806	-	867,488	867,488
Selling and distribution expenses	(119,913)	119,913	-	(227,933)	227,933	-
General and administrative expenses	(36,261)	28,560	(7,701)	(67,929)	56,523	(11,406)
Operating profit	841,128	(314,023)	527,105	1,384,092	(528,010)	856,082
Finance costs	(8,047)	8,047	-	(16,375)	16,375	-
Finance income	3,136	(2,328)	808	4,761	(3,407)	1,354
Other income - net	6,210	(6,210)	-	(2,803)	2,808	5
Profit before zakat and income tax	842,427	(314,514)	527,913	1,369,675	(512,234)	857,441
Zakat expense	57,923	17,252	75,175	27,066	29,331	56,397
Income tax expense	(51,593)	51,593	-	(83,007)	83,007	-
Deferred tax expense	(15,038)	15,038	-	(20,137)	20,137	-
Profit for the period	833,719	(230,631)	603,088	1,293,597	(379,759)	913,838
Total comprehensive income for the period	833,719	(230,631)	603,088	1,293,597	(379,759)	913,838

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	As previously reported	Restatement	As restated	As previously reported	Restatement	As restated
Condensed interim statement of profit or loss and other comprehensive income						
Total comprehensive income for the period is attributable to:						
Shareholders of Petrochem	603,088	-	603,088	913,838	-	913,838
Non-controlling interest	230,631	(230,631)	-	379,759	(379,759)	-
	833,719	(230,631)	603,088	1,293,597	(379,759)	913,838
Earnings per share						
Basic and diluted	1.26	-	1.26	1.90	-	1.90

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	For the three-month period ended 31 March 2021		
	As previously reported	Restatement	As restated
Condensed interim statement of profit or loss and other comprehensive income			
Revenue from contracts with customers	2,127,939	(2,127,939)	-
Cost of revenues	(1,445,287)	1,445,287	-
Gross profit	682,652	(682,652)	-
Share of results of joint ventures accounted for using the equity method	-	332,682	332,682
Selling and distribution expenses	(108,020)	108,020	-
General and administrative expenses	(31,668)	27,963	(3,705)
Operating profit	542,964	(213,987)	328,977
Finance costs	(8,328)	8,328	-
Finance income	1,625	(1,079)	546
Other income - net	(9,013)	9,018	5
Profit before zakat and income tax	527,248	(197,720)	329,528
Zakat expense	(30,857)	12,079	(18,778)
Income tax expense	(31,414)	31,414	-
Deferred tax expense	(5,099)	5,099	-
Profit for the period	459,878	(149,128)	310,750
Total comprehensive income for the period	459,878	(149,128)	310,750
Total comprehensive income for the period is attributable to:			
Shareholders of Petrochem	310,750	-	310,750
Non-controlling interest	149,128	(149,128)	-
	459,878	(149,128)	310,750
Earnings per share			
Basic and diluted	0.65	-	0.65

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	For the year ended 31 December 2020		
	As previously reported	Restatement	As restated
Statement of profit or loss and other comprehensive income			
Revenue from contracts with customers	6,112,766	(6,112,766)	-
Cost of revenues	(5,168,211)	5,168,211	-
Gross profit	944,555	(944,555)	-
Share of results of joint ventures accounted for using the equity method	-	268,458	268,458
Selling and distribution expenses	(333,263)	333,263	-
General and administrative expenses	(165,417)	140,872	(24,545)
Operating profit	445,875	(201,962)	243,913
Finance costs	(78,008)	77,803	(205)
Finance income	21,682	(11,803)	9,879
Other income - net	23,701	(23,985)	(284)
Profit before zakat and income tax	413,250	(159,947)	253,303
Zakat expense	(33,537)	10,005	(23,532)
Income tax expense	(48,075)	48,075	-
Deferred tax expense	25,331	(25,331)	-
Profit for the year	356,969	(127,198)	229,771
Other comprehensive income			
<i>Remeasurements of employee benefit obligations</i>	(32,952)	32,093	(859)
<i>Deferred tax</i>	2,246	(2,246)	-
<i>Share of other comprehensive loss of joint ventures accounted for using the equity method</i>	-	(20,860)	(20,860)
Total comprehensive income for the year	326,263	(118,211)	208,052
Total comprehensive income for the year is attributable to:			
Shareholders of Petrochem	208,052	-	208,052
Non-controlling interest	118,211	(118,211)	-
	326,263	(118,211)	208,052
Earnings per share			
Basic and diluted	0.48	-	0.48

