

**NAMA CHEMICALS COMPANY AND
SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM FINANCIAL
STATEMENTS AND AUDITOR'S REPORT
(LIMITED REVIEW) FOR THE THREE
MONTHS AND NINE MONTHS PERIODS
ENDED SEPTEMBER 30, 2016**

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

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(LIMITED REVIEW)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

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**AUDITOR'S REPORT (LIMITED REVIEW)
ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To the stockholders of
NAMA Chemicals Company
(Saudi Joint Stock Company)
Al-Jubail, Kingdom of Saudi
Arabia

Scope of Review

We have reviewed the accompanying consolidated interim balance sheet of NAMA Chemicals Company (Saudi Joint Stock Company) and subsidiaries (hereinafter referred to as "the Group") as of September 30, 2016 and the related consolidated interim statements of income for the three months and nine months periods then ended and consolidated interim statement of cash flows for the nine months then ended, and the attached notes 1 to 15 which form an integral part of these consolidated interim financial statements. These consolidated interim financial statements are the responsibility of the Company's management and have been prepared by them and presented to us with all necessary information and explanations which we required.

We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

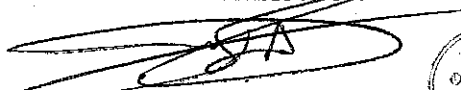
Observation

"The Group has incurred gross losses in the current consolidated interim financial statements and in previous years (2015 and 2014). These results are indicative of impairment in property, plant and equipment. As explained in note 4 to the consolidated interim financial statements, the Group is conducting an impairment review to determine the extent of impairment across assets, if any. At present the amount of impairment, has not been quantified and as such we were unable to determine whether any adjustment was required in respect of impairment of property, plant and equipment. Further, the going concern assumption of the Company depends on the materialization of its plans mentioned in note 1 to the accompanying consolidated interim financial statements."

Review Result

Based on our limited review, with the exception of the matter described in the preceding paragraph, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with generally accepted accounting principles in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.


Gihad M. Al-Amri
Certified Public Accountants
Registration No. 362



October 17, 2016 G
Muharram 16, 1438 H

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2016**

	Notes	2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)
ASSETS			
Current assets			
Cash and cash equivalents		82,630	108,649
Time deposits		157,906	156,900
Trade receivables		97,233	115,982
Inventories		84,999	98,975
Advances, prepayments and other receivables		21,468	16,919
Total current assets		444,236	497,425
Non-current assets			
Available for sale investments		105,415	128,037
Other non-current assets		7,999	8,185
Cost of projects under development	3	196,506	134,864
Property, plant and equipment	4	1,599,093	1,673,646
Intangible assets		26,600	33,683
Total non-current assets		1,935,613	1,978,415
TOTAL ASSETS		2,379,849	2,475,840
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Short term borrowings	5	87,222	70,679
Current portion of long-term debts	6	423,280	257,279
Accounts payable		72,523	58,529
Accrued expenses and other payables		115,498	86,234
Current portion of interest rate swap		277	-
Total current liabilities		698,800	472,721
Non-current liabilities			
Long-term debts	6	610,625	809,750
End-of-service indemnities		41,855	34,483
Interest rate swap		-	1,883
Total non-current liabilities		652,480	846,116
Stockholders' equity			
Share capital	1	1,285,200	1,285,200
Statutory reserve	7	-	-
Change in fair value of available for sale investments		66,740	79,900
Foreign currency translation adjustments		(643)	(625)
Accumulated losses		(322,728)	(207,472)
Total stockholders' equity		1,028,569	1,157,003
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,379,849	2,475,840

The accompanying notes from 1 to 15 form an integral part of these consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

