

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022
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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022

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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 30 September 2022 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated interim statements of changes in equity and cash flows for the nine-month period ended 30 September 2022. 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.

Allied Accountants for Professional Services Company

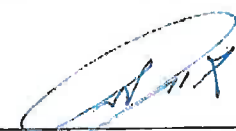
Mohammed Farhan Bin Nader
License No. 435
Al Khobar, Saudi Arabia
13 Rabi' Al-Thani 1444 H (Corresponding 7 November 2022)



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 30 September		For the nine-month period ended 30 September	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	Restated Note 13 (Unaudited)
Sales		172,741,751	122,312,788	500,041,409	367,003,875
Cost of sales		(118,775,821)	(91,722,851)	(361,843,873)	(262,338,486)
Gross profit		53,965,930	30,589,937	138,197,536	104,665,389
Selling and distribution expenses		(15,688,028)	(12,061,884)	(42,107,318)	(33,879,842)
General and administrative expenses		(9,419,837)	(6,716,449)	(23,443,311)	(24,980,881)
Other operating income - net		333,415	496,820	2,418,033	596,655
Operating profit		29,191,480	12,308,424	75,064,940	46,401,321
Gain (loss) on the fair value measurements of the derivative financial instrument		1,464,615	154,744	6,629,273	(835,420)
Finance costs		(3,754,439)	(21,667)	(3,784,886)	(71,637)
Profit before zakat and income tax		26,901,656	12,441,501	77,909,327	45,494,264
Zakat expense	10	(830,267)	(975,033)	(2,651,917)	(3,396,600)
Income tax expense	10	(491,026)	(1,221,926)	(3,919,767)	(3,787,298)
Profit for the period		25,580,363	10,244,542	71,337,643	38,310,366
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		25,580,363	10,244,542	71,337,643	38,310,366
Total comprehensive income for the period is attributable to:					
- Shareholders of Basic Chemical Industries Company		17,791,310	4,960,303	48,230,711	20,522,772
- Non-controlling interests		7,789,053	5,284,239	23,106,932	17,787,594
		25,580,363	10,244,542	71,337,643	38,310,366
Earnings per share (Saudi Riyals)					
Basic and diluted earnings per share	12	0.65	0.18	1.75	0.75

The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 7 November 2022 and was signed on their behalf by:



Utbman 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 financial position
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 30 September 2022 (Unaudited)	As at 31 December 2021 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	861,641,818	754,317,322
Right-of-use assets		16,056,385	17,089,027
Long-term investments	7	21,000,000	-
Total non-current assets		898,698,203	771,406,349
Current assets			
Inventories		148,835,139	88,924,053
Trade and other receivables	8	177,163,067	144,003,970
Cash and cash equivalents		22,748,399	71,364,737
Total current assets		348,746,605	304,292,760
Total assets		1,247,444,808	1,075,699,109
Equity and liabilities			
Equity			
Share capital		275,000,000	275,000,000
Statutory reserve		69,458,983	69,458,983
Retained earnings		273,916,877	225,686,166
Equity attributable to the shareholders of Basic Chemical Industries Company		618,375,860	570,145,149
Non-controlling interests		70,756,523	58,249,591
Total equity		689,132,383	628,394,740
Liabilities			
Non-current liabilities			
Long-term borrowings	9	209,600,000	207,093,635
Lease liabilities		13,317,766	15,525,570
Employee benefit obligations		27,592,332	35,332,477
Decommissioning liability		6,060,864	6,060,864
Derivative financial instruments		15,870,727	22,500,000
Total non-current liabilities		272,441,689	286,512,546
Current liabilities			
Short term loan	9	66,000,000	-
Lease liabilities		1,773,595	2,860,392
Long-term borrowings	9	52,400,000	52,400,000
Trade and other payables		157,776,768	97,442,198
Zakat and income tax payable	10	7,920,373	8,089,233
Total current liabilities		285,870,736	160,791,823
Total liabilities		558,312,425	447,304,369
Total equity and liabilities		1,247,444,808	1,075,699,109


