

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2019
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The shareholders

Nama Chemicals Company
(A Saudi Joint Stock Company)
Jubail Industrial City - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Nama Chemicals Company ("the Company") (a Saudi joint stock company) and its subsidiaries (collectively referred to as "the Group") as of March 31, 2019, the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. 34, as endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which states that the accompanying consolidated financial statements have been prepared assuming that the group will continue as a going concern. As at March 31, 2019, the current liabilities of the Group exceeded its current assets by SR 628.9 million (December 31, 2018: SR 623.4 million) mainly on account of current portion of SIDF's long term loan amounting to SR 591.3 million (December 31, 2018: SR 591.3 million). Additionally, the group was in breach of its loans financial covenants. On October 25, 2018, the Company received a letter from Saudi Industrial Development Fund (SIDF) stating that the fund has rejected NAMA's request for restructuring of its loans. The management of the company is currently following up with SIDF to address the issues raised in the aforementioned letter and accordingly rectify them to enable the company to resume negotiations for restructuring of the loans.

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

Emphasis of Matter (Continued)

Subsequent to October 25, 2018, new members have been appointed in the Board of Directors of the Company. As per management, the new members of Board of Directors are rigorously following up with SIDF for the restructuring of the loans and management is confident that the Group will ultimately be successful in the restructuring of SIDF loan and resolving the breach. Furthermore, as per management, the fund has performed an extensive due diligence on the company with a third party, results of which are expected to be available in the near future and will be used for the assessment relating to rescheduling of the loans. Accordingly, the accompanying consolidated financial statements are prepared on going concern basis and the loans are continued to be classified as per their original terms of repayment except for SIDF loan, which is fully classified as current portion.

**Al-Bassam & Co.
Allied Accountants**

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May 8, 2019
3 Ramadan, 1440 H



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NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS			
Non- current assets			
Property, plant and equipment	4	758,834	753,654
Investment properties		117,229	127,021
Investments		148,972	127,919
Long term prepaid employees' benefits		159,605	155,305
		<u>1,184,640</u>	<u>1,163,899</u>
Current assets			
Inventories		84,470	85,939
Trade receivables		106,949	112,397
Advances, prepayments and other receivables		23,901	21,166
Cash and cash equivalents		16,844	19,388
		<u>232,164</u>	<u>238,890</u>
TOTAL ASSETS		<u>1,416,804</u>	<u>1,402,789</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	1	235,200	235,200
Other reserves		139,132	118,084
Accumulated losses		(22,306)	(20,087)
Treasury shares		(2,911)	(2,911)
Total equity		<u>349,115</u>	<u>330,286</u>
LIABILITIES			
Non-current liabilities			
Long term loans – non-current portion	5	122,972	136,611
Employees' end of service benefits		48,513	46,537
Accrued expenses and other liabilities – non-current portion		21,849	27,042
Lease liabilities – non-current portion	6	13,320	-
		<u>206,654</u>	<u>210,190</u>
Current liabilities			
Long term loans – current portion	5	645,836	645,836
Short term loans	5	46,194	50,194
Trade and other payables		66,991	66,853
Accrued expenses and other liabilities – current portion		99,636	99,430
Lease liabilities – current portion	6	2,378	-
		<u>861,035</u>	<u>862,313</u>
Total liabilities		<u>1,067,689</u>	<u>1,072,503</u>
TOTAL EQUITY AND LIABILITIES		<u>1,416,804</u>	<u>1,402,789</u>

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors, on behalf of shareholders and were signed on its behalf on May 8, 2019.