	From July 1 to September 30,		From January 1 to September 30	
	2016	2015	2016	2015
	SR'000	SR'000	SR'000	SR'000
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Sales	96,970	110,470	321,725	352,092
Cost of sales	(110,536)	(122,458)	(353,955)	(361,475)
Gross loss	(13,566)	(11,988)	(32,230)	(9,383)
Selling and marketing expenses	(10,924)	(9,115)	(33,194)	(27,039)
General and administrative expenses	(7,397)	(7,637)	(24,910)	(23,193)
Loss from operations	(31,887)	(28,740)	(90,334)	(59,615)
Financial expenses	(9,388)	(7,424)	(24,879)	(22,984)
Change in interest rate swap position	-	(54)	572	1,094
Investment income, net (note 8)	4,002	8,161	6,895	22,768
Other income, net	5,985	5,702	22,325	14,908
Net loss before zakat	(31,288)	(22,355)	(85,421)	(43,829)
Zakat (note 9)	(1,332)	(1,614)	(3,997)	(4,843)
NET LOSS	(32,620)	(23,969)	(89,418)	(48,672)
(Loss) earnings per share – note 10				
Loss per share from net loss (in SR)	(0.25)	(0.18)	(0.70)	(0.38)
Loss per share from continuing main operations (in SR)	(0.33)	(0.29)	(0.93)	(0.68)
Earnings per share from other operations (in SR)	0.08	0.11	0.23	0.30
Weighted average number of shares	128,520,000	128,520,000	128,520,000	128,520,000

The accompanying notes from 1 to 15 form an integral part of these consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2016**

	2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before zakat	(85,421)	(43,829)
Adjustments for:		
Depreciation	73,542	74,128
Amortization	5,312	5,312
End-of-service benefits	6,903	5,642
(Gain) loss on disposal of property, plant and equipment	(24)	430
Surplus realized on disposal of available for sale investments	-	(16,770)
Change in interest rate swap position	(572)	(1,094)
Changes in operating assets and liabilities		
Trade receivables	1,883	36,075
Inventories	(7,189)	(31,683)
Advances, prepayments and other receivables	(7,508)	(1,619)
Accounts payable, accrued expenses and other payables	47,993	(40,709)
Cash used in operations	<u>34,919</u>	<u>(14,117)</u>
End-of-service benefits paid	(908)	(2,796)
Zakat paid	(5,048)	(6,404)
Net cash from (used in) operating activities	<u>28,963</u>	<u>(23,317)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(22,872)	(1,929)
Additions to cost of projects under development	(33,050)	(46,526)
Change in other non-current assets	186	692
Change in time deposits more than three months maturity	2,244	-
Proceeds from sale of available for sale investments	24	31,133
Net cash used in investing activities	<u>(53,468)</u>	<u>(16,630)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in short term borrowings – net	15,163	(7,903)
Long term debts obtained	-	5,000
Repayment of long term debts	(27,274)	(17,550)
Net cash used in financing activities	<u>(12,111)</u>	<u>(20,453)</u>
Net change in cash and cash equivalents	<u>(36,616)</u>	<u>(60,400)</u>
Foreign exchange differences on foreign operations	21	(22)
Cash and cash equivalents, January 1	119,225	169,071
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>82,630</u>	<u>108,649</u>
<u>Non cash transaction:</u>		
Project under development transferred to property, plant and equipment	-	5,719

The accompanying notes from 1 to 15 form an integral part of these consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

1. ORGANIZATION AND ACTIVITIES

NAMA Chemicals Company (the Company) ("NAMA") is a Saudi Joint Stock Company registered in Al-Jubail Industrial City under the commercial registration number 2055007420. The share capital of the Company amounts to SR 1,285.2 million divided into 128.52 million shares of SR 10 each.

The subsidiaries of NAMA are as follows:

Al-Jubail Chemical Industries Co. ("JANA"), a limited liability company, is owned 95% by NAMA and 5% by NAMA Industrial Investment Company, a subsidiary of NAMA. On February 25, 2012 the Board of Directors of NAMA resolved to increase the share capital of JANA by SR 109 million from SR 666 million to SR 775 million by way of transfer of loans payable to NAMA to share capital. The legal formalities associated with the increase in the share capital were completed in 2012.

Arabian Alkali Company ("SODA"), a limited liability company, is owned 90% by NAMA and remaining 10% by JANA.

NAMA Industrial Investment Company, a limited liability company, is owned 95% by NAMA and 5% by SODA.

NAMA Europa GMBH, a limited liability company incorporated in Switzerland, is owned 99% by NAMA Industrial Investment Company and 1% by NAMA. The shareholding was notified in the commercial registry in Bern vide-CH-036.4.041.685-B.

The principal activities of NAMA and its subsidiaries ("the Group"), each of which operates under individual commercial registration, are to own, establish, operate and manage industrial projects in the petrochemical and chemical fields.