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 2021 (Audited), as previously stated	275,000,000	66,022,133	218,729,589	559,751,722	63,547,133	623,298,855
Restatement	-	-	(21,201,987)	(21,201,987)	(79,391)	(21,281,378)
At 1 January 2021, as restated	275,000,000	66,022,133	197,527,602	538,549,735	63,467,742	602,017,477
Profit for the period	-	-	20,522,772	20,522,772	17,787,594	38,310,366
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	20,522,772	20,522,772	17,787,594	38,310,366
Dividends	-	-	-	-	(13,250,000)	(13,250,000)
At 30 September 2021 (Unaudited), as restated	275,000,000	66,022,133	218,050,374	559,072,507	68,005,336	627,077,843
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	-	-	48,230,711	48,230,711	23,106,932	71,337,643
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	48,230,711	48,230,711	23,106,932	71,337,643
Dividends	-	-	-	-	(10,600,000)	(10,600,000)
At 30 September 2022 (Unaudited)	275,000,000	69,458,983	273,916,877	618,375,860	70,756,523	689,132,383

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Uthman Alhumaidan
Designated Member

Alaa Al-Shaikh
Chief Executive Officer


Fares Nehme Lahoud
Chief Financial Officer

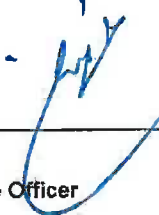
The accompanying notes are an integral part of this condensed consolidated interim financial information.



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

	Note	For the nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		77,909,327	45,494,264
Adjustments for:			
Depreciation of property, plant and equipment	6	12,492,302	14,187,734
Depreciation of right-of-use-assets		718,088	628,216
(Gain)/ loss on disposal of property and equipment		(74,093)	1,277,976
Finance costs		3,784,886	71,637
(Gain)/ loss on the fair value measurement of derivative financial instruments		(6,629,273)	835,420
Provision for employee benefit obligations		4,435,286	4,269,260
Changes in operating assets and liabilities:			
Increase in inventories		(59,911,086)	(7,667,298)
Increase in trade and other receivables		(33,159,097)	(10,036,031)
Increase (decrease) in trade and other payables		58,967,924	(2,641,613)
Cash generated from operations		58,534,264	46,419,565
Finance costs paid		(14,659,906)	(3,315,759)
Zakat and income tax paid		(6,740,544)	(5,603,872)
Employee benefit obligations paid		(12,175,431)	(2,611,867)
Net cash inflow from operating activities		24,958,383	34,888,067
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	6	(107,385,896)	(127,283,695)
Proceeds from disposal of property and equipment		74,093	51,450
Long-term investments	7	(21,000,000)	-
Net cash outflow from investing activities		(128,311,803)	(127,232,245)
Cash flow from financing activities			
Proceeds from long-term borrowings	9	3,100,000	104,000,000
Proceeds from short-term loan		66,000,000	-
Repayment of lease liabilities		(3,762,918)	(479,248)
Dividends paid to non-controlling interests in subsidiaries		(10,600,000)	(13,250,000)
Net cash outflow from financing activities		54,737,082	90,270,752
Net decrease in cash and cash equivalents		(48,616,338)	(2,073,426)
Cash and cash equivalents at beginning of the period		71,364,737	84,447,626
Cash and cash equivalents at end of the period		22,748,399	82,374,200
Non-cash transactions:			
Finance costs of lease liabilities capitalized		330,826	-
Finance costs on borrowings capitalized		11,785,523	2,128,743
Depreciation on right-of-use assets capitalized		314,554	404,427


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 and nine-month periods ended 30 September 2022****(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 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:

	Effective ownership percentage at	
	30 September 2022	31 December 2021
Chemical Marketing and Distribution Company Limited ("CMDC")	100%	100%
Basic Chemicals National Company Limited ("BCNC")	-	100%
Saudi Water Treatment Company ("SWTC")	-	100%
Huntsman APC ("HAPC")	49%	49%
National Adhesives Company Limited ("NAL")	47%	47%

During the nine-month period ended 30 September 2022, the Group's management decided to reorganize the Group structure by changing the legal status of its subsidiaries, BCNC and SWTC, from limited liability companies to become branches of CMDC. The legal process related to BCNC and SWTC were completed during the three-month period ended 30 September 2022. Processes related to other legal authorities are still going. The above reorganization will not result in any gain or loss considering the transaction is between the entities under common control.

The Company has consolidated the accounts of HAPC and NAL in the accompanying condensed consolidated interim financial information as a parent company by virtue of respective shareholders' agreements. Pursuant to such agreements:

- BCI appoints its representative as Chief Executive Officer for both HAPC and NAL for managing day to day operations.
- BCI's representative(s) on the Board of Directors have the power to direct all key relevant business activities as a result of the voting arrangements under the terms of these agreements.

Accordingly, the Company has the right to exercise control through its ability to affect the amount of returns generated from these companies, its power over these companies and its exposure and right to the variable returns.

