

**YANBU NATIONAL PETROCHEMICAL COMPANY
(YANSAB) (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)**

YEAR ENDED 31 DECEMBER 2010

**REVIEW REPORT TO THE SHAREHOLDERS OF
YANBU NATIONAL PETROCHEMICAL COMPANY - YANSAB
(A SAUDI JOINT STOCK COMPANY)
ON THE INTERIM CONDENSED FINANCIAL STATEMENTS**

Scope of review

We have reviewed the accompanying interim balance sheet of Yanbu National Petrochemical Company (YANSAB) ("the Company") - A Saudi Joint Stock Company - as at 31 December 2010 and the related interim income statement for the three month period and year then ended, statements of cash flows and changes in shareholders' equity for the year then ended which have been prepared by the company's management and submitted to us together with all the information and explanations which we required. Our review was conducted in accordance with Saudi Organization for Certified Public Accountants (SOCPA) standard on interim financial information. A review is limited primarily to analytical procedures applied to financial data and inquiries of company personnel on financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the interim condensed financial statements in order for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

for Ernst & Young



Ahmed I. Reda
Certified Public Accountant
Registration No. 356



8 Safar 1432 H
13 January 2011

Jeddah

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

INTERIM BALANCE SHEET (UNAUDITED)

As at 31 December 2010

	Note	31 December 2010 SR'000	(Audited) 31 December 2009 SR'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	789,735	605,631
Murabaha commodity placements		656,250	-
Advances to suppliers and other receivables	4	2,079,786	864,932
Inventories	5	901,051	737,817
TOTAL CURRENT ASSETS		4,426,822	2,208,380
NON-CURRENT ASSETS			
Property, plant and equipment	6	18,425,721	18,575,835
Pre-operating expenses	7	176,191	200,000
Deferred charges	8	98,059	109,595
Other non-current assets		36,674	30,165
TOTAL NON-CURRENT ASSETS		18,736,645	18,915,595
TOTAL ASSETS		23,163,467	21,123,975
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	9	256,327	275,809
Accruals and provisions	10	1,058,091	487,932
Current portion of long term loans	11	724,624	915,717
Current portion of Ijara financing arrangements	12	222,285	-
TOTAL CURRENT LIABILITIES		2,261,327	1,679,458
NON-CURRENT LIABILITIES			
Term loans	11	8,040,542	11,540,500
Term loan from a shareholder	15	2,870,154	2,155,200
Obligations under Ijara financing arrangements	12	2,553,102	-
Employees' end of service benefits		97,853	81,107
TOTAL NON-CURRENT LIABILITIES		13,561,651	13,776,807
TOTAL LIABILITIES		15,822,978	15,456,265
SHAREHOLDERS' EQUITY			
Share capital	13	5,625,000	5,625,000
Statutory reserve	14	181,308	14,030
Retained earnings		1,534,181	28,680
TOTAL SHAREHOLDERS' EQUITY		7,340,489	5,667,710
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,163,467	21,123,975

Financial Manager

President

Managing Director

The attached notes 1 to 15 form part of these unaudited interim condensed financial statements.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

INTERIM INCOME STATEMENT (UNAUDITED)

For the year ended 31 December 2010

	Note	For the three month period ended 31 December		For the year ended 31 December (Audited)	
		2010 SR'000	2009 SR'000	2010 SR'000	2009 SR'000
Sales		1,891,839	-	5,821,530	-
Cost of sales		(1,181,685)	-	(3,651,964)	-
Gross profit		710,154	-	2,169,566	-
General and administration		(38,745)	(7,321)	(123,072)	(29,213)
INCOME FROM MAIN OPERATIONS / (LOSS) FROM PRE-OPERATION		671,409	(7,321)	2,046,494	(29,213)
Financial cost		(118,933)	-	(376,113)	-
Other income		7,648	-	42,687	-
INCOME/(LOSS) BEFORE ZAKAT		560,124	(7,321)	1,713,068	(29,213)
Zakat		(5,360)	-	(40,289)	-
NET INCOME/(LOSS) FOR THE PERIOD/YEAR		554,764	(7,321)	1,672,779	(29,213)
Weighted number of shares Outstanding (in thousands)	13	562,500	562,500	562,500	562,500
Earning/(loss) per share					
Attributable to income from main operations/(loss) from pre- operations - SR		1,194	(0.013)	3,638	(0.052)
Attributable to net income/(loss) for the period/year - SR		0.986	(0.013)	2,974	(0.052)

