

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020  
AND REPORT ON REVIEW OF INTERIM FINANCIAL  
INFORMATION

**BASIC CHEMICAL INDUSTRIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

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## Report on review of Interim Financial Information

To the shareholders of Basic Chemical Industries Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Basic Chemical Industries Company and its subsidiaries (the "Group") as of 31 March 2020 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### PricewaterhouseCoopers

Ali A. Alotaibi  
License Number 379

14 June 2020



**BASIC CHEMICAL INDUSTRIES COMPANY****(A Saudi Joint Stock Company)****Condensed consolidated interim statement of profit or loss and other comprehensive income**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2020 (Unaudited)	2019 (Unaudited)
Revenue		140,957,831	130,977,887
Cost of sales		(104,979,850)	(101,618,855)
<b>Gross profit</b>		<b>35,977,981</b>	<b>29,359,032</b>
Selling and distribution expenses		(12,878,023)	(11,762,101)
General and administrative expenses		(5,868,551)	(6,140,059)
Other operating income - net		341,095	589,674
<b>Operating profit</b>		<b>17,572,502</b>	<b>12,046,546</b>
Finance costs	6,7	(33,719)	(51,102)
<b>Profit before zakat and income tax</b>		<b>17,538,783</b>	<b>11,995,444</b>
Zakat expense		(1,304,496)	(971,458)
Income tax expense		(1,166,651)	(992,605)
<b>Profit for the period</b>		<b>15,067,636</b>	<b>10,031,381</b>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		<b>15,067,636</b>	<b>10,031,381</b>
<b>Total comprehensive income for the period is attributable to:</b>			
Shareholders of Basic Chemical Industries Company		10,420,775	6,115,175
Non-controlling interests		4,646,861	3,916,206
		<b>15,067,636</b>	<b>10,031,381</b>


**Earnings per share (Saudi Riyals)**

Basic and diluted	9	<b>0.38</b>	0.22
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The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 14 June 2020 and was signed on their behalf by:



Abdullatif Abdulhadi  
Designated Member



Ossama Farouk  
Chief Executive Officer



Ashraf Bahnacy  
Finance Manager

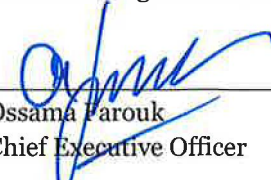
The accompanying notes are an integral part of this condensed consolidated interim financial information.

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

		As at 31 March 2020	As at 31 December 2019
	Note	(Unaudited)	(Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	453,258,572	422,194,976
Right-of-use assets		3,299,690	3,516,320
<b>Total non-current assets</b>		<b>456,558,262</b>	<b>425,711,296</b>
<b>Current assets</b>			
Inventories		83,271,148	85,950,400
Trade and other receivables		159,750,997	164,940,297
Cash and cash equivalents		81,407,023	79,749,958
<b>Total current assets</b>		<b>324,429,168</b>	<b>330,640,655</b>
<b>Total assets</b>		<b>780,987,430</b>	<b>756,351,951</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		275,000,000	275,000,000
Statutory reserve		62,159,669	62,159,669
Retained earnings		195,953,387	213,032,612
Equity attributable to shareholders of Basic Chemical Industries Company		533,113,056	550,192,281
Non-controlling interests		62,015,405	70,618,544
<b>Total equity</b>		<b>595,128,461</b>	<b>620,810,825</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	7	55,000,000	15,000,000
Lease liabilities		1,953,787	2,294,022
Employee benefit obligations		28,557,516	28,724,961
<b>Total non-current liabilities</b>		<b>85,511,303</b>	<b>46,018,983</b>
<b>Current liabilities</b>			
Trade and other payables		90,435,140	82,198,212
Current portion of lease liabilities		1,040,671	859,710
Zakat and income tax payable		8,871,855	6,464,221
<b>Total current liabilities</b>		<b>100,347,666</b>	<b>89,522,143</b>
<b>Total liabilities</b>		<b>185,858,969</b>	<b>135,541,126</b>
<b>Total equity and liabilities</b>		<b>780,987,430</b>	<b>756,351,951</b>

