

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
AND INDEPENDENT AUDITOR'S REPORT**

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Independent auditor's report to the shareholders of National Petrochemical Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Petrochemical Company (the "Company") as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Key audit matter	• Reassessment of the Company's interests in two entities
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Independent auditor's report to the shareholders of National Petrochemical Company (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p style="color: #C85A3D;"><i>Reassessment of the Company's interests in two entities</i></p> <p>During the year ended 31 December 2021, management of the Company reassessed the contractual arrangements between the shareholders and the basis of the conclusion regarding its control over its investments in two entities, Saudi Polymers Company ("SPCO") and Gulf Polymers Distribution Company FZCO ("GPDC").</p> <p>As a result of this reassessment, the Company's management concluded that it exercised joint control according to the requirements of IFRS 10 'Consolidated Financial Statements' ("IFRS 10") and IFRS 11 'Joint Arrangements' ("IFRS 11"). Accordingly, since the Company consolidated SPCO and GPDC until 31 December 2020, the Company changed its accounting from consolidation to the equity method.</p> <p>The impact of the reassessment was applied retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") in the financial statements of the Company.</p> <p>We considered this to be a key audit matter as the reassessment resulted in a change in the previous basis of conclusion and given the nature and complexity of the matter, including the impact on the presentation of the financial statements of the Company for the year ended 31 December 2021.</p> <p>Refer to Note 2.2 to the financial statements for the accounting policy relating to the investments in joint ventures and Notes 5 and 25 for the disclosures relating to interests in SPCO and GPDC and the related impact of the restatement to the comparatives.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● Evaluated, with the assistance of our internal financial reporting experts, the Company management's control reassessment over investments in SPCO and GPDC in accordance with the requirements of IFRS 10; ● Obtained the deconsolidation schedules prepared by the Company management and audited the completeness and accuracy of the deconsolidation adjustments; ● Audited the retrospective accounting of the investments as joint ventures in accordance with the requirements of IFRS 11; and ● Assessed the adequacy of the disclosures in the financial statements with respect to the change in accounting treatment in accordance with the requirements of IAS 8 and IFRS 12 'Disclosure of Interests in Other Entities'.

Independent auditor's report to the shareholders of National Petrochemical Company (continued)

Other information

Management is responsible for the other information. The other information comprises information included in the Company's 2021 annual report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the shareholders of National Petrochemical Company (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers



Ali A. Alotaibi
License Number 379

15 March 2022



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

	Note	As at 31 December 2021	As at 31 December 2020 (Restated)	As at 1 January 2020 (Restated)
Assets				
Non-current assets				
Property and equipment	4	792	691	1,034
Investments in joint ventures accounted for using the equity method	5	7,147,391	8,087,372	8,017,989
Subordinated loan to a joint venture		-	-	339,291
Other assets	6	2,638	3,524	4,265
Total non-current assets		7,150,821	8,091,587	8,362,579
Current assets				
Prepayments and other current assets	7	2,110	3,643	3,714
Due from related parties	14	988,191	-	960
Cash and cash equivalents	8	1,294,271	382,298	144,066
Total current assets		2,284,572	385,941	148,740
Total assets		9,435,393	8,477,528	8,511,319
Equity and liabilities				
Equity				
Share capital	9	4,800,000	4,800,000	4,800,000
Statutory reserve	10	574,974	438,294	415,317
Retained earnings		3,754,758	2,877,752	2,932,677
Total equity		9,129,732	8,116,046	8,147,994
Liabilities				
Non-current liability				
Employee benefit obligations	11	8,265	7,094	9,309
Current liabilities				
Due to related parties	14	1,175	234	1,169
Accrued and other liabilities	12	3,646	2,726	2,785
Zakat	13	292,575	351,428	350,062
Total current liabilities		297,396	354,388	354,016
Total liabilities		305,661	361,482	363,325
Total equity and liabilities		9,435,393	8,477,528	8,511,319

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

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

	Note	Year ended 31 December	
		2021	2020 (Restated)
Share of net profit of joint ventures accounted for using the equity method	5	1,367,590	268,458
General and administrative expenses	15	(30,933)	(24,545)
Operating profit		1,336,657	243,913
Finance costs	11, 16	(132)	(205)
Finance income	17	5,537	9,879
Finance income - net		5,405	9,674
Other income (expenses) - net	18	99	(284)
Profit before zakat		1,342,161	253,303
Zakat credit (expense)	13	24,641	(23,532)
Profit for the year		1,366,802	229,771
Other comprehensive income / (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of employee benefit obligations	11	(402)	(859)
Share of net other comprehensive income (loss) of joint ventures accounted for using the equity method	5	7,286	(20,860)
Other comprehensive income (loss) for the year		6,884	(21,719)
Total comprehensive income for the year		1,373,686	208,052
Earnings per share (Saudi Riyals)			
Basic and diluted	20	2.85	0.48