Financial Manager

President

Managing Director

The attached notes 1 to 15 form part of these unaudited interim condensed financial statements.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the year ended 31 December 2010

	<i>Note</i>	<i>31 December 2010 SR'000</i>	<i>(Audited) 31 December 2009 SR'000</i>
PRE – OPERATING ACTIVITIES			
Loss before zakat		1,713,068	(29,213)
Adjustments for:			
Provision for employees' terminal benefits		26,971	275
Depreciation		799,521	-
Amortisation		35,345	-
		<u>2,574,905</u>	<u>(28,938)</u>
Changes in working capital:			
Inventories		(163,234)	(730,010)
Receivables		(1,214,854)	(689,077)
Payables		510,388	(338,545)
		<u>1,707,205</u>	<u>(1,786,570)</u>
Cash from/(used in) pre-operating activities		1,707,205	(1,786,570)
Employees' terminal benefits paid		(10,225)	-
		<u>1,696,980</u>	<u>(1,786,570)</u>
INVESTING ACTIVITIES			
Payments for Murabaha commodity placements		(656,250)	-
Payments for purchase of property, plant and equipment		(649,407)	(1,470,583)
Other non-current assets		(6,509)	15,384
		<u>(1,312,166)</u>	<u>(1,455,199)</u>
Net cash used in investing activities		(1,312,166)	(1,455,199)
FINANCING ACTIVITIES			
(Repayment of)/proceeds from term loans, net		(915,664)	659,171
Proceeds from a shareholder's loan		714,954	2,155,200
		<u>(200,710)</u>	<u>2,814,371</u>
Net cash (used in)/from financing activities		(200,710)	2,814,371
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		605,631	1,033,029
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	<u><u>789,735</u></u>	<u><u>605,631</u></u>

Financial Manager

President

Managing Director

The attached notes 1 to 15 form part of these unaudited interim condensed financial statements.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the year ended 31 December 2010

	<i>Share capital SR'000</i>	<i>Statutory reserve SR'000</i>	<i>Retained earnings SR'000</i>	<i>Total SR'000</i>
Balance at 31 December 2009	5,625,000	14,030	28,680	5,667,710
Loss for the period	-	-	1,672,779	1,672,779
Transfer to statutory reserve	-	167,278	(167,278)	-
Balance at 31 December 2010	5,625,000	181,308	1,534,181	7,340,489
Balance at 1 January 2008	5,625,000	14,030	57,893	5,696,923
Loss for the year	-	-	(29,213)	(29,213)
Balance at 31 December 2009 (Audited)	5,625,000	14,030	28,680	5,667,710

The attached notes 1 to 15 form part of these unaudited interim condensed financial statements.

Yanbu National Petrochemical Company (YANSAB) (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the year ended 31 December 2010

1 ACTIVITIES

Yanbu National Petrochemical Company (YANSAB) (the company) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 470009432 dated 14 Muharram 1427H (corresponding to 13 February 2006) in accordance with the Ministerial Resolution declaring the incorporation of the company dated 12 Muharram 1427H (corresponding to 11 February 2006). The company has obtained Industrial License number S/1367 dated 18 Rajab 1426H (corresponding to 1 September 2005). The company is 51% owned by Saudi Basic Industries Corporation (SABIC), (the majority shareholder), and 49% owned by others or publicly traded.

The company is engaged in the manufacturing of petrochemical products in accordance with company's Articles of Association and other Saudi Arabian applicable regulations. The company commenced commercial operations on 1 March 2010.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These interim condensed financial statements have been prepared in accordance with Saudi Arabian Organisation of Certified Public Accountants (SOCPA) standards for interim financial statements. The accounting policies followed in the preparation of these interim condensed financial statements are consistent with those used for the preparation of the annual financial statements.

The interim condensed financial statements do not cover all the information and disclosures required for full financial statements prepared in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia. In addition, the results presented in these interim condensed financial statements may not be a fair indicator of the results for the full financial year ending 31 December 2010.

The significant accounting policies followed are as follows:-

Accounting convention

The interim condensed financial statements have been prepared under the historical cost convention.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash on hand, murabaha commodity placements and time deposits with an original maturity of three months or less. Murabaha commodity placements and time deposits with original maturity of three months or less are stated at cost, with accrued income being captioned under other receivables until realized. Income from murabaha placements or time deposits is accrued on time apportionment basis over the period from disbursement of funds to redemption date.