Chief Financial Officer

Chief Executive Officer

Chairman

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

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three months periods ended	
		March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Sales	9	148,260	181,841
Cost of sales		(121,636)	(129,427)
Gross profit		26,624	52,414
Selling and distribution expenses		(10,113)	(7,831)
General and administrative expenses		(10,050)	(7,892)
Operating profit		6,461	36,691
Finance charges		(6,681)	(7,298)
Investment income, net		-	17
Other (expense)/ income, net		(756)	506
(Loss)/ profit before zakat		(976)	29,916
Zakat		(1,243)	(1,752)
Net (loss)/ profit for the period		(2,219)	28,164
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Change in fair value of equity instruments at fair value through other comprehensive income		21,053	28,491
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(5)	20
Total other comprehensive income		21,048	28,511
Total comprehensive income for the period		18,829	56,675
(Loss)/ earnings per share			
- Basic	11	(0.09)	1.19
- Diluted	11	(0.09)	1.20

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors, on behalf of shareholders and were signed on its behalf on May 8, 2019.

Chief Financial Officer

Chief Executive Officer

Chairman

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NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
 (All amounts in Saudi Riyals thousands unless otherwise stated)

	Share Capital	Other reserves	Accumulated losses	Treasury Shares	Total
Balance at January 1, 2018 (Audited)	235,200	97,290	(55,362)	(2,911)	274,217
Net profit for the period	-	-	28,164	-	28,164
Other comprehensive income	-	28,511	-	-	28,511
Total comprehensive income for the period	-	28,511	28,164	-	56,675
Balance at March 31, 2018 (Unaudited)	<u>235,200</u>	<u>125,801</u>	<u>(27,198)</u>	<u>(2,911)</u>	<u>330,892</u>
Balance at January 1, 2019 (Audited)	235,200	118,084	(20,087)	(2,911)	330,286
Net loss for the period	-	-	(2,219)	-	(2,219)
Other comprehensive income	-	21,048	-	-	21,048
Total comprehensive income/ (loss) for the period	-	21,048	(2,219)	-	18,829
Balance at March 31, 2019 (Unaudited)	<u>235,200</u>	<u>139,132</u>	<u>(22,306)</u>	<u>(2,911)</u>	<u>349,115</u>

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Chief Financial Officer

Chief Executive Officer

Chairman

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NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the three months periods ended	
	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/ profit for the period	(2,219)	28,164
<i>Adjustments for:</i>		
Depreciation and amortization	15,130	15,416
Provision for Zakat	1,243	1,752
Finance charges	6,681	7,298
Settlement of long term prepaid employee benefits	1,352	860
Loss on transfer of investment property to HOP program	2,567	-
Provision for employees' end of service benefits	2,056	1,383
	26,810	54,873
<i>Working capital adjustments:</i>		
Inventories	1,469	(7,495)
Trade receivables	5,448	(32,479)
Advances, prepayments and other receivables	(3,272)	(13,059)
Trade and other payables	138	19,653
Accrued and other liabilities	(5,169)	(5,283)
Cash generated from operations	25,424	16,210
Finance charges paid	(8,227)	(5,627)
Employees' end of service benefits paid	(80)	(794)
Net cash generated from operating activities	17,117	9,789
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,017)	(829)
Net cash used in investing activities	(2,017)	(829)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in short term loans	(4,000)	(52,711)
Repayment of long term loans	(13,639)	43,769
Net cash used in financing activities	(17,639)	(8,942)
Net change in cash and cash equivalents	(2,539)	18
Exchange differences on translation of foreign operations	(5)	20
Cash and cash equivalents at January 1,	19,388	28,575
Cash and cash equivalents at March 31,	16,844	28,613
Non cash transactions:		
Change in fair value of investments	21,053	28,491
Recognition of right of use asset on adoption of IFRS 16	16,183	-

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors, on behalf of shareholders and were signed on its behalf on May 8, 2019.

Chief financial Officer

Chief Executive Officer

Chairman

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

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

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 registered office of the Company is situated in Al- Jubail, Kingdom of Saudi Arabia. The share capital of the Company amounts to SR 235.2 million divided into 23.52 million shares of SR 10 each.

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 and engaged in real estate operations.

The Company's registered address is P.O. Box 11919, Jubail Industrial City 31961, Kingdom of Saudi Arabia.