CMDC acquired 50% equity interest in Mars Chemical Marketing and Distribution Company Limited ("Mars-CMDC"), a limited liability company incorporated in Qatar under CR number 56892 issued on 12 Ramadan 1433 H (31 July 2012). Mars-CMDC is engaged in marketing and distribution of various chemicals, solvents, additives, catalysts, plastics, polymers and resins. The investment is recorded as an investment in an associate and accounted for using the equity method of accounting. As at 30 September 2022 and 31 December 2021, the investment was fully impaired.

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 2021.

2.1 Basis of preparation

This condensed consolidated interim 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 issued 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 2021.

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 30 September 2022 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 30 September 2022 and 31 December 2021, 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 issued 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 2021.

5 Segment information

The Group's operations are principally organized into the following two 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.
- **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 and nine-month periods ended 30 September 2022
(All amounts in Saudi Riyals unless otherwise stated)

5 Segment information (continued)

Selected financial information as of 30 September 2022 and 2021 and for the three-month and nine-month periods then ended, summarized by the above operating segments, is as follows:

	Chemicals	Adhesives and other materials	Total
For the three-month period ended 30 September 2022			
Sales	94,908,811	77,832,940	172,741,751
Cost of sales	(62,237,225)	(56,538,596)	(118,775,821)
Gross profit	32,671,586	21,294,344	53,965,930
Selling and distribution expenses	(8,933,581)	(6,754,447)	(15,688,028)
General and administrative expenses	(7,219,177)	(2,200,660)	(9,419,837)
Other operating income (expenses) – net	572,305	(238,890)	333,415
Operating profit	17,091,133	12,100,347	29,191,480
Gain on the fair value of the derivative financial instrument	1,464,615	-	1,464,615
Finance costs	(3,750,778)	(3,661)	(3,754,439)
Profit before zakat and income tax	14,804,970	12,096,686	26,901,656
Zakat expense	(129,103)	(701,164)	(830,267)
Income tax expense	(448,157)	(42,869)	(491,026)
Segment results	14,227,710	11,352,653	25,580,363
Depreciation expense	5,461,650	729,516	6,191,166
	Chemicals	Adhesives and other materials	Total
For the nine-month period ended 30 September 2022			
Sales	272,544,091	227,497,318	500,041,409
Cost of sales	(194,221,453)	(167,622,420)	(361,843,873)
Gross profit	78,322,638	59,874,898	138,197,536
Selling and distribution expenses	(21,482,480)	(20,624,838)	(42,107,318)
General and administrative expenses	(17,637,308)	(5,806,003)	(23,443,311)
Other operating income (expenses) – net	2,515,729	(97,696)	2,418,033
Operating profit	41,718,579	33,346,361	75,064,940
Gain on the fair value of the derivative financial instrument	6,629,273	-	6,629,273
Finance costs	(3,771,568)	(13,318)	(3,784,886)
Profit before zakat and income tax	44,576,284	33,333,043	77,909,327
Zakat expense	(1,182,914)	(1,469,003)	(2,651,917)
Income tax expense	(2,413,048)	(1,506,719)	(3,919,767)
Segment results	40,980,322	30,357,321	71,337,643
Depreciation expense	10,778,457	2,431,933	13,210,390
As at 30 September 2022			
Total assets	1,056,429,373	191,015,435	1,247,444,808
Total liabilities	502,245,140	56,067,285	558,312,425
Property, plant and equipment	839,531,885	22,109,933	861,641,818

BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month and nine-month periods ended 30 September 2022
(All amounts in Saudi Riyals unless otherwise stated)