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

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
Statement of changes in equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Attributable to the shareholders of National Petrochemical Company			Non- controlling interests	Total equity	
		Share capital	Statutory reserve	Retained earnings			Total
At 1 January 2020		4,800,000	415,317	2,932,677	8,147,994	4,101,801	12,249,795
Change in accounting treatment	25	-	-	-	-	(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
Profit for the year		-	-	229,771	229,771	-	229,771
Other comprehensive loss for the year		-	-	(21,719)	(21,719)	-	(21,719)
Total comprehensive income for the year		-	-	208,052	208,052	-	208,052
Transfer to statutory reserve	10	-	22,977	(22,977)	-	-	-
Transactions with shareholders in their capacity as shareholders:							
Dividends	19	-	-	(240,000)	(240,000)	-	(240,000)
At 31 December 2020 (Restated)		4,800,000	438,294	2,877,752	8,116,046	-	8,116,046
At 1 January 2021		4,800,000	438,294	2,877,752	8,116,046	4,165,547	12,281,593
Change in accounting treatment	25	-	-	-	-	(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 year		-	-	1,366,802	1,366,802	-	1,366,802
Other comprehensive income for the year		-	-	6,884	6,884	-	6,884
Total comprehensive income for the year		-	-	1,373,686	1,373,686	-	1,373,686
Transfer to statutory reserve	10	-	136,680	(136,680)	-	-	-
Transactions with shareholders in their capacity as shareholders:							
Dividends	19	-	-	(360,000)	(360,000)	-	(360,000)
At 31 December 2021		4,800,000	574,974	3,754,758	9,129,732	-	9,129,732

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

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

	Note	Year ended 31 December	
		2021	2020 (Restated)
Cash flows from operating activities			
Profit before zakat		1,342,161	253,303
<u>Adjustments for:</u>			
Depreciation	4	326	534
Share of net profit of joint ventures accounted for using the equity method	5	(1,367,590)	(268,458)
Gain on disposals of property and equipment		(80)	-
Finance income - net		(5,405)	(9,674)
Loss on modification of subordinated loan to a joint venture		-	1,151
Provision for employee benefit obligations	11	669	378
<u>Changes in operating assets and liabilities:</u>			
Decrease in prepayments and other current assets		2,419	812
Change in due from related parties		(873)	960
Increase in due to related parties		941	456
Change in accrued and other liabilities		920	(59)
Cash utilized in operations		(26,512)	(20,597)
Finance income received	17	5,537	9,879
Zakat paid	13	(34,212)	(22,166)
Employee benefit obligations paid	11	-	(5,048)
Dividends received from a joint venture	5	121,875	195,000
Zakat reimbursed to a joint venture	5	(13,118)	(16,785)
Net cash inflow from operating activities		53,570	140,283
Cash flows from investing activities			
Payments for purchases of property and equipment	4	(427)	(273)
Proceeds from disposals of property and equipment		80	82
Reduction in share capital of a joint venture	5	1,218,750	-
Net cash inflow (outflow) from investing activities		1,218,403	(191)
Cash flows from financing activities			
Repayments of subordinated loan from a joint venture		-	338,140
Dividends paid	19	(360,000)	(240,000)
Net cash (outflow) inflow from financing activities		(360,000)	98,140
Net increase in cash and cash equivalents		911,973	238,232
Cash and cash equivalents at beginning of year		382,298	144,066
Cash and cash equivalents at end of year	8	1,294,271	382,298
Non-cash operating and investing activities:			
Reduction in share capital of a joint venture adjusted against due from related parties	5, 14	2,206,100	-
Transfer of employee benefit obligations (to) from a related party	11	(32)	1,391

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

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
(A Saudi Joint Stock Company)
Notes to the financial statements for the year ended 31 December 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 in Riyadh, Kingdom of Saudi Arabia under commercial registration (“CR”) number 1010246363 dated on 8 Rabie Al Awwal 1429 H (corresponding to 16 March 2008) and it was established pursuant to the Ministry of Commerce and Industry’s resolution number 53/Q dated 16 Safar 1429 H (corresponding to 23 February 2008). The registered address of the Company is P.O. Box 99833, Riyadh, Kingdom of Saudi Arabia.

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.

The Company is controlled by Saudi Industrial Investment Group Company (the “Parent Company” or “SIIG”).

In response to the spread of the Covid-19 in the Kingdom of Saudi Arabia where the Company operates and its resulting disruptions to the social and economic activities in those markets over the last two years, management continues to proactively assess its impacts on its operations. In particular, the Company is closely monitoring the current surge in cases due to the outbreak of a new variant - Omicron. The preventive measures taken by the Company in April 2020 are still in effect including the creation of ongoing crisis management teams and processes, to ensure the health and safety of its employees, customers and the wider community as well as to ensure the continuity of its operations. Employee health continues to be a key area of focus with programs being implemented to assist with increasing awareness, identification, support and monitoring of employee health. A majority of the employees of the Company have been fully vaccinated for at least two doses of vaccine and the management is working on a plan to encourage booster shots in line with the government initiatives related to Covid-19.