The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 14 June 2020 and was signed on their behalf by:

  
Abdullatif Abdulhadi  
Designated Member

  
Ossama Farouk  
Chief Executive Officer

  
Ashraf Bahnacy  
Finance Manager

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

**BASIC CHEMICAL INDUSTRIES COMPANY**

**(A Saudi Joint Stock Company)**

**Condensed consolidated interim statement of changes in equity for the three-month periods ended 31 March 2020 and 2019**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	Attributable to the shareholders of Basic Chemical Industries Company			Non- controlling interests	Total	
		Share capital	Statutory reserve	Retained earnings			
<b>At 1 January 2019 (Audited)</b>		275,000,000	58,037,541	174,201,246	507,238,787	78,500,550	585,739,337
Profit for the period		-	-	6,115,175	6,115,175	3,916,206	10,031,381
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	6,115,175	6,115,175	3,916,206	10,031,381
<b>At 31 March 2019 (Unaudited)</b>		<b>275,000,000</b>	<b>58,037,541</b>	<b>180,316,421</b>	<b>513,353,962</b>	<b>82,416,756</b>	<b>595,770,718</b>
<b>At 1 January 2020 (Audited)</b>		275,000,000	62,159,669	213,032,612	550,192,281	70,618,544	620,810,825
Profit for the period		-	-	10,420,775	10,420,775	4,646,861	15,067,636
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the Period</b>		-	-	10,420,775	10,420,775	4,646,861	15,067,636
Dividends	10	-	-	(27,500,000)	(27,500,000)	(13,250,000)	(40,750,000)
<b>At 31 March 2020 (Unaudited)</b>		<b>275,000,000</b>	<b>62,159,669</b>	<b>195,953,387</b>	<b>533,113,056</b>	<b>62,015,405</b>	<b>595,128,461</b>

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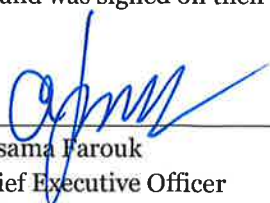
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**BASIC CHEMICAL INDUSTRIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of cash flows**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2020 (Unaudited)	2019 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before zakat and income tax		17,538,783	11,995,444
<u>Adjustments for:</u>			
Depreciation		7,329,979	7,145,646
Write-off of property, plant and equipment		5,500	-
Gain on disposal of property and equipment		(51,021)	(46,363)
Finance costs		33,719	51,102
Employee benefit obligations		573,458	731,563
<u>Changes in operating assets and liabilities:</u>			
Decrease in inventories		2,679,252	2,673,301
Decrease in trade and other receivables		5,125,787	3,662,446
Increase in trade and other payables		8,114,095	14,640,276
Cash generated from operations		41,349,552	40,853,415
Finance costs paid	7	(231,754)	-
Employee benefit obligations paid		(740,903)	(742,747)
<b>Net cash inflow from operating activities</b>		<b>40,376,895</b>	<b>40,110,668</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	6	(37,861,580)	(40,838,957)
Proceeds from disposal of property and equipment		51,024	46,363
<b>Net cash outflow from investing activities</b>		<b>(37,810,556)</b>	<b>(40,792,594)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	7	40,000,000	-
Principal elements of lease payments		(159,274)	(186,393)
Dividends paid to Company's shareholders	10	(27,500,000)	-
Dividends paid to non-controlling interests in subsidiaries		(13,250,000)	-
<b>Net cash outflow from financing activities</b>		<b>(909,274)</b>	<b>(186,393)</b>
<b>Net change in cash and cash equivalents</b>		<b>1,657,065</b>	<b>(868,319)</b>
Cash and cash equivalents at beginning of period		79,749,958	106,895,306
<b>Cash and cash equivalents at end of period</b>		<b>81,407,023</b>	<b>106,026,987</b>
<b>Non-cash operating, investing and financing activities:</b>			
Right-of-use assets recorded against lease liabilities		-	5,647,347
Prepaid lease rentals adjusted against lease liabilities		-	634,124

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Designated Member

  
Ossama Farouk  
Chief Executive Officer

  
Ashraf Bahnacy  
Finance Manager

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

**BASIC CHEMICAL INDUSTRIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial information (Unaudited)**  
**For the three-month period ended 31 March 2020**  
(All amounts in Saudi Riyals unless otherwise stated)

**1 General information**

Basic Chemical Industries Company (the “Company” or “BCI”) and its subsidiaries (collectively the “Group”) consist of the Company and its subsidiaries as indicated below. The Group is principally engaged in the manufacturing of various chemicals as well as to purchase, formulate, process, export, import, market, distribute and act as an agent for the sale of chemicals.