5 Segment information (continued)

	Chemicals	Adhesives and other materials	Total
For the three-month period ended 30 September 2021			
Sales	61,527,119	60,785,669	122,312,788
Cost of sales	(47,191,301)	(44,531,550)	(91,722,851)
Gross profit	14,335,818	16,254,119	30,589,937
Selling and distribution expenses	(6,786,116)	(5,275,768)	(12,061,884)
General and administrative expenses	(4,538,983)	(2,177,466)	(6,716,449)
Other operating income (expenses) – net	507,887	(11,067)	496,820
Operating profit	3,518,606	8,789,818	12,308,424
Gain on the fair value of the derivative financial instrument	154,744	-	154,744
Finance costs	(19,368)	(2,299)	(21,667)
Profit before zakat and income tax	3,653,982	8,787,519	12,441,501
Zakat expense	(544,379)	(430,654)	(975,033)
Income tax expense	(152,718)	(1,069,208)	(1,221,926)
Segment results	2,956,885	7,287,657	10,244,542
Depreciation expense	3,698,219	1,669,302	5,367,521
For the nine-month period ended 30 September 2021			
Sales	189,394,153	177,609,722	367,003,875
Cost of sales	(137,887,495)	(124,450,991)	(262,338,486)
Gross profit	51,506,658	53,158,731	104,665,389
Selling and distribution expenses	(18,129,557)	(15,750,285)	(33,879,842)
General and administrative expenses	(16,897,246)	(8,083,635)	(24,980,881)
Other operating income (expenses) – net	913,735	(317,080)	596,655
Operating profit	17,393,590	29,007,731	46,401,321
Loss on the fair value of the derivative financial instrument	(835,420)	-	(835,420)
Finance costs	(63,630)	(8,007)	(71,637)
Profit before zakat and income tax	16,494,540	28,999,724	45,494,264
Zakat expense	(2,122,112)	(1,274,488)	(3,396,600)
Income tax expense	(579,675)	(3,207,623)	(3,787,298)
Segment results	13,792,753	24,517,613	38,310,366
Depreciation expense	10,599,097	4,216,853	14,815,950
As at 30 September 2021			
Total assets	833,971,099	156,463,070	990,434,169
Total liabilities	302,180,413	39,059,115	341,239,528
Property, plant and equipment	656,556,231	23,241,353	679,797,584

BASIC CHEMICAL INDUSTRIES COMPANY
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Notes to the condensed consolidated interim financial information (Unaudited)
For the three-month and nine-month periods ended 30 September 2022
(All amounts in Saudi Riyals unless otherwise stated)

6 Property, plant and equipment

30 September 2022	1 January 2022	Additions	Disposals	Transfers	30 September 2022
Cost					
Land	2,824,561	-	-	-	2,824,561
Buildings and leasehold improvements	101,779,529	139,800	-	321,244,698	423,164,027
Plant and machinery	444,888,461	1,182,161	-	447,330,044	893,400,666
Furniture, fixtures and office equipment	28,187,258	465,682	-	2,221,334	30,874,274
Vehicles	33,508,892	284,046	(141,800)	1,633,523	35,284,661
Capital work-in-progress	669,682,592	117,745,109	-	(772,429,599)	14,998,102
	1,280,871,293	119,816,798	(141,800)	-	1,400,546,291
Accumulated depreciation and impairment					
Buildings and leasehold Improvements	(74,653,164)	(2,893,336)	-	-	(77,546,500)
Plant and machinery	(396,678,026)	(8,450,742)	-	-	(405,128,768)
Furniture, fixtures and office equipment	(26,497,682)	(280,480)	-	-	(26,778,162)
Vehicles	(28,725,099)	(867,744)	141,800	-	(29,451,043)
	(526,553,971)	(12,492,302)	141,800	-	(538,904,473)
Net book value	754,317,322				861,641,818

The Group's capital-work-in-progress as at 30 September 2022 principally comprises the following:

- Costs incurred amounting to Saudi Riyals 772.4 million (31 December 2021: Saudi Riyals 669.7 million) on a new plant for chlorine-based derivatives in Jubail on a leased land. Such costs represent capital expenditure under different arrangements entered for procurement of plant and machinery, engineering services, civil and construction work and other related items. The plant has started the commercial production and assets have been capitalized to the respective assets categories.
- Costs incurred amounting to Saudi Riyals 13.7 million in respect of construction of an administrative block at Dammam head office. The building is expected to be completed in 2022 with a total estimated cost of Saudi Riyals 21 million.

30 September 2021	1 January 2021	Additions	Disposals	30 September 2021
Cost				
Land	2,824,561	-	-	2,824,561
Buildings and leasehold improvements	104,643,399	181,605	(6,650,851)	98,174,153
Plant and machinery	443,049,605	879,882	(334,065)	443,595,422
Furniture, fixtures and office equipment	27,603,993	746,390	(195,957)	28,154,426
Vehicles	33,876,426	360,305	(399,081)	33,837,650
Capital work-in-progress	469,122,003	127,648,683	-	596,770,686
	1,081,119,987	129,816,865	(7,579,954)	1,203,356,898
Accumulated depreciation and impairment				
Buildings and leasehold Improvements	(75,771,392)	(3,427,994)	5,383,111	(73,816,275)
Plant and machinery	(385,531,375)	(9,363,541)	569,527	(394,325,389)
Furniture, fixtures and office equipment	(26,164,559)	(283,393)	67,032	(26,380,920)
Vehicles	(28,154,782)	(1,112,806)	230,858	(29,036,730)
	(515,622,108)	(14,187,734)	6,250,528	(523,559,314)
Net book value	565,497,879			679,797,584

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7 Long-term investments

These investments represent investments made during the nine-month period ended 30 September 2022 by certain subsidiaries in Sukuks issued by a local financial institution and earn profit at prevailing market rates which are based on Saudi inter-bank offer rate.