The management of the Company believes that any potential lockdown measures being reintroduced will not materially affect the underlying demand for the Company’s products and forecast.

Based on these factors, management believes that the Covid-19 pandemic has had no material effect on the Company’s reported financial results for the year ended 31 December 2021 including the significant accounting judgements and estimates.

The Company continues to monitor the surge of the new variant closely although at this time management is not aware of any factors that are expected to change the impact of the pandemic on the Company’s operations during 2022 or beyond.

Proposed acquisition

On 15 September 2020, the Board of Directors of SIIG, 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 year ended 31 December 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), SIIG signed a non-binding memorandum of understanding (“MOU”) with the Company, in relation to the share exchange ratio and the structure through which the Proposed Transaction would be implemented.

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
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1 General information (continued)

On 27 October 2021 (corresponding to 21 Rabi ul Awwal 1443H), the Company entered into a legally binding implementation agreement with SIIG (the "Implementation Agreement"), pursuant to which SIIG and the Company have agreed that SIIG will make an offer to acquire all shares issued by the Company which are not owned by SIIG in exchange for the issuance of new shares in SIIG to the Company's shareholders in accordance with applicable regulations and rules issued by the board of Capital Market Authority, as well as the terms and conditions as set out in the Implementation Agreement.

The accompanying financial statements of the Company, including notes and other explanatory information, were authorized for issue by the Company's Board of Directors on 15 March 2022.

2 Summary of significant accounting policies

The principal accounting policies applied for the preparation of financial statements of the Company are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Statement of compliance

The accompanying financial statements of the Company have been prepared in compliance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

(b) Historical cost convention

These financial statements are prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

(c) New standards and amendment to standards and interpretations

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 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 statement of profit or loss and other comprehensive income.

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 non-contractually 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.

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
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2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New standards and amendment to standards and interpretations (continued)

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

There are no other IFRSs or International Financing Reporting Interpretations Committee (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Company.

(d) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. The management is in the process of assessing the impact of the new standards and interpretations on its financial statements.

2.2 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. These 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.

The Company applies IAS 36 "Impairment of Assets" to determine whether an investment in a joint venture is impaired and accounts for any identified impairment loss.

2.3 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

NATIONAL PETROCHEMICAL COMPANY (PETROCHEM)
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2 Summary of significant accounting policies (continued)

2.3 Property and equipment (continued)

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight-line basis over the estimated useful lives of the assets. The depreciation expense is recognised in profit or loss in the expense category consistent with the function of the property and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is not depreciated.

2.4 Financial instruments

2.4.1 Financial assets

(i) Classification

The Company measures financial assets at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Recognition and derecognition

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

(iii) Measurement

Subsequent measurement of Company's financial assets is at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a financial instrument that is subsequently measured at amortised cost and is not part of the hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Impairment losses are presented as a separate line item in the profit or loss.

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(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

2.4.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

2.4.3 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

2.5 Impairment of financial and non-financial assets

2.5.1 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

2.5.2 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses ("ECL") associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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2 Summary of significant accounting policies (continued)

2.5 Impairment of financial and non-financial assets (continued)

2.5.2 Impairment of financial assets (continued)

For amounts due from related parties, the Company applies a simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the related financial asset. The amount of the loss is charged to profit or loss. The Company uses a provision matrix in the calculation of the ECL to estimate the lifetime ECL, applying certain provision rates to respective contractual past due aging buckets. The provision matrix was developed considering probability of default based on credit rating of the Company's counterparties assigned by reputed credit rating agencies and loss given default. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product ("GDP") and the inflation rates of the Kingdom of Saudi Arabia, the Middle East, Europe and Asia as the most relevant factors, and accordingly adjusts the loss rates based on expected changes in these factors.

While cash and cash equivalents, loans to employees and other receivables are also subject to the impairment requirements of the Company, these are considered as low risk and the impairment loss is not expected to be material.

2.6 Cash and cash equivalents

For the purpose of statement of financial position, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the statement of financial position.

2.7 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

2.8 Dividend distribution

Dividends are recorded in the financial statements in the period in which they are approved by shareholders of the Company.

2.9 Employee benefit obligations

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws of the Kingdom of Saudi Arabia which is based on the most recent salary and number of service years.

The post-employment benefits plans are not funded. Accordingly, valuations of the obligations under the plans are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

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2 Summary of significant accounting policies (continued)

2.9 Employee benefit obligations (continued)

Current and past service costs related to post-employment benefits and unwinding of liability at discount rates used are recognized immediately in profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor laws of the Kingdom of Saudi Arabia.