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
Notes to the condensed interim financial statements (Unaudited)
For the three-month and nine-month periods ended 30 September 2021
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the nine-month period ended 30 September 2020		
	As previously reported	Restatement	As restated
Condensed interim statement of cash flows			
Cash flows from operating activities			
Profit before zakat and income tax	48,575	(33,664)	14,911
Adjustments for:			
Depreciation	659,917	(659,524)	393
Impairment of property, plant and equipment	389,969	(389,969)	-
Gain on disposals of property, plant and equipment	(55)	55	-
Finance costs - net	45,710	(46,443)	(733)
Gain on modification of subordinated loan to a joint venture	-	(5,742)	(5,742)
Gain on modification of subordinated loan from non-controlling interest	(620)	620	-
Share of net profit of joint ventures accounted for using the equity method	-	(20,973)	(20,973)
Provision for employee benefit obligations	30,239	(29,581)	658
Changes in operating assets and liabilities:			
Decrease in inventories	13,425	(13,425)	-
Increase in prepayments and other current assets and loans to employees	(25,579)	25,508	(71)
Decrease in due from related parties	57,041	(54,790)	2,251
Decrease in trade receivables	205,085	(205,085)	-
Increase in trade payables	78,904	(78,904)	-
Decrease in due to related parties	(34,521)	35,780	1,259
Decrease in accrued and other liabilities	(60,324)	58,852	(1,472)
Cash generated from operations	1,407,766	(1,417,285)	(9,519)
Finance costs paid	(45,145)	45,145	-
Finance income received	9,437	(8,704)	733
Zakat and income tax paid	(69,181)	47,015	(22,166)
Employee benefit obligations paid	(5,621)	5,621	-
Dividends received from a joint venture	-	97,500	97,500
Net cash inflow from operating activities	1,297,256	(1,230,708)	66,548
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	(20,472)	20,188	(284)
Proceeds from disposals of property, plant and equipment	4,249	(4,249)	-
Payments collected from a subordinated loan to a joint venture	-	146,250	146,250
Net cash (outflow) inflow from investing activities	(16,223)	162,189	145,966
Cash flows from financing activities			
Proceeds from long-term borrowings	2,980,369	(2,980,369)	-
Repayments of long-term borrowings	(5,024,038)	5,024,038	-

(continued)

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
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For the three-month and nine-month periods ended 30 September 2021
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the nine-month period ended 30 September 2020		
	As previously reported	Restatement	As restated
Repayment of subordinated loan from non-controlling interest	(77,031)	77,031	-
Dividends paid	(240,000)	-	(240,000)
Principal elements of lease payments	(8,095)	8,095	-
Dividends paid by a subsidiary to non-controlling interest	(52,500)	52,500	-
Income tax reimbursed by non-controlling interest	24,276	(24,276)	-
Net cash outflow from financing activities	(2,397,019)	2,157,019	(240,000)
Net decrease in cash and cash equivalents	(1,115,986)	1,088,500	(27,486)
Cash and cash equivalents at beginning of period	2,485,617	(2,341,551)	144,066
Cash and cash equivalents at end of period	1,369,631	(1,253,051)	116,580
Non-cash operating, investing and financing activities:			
Accrued finance cost on subordinated loan from non-controlling interest	1,992	(1,992)	-
Amortization of transaction costs	8,071	(8,071)	-
Transfer of employee benefit obligations from a joint venture	-	1,391	1,391