The Group incurs costs on projects under construction and development and subsequently establishes a separate company for each project that has its own commercial registration. Costs incurred by the Group are transferred to the separate company when it is established.

In order to improve the profitability and financial position the Company has entered into a long term agreement with Huntsman Europe to supply its products for an initial period of 5 years which can be renewed for further periods. In addition, the Company has decided to produce special grade products as well as import substitution products to the Kingdom of Saudi Arabia. To raise the necessary funds for this project, the Company has decided to increase its share capital through a rights issue and is negotiating with the lenders to reschedule the long term loans to improve its cash flow position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim consolidated financial statements have been prepared in accordance with the Standard for Interim Financial Information issued by the Saudi Organization for Certified Public Accountants. Significant accounting policies adopted by the Group are summarized as follows:

Accounting estimates

Preparing consolidated interim financial statements requires management to use assumptions and estimates which have an impact over the consolidated interim balance sheet and consolidated interim statement of income. The actual results may differ from these estimates.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

Accounting convention

The consolidated interim financial statements are prepared under the historical cost convention except for derivatives and available for sale investments which are stated at fair value.

Principles of consolidation

The consolidated interim financial statements include the accounts of NAMA and its subsidiaries after eliminating significant inter-company balances and transactions between the Company and its subsidiaries.

Cash and cash equivalents

Cash and cash equivalents comprise cash, time deposits and highly liquid investments with original maturities of three months or less.

Trade receivables

Trade receivables are carried at their original amount less provision made for doubtful accounts. An allowance for doubtful accounts is established when there is significant doubt that the Group will be able to collect all amounts due according to the original terms of trade receivables.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined, for finished goods, on a weighted average cost basis and includes cost of materials, labour and an appropriate proportion of direct overheads. All other inventories are valued on a weighted average cost basis.

Investments

Investments in financial instruments are classified according to Group's intent with respect to these securities. Investments in companies whose shares are not readily marketable and in which NAMA owns less than 20% of the share capital are accounted for at cost. Impairment in value is recorded in the period in which the impairment is determined and charged to the consolidated interim statement of income. Dividends are recorded when received.

Investments in funds and marketable securities classified as available for sale are stated at market values. Changes in market values are credited or debited to stockholders' equity. The carrying amount of such investments is reduced to recognize any impairment in the value of the individual investment.

Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting is recognized in the consolidated interim statement of income as they arise.

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability that is already recognized in the balance sheet. The gain or loss from the change in the fair value of the hedging instrument is recognized immediately in the consolidated interim statement of income. At the same time, the carrying amount of the hedged item is adjusted for the corresponding gain or loss since the inception of the hedge, which is also immediately recognized in the consolidated interim statement of income.

A cash flow hedge is a hedge of the exposure to variability in cash flows relating to a recognized asset or liability, an unrecognized firm commitment or a forecasted transaction. To the extent that the hedge is effective, the portion of the gain or loss on the hedging instrument is recognized initially directly in stockholders' equity. Subsequently, the amount is included in the consolidated interim statement of income in the same period or periods during which the hedged item affects net profit or loss. For hedges of forecasted transactions, the gain or loss on the hedging instrument will adjust the recorded carrying amount of the acquired asset or liability.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease.

The estimated useful lives of the principal classes of assets are as follows:

	<u>Years</u>
Buildings and improvements on lease land	20 - 40
Plant and machinery	5 - 30
Vehicles	4
Furniture, fixtures and office equipment	5 - 10

Cost of assets disposed of and the related accumulated depreciation are removed from the consolidated interim financial statements and the resulting gain or loss is taken to the consolidated interim statement of income, at the time of disposal of assets.

Intangible assets

Intangible assets principally represent pre-operating costs, deferred charges, front-end fee and enterprise resource planning (ERP) solution program implementation costs. The pre-operating costs and ERP solution program implementation costs are amortized on the straight-line method over 5 to 7 years from date of commencement of commercial operations of the consolidated subsidiary. The front-end fees charged by lenders of loan are amortized over the terms of the loans.

Deferred charges principally represent pre-operating costs incurred, prior to commencement of commercial operations of the projects. These charges were reduced by the revenue generated by the sale of products manufactured during the commissioning stage. Deferred charges are amortized on the straight-line method over seven years from the dates of commencement of commercial operations of the projects.