2.10 Employee home ownership program

The Company provides non-interest-bearing loans to eligible Saudi Arabian employees to either purchase or build residential properties by mortgaging the property in the Company's name as a security. The repayment of the loan is deducted from the employee's salary in monthly installments. The interest cost associated with the funding of the acquisition or construction of the employee's house is borne by the Company in accordance with the approved home ownership program and expensed as part of finance cost.

2.11 Provisions

Provisions are recognized when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effects of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.12 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate applicable at the date of the initial transactions.

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2 Summary of significant accounting policies (continued)

2.13 Finance income

Finance income is measured using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset.

2.14 Zakat

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is calculated based on higher of approximate zakat base and adjusted profit and is charged to profit or loss. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined

Amounts accrued for zakat expense in one year may have to be adjusted in a subsequent year if the estimate of the annual charge changes.

2.15 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Board of Directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The Board of Directors has been identified as being the Chief Operating Decision Maker.

Segment results that are reported to the Company's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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3 Critical accounting estimates and judgments

The preparation of financial statements in conformity 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 revenue and expenses during the reporting period. Estimates and judgments 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 judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period.

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 financial statements. Further, as the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

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4 Property and equipment

	1 January 2021	Additions	Disposals	Transfers	31 December 2021
<u>2021</u>					
Cost					
Leasehold improvements	1,273	-	-	-	1,273
Furniture and office equipment	727	11	-	-	738
Vehicles	623	416	(381)	-	658
Capital work-in-progress	-	-	-	-	-
	2,623	427	(381)	-	2,669
Accumulated depreciation					
Leasehold improvements	(890)	(169)	-	-	(1,059)
Furniture and office equipment	(516)	(79)	-	-	(595)
Vehicles	(526)	(78)	381	-	(223)
	(1,932)	(326)	381	-	(1,877)
Net book value	691				792

	1 January 2020 (Restated)	Additions	Disposals	Transfers	31 December 2020 (Restated)
<u>2020</u>					
Cost					
Leasehold improvements	819	273	-	181	1,273
Furniture and office equipment	716	-	-	11	727
Vehicles	1,123	-	(500)	-	623
Capital work-in-progress	192	-	-	(192)	-
	2,850	273	(500)	-	2,623
Accumulated depreciation					
Leasehold improvements	(633)	(257)	-	-	(890)
Furniture and office equipment	(425)	(91)	-	-	(516)
Vehicles	(758)	(186)	418	-	(526)
	(1,816)	(534)	418	-	(1,932)
Net book value	1,034				691

Depreciation is charged to the profit or loss over the following estimated economic useful lives:

	Number of years
• Leasehold improvements	5
• Furniture and office equipment	4 - 10
• Vehicles	5

Also refer to Note 25.

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5 Investments in joint ventures accounted for using the equity method

Set out below are the joint ventures of the Company as at 31 December 2021 and 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 year ended 31 December 2021, the management of the Company assessed the contractual arrangements within the constitutional documents of its joint ventures and concluded that although it holds a 65% shareholding in both entities, the other shareholder had substantive rights to direct the relevant activities of both entities and, accordingly, concluded that both entities were jointly controlled. Also refer to Note 25.

Name of the entity	Country of incorporation	Ownership interest held by the Company		Carrying amount	
		2021	2020	2021	2020
Saudi Polymers Company (a limited liability company) ("SPCO")	Kingdom of Saudi Arabia	65%	65%	6,530,085	7,493,025
Gulf Polymers Distribution Company FZCO (a free zone limited liability company) ("GPDC")	United Arab Emirates	65%	65%	617,306	594,347
				7,147,391	8,087,372

- a) 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. SPCO is a joint venture between Petrochem and Arabian Chevron Phillips Petrochemical Company Limited ("ACPPCL").

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 year ended 31 December 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 14.

- b) 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 and is a joint venture of Petrochem and ACPPCL.

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5 Investments in joint ventures accounted for using the equity method (continued)

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

	For the year ended 31 December 2021			For the year ended 31 December 2020		
	SPCO	GPDC	Total	SPCO	GPDC	Total
Opening balance, 1 January	7,493,025	594,347	8,087,372	7,324,455	693,534	8,017,989
Share of net profit	1,222,756	144,834	1,367,590	172,645	95,813	268,458
Share of other comprehensive loss	7,286	-	7,286	(20,860)	-	(20,860)
Reduction in share capital	(2,206,100)	-	(2,206,100)	-	-	-
Dividends received from joint ventures	-	(121,875)	(121,875)	-	(195,000)	(195,000)
Zakat reimbursed to joint ventures	13,118	-	13,118	16,785	-	16,785
Closing balance, 31 December	6,530,085	617,306	7,147,391	7,493,025	594,347	8,087,372

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.