8 Trade and other receivables

	As at 30 September 2022	As at 31 December 2021
Trade receivables - Third parties	144,932,329	121,768,097
- Related parties	6,591,497	3,662,901
	151,523,826	125,430,998
Less: allowance for expected credit losses	(10,452,808)	(12,387,735)
Net trade receivables	141,071,018	113,043,263
Advances to suppliers	16,915,034	8,819,846
Value added tax receivable	10,474,668	13,172,927
Advance income tax	3,842,803	1,755,302
Due from employees	3,855,652	4,247,075
Prepaid expenses	136,723	2,363,550
Other	867,169	602,007
	177,163,067	144,003,970

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

	For the period ended 30 September 2022	For the year ended 31 December 2021
As at 1 January	12,387,735	11,542,696
Net impact of ECL allowance recognised in profit or loss during the period / year	(1,934,927)	845,039
	10,452,808	12,387,735

9 Borrowings

9.1 Long-term borrowing

	As at 30 September 2022	As at 31 December 2021
Principal outstanding	262,000,000	258,900,000
Accrued financial costs	-	593,635
	262,000,000	259,493,635
Borrowing is presented as follows:		
Non-current portion	209,600,000	207,093,635
Current portion	52,400,000	52,400,000
	262,000,000	259,493,635

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9 Borrowings (Continued)

9.1 Long-term borrowing (Continued)

The movement in long-term borrowing is as follows:

	For the period ended 30 September 2022	For the year ended 31 December 2021
1 January	259,493,635	85,565,944
Proceeds from borrowing	3,100,000	174,900,000
Finance costs	7,087,076	2,271,813
Repayment of finance costs	(7,680,711)	(3,244,122)
	262,000,000	259,493,635

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 against a promissory note to partially finance its project as explained in Note 6. 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 an agreement with the bank.

Subsequent to the period end and on 4 October 2022, the Group signed and amended the credit facility agreement with the bank to increase the loan amount to become Saudi Riyals 412 million and reschedule the repayment terms on 28 quarter unequal installments of the loan with the first installment becoming due in 31 March 2023.

During the nine-month period ended 30 September 2022, the borrowing costs capitalized of the long-term loan amounted to Saudi Riyals 5.9 million (three-month period ended 30 September 2022: Saudi Riyals 1.2 million).

9.2 Short-term loan

During the nine-month period ended 30 September 2022, the Company has obtained short term loans to fulfill the working capital requirements. These loans carry financial charges at the prevailing market rates and secured against promissory notes. Subsequent to the period end, this loan has been restructured and became a part of the Long-term borrowing agreement signed on 4 October 2022 (see note 9.1).

10 Zakat and income tax matters

10.1 Components of zakat base

The Company and its subsidiaries are subject to zakat and income tax. The Group files zakat and income tax declarations on an unconsolidated basis. 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 2022	5,561,817	2,527,416	8,089,233
Provisions			
- For current period	3,402,257	5,145,790	8,548,047
- Adjustments related to prior years	(750,340)	(1,226,023)	(1,976,363)
	2,651,917	3,919,767	6,571,684
Payments during the period	(3,648,084)	(3,092,460)	(6,740,544)
30 September 2022	4,565,650	3,354,723	7,920,373

At 30 September 2022, the portion of advance income tax paid by the subsidiaries in excess of the income tax liability amounting to Saudi Riyals 3.8 million (31 December 2021: Saudi Riyals 1.8 million) has been classified under "Trade and other receivables".

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 revised 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, 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, ZATCA issued assessments with an additional zakat liability of Saudi Riyals 11.1 million. NAL has filed an appeal with 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 2020, no assessments have been received.

c) Chemical Marketing and Distribution Company limited "CMDC"

For the years 2016 and 2017, ZATCA issued assessments with an additional zakat liability of Saudi Riyals 2.1 million. CMDC has filed an appeal with 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, ZATCA issued assessments for the Company with an additional zakat liability of Saudi Riyals twenty-five thousand. The Company has accepted such additional assessment and settled the amount. For the years 2019 to 2020, no assessments have been received.