The Company is a joint stock company registered in the Kingdom of Saudi Arabia under commercial registration (“CR”) number 2050002795 issued in Dammam on 28 Dhul Al Hijjah 1392 H (2 February 1973). The registered address of the Company is P.O. Box 1053, Dammam 31431, Kingdom of Saudi Arabia.

In response to the spread of the novel coronavirus (COVID-19) pandemic in the GCC and other territories where the Group operates and its consequential disruption to the social and economic activities in those markets, BCI’s management has assessed its impact on its operations and has taken a series of proactive and preventative measures to:

- ensure the health and safety of its employees and contractors as well as the wider community where it is operating; and
- minimizing the impact of the pandemic on its operations and product supply to the customers.

Notwithstanding these challenges, the Group has been successful in maintaining stable operations and has been continuously assessing any potential negative impact on the financial performance as a result of possible disruption to Group’s supply chain, production capabilities, demand for its products, as well as the sales distribution network. Management believes that the COVID-19 pandemic, by itself, has had limited direct material effects on the Group’s reported results for the three-month period ended 31 March 2020. However, management continues to monitor the situation closely and does not expect any significant impact on the Group’s financial performance for the year ending 31 December 2020 as of the date of approval of this condensed consolidated interim financial information.

The accompanying condensed consolidated interim financial information include the accounts of the Company, its branches and its following various Saudi Arabian subsidiaries, operating under individual CRs:

	<b>Effective ownership percentage at</b>	
	<b>31 March 2020</b>	<b>31 December 2019</b>
Basic Chemicals National Company Limited (“BCNC”)	<b>100%</b>	100%
Chemical Marketing and Distribution Company Limited (“CMDC”)	<b>100%</b>	100%
Saudi Water Treatment Company (“SWTC”)	<b>100%</b>	100%
Huntsman APC (“HAPC”)	<b>49%</b>	49%
National Adhesives Company Limited (“NAL”)	<b>47%</b>	47%

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

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



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

During 2013, CMDC acquired 50% equity interest in Mars Chemical Marketing and Distribution Company Limited ("Mars-CMDC"), a limited liability company incorporated in Qatar under CR number 56892 issued on 12 Ramadan 1433 H (31 July 2012). Mars-CMDC is engaged in marketing and distribution of various chemicals, solvents, additives, catalysts, plastics, polymers and resins. The investment is recorded as an investment in an associate and accounted for using the equity method of accounting. As at 31 March 2020 and 31 December 2019, the investment was fully impaired.

## **2 Accounting policies**

The principal accounting policies applied in the preparation of condensed consolidated interim financial information of the Group are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of certain amendments to the standards and interpretations as set out in Note 2.2.

### **2.1 Basis of preparation**

This condensed consolidated interim financial information of the Group has been prepared in compliance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants ("SOCPA").

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements. Accordingly, this condensed consolidated interim financial information is to be read in conjunction with the annual financial statements for the year ended 31 December 2019. The interim results may not represent a proper indication of the annual results of operations.

### **2.2 Standards adopted and issued but not yet effective**

#### *New Standards, Amendment to Standards and Interpretations:*

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2020 which do not have a material effect on the Group's condensed consolidated interim financial information.

#### *Standards issued but not yet effective:*

Certain new accounting standards and interpretations have been published that are mandatory from 1 January 2021 or later reporting periods and have not been early adopted by the Group. Such standards are not expected to have a material impact in the future reporting periods and on foreseeable future transactions.