Summarised statement of financial position

	SPCO		GPDC	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>Current assets</u>				
Cash and cash equivalents	598,729	792,308	95,693	122,921
Other current assets	1,923,478	1,326,240	1,475,171	946,234
Total current assets	2,522,207	2,118,548	1,570,864	1,069,155
Non-current assets	12,392,888	13,142,310	304	1,376
<u>Current liabilities</u>				
Financial liabilities (excluding trade payables)	(3,023,955)	(1,200,228)	(568,778)	(88,579)
Other current liabilities	(604,171)	(519,870)	(51,506)	(66,592)
Total current liabilities	(3,628,126)	(1,720,098)	(620,284)	(155,171)
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade payables)	(799,425)	(1,536,083)	-	(15)
Other non-current liabilities	(653,944)	(609,597)	(1,182)	(964)
Total non-current liabilities	(1,453,369)	(2,145,680)	(1,182)	(979)
Net assets	9,833,600	11,395,080	949,702	914,381

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5 Investments in joint ventures accounted for using the equity method (continued)

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

	SPCO		GPDC	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Joint venture net assets	9,833,600	11,395,080	949,703	914,381
Petrochem's share	65%	65%	65%	65%
	6,391,840	7,406,802	617,306	594,347
Intra-group eliminations	(38,622)	(36,754)	-	-
Timing differences in zakat / current income tax recognition and reimbursement	176,867	122,977	-	-
Carrying value of investments	6,530,085	7,493,025	617,306	594,347

Summarised statement of profit or loss and other comprehensive income

	For the year ended 31 December			
	SPCO		GPDC	
	2021	2020	2021	2020
Revenue from contracts with customers	8,201,284	5,532,143	7,582,751	4,944,986
Finance income	5,719	20,539	15	34
Depreciation	(871,346)	(875,138)	(1,073)	(1,106)
Finance costs	(37,635)	(86,494)	(4)	(79)
Zakat and income tax expense	(171,046)	(32,749)	-	-
Profit (loss) for the year	1,763,036	259,353	222,821	(147,405)
Other comprehensive income (loss) for the year	10,425	(29,847)	-	-
Total comprehensive income (loss) for the year	1,773,461	229,506	222,821	(147,405)

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

	As at 31 December	
	2021	2020
SPCO	1,256,083	593,100
GPDC	-	-

Also see Note 25.

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6 Other assets

Other assets represent non-interest bearing housing loans provided to eligible Saudi Arabian employees. The loans are secured by mortgages on the property purchased under the employee home ownership program and are repayable in monthly installments within a maximum period of 15 years.

The installments due within one year expected to be amortised within one year are included in 'Prepayments and other current assets' under current assets. The carrying value at the reporting date is presented as follows:

	Note	2021	2020 (Restated)
Non-current portion presented under 'Other assets'		2,638	3,524
Current portion presented under 'Prepayments and other current assets'	7	877	579
		3,515	4,103

Also refer to Note 25.

7 Prepayments and other current assets

	Note	2021	2020 (Restated)
Cash margin against bank guarantee		-	2,264
Prepaid expenses		497	726
Loans to employees - current portion	6	877	579
Accrued Murabaha finance income		701	74
Other receivables		35	-
		2,110	3,643

The above classes within prepayments and other current assets do not contain impaired assets. The maximum exposure to the credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

Also refer to Note 25.

8 Cash and cash equivalents

	2021	2020 (Restated)
Cash at banks	10,271	7,298
Short-term Murabaha deposits	1,284,000	375,000
	1,294,271	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 0.40 % to 1.25 % per annum (2020: from 0.45% to 0.65% per annum).

Also refer to Note 25.

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9 Share capital

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

10 Statutory reserve

In accordance with the Company's By-laws and the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of the net profit for the year to a statutory reserve until such reserve equals 30% of share capital. This reserve currently is not available for distribution to the shareholders of the Company.

11 Employee benefit obligations

11.1 General description of the defined benefit plan

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws of the Kingdom of Saudi Arabia which is based on the most recent salary and number of service years. The end-of-service benefit payments under the plans are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the labor laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligations are met when they fall due upon termination of employment or employee's resignation from the company. An independent actuary carried out the latest valuation of employee benefit obligations under the projected unit credit method as at 31 December 2021 for the Company.