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 ZATCA. The subsidiaries have received the respective zakat and income tax certificates for the years through 2021.

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 30 September		For the nine-month period ended 30 September	
		2022	2021	2022	2021
Sales to related parties	Associated companies	6,826,436	2,407,742	17,591,978	11,061,275
Purchases from related parties	Associated companies	17,050,690	15,113,524	66,509,571	33,858,228
Royalty charged by a related party	Associated companies	2,512,513	2,081,171	7,414,677	5,901,663

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11 Related party transactions and balances (Continued)

(b) Key management personnel compensation:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022	2021	2022	2021
Salaries and other short-term employee benefits	1,242,872	1,917,518	5,253,031	5,199,444
Employee benefit obligations	633,070	218,529	845,596	348,429
	1,875,942	2,136,047	6,098,627	5,547,873

Board of directors' fee for the period ended 30 September 2022 was Saudi Riyals 1.58 million (30 September 2021: Saudi Riyals 1.05 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 are the same as the basic earnings per share.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022	2021	2022	2021
Profit attributable to the shareholders of Basic Chemical Industries Company	17,791,310	4,960,303	48,230,711	20,522,772
Number of ordinary shares for basic and diluted earnings per share	27,500,000	27,500,000	27,500,000	27,500,000
Basic and diluted earnings per share	0.65	0.18	1.75	0.75

13 Restatements

As explained in Note 30 of the 2021 annual consolidated financial statements, management of the Group has identified certain errors which have been corrected by restating financial information of the prior years. The effect of these adjustments on the balances as at 1 January 2021 and for the period ended 30 September 2021 is as follows:

	Balance, previously reported	Restatement	Balance, as restated
Consolidated statement of financial position			
As at 1 January 2021			
Retained earnings	218,729,589	(21,201,987)	197,527,602
Non-controlling interests	63,547,133	(79,391)	63,467,742
Derivative financial instruments	-	17,000,000	17,000,000
Employee benefit obligations	31,138,971	4,281,378	35,420,349

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13 Restatements (Continued)

	Balance, previously reported	Restatement	Balance, as restated
Consolidated statement of profit and loss and other comprehensive income for the nine-month period ended 30 September 2021			
Loss on the fair value of the derivative financial instrument	-	(835,420)	(835,420)
Profit for the period	39,145,786	(835,420)	38,310,366
Total comprehensive income	39,145,786	(835,420)	38,310,366
Profit for the period attributable to:			
Shareholders of Basic Chemical Industries Company	21,358,192	(835,420)	20,522,772
Non-controlling interests	17,787,594	-	17,787,594
Total	39,145,786	(835,420)	38,310,366
Earnings per share			
Basic and diluted earnings per share	0.78	(0.03)	0.75

The above restatements do not have any impact of the consolidated statement of cash flows for the period ended 30 September 2021.

	Balance, previously reported	Restatement	Balance, as restated
Consolidated statement of profit and loss and other comprehensive income for the three-month period ended 30 September 2021			
Gain on the fair value of the derivative financial instrument	-	154,744	154,744
Profit for the period	10,089,798	154,744	10,244,542
Total comprehensive income	10,089,798	154,744	10,244,542
Profit for the period attributable to:			
Shareholders of Basic Chemical Industries Company	4,805,559	154,744	4,960,303
Non-controlling interests	5,284,239	-	5,284,239
Total	10,089,798	154,744	10,244,542
Earnings per share			
Basic and diluted earnings per share	0.17	0.01	0.18

14 Dividends

During the three-month period ended 30 September 2022, the shareholders of NAL approved dividends of Saudi Riyals 20 million out of which Saudi Riyals 10.6 million were attributable to non-controlling interests. Such dividends were fully paid during the period.

15 Contingencies and commitments

- (i) The Group is contingently liable at 30 September 2022 for bank guarantees issued in the normal course of business amounting to Saudi Riyals 9.85 million (31 December 2021: Saudi Riyals 8.2 million).
- (ii) The capital expenditure contracted by the Group but not yet incurred till 30 September 2022 is approximately Saudi Riyals 48.7 million mainly related to the new project in Jubail (31 December 2021: Saudi Riyals 108.5 million).

16 Approval of the interim condensed consolidated financial information

This condensed consolidated interim financial information was approved by the Board of Directors on 13 Rabi' Al-Thani 1444 H (Corresponding 7 November 2022).