

**ELECTRICAL 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**

**ELECTRICAL 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 Electrical Industries Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Electrical 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 H. Al Basri  
License Number 409



17 May 2020

**ELECTRICAL 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	7	139,494,745	106,176,892
Cost of sales	7	(116,909,892)	(87,199,199)
<b>Gross profit</b>		<b>22,584,853</b>	<b>18,977,693</b>
Selling and distribution expenses		(7,847,920)	(7,681,128)
General and administrative expenses	7	(9,281,198)	(9,735,329)
Expected credit loss allowance		(153,283)	(88,568)
Other operating income (expenses) - net		272,496	(154,222)
<b>Operating profit</b>		<b>5,574,948</b>	<b>1,318,446</b>
Financial costs		(2,079,286)	(3,315,385)
Share of net loss of an investment accounted for using the equity method		(21,286)	(21,763)
<b>Profit (loss) before zakat</b>		<b>3,474,376</b>	<b>(2,018,702)</b>
Zakat expense		(2,626,802)	(2,143,110)
<b>Profit (loss) for the period</b>		<b>847,574</b>	<b>(4,161,812)</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>		<b>847,574</b>	<b>(4,161,812)</b>
<b>Earnings (loss) per share (Saudi Riyals)</b>			
Basic and diluted	8	0.02	(0.09)

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

Yousef Al Quraishi  
Designated member

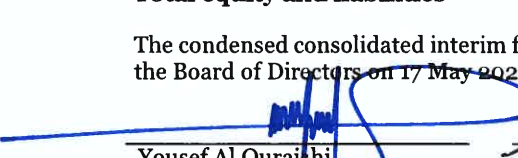
Tariq Al Tahini  
Managing Director

Medhat A. Ghaleb  
EVP Finance and IT

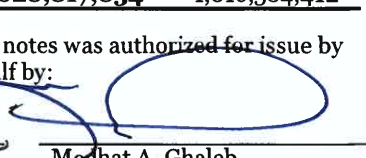
**ELECTRICAL INDUSTRIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of financial position**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 31 March 2020 (Unaudited)	As at 31 December 2019 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		279,194,001	281,938,379
Right-of-use assets		7,639,759	7,797,828
Intangible assets		11,284,655	12,248,636
Financial asset at fair value through other comprehensive income		9,000,000	9,000,000
<b>Total non-current assets</b>		<b>307,118,415</b>	<b>310,984,843</b>
<b>Current assets</b>			
Inventories		215,830,286	210,857,284
Trade and other receivables		474,361,218	470,600,052
Cash and cash equivalents		31,507,915	24,142,233
<b>Total current assets</b>		<b>721,699,419</b>	<b>705,599,569</b>
<b>Total assets</b>		<b>1,028,817,834</b>	<b>1,016,584,412</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		450,000,000	450,000,000
Statutory reserve		45,481,782	45,481,782
Treasury shares		(2,697,043)	(2,697,043)
Retained earnings		60,052,235	59,204,661
<b>Total equity</b>		<b>552,836,974</b>	<b>551,989,400</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	6	-	35,853,048
Lease liabilities		6,914,196	6,804,173
Employee benefit obligations		67,712,930	67,975,619
<b>Total non-current liabilities</b>		<b>74,627,126</b>	<b>110,632,840</b>
<b>Current liabilities</b>			
Trade and other payables		165,835,355	148,498,028
Current portion of long-term borrowings	6	43,881,469	7,963,291
Short-term murabaha borrowings		175,966,892	184,419,919
Current portion of lease liabilities		456,115	493,833
Zakat payable		15,213,903	12,587,101
<b>Total current liabilities</b>		<b>401,353,734</b>	<b>353,962,172</b>
<b>Total liabilities</b>		<b>475,980,860</b>	<b>464,595,012</b>
<b>Total equity and liabilities</b>		<b>1,028,817,834</b>	<b>1,016,584,412</b>

The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 17 May 2020 and was signed on their behalf by:

  
Yousef Al Qurashi  
Designated member

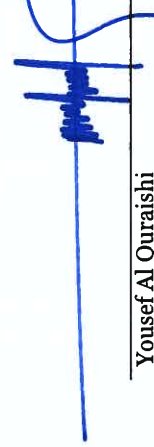
  
Tariq Al Tahini  
Managing Director

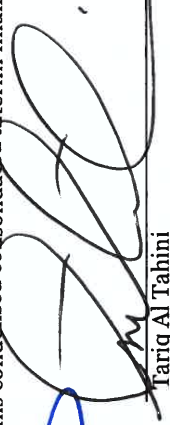
  
Medhat A. Ghaleb  
EVP Finance and IT

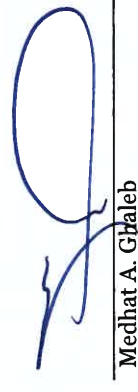
**ELECTRICAL INDUSTRIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of changes in equity**  
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Treasury shares	Retained earnings	Total
<b>At 1 January 2019 (Audited)</b>	450,000,000	45,481,782	-	103,386,407	598,868,189
Loss for the period	-	-	-	(4,161,812)	(4,161,812)
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	(4,161,812)	(4,161,812)
<b>At 31 March 2019 (Unaudited)</b>	450,000,000	45,481,782	-	99,224,595	594,706,377
<b>At 1 January 2020 (Audited)</b>	450,000,000	45,481,782	(2,697,043)	59,204,661	551,989,400
Profit for the period	-	-	-	847,574	847,574
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	847,574	847,574
<b>At 31 March 2020 (Unaudited)</b>	450,000,000	45,481,782	(2,697,043)	60,052,235	552,836,974