Impairment

As of each consolidated interim balance sheet date, the Group reviews the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized as income immediately.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

Provision for obligation

A provision is recognized in the consolidated interim balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

End-of-service indemnities

End-of-service indemnities, required by Saudi Arabian labour law, are provided in the consolidated interim financial statements based on the employees' length of service.

Revenue recognition

Sales are recognized upon delivery of goods to customers. Investment income, principally commissions on time deposits, is recognized on accruals basis.

Expenses

Selling and distribution expenses principally comprise of costs incurred in the sale and distribution of the Group's products and services. All other expenses, except finance and other charges, are classified as general and administrative expenses.

General and administrative expenses include indirect costs not specifically part of cost of sales as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales, when required, are made on a consistent basis.

Borrowing costs

Borrowing costs directly attributable to cost of projects under development are added to the cost of the project until such time as the project is ready for its intended use. Investment income earned on temporary investment of specific borrowings pending their expenditure on the project under construction is deducted from the borrowing costs eligible for capitalization.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Saudi Riyals at exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into Saudi Riyals at exchange rates prevailing at the balance sheet date. Exchange gains or losses are credited or charged to the consolidated interim statement of income.

The Group's books of accounts are maintained in Saudi Riyals. Assets and liabilities of foreign subsidiary are re-translated in Saudi Riyals at the exchange rate in effect at the date of consolidated interim balance sheet. The components of foreign subsidiary's equity accounts, except retained earnings are translated at the exchange rates in effect at the dates when the related items originated. The elements of foreign subsidiary's interim income statement are translated using the weighted average exchange rate for the period. Adjustments resulting from the translation of foreign subsidiary's interim financial statements into Saudi Arabian Riyals are reported as a separate component of equity attributable to stockholders of the Group in the consolidated interim financial statements.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

Zakat

NAMA and its subsidiaries are subject to zakat in accordance with the regulations of the General Authority of Zakat and Income Tax ("GAZT"). The foreign subsidiary is subject to tax regulations in the country of incorporation. Zakat is recorded at the quarter end based on quarter end figures and any difference between the estimate and the actual is adjusted at the fourth quarter. Any difference between the estimate and final assessment is recorded when settled.

Leasing

Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the operating lease.

Segmental Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographical segment), which is subject to risks and rewards that are different from those of the other segments. Because the Group carries out its activities in the Kingdom of Saudi Arabia and abroad reporting is provided by products and geographical segments.

3. COST OF PROJECTS UNDER DEVELOPMENT

The balance of cost of projects under development as of September 30, 2016 comprised the Employee Housing Project which included construction costs under various agreements and directly attributable costs to bring the asset to the location and working condition necessary for it to be capable of operating in a manner intended by the management. Directly attributable costs includes employee benefits, site preparation costs, and construction costs. Interest cost capitalized during the period is SR 3.6 million (2015: SR 2.99 million).

4. PROPERTY, PLANT AND EQUIPMENT

The Group has been undertaking a review of the carrying amounts of its non-current assets to determine whether such assets have suffered an impairment loss as there are significant indications of such impairment. The review is still in progress at reporting date and is expected to be completed during fourth quarter of 2016. The results of the impairment will be included in the consolidated interim financial statements of the Group, if any.

5. SHORT TERM BORROWINGS

The Group has obtained short term working capital facilities with local banks. Commission is charged at commercial rates. The short term loans are secured by the promissory notes.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

6. CURRENT PORTION OF LONG TERM LOANS

- The loan installment of SR.207.58 million relating to Saudi Industrial Development Fund (SIDF) loan, due on July 20, 2016 corresponding to Shawwal 15, 1437, has been agreed by SIDF to merge this installment with the next installment, which will be due on January 14, 2017 corresponding to Rabi Al-Thani 16, 1438.
- The loan installment of SR. 26.30 million relating to Al Jazeera Bank was partly settled. The remaining amount will be paid with the next installment due on December 14, 2016 corresponding to Rabi Al- Awwal 15, 1438 as agreed with the banks.