11.2 Movement in net liability recognised in the statement of financial position

	Note	2021	2020
			(Restated)
1 January		7,094	9,309
Current service cost		669	378
Finance cost	16	132	205
Benefits paid		-	(5,048)
Transfer (to) from a related party	14	(32)	1,391
Remeasurements		402	859
31 December		8,265	7,094

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11 Employee benefit obligations (continued)

11.3 Amounts recognized in the statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

	2021	2020 (Restated)
Current service cost	669	378
Interest expense	132	205
Total amount recognised in profit or loss	801	583
<u>Remeasurements</u>		
(Gain) loss from change in financial assumptions	(561)	259
Loss from change in experience adjustments	963	600
Total amount recognised in other comprehensive income	402	859

11.4 Key actuarial assumptions

	2021	2020
Discount rate	2.6%	1.70%
Salary growth rate	3.00%	3.00%

11.5 Sensitivity analysis for actuarial assumptions

2021	Change in assumption		Impact on employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	100 basis points	100 basis points		
Discount rate			(555)	628
	100 basis points	100 basis points		
Salary growth rate			619	(558)
2020 (Restated)	Change in assumption		Impact on employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	100 basis points	100 basis points	(503)	572
Salary growth rate	100 basis points	100 basis points	559	(502)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee termination.

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11 Employee benefit obligations (continued)

11.6 Expected maturity analysis

The weighted average duration of the defined benefit obligation is 7.0 years (2020: 8.0 years). The expected maturity analysis of undiscounted post-employment benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 December 2021	811	830	2,509	12,502	16,652
31 December 2020 (Restated)	802	643	1,986	10,634	14,065

Also refer to Note 25.

12 Accrued and other liabilities

	2021	2020 (Restated)
Accrued expenses	1,157	636
Accrued salaries and benefits	2,124	1,775
Other payables	365	315
	3,646	2,726

Also refer to Note 25.

13 Zakat matters

13.1 Components of zakat base

	2021	2020
Equity at beginning of year	8,116,046	8,147,994
Provisions at beginning of year	230,300	335,323
Other current liabilities	2,124	-
Adjusted net profit	120,205	81,241
Investments, as adjusted	(5,307,328)	(7,320,380)
Property and equipment	(792)	(691)
Dividends paid	(360,000)	(240,000)
Approximate zakat base	2,800,555	1,003,487

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13 Zakat matters (continued)

13.2 Provision for zakat

	2021	2020 (Restated)
1 January	351,428	350,062
Provision for the year	69,337	23,532
Adjustment related to prior years	(93,978)	-
	(24,641)	23,532
Payments	(34,212)	(22,166)
31 December	292,575	351,428

Zakat is payable at 2.578% of the zakat base, excluding adjusted profit for the year, attributable to the shareholders. Zakat on adjusted profit for the year is payable at 2.5%.

Also refer to Note 25.

13.3 Status of certificates and final assessments

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 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 year ended 31 December 2021.

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 year ended 31 December 2021, the Committee for Resolution of Tax Violations and Disputes ("CRTVD", the first level of the GSTC) issued its ruling, 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 ("ACTVD", the final level of GSTC) and the final 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 had filed an appeal against the additional zakat liability to the ZATCA, following which the case had been escalated to the GSTC. During 2022, the CRTVD issued its ruling, accepting the Company's appealed items partially and, accordingly, the zakat liability for such years has been reduced to Saudi Riyals 91.8 million. The Company intends to file an appeal to the ACTVD within the stipulated time.

During 2021, the ZATCA raised assessments for the years 2019 and 2020 with additional zakat liability of Saudi Riyals 9.2 million. The Company has filed an appeal against the additional zakat liability to the ZATCA and the ZATCA's decision is awaited.

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14 Related party transactions and balances

The Company has transactions with its shareholders and their affiliated entities (collectively “related parties”).

Related parties comprise the shareholders, directors, associated companies, 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:*

Related parties	Nature of transactions	2021	2020 (Restated)
Shareholder:			
SIIG	Support services	973	(1,413)
	Transfer of employee benefit obligations	(32)	-
Joint ventures:			
GPDC	Transfer of employee benefit obligations	-	(1,391)
SPCO	Reduction in share capital	2,206,100	-

(b) *Key management personnel compensation:*

	2021	2020 (Restated)
Salaries and other short-term employee benefits	10,506	9,096
Post-employment benefits	1,166	784
	11,672	9,880

(c) *Due from related parties*

	2021	2020 (Restated)
SPCO	987,686	-
SIIG	505	-
	988,191	-

Also refer to Note 25.

(d) *Due to related parties*

	2021	2020 (Restated)
SIIG	1,175	234

Also refer to Note 25.

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15 General and administrative expenses

	Note	2021	2020 (Restated)
Salaries and benefits		13,027	12,373
Professional fees		10,962	5,661
Donations		1,500	3,457
Rent		718	719
Depreciation	4	326	534
Other		4,400	1,801
		30,933	24,545

Also refer to Note 25.

16 Finance costs

	Note	2021	2020 (Restated)
Finance costs on employee benefit obligations	11	132	205

Also refer to Note 25.