Accounts receivable

Accounts receivable are stated at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when the collection of full amount is no longer probable. Bad debts are written off as incurred.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, consumables, spare parts and finished goods are primarily determined on a weighted average basis. Cost of inventories in process and finished goods include the cost of raw materials, labour and a appropriate portion of manufacturing overheads.

Property, plant and equipment/depreciation

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. The cost less estimated residual value of other property, plant and equipment is depreciated on a straight line basis over the estimated useful lives of the assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure for repair and maintenance are charged to income. Betterments that increase the value or materially extend the life of the related assets are capitalized.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Work in Progress

Capital work in progress, representing new auxiliary projects and employees housing project, is recorded at cost. Included in such costs are the costs of material, construction, installation and other costs 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.

Pre-operating expenses

Pre-operating expenses are charged to income statement unless attributable future benefits are determined in which case these will be amortised using the straight line method over the shorter of seven years or the estimated useful lives, commencing on the beginning of commercial operations of 1 March 2010.

Deferred charges

Deferred charges relate to financial, legal advisory and arrangement fees for obtaining long term financing being used to partially finance the construction of the company's plants. These fees are amortised over the period of long term financing arrangements. The amortization portion that falls within the construction period is capitalised as part of capital work in progress, the amortization expense was charged to statement of income when the Company commenced its operations.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for the goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and may be measured reliably.

Employees' end of service benefits

Provision is made for amounts payable under the Saudi Arabian labour law and company's policy applicable to employees' accumulated periods of service at the balance sheet date.

Revenue recognition

Sales represent the invoiced value of goods/services shipped/rendered by the Company during the period, net of the discount allowed and returns. Generally, sales are reported net of marketing and distribution expenses incurred in accordance with marketing and off-take agreements with marketers.

Selling and general and administration expenses

Production costs and direct expenses are classified as cost of sales. All other expenses comprising selling and distribution expenses not capable of being deducted from sales are classified as general and administration expenses.

Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations. The provision is charged to the interim income statement and is calculated at year end.

Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the interim statement of income.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease period.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

3 CASH AND CASH EQUIVALENTS

	<i>31 December 2010 SR'000</i>	<i>31 December 2009 SR'000</i>
Murabaha commodity placements and time deposits	738,750	585,000
Current accounts	50,985	20,631
	<u>789,735</u>	<u>605,631</u>

Murabaha commodity placements and time deposits are maintained with local and foreign banks.

4 ADVANCES TO SUPPLIERS AND OTHER RECEIVABLES

	<i>31 December 2010 SR'000</i>	<i>31 December 2009 SR'000</i>
Amounts due from a shareholder (see note 15)	2,004,740	841,342
Advances to suppliers and contractors	-	7,381
Other receivables	75,046	16,209
	<u>2,079,786</u>	<u>864,932</u>

These comprise advances to a shareholder in the normal course of business for the purchase of materials, receivables for sale of products and services (see note 15).

5 INVENTORIES

	<i>31 December 2010 SR'000</i>	<i>31 December 2009 SR'000</i>
Finished goods	427,759	401,114
Spare parts and industrial agents	461,405	308,104
Goods in transit	11,887	28,599
	<u>901,051</u>	<u>737,817</u>

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

6 PROPERTY, PLANT AND EQUIPMENT

The estimated useful lives of the assets for the calculation of depreciation are as follows:

Building & Leasehold improvements Furniture Computers & software	33 years		Plant, machinery & heavy equipment Vehicles		20 years		Laboratories & safety equipment SR '000	Capital work in progress SR '000	Total 2010 SR '000
	10 years	5 years	Laboratory & safety equipment	Vehicles	4 years	5 years			
	Buildings & leasehold improvements SR '000	Plant, machinery & heavy equipment SR '000	Furniture SR '000	Vehicles SR '000	Computers & software SR '000				
At the beginning of the period	-	-	-	-	-	-	-	18,575,835	18,575,835
Additions	10,562	474,890	861	1,780	7,806	1,017	97,950	649,806	649,806
Transfers	164,073	18,068,075	11,157	-	55,648	41,096	(18,350,558)	-	-
Disposals	-	-	-	(425)	-	-	-	-	(425)
At the end of the period	174,635	18,542,965	12,018	1,355	63,454	42,113	323,227	19,225,216	19,225,216
Depreciation									
At the beginning of the period	-	-	-	-	-	-	-	-	-
Charge for the period	4,410	772,177	1,001	747	10,576	7,019	-	799,521	799,521
Transfers	-	-	-	(438)	-	-	-	-	-
Disposals	-	-	-	(26)	-	-	-	-	(26)
At the end of the period	4,410	772,177	1,001	283	10,576	7,019	-	799,495	799,495
Net book amounts:									
At 31 December 2010	170,225	17,770,788	11,017	1,072	52,878	35,094	323,227	18,425,721	18,425,721