## **3 Fair value of assets and liabilities**

As at 31 March 2020 and 31 December 2019, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

**BASIC CHEMICAL INDUSTRIES COMPANY**  
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**Notes to the condensed consolidated interim financial information (Unaudited)**  
**For the three-month period ended 31 March 2020**  
(All amounts in Saudi Riyals unless otherwise stated)

**4 Critical accounting estimates and judgements**

The preparation of condensed consolidated interim financial information in conformity with International Financial Reporting Standards (“IFRS”), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no significant changes in critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial information from those that were applied and disclosed in the Group’s annual financial statements for the year ended 31 December 2019.

However, as explained in Note 1, the Group’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 market in which the Group operates together with other factors that could adversely affect the operations. Management has concluded that critical accounting estimates and judgements remain appropriate under the current circumstances for the purpose of preparation of this condensed consolidated interim financial information. However, as the situation is rapidly evolving with future uncertainties, management plans to continue to assess the impact based on prospective developments as they arise.

**5 Segment information**

The Group’s operations are principally in the following business segments:

- Chemicals: this part of the business manufactures and sells industrial chemicals such as hydrochloric acid, caustic soda, chlorine gas, sodium hypochlorite, polyurethane chemicals etc. used in multiple industries.
- Adhesives and other materials: this part of the business manufactures and sells ferric chloride, hot and cold melt adhesives, sulfuric acid etc. used in multiple industries.

Selected financial information as of 31 March 2020 and 31 December 2019 and for the three-month periods ended 31 March 2020 and 2019, summarized by the above operating segments, is as follows:

	<b>Chemicals</b>	<b>Adhesives and other materials</b>	<b>Total</b>
<b>For the three-month period ended 31 March 2020</b>			
Revenue	82,952,436	58,005,395	<b>140,957,831</b>
Cost of sales	(65,429,731)	(39,550,119)	<b>(104,979,850)</b>
<b>Gross profit</b>	<b>17,522,705</b>	<b>18,455,276</b>	<b>35,977,981</b>
Selling and distribution expenses	(7,847,226)	(5,030,797)	<b>(12,878,023)</b>
General and administrative expenses	(5,573,321)	(295,230)	<b>(5,868,551)</b>
Other operating income (expenses) - net	406,114	(65,019)	<b>341,095</b>
<b>Operating profit</b>	<b>4,508,272</b>	<b>13,064,230</b>	<b>17,572,502</b>
Finance costs	(31,553)	(2,166)	<b>(33,719)</b>
Segment results	<b>4,476,719</b>	<b>13,062,064</b>	<b>17,538,783</b>
Depreciation	5,999,989	1,329,990	<b>7,329,979</b>

**BASIC CHEMICAL INDUSTRIES COMPANY**  
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**For the three-month period ended 31 March 2020**  
(All amounts in Saudi Riyals unless otherwise stated)

**As at 31 March 2020**

Total assets	614,608,813	166,378,617	<b>780,987,430</b>
Total liabilities	141,312,638	44,546,331	<b>185,858,969</b>
Property, plant and equipment	420,632,534	32,626,038	<b>453,258,572</b>

	<b>Chemicals</b>	<b>Adhesives and other materials</b>	<b>Total</b>
<b>For the three-month period ended 31 March 2019</b>			
Revenue	68,678,447	62,299,440	130,977,887
Cost of sales	(53,668,285)	(47,950,570)	(101,618,855)
<b>Gross profit</b>	15,010,162	14,348,870	29,359,032
Selling and distribution expenses	(6,829,452)	(4,932,649)	(11,762,101)
General and administrative expenses	(5,563,927)	(576,132)	(6,140,059)
Other operating income (expenses) - net	1,061,587	(471,913)	589,674
<b>Operating profit</b>	3,678,370	8,368,176	12,046,546
Finance costs	(48,933)	(2,169)	(51,102)
Segment results	3,629,437	8,366,007	11,995,444
Depreciation	5,752,010	1,334,777	7,086,787

**As at 31 March 2019**

Total assets	555,064,222	169,026,686	724,090,908
Total liabilities	87,032,090	41,288,100	128,320,190
Property, plant and equipment	331,340,921	35,121,502	366,462,423