These consolidated condensed interim financial statements have been prepared assuming that the Group will continue as a going concern. As at March 31, 2019, the current liabilities of the Group exceeded its current assets by SR 628.8 million (December 31, 2018: SR 623.4 million) mainly on account of current portion of SIDF's long term loan amounting to SR 591.3 million (December 31, 2018: SR 591.3 million). On October 25, 2018, the Company received a letter from Saudi Industrial Development Fund (SIDF) stating that the fund has rejected NAMA's request for restructuring of its loans. The management of the company is currently following up with SIDF to address the issues raised in the aforementioned letter and accordingly rectify them to enable the company to resume negotiations for restructuring of the loans. Subsequent to October 25, 2018, new members have been appointed in the Board of Directors of the Company. As per management, the new members of Board of Directors are rigorously following up with SIDF for the restructuring of loans and management is confident that the Group will ultimately be successful in the restructuring of SIDF loans. Furthermore, as per management the fund has performed an extensive due diligence on the company with a third party, results of which are expected to be available in the near future and will be used for the assessment relating to rescheduling of the loans.

As at December 31, 2018, the accumulated losses of one of the subsidiaries, JANA, has reached to more than 50% of its share capital. The shareholders of JANA in 2016 had resolved to continue JANA and to provide it with the necessary financial support as deemed required. JANA performance over the previous year/ periods has improved significantly resulting in net profit during the year ended December 31, 2018. Further, the Group has not complied with the covenants requirements of its loan agreements to maintain certain financial ratios. However, the management is in the process of taking necessary remedial actions in this regard. Management believes that the Group will be successful in resolving the breach in near future. Accordingly, these loans are continued to be classified as per the original terms of repayment, except for SIDF loan, which is fully classified to current portion (Note 5).

The Board of Directors of the Company in their meeting held on July 28, 2018 recommended to the shareholders of the Company to increase the share capital of the Company by Saudi Riyals SR 200 million through right issue. The decision is taken in continuance of the Board's resolution to increase the share capital by SR 400 million previously passed in their meeting held in August 7, 2016. An application for right issue has been submitted to Capital Market Authority (CMA) on October 11, 2018. During the period ended March 31, 2019, rights issue has been approved by the CMA. Furthermore, the new board in its meeting held on February 24, 2019, resolved to reconsider the increase in capital that was previously announced, as the board believes that this matter needs to be studied further.

1.1 Structure of the group

The condensed consolidated interim financial statements include the financial statements of the company and the following subsidiaries:

Al-Jubail Chemical Industries Company ("JANA"), a limited liability Company, is owned 95% by NAMA and 5% by NAMA Industrial Investment Company, a subsidiary of NAMA.

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES (Continued)

1.1 Structure of the group (Continued)

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-036.4.041.685-8.

NAMA Germany GMBH, a limited liability Company incorporated in Germany, is fully owned by NAMA Europa GMBH.

NAMA has effectively 100% ownership in these subsidiaries. The above wholly owned subsidiaries, including its assets, liabilities and results of operations are included in the accompanying condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements for the three months period ended 31 March 2019, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. The accompanying condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2018. The Company has adopted IFRS 16 "Leases" from 1 January 2019 and accordingly, the accounting policies for new standard are disclosed in note 3.3.

2.2 Preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are prepared under the historical cost convention, as modified for financial assets at fair value through other comprehensive income and by using the actuarial basis for employees' end of service benefits, on the accrual basis of accounting. The principal accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2018, except for the adoption of new and amended standards as disclosed in note 3.3.

The preparation of these condensed consolidated interim financial statements in conformity with IFRS required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed consolidated interim financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation related to the application of IFRS 16 which are disclosed in note 3.3.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is the functional and presentation currency of the Group.

NAMA CHEMICALS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies adopted by the Group:

3.1 Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Group detailed in note 1.1. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the condensed consolidated interim statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Condensed consolidated interim statement of profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the shareholders of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.2 New Standards, Amendments to Standards and Interpretations

The Group has adopted IFRS-16 Leases from January 1, 2019. The impact of adoption of IFRS 16 is disclosed in the note 3.3. A number of other new standards, interpretations and amendments to the standards are effective from January 1, 2019, but they don't have material effect on the Group's condensed consolidated interim financial statements.