One of the subsidiary has not complied with the covenant requirements of maintaining certain financial ratios of its loan agreements. However, the management of the Group believes that the lenders will not demand immediate repayment of the loans, as a result of breach of covenants, and accordingly, the management has classified loans as current and non-current in accordance with the original loan repayment schedules.

7. STATUTORY RESERVE

In accordance with its Articles of Association, NAMA allocates 10% of its net income each year to form a statutory reserve until such reserve equals 50% of its share capital. This reserve is not available for dividend distributions.

As the Company has loss in the current and prior period, no allocation has been made to the statutory reserve.

8. INVESTMENT INCOME

	From January 1 to September 30	
	2016	2015
	SR'000	SR'000
	(Un-audited)	(Un-audited)
Interest on Time Deposits	1,883	986
Dividend income	5,012	5,012
Gain on disposal of available for sale investments	-	16,770
	<u>6,895</u>	<u>22,768</u>

9. ZAKAT

The Group has yet to receive the final zakat assessments for the years 2000 to 2015 as these are still under review by the General Authority of Zakat and Income Tax (GAZT), except for subsidiaries JANA and SODA for which the final zakat assessments for the years from 2003 to 2015 and from 2008 to 2015 respectively are under review by the GAZT.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

10. (LOSS) EARNINGS PER SHARE

Loss per share from net loss is computed by dividing net loss for the periods with the weighted average number of shares outstanding during the periods.

Loss per share from the continuing main operations is computed by dividing loss from operations after finance charges and zakat for the period with the weighted average number of shares outstanding during the periods.

Earnings per share from other operations are computed by dividing the total investment income, change in interest rate swap position and other income net, with the weighted average number of shares outstanding during the periods.

11. SEGMENTAL ANALYSIS

a) As of September 30, analysis of sales, operating loss and net assets by activities:

	Sales		Operating loss		Net assets	
	For the nine months ended September 30, 2016, SR 000	For the nine months ended September 30, 2015, SR 000	For the nine months ended September 30, 2016, SR 000	For the nine months ended September 30, 2015, SR 000	As of September 30, 2016, SR 000	As of September 30, 2015, SR 000
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
Epoxy resin products	209,226	277,284	(52,221)	(21,225)	207,825	286,433
Chlor Alkali products	127,279	120,236	(30,573)	(31,533)	31,202	91,885
Others	-	-	(7,540)	(6,857)	1,087,516	1,198,113
Total	336,505	397,520	(90,334)	(59,615)	1,326,544	1,576,431
Inter-company eliminations	(14,780)	(45,428)	-	-	(297,974)	(419,428)
Net	321,725	352,092	(90,334)	(59,615)	1,028,569	1,157,003

Nama Chemicals Company and NAMA Industrial Investment Company have been grouped as part of "Others" as these are holding companies.

**NAMA CHEMICALS COMPANY AND SUBSIDIARIES
(SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2016**

a) As of September 30, analysis of sales and operating income by geographical location:

	Sales		Operating loss	
	For the nine months ended September 30, 2016, SR 000	For the nine months ended September 30, 2015, SR 000	For the nine months ended September 30, 2016, SR 000	For the nine months ended September 30, 2015, SR 000
	Un-audited	Un-audited	Un-audited	Un-audited
Export sales	211,917	225,807	(56,512)	(28,953)
Local sales	124,588	171,713	(26,282)	(23,805)
Others	-	-	(7,540)	(6,857)
Total	336,505	397,520	(90,334)	(59,615)
Inter-company Eliminations	(14,780)	(45,428)	-	-
Net	321,725	352,092	(90,334)	(59,615)

12. COMMITMENTS AND CONTINGENCIES

As of September 30, 2016, the Group has outstanding letters of credit and letters of guarantee of SR 34.09 million (2015: SR 12.09 million) issued in the normal course of business.

As of September 30, the Group had the following capital commitments:

	2016 SR'000 (Un-audited)	2015 SR'000 (Un-audited)
Commitments for the acquisition/construction of property, plant and equipment	24,994	77,455

13. RESULTS OF INTERIM PERIOD

The results of the interim periods are not an indicator of the annual operating results.

14. COMPARATIVE FIGURES

Certain figures for 2015 have been reclassified to conform to the presentation in current period.

15. APPROVAL OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These consolidated interim financial statements have been approved by the management on October 17, 2016 corresponding to Muharram 16, 1438.