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

6 PROPERTY, PLANT AND EQUIPMENT (continued)

- a) The plants are situated on land leased from the Royal Commission, Yanbu, for 35 Hijra years commencing 1 Dhul Al-Hija 1426 H (corresponding to 1 January 2006). The lease is renewable for further similar periods at the option of the parties.
- b) Included in property, plant and equipment are assets of net book value amounting to SR 2,775 million (2009: Nil) held under Ijara financing arrangement with certain banks (note 12).
- c) The cost of executed work has been reduced by the net sales proceeds of production during January and February 2010 amounting to SR 594 million (2009: SR 897 million).

7 PRE-OPERATING EXPENSES

These represent a contribution of SR 200 million to the Centennial Fund and Higher Plastic Institute that will financially support small and medium sized projects in the related industry and was conditional for the company to secure the gas and feedstock required to manufacture its products. Pre-operating expenses will be amortized using the straight line method over the shorter of 7 years or their estimated useful life, from the commencement of commercial operations. The amortization of pre-operating expenses started on 1 March 2010.

8 DEFERRED CHARGES

These represent financial legal advisory and arrangement fees totalling SR 143.2 million, relating to long term financing arrangements to finance the partial construction of the company's plant. These fees were included in the initial recognition of the related financing arrangements and are being amortized, using the effective interest rate, over the period of long term financing agreements. The amortized portion relating to the construction period amounting to SR 35.6 million as at 28 February 2010 is capitalized. Amortization for the period from 1 March 2010, date of commencement of operations, to 30 September 2010 is charged to the interim statement of income.

9 ACCOUNTS PAYABLE

	<i>30 December 2010 SR'000</i>	<i>30 December 2009 SR'000</i>
Suppliers and contractors	12,515	166,271
Amount due to a shareholder and a related party (note 15)	243,812	109,538
	<u>256,327</u>	<u>275,809</u>

10 ACCRUALS AND PROVISIONS

	<i>30 December 2010 SR'000</i>	<i>30 December 2009 SR'000</i>
Accrued expenses	657,356	317,699
Amounts due to a shareholder and related parties (note 15)	339,303	129,940
Zakat payable	40,289	-
Other payables	21,143	40,293
	<u>1,098,091</u>	<u>487,932</u>

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

11 TERM LOANS

Term loans comprise:

	<i>31 December 2010 SR'000</i>	<i>31 December 2009 SR'000</i>
Public Investment Fund (PIF) (see note (a) below)	3,401,062	3,801,187
Commercial and Export Credit Agencies (ECA) loans (see note (b) below)	5,364,104	5,670,060
Islamic financing facilities (see note (c) below)	-	2,984,970
	<u>8,765,166</u>	<u>12,456,217</u>
Less:		
Current portion for long term loans (see notes (b) and (c) below)	(724,624)	(915,717)
	<u>8,040,542</u>	<u>11,540,500</u>
Financial, legal advisory and arrangement fees Net of amortisation (see note 8)	(98,059)	(109,595)
	<u>7,942,483</u>	<u>11,430,905</u>