17 Finance income

	2021	2020 (Restated)
Unwinding of finance income on subordinated loan to a joint venture	-	8,770
Finance income on short-term deposits	5,537	1,109
	5,537	9,879

Also refer to Note 25.

18 Other income (expenses) - net

	Note	2021	2020 (Restated)
Loss on modification of subordinated loan to a joint venture	5	-	(1,151)
Gain on disposals of property and equipment		80	-
Other - net		19	867
		99	(284)

Also refer to Note 25.

19 Dividends

During the year ended 31 December 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 year (31 December 2020: Saudi Riyals 240.0 million (Saudi Riyals 0.50 per share) which were fully paid during the year).

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20 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings 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 per share is the same as the basic earnings per share.

	2021	2020
Earnings for the year	1,366,802	229,771
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	480,000	480,000
Earnings per share	2.85	0.48

21 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 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:

	2021	2020
Domestic/Middle East	20%	28%
Asia	49%	48%
Europe/Africa	31%	24%
	100%	100%

Also refer to Note 25.

22 Financial risk management

22.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the senior management under policies approved by the Board of Directors.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Furthermore, quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

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22 Financial risk management (continued)

22.1 Financial risk factors (continued)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the Internal Audit department. The Internal Audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Market risk

(i) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily in Saudi Riyals. Management of the Company believes that the currency risk for the financial instruments is not significant

(ii) *Fair value and cash flow interest rate risk*

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. At 31 December 2021, the Company had interest bearing financial assets of Saudi Riyals 1.3 billion (2020: Saudi Riyals 375.0 million). However, the interest rates have been agreed with the respective financial institutions.

(iii) *Price risk*

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial assets and liabilities are not exposed to price risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents, related party, employee and other receivables carried at amortised cost.

Credit risk represents the financial loss that would be recognized at the reporting date if the counter parties failed to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying amount of financial assets.

Due from related parties:

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. As at 31 December 2021, 99.9% of the amount was due from SPCO (2020: no concentration of credit risk).

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22 Financial risk management (continued)

22.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all due from related parties' balances arising out of commercial transactions. For due from related parties' balances arising out of non-commercial transactions, the Company uses the following staging criteria when using the general approach for estimating ECL:

- At initial recognition, stage 1 is assigned to the financial asset;
- At subsequent measurement dates, a financial asset would be classified in:
 - i) Stage 1 (12-month ECL), if at the reporting date it is not credit impaired and credit risk has not increased significantly since initial recognition or it belongs to a low credit risk portfolio;
 - ii) Stage 2 (30+ days overdue or counterparty risk downgraded to non-investment grade), if at the reporting date it is not credit impaired and credit risk has not increased significantly since initial recognition; or
 - iii) Stage 3 (365+ days overdue or in default), if at the reporting date it is credit-impaired.

For due from related parties, an internal risk assessment process determines the credit quality of the counter-parties, considering their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management. As at 31 December 2021 and 2020, there are no assumptions to which a reasonably possible change may cause a material change to the provision for expected credit loss on due from related parties.

Credit risk on related parties is considered minimal as management monitors and reconciles amounts due from related parties on a regular basis and recoverability is not considered to be doubtful. Management does not expect any losses from non-performance by such related parties. At 31 December 2021 and 2020, the non-commercial portion of due from related parties' balance was in Stage 1 and the ECL allowance on related party receivables was immaterial.

Other financial assets:

Other financial assets at amortised cost include loans to employees and other receivables. The instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Management considers 'low credit risk' for loan to employees and other receivables. At 31 December 2021 and 2020, the ECL allowance on other financial assets was immaterial.

Cash at bank:

For banks, parties generally with a rating of P-1 are accepted. The stated rating is as per the global bank ratings by Moody's Investors Service. Management does not expect any losses from nonperformance by these counterparties. At 31 December 2021 and 2020, the ECL allowance on cash at bank was immaterial.

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22 Financial risk management (continued)

22.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The maturity of the Company's financial liabilities based on the remaining contractual maturity period at the reporting date is less than one year.

22.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Total capital for the Company is calculated as 'total equity' as shown in the statement of financial position.

During the years ended 31 December 2021 and 2020, the Company did not have any debt.

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22 Financial risk management (continued)

22.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company has established practices with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including level three fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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 statement of financial position.

Also refer to Note 25.

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23 Financial instruments

The financial instruments by measurement category are detailed in the table below:

	2021	2020
		(Restated)
Financial assets at amortised cost		
Other assets	2,638	3,524
Prepayments and other current assets	1,578	2,917
Due from related parties	988,191	-
Cash and cash equivalents	1,294,271	382,298
Total	2,286,678	388,739
Financial liabilities at amortised cost		
Due to related parties	1,175	234
Accrued and other liabilities	3,646	2,726
Total	4,821	2,960

Also refer to Note 25.