There are number of amendments to standards, which are effective from January 1, 2020, however, management anticipates that these amendments will not have any material impact on adoption in the Group's condensed consolidated interim financial statements.

NAMA CHEMICALS COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Change in accounting policy

IFRS 16 – Leases

IFRS 16 replaces IAS 17 ‘Leases’, IFRIC 4 ‘Determining whether an Arrangement contains a Lease’, SIC 15 ‘Operating Leases-Incentives’ and SIC 27 ‘Evaluating the Substance of Transactions Involving the Legal Form of a Lease’.

IFRS 16 ‘Leases’ introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the previous standard – i.e. lessors continue to classify leases as finance or operating leases.

In accordance with the transition provisions in IFRS 16, the Group has adopted IFRS 16 retrospectively with the cumulative effect of initially applying the new standard recognised on January 1, 2019. Comparatives for 2018 financial year have not been restated.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases, which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 6%.

Impact of adoption of IFRS 16

	<u>January 1, 2019</u>
Operating lease commitments as at December 31, 2018	22,279
Lease liability recognised as at January 1, 2019 (discounted using the group’s incremental borrowing rate at the date of initial application)	16,183

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rule had always been applied as of January 1, 2019. Right-of-use assets for property leases were measured at the amount equal to lease liability, adjusted by the amount of prepayments related to that leases recognized in the statement of financial position as at December 31, 2018. Property, plant and equipment increased by an amount of SR 16.7 million and prepayments reduced by SR 0.54 million on January 1, 2019.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 The Group acquired assets in three months ended March 31, 2019 amounting to SR 2.02 million (March 31, 2018: SR 0.8 million).

4.2 Property, plant and equipment include the following right of use assets relate to Group’s leases:

	<u>March 31, 2019</u> <u>(Unaudited)</u>	<u>January 1, 2019</u> <u>(Unaudited)</u>
Right of use assets:		
Lands	13,839	13,965
Pipeline	1,462	1,491
Vehicles	1,234	1,264
	<u>16,535</u>	<u>16,720</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019
(All amounts in Saudi Riyals thousands unless otherwise stated)

5. LOANS

Short term loans

JANA, one of the subsidiaries of the Group, obtained bank facilities from local banks for short-term loans and letters of credits. These facilities bear interest at rate based on SIBOR plus a margin. These facilities are secured by a corporate guarantee from NAMA.

Long term loans

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
SIDF Loan (note 5.1)	591,279	591,279
Tawarruq financing (note 5.2)	114,903	123,111
Murabaha loans (note 5.3)	62,626	68,057
	768,808	782,447
Less: current portion	(645,836)	(645,836)
Long term loans – non-current portion	122,972	136,611

5.1 SIDF Loan

During 2018, the Group received a demand letter from SIDF for the payment of its outstanding balance accordingly the entire loan is being shown as current. The management of the company is currently in the process of negotiating for the restructuring of the loan with SIDF. Management believes that the Group will be successful in restructuring of SIDF loan in the near future.

SIDF loan covenants include maximum limits for capital expenditure and maintenance of certain financial ratios during the period of the loan. The loan is secured against the mortgage of the property, plant and equipment of JANA and personal and/or corporate guarantees of the shareholders.

5.2 Tawarruq financing

This loan is obtained from Jazira Bank is repayable in 57 equal monthly installments of SR 2.7 million starting from January 31, 2018. The bank loan covenants include maintenance of certain financial ratios during the period of the loan. It is subject to mark-up at SIBOR plus margin and is secured by promissory notes.

5.3 Murabaha loans

This loan includes two loan tranches obtained from Alawwal Bank. The first tranche is repayable in 47 equal monthly installments of SR 0.75 million starting from March 26, 2018. It is subject to mark-up at SIBOR plus margin and is secured by promissory notes.