**6 Property, plant and equipment**

At 31 March 2020, the Group's capital work-in-progress includes costs incurred amounting to Saudi Riyals 324.0 million (31 December 2019: Saudi Riyals 281.0 million) on a new plant for chlorine-based derivatives in Jubail. Such balance represents capital expenditure under different arrangements entered for procurement of plant and machinery, engineering services, civil and construction work and other related items. The Royal Commission for Jubail and Yanbu has allocated land for such project in Jubail. The project is expected to be completed by 2021 with a total estimated cost of Saudi Riyals 685.0 million. The Group has signed a letter of intent to engage with a local contracting company to carry out construction and civil works for such plant for an estimated cost of Saudi Riyals 290.0 million. Also see Note 7.

**7 Borrowings**

During 2018, BCI entered into an agreement with a commercial bank for credit facilities amounting to Saudi Riyals 262.0 million to partially finance its project as explained in Note 6. Borrowings as at 31 March 2020 represent the amount drawn by the Group from such facility. The loan is denominated in Saudi Riyals and bears financial charges based on prevailing market rates. There are no financial covenants applicable to the Company under such agreement with the bank.

In accordance with the terms of the agreement, such borrowings will be repayable in 16 equal quarterly installments of Saudi Riyals 16.4 million each commencing April 2021. Accordingly, the borrowings as at 31 March 2020 have been classified under non-current liabilities and the accrued interest thereon amounting to Saudi Riyals 0.1 million is classified within current liabilities under "Trade and other payables".

Borrowing costs capitalized during the three-month period ended 31 March 2020 amounted to Saudi Riyals 0.3 million (31 March 2019 : Saudi Riyals Nil). Also see Note 6.

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**For the three-month period ended 31 March 2020**  
(All amounts in Saudi Riyals unless otherwise stated)

**8 Related party transactions and balances**

Related parties comprise the shareholders, directors, associated companies and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest ("other related parties").

(a) Following are the significant transactions with the associated entities entered into by the Group during the three-month period ended 31 March:

Nature of transaction	Relationship	For the three-month period ended 31 March	
		2020	2019
Sales to related parties	Associated companies	<b>4,177,186</b>	10,426,098
Purchases from related parties	Associated companies	<b>7,912,556</b>	12,136,284
Royalty charged by a related party	Associated companies	<b>1,913,820</b>	1,831,350

(b) Key management personnel compensation:

	For the three-month period ended 31 March	
	2020	2019
Salaries and other short-term employee benefits	<b>1,472,335</b>	1,492,431
Employee benefit obligations	<b>263,473</b>	119,451
	<b>1,735,808</b>	1,611,882

Board of directors' fee for the three-month periods ended 31 March 2020 and 2019 was Saudi Riyals 0.5 million.

**9 Basic and diluted earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	For the three-month period ended 31 March	
	2020	2019
Profit attributable to the shareholders of Basic Chemical Industries Company	<b>10,420,775</b>	6,115,175
Weighted average number of ordinary shares for basic and diluted earnings per share	<b>27,500,000</b>	27,500,000
Basic and diluted earnings per share	<b>0.38</b>	0.22

**10 Dividends**

The shareholders of the Company in their general assembly meeting held on 9 March 2020 approved dividends of Saudi Riyal 1.0 per share, amounting to Saudi Riyals 27.5 million, for the nine-month period ended 30 September 2019, which were fully paid during the three-month period ended 31 March 2020.

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(All amounts in Saudi Riyals unless otherwise stated)

**11 Contingencies and commitments**

- (i) The Group was contingently liable at 31 March 2020 for bank guarantees issued in the normal course of business amounting to Saudi Riyals 9.2 million (31 December 2019: Saudi Riyals 8.4 million).
- (ii) The capital expenditure contracted by the Group but not yet incurred till 31 March 2020 was approximately Saudi Riyals 352.7 million mainly related to the new project under construction in Jubail. (31 December 2019: Saudi Riyals 390.0 million). Also see Note 5.
- (iii) There has been no update with regards to the Zakat and Income tax information from those that were disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2019.