24 Contingencies and commitments

At 31 December 2020, the Company has contingencies in relation to bank guarantees issued in the normal course of business amounting to Saudi Riyals 2.4 million (31 December 2021: Nil).

Also refer to Note 25.

25 Restatement

Until 31 December 2020, the management of the Company consolidated SPCO and GPDC on the assessment that it had control over both SPCO and GPDC. During the three-month period ended 30 September 2021, the management of the Company reassessed the basis of this conclusion 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 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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25 Restatement (continued)

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 interests	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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25 Restatement (continued)

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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25 Restatement (continued)

Statement of profit or loss and other comprehensive income	For the year ended 31 December 2020		
	As previously reported	Restatement	As restated
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 net profit 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
Finance (costs) income - net	(56,326)	66,000	9,674
Other income (expenses) - 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	(22,744)	22,744	-
Profit for the year	356,969	(127,198)	229,771
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of employee benefit obligations	(32,952)	32,093	(859)
Deferred tax	2,246	(2,246)	-
Share of net other comprehensive loss of joint ventures accounted for using the equity method	-	(20,860)	(20,860)
Other comprehensive loss for the year	(30,706)	8,987	(21,719)
Total comprehensive income for the year	326,263	(118,211)	208,052
Profit for the year is attributable to:			
Shareholders of Petrochem	229,771	-	229,771
Non-controlling interest	127,198	(127,198)	-
	356,969	(127,198)	229,771
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 (Saudi Riyals)			
Basic and diluted	0.48	-	0.48

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25 Restatement (continued)

Statement of cash flows	For the year ended 31 December 2020		
	As previously reported	Restatement	As restated
Cash flows from operating activities			
Profit before zakat and income tax	413,250	(159,947)	253,303
Adjustments for:			
Depreciation	876,776	(876,242)	534
Impairment of property, plant and equipment	389,969	(389,969)	-
Gain on disposals of property, plant and equipment	(953)	953	-
Finance costs - net	56,326	(66,000)	(9,674)
Loss on modification of subordinated loan to a joint venture	-	1,151	1,151
Gain on modification of subordinated loan from non-controlling interest	(619)	619	-
Share of net profit of joint ventures accounted for using the equity method	-	(268,458)	(268,458)
Provision for employee benefit obligations	29,744	(29,366)	378
Changes in operating assets and liabilities:			
Increase in inventories	(99,387)	99,387	-
(Increase) decrease in prepayments and other current assets and loans to employees	(26,387)	27,199	812
Decrease in due from related parties	37,141	(36,181)	960
Decrease in trade receivables	121,214	(121,214)	-
Increase in trade payables	97,508	(97,508)	-
(Decrease) increase in due to related parties	(8,987)	9,443	456
Increase (decrease) in accrued and other liabilities	23,675	(23,734)	(59)
Cash generated from (utilized in) operations	1,909,270	(1,929,867)	(20,597)
Finance costs paid	(59,001)	59,001	-
Finance income received	10,088	(209)	9,879
Zakat and income tax paid	(102,616)	80,450	(22,166)
Employee benefit obligations paid	(12,094)	7,046	(5,048)
Dividends received from a joint venture	-	195,000	195,000
Zakat reimbursed to joint venture	-	(16,785)	(16,785)
Loans to employees paid	(5,339)	5,339	-
Net cash inflow from operating activities	1,740,308	(1,600,025)	140,283

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25 Restatement (continued)

Statement of cash flows	For the year ended 31 December 2020		
	As previously reported	Restatement	As restated
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	(23,666)	23,393	(273)
Proceeds from disposals of property, plant and equipment	5,591	(5,509)	82
Net cash outflow from investing activities	(18,075)	17,884	(191)
Cash flows from financing activities			
Proceeds from long-term borrowings	2,980,369	(2,980,369)	-
Repayments of long-term borrowings	(5,399,038)	5,399,038	-
Repayment of subordinated loan from a joint venture	(182,077)	520,217	338,140
Dividends paid	(240,000)	-	(240,000)
Principal elements of lease payments	(15,112)	15,112	-
Dividends paid by a subsidiary to non-controlling interest	(105,000)	105,000	-
Income tax reimbursed by non-controlling interest	50,535	(50,535)	-
Net cash (outflow) inflow from financing activities	(2,910,323)	3,008,463	98,140
Net change in cash and cash equivalents	(1,188,090)	1,426,322	238,232
Cash and cash equivalents at beginning of year	2,485,617	(2,341,551)	144,066
Cash and cash equivalents at end of year	1,297,527	(915,229)	382,298
Non-cash operating, investing and financing activities:			
Right-of-use assets recorded against lease liabilities	15,529	(15,529)	-
Amortization of transaction costs	10,217	(10,217)	-
Accrued capital expenditure	1,410	(1,410)	-
Transfer of employee benefit obligations from a joint venture	1,702	(311)	1,391