The second Alawwal Bank tranche is repayable in 47 equal monthly installments of SR 1.06 million starting from March 12, 2018. The bank loan covenants include maintenance of certain financial ratios during the period of the loans. It is subject to mark-up at SIBOR plus margin and is secured by promissory notes.

6. LEASE LIABILITIES

	March 31, 2019 (Unaudited)	January 1, 2019 (Unaudited)
Current portion	2,378	2,378
Non-current portion	13,320	13,805
	15,698	16,183

NAMA CHEMICALS COMPANY
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7. CONTINGENCIES AND COMMITMENTS

(a) The Group's outstanding contingencies and commitments were as follows:

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Letters of credit	<u>13,181</u>	<u>25,310</u>
Letters of guarantee	<u>8,108</u>	<u>7,758</u>

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties consist of subsidiaries, affiliates, Board of Directors, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. The transactions are dealt with on mutually agreed terms and the terms and conditions on these transactions are approved by the Group's management.

Transactions with key management personnel are as follows:

	For the three months ended March 31, 2019 (Unaudited)	For the three months ended March 31, 2018 (Unaudited)
Short term benefits	<u>1,119</u>	<u>993</u>
Employees' end of service benefits	<u>114</u>	<u>99</u>
	<u>1,233</u>	<u>1,092</u>

9. SEGMENTAL INFORMATION

Consistent with the Group's internal reporting process, business segments have been approved by management in respect of the Group's activities. The Group's sales, net loss, assets and liabilities, by business segment, are as follows:

	Epoxy resin products	Chlor Alkali products	Inter-Group eliminations	Others	Total
For the period March 31, 2019 - Unaudited					
Revenue	86,233	61,344	(4,529)	5,212	148,260
Net (loss) / profit for the period	(6,886)	10,293	(2,334)	(3,292)	(2,219)
As of March 31, 2019 - Unaudited					
Total assets	555,080	577,875	-	283,849	1,416,804
Total liabilities	398,737	469,002	-	199,950	1,067,689

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9. SEGMENTAL INFORMATION (Continued)

	Epoxy resin products	Chlor Alkali products	Inter-Group eliminations	Others	Total
For the period ended Mar 31, 2018 – Unaudited					
Revenue	125,208	55,772	(4,396)	5,257	181,841
Net (loss)/ profit for the period	(934)	30,913	(2,321)	506	28,164
As of March 31, 2018 - Unaudited					
Total assets	597,588	607,245	-	288,468	1,493,301
Total liabilities	445,583	472,197	-	244,629	1,162,409

Reconciliation of net profit/ (loss) of operating segments

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Segment profit	115	30,485
Inter-segment profit elimination	(2,334)	(2,321)
Net (loss)/ profit for the period	(2,219)	28,164

Geographical Information

The geographic information analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries.

Revenue

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Saudi Arabia	57,931	84,656
Other countries	90,329	97,185
Total Revenue	148,260	181,841

Non-Current Assets

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Saudi Arabia	1,035,667	1,084,567

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10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<u>March 31, 2019</u>	<u>Carrying</u>					
<u>Financial assets</u>	<u>value</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments – FVTOCI	148,972	148,972	148,972	-	-	148,972
<u>December 31, 2018</u>						
<u>Financial assets</u>						
Investments – FVTOCI	127,919	127,919	127,919	-	-	127,919

11. (LOSS)/ EARNINGS PER SHARE

	<u>March 31, 2019</u>	March 31, 2018
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
(Loss)/ profit for the period attributable to the shareholder of the Company	(2,219)	28,164
Weighted average number of ordinary shares for the purposes of basic earnings (in thousands)	23,355	23,355
Weighted average number of ordinary shares for the purposes of diluted earnings (in thousands)	23,520	23,520
(Loss)/ earnings per share		
Basic (loss) earnings per share	<u>(0.09)</u>	<u>1.20</u>
Diluted (loss) earnings per share	<u>(0.09)</u>	<u>1.19</u>

12. RECLASSIFICATION

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

13. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved and authorized for issue by the Company's Board of Directors on May 8, 2019-G.