- a) The PIF term loan obtained in 2007 to finance the partial construction of the plants is limited to SR 4,001 million. The term loan carries charges at commercial rates and is repayable in equal semi-annual instalments of SR 200 million. The first instalment was paid on 31 December 2009, and the last instalment is payable on 30 June 2019.
- b) During 2007, the above loans obtained were from a consortium of banks in three loans, of which two loans limited to SR 5,948 million and guaranteed by Export Credit Agencies (ECA), Servizi Assicurativi Del Commercio Estero and Export Credits Guarantee Department (ECGD) to finance the partial construction of plants and working capital. The loans which carry commission at commercial rates are repayable in semi-annual variable instalments with the first instalment payable on 30 June 2009 and the last instalment payable on 30 June 2018.
- c) In previous periods, the Islamic financing facilities represented advance payments received by the company from a consortium of banks ("Original Islamic Facility Participants") to finance the partial construction of the plants. The company has entered into financing agreement with the Original Participants of Islamic Financing Facility limited to SR 3,176 million. Under the financing agreement, a portion of the project equivalent to their portion of project cost at the completion of withdrawal date (22 November 2010) was (see note 12) delivered to the Original Islamic Facility Participants and then leased back (under Ijara agreement) to the company.

During the first quarter of 2009 the company withdrew the remaining balance of contracted bank facilities and loans including the facilities for working capital requirements.

The term loans are secured against the proceeds of project. In addition, the company has signed an Equity Support, Subordination and Retention Agreement with the majority Shareholder (SABIC) under which SABIC shall maintain its ownership in Yansab at 51% for the life of the loans.

12 OBLIGATION UNDER IJARA FINANCING ARRANGEMENTS

	<i>31 December 2010 SR'000</i>	<i>31 December 2009 SR'000</i>
Obligation under Ijara financing arrangements	2,775,387	-
Less: The current portion of obligations under Ijara financing arrangements	(222,285)	-
	<u>2,553,102</u>	<u>-</u>

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

12 OBLIGATION UNDER IJARA FINANCING ARRANGEMENTS

In accordance with supply agreement a portion of the project equivalent in amount to the share of original Islamic facility participants in Islamic financing facility as at completion of withdrawal date of 22 November 2010 amounting to SR 2,775 million has been transferred to Yanbu Asset Ijara Company Limited (owned by original participants). In accordance with Ijara arrangements the last instalment is repayable on 30 June 2018.

The minimum Ijara principal for the five years subsequent to 31 December 2010 are as follows:

	<i>SR'000</i>
2011	222,285
2012	317,550
2013	357,244
2014	365,182
2015	431,868
Thereafter	1,081,258
	<hr/>
	2,775,387
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13 SHARE CAPITAL

The authorized, issued and fully paid share capital of the company is divided into 562.5 million shares of SR 10 each.

14 STATUTORY RESERVE

As required by Saudi Arabian Regulations for Companies the company must set aside 10% of net income for the year until it has built up a reserve equal to 50% of the capital. The company may resolve to discontinue such transfers when the reserve totals 50% of the capital. The company transferred 10% of the net income for the year ended 31 December 2010.

Yanbu National Petrochemical Company (YANSAB)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

15 RELATED PARTY TRANSACTIONS AND BALANCES

Related party	Nature of transactions	Amount of transaction For the year ended 31 December		Balance At 31 December	
		2010 SR'000	2009 SR'000	2010 SR'000	2009 SR'000
<i>Amounts due from related parties</i>					
Saudi Basic Industries Corporation (SABIC) – (a shareholder)	Sale of production relating to pre-operation and during commercial operation Advances for purchase of materials, product sales and other transactions Long term advance for freight charges	6,338,373	997,168	1,905,248	808,949
Affiliates	Sale of products Other	67,100 -	8,117 -	99,492 7,500	32,393 7,500
		77,311 8,132	- -	- 6,645	- -
		<u>2,018,885</u>		<u>848,842</u>	
<i>Amounts due to related parties</i>					
Saudi Basic Industries Corporation (SABIC) – (a shareholder)	Payments on behalf of the company and other services rendered by the shareholder Loan from a shareholder	(1,340,532) (714,955)	(463,008) (2,155,200)	(518,348) (2,870,154)	(196,519) (2,155,200)
Affiliates	Other	(248,687)	(213,818)	(64,767)	(19,945)
		<u>3,453,269</u>		<u>(2,371,664)</u>	

a) The company obtained a loan from the above shareholder in accordance with the retention of shareholding and support agreement with the main shareholder (SABIC). The term loan which carries borrowing charges at commercial rates is fully repayable within three years commencing on the date of withdrawal and the first instalment is due on 30 June 2012.

b) The fee and expenses of directors, affiliated committees and key executives paid during the final year ended 31 December 2010 amounted to SR 4.6 million (2009: SR 3.2 million).