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

  
Yousef Al Quraishi  
Designated member

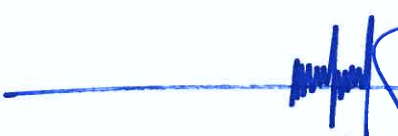


  
Tariq Al Tahini  
Managing Director

  
Medhat A. Ghaleb  
EVP Finance and IT

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

	<b>For the three-month period ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Profit (loss) before zakat	3,474,376	(2,018,702)
<u>Adjustments for</u>		
Depreciation and amortization	6,057,915	7,021,453
Expected credit loss allowance	153,283	88,568
Allowance for inventory obsolescence	2,432,358	-
Share in net loss of an investment accounted for using the equity method	21,286	21,763
Financial costs	2,079,286	3,315,385
Employee benefit obligations	1,864,132	2,007,770
<u>Changes in operating assets and liabilities:</u>		
Employee benefit obligations paid	(2,126,821)	(3,021,653)
(Increase) decrease in trade and other receivables	(3,914,449)	31,641,850
Increase in inventories	(7,405,360)	(11,501,284)
Increase (decrease) in trade and other payables	18,083,953	(18,423,151)
Cash generated from operations	20,719,959	9,131,999
Financial costs paid on borrowings	(2,709,763)	(1,675,222)
<b>Net cash inflow from operating activities</b>	<b>18,010,196</b>	<b>7,456,777</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment	(2,180,207)	(1,379,416)
Payments for purchase of intangible assets	(11,280)	(24,508)
<b>Net cash outflow from investing activities</b>	<b>(2,191,487)</b>	<b>(1,403,924)</b>
<b>Cash flows from financing activities</b>		
Changes in short-term murabaha borrowings	(8,453,027)	(16,220,631)
Repayments of lease liabilities	-	(367,385)
<b>Net cash outflow from financing activities</b>	<b>(8,453,027)</b>	<b>(16,588,016)</b>
<b>Net change in cash and cash equivalents</b>	<b>7,365,682</b>	<b>(10,535,163)</b>
Cash and cash equivalents at beginning of period	24,142,233	27,928,776
<b>Cash and cash equivalents at end of period</b>	<b>31,507,915</b>	<b>17,393,613</b>
<b>Non-cash operating, investing and financing activities:</b>		
Loss on an investment accounted for using the equity method classified under trade and other payables	21,286	21,763
Right-of-use assets recorded against lease liabilities	-	9,017,592
Prepaid lease rentals adjusted against lease liabilities	-	683,358

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

Yousef Al Quraishi  
Designated member

Tariq Al Tahini  
Managing Director

Medhat A. Ghaleb  
EVP Finance and IT



**ELECTRICAL 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**

Electrical Industries Company (the “Company” or “EIC”) and its subsidiaries (collectively the “Group”) consist of the Company and its following subsidiaries registered as limited liability companies in the Kingdom of Saudi Arabia:

	<b>Effective ownership at</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
Wahah Electric Supply Company of Saudi Arabia Limited (“WESCOA”)	<b>100%</b>	100%
Saudi Transformer Company Limited (“STC”)	<b>100%</b>	100%
Saudi Power Transformer Company Limited (“SPTC”)	<b>100%</b>	100%

The Group is principally engaged in the manufacturing, assembly, supply and repair and maintenance of transformers, compact substations and low voltage distribution panels, electrical distribution boards, cable trays, switch gears and other electrical equipment as well as provision of technical services relating to these activities.

The Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 2050056359 issued in Dammam on 22 Shaban 1428 H (4 September 2007). The accompanying condensed consolidated interim financial information includes the operations of the Company and its branch registered in Dammam under CR number 2050105757 dated 24 Rajab 1436H (13 May 2015). The registered address of the Company is P.O. Box 6033, Al Khobar 31442, Kingdom of Saudi Arabia.

SPTC is dependent on financial support from the Company. The Company intends to provide adequate financial support to SPTC to enable it to continue its operations and believes that it will generate positive cash flows in the future. Total property, plant and equipment of SPTC amounted to Saudi Riyals 80.2 million as at 31 March 2020 (31 December 2019: Saudi Riyals 81.4 million).

In response to the spread of the 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, EIC’s management has proactively assessed its impacts 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 was successful in maintaining stable operations while maneuvering limited demand interruptions from its customers. The Group’s 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, the Group’s management continues to monitor the situation closely.

**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.



**ELECTRICAL 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)

**2 Accounting policies (continued)**

**2.1 Basis of preparation**

This condensed consolidated interim financial information of the Group has been prepared in compliance with IAS 34 “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the 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 consolidated financial statements. Accordingly, this condensed consolidated interim financial information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2019.

**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 and has been explained in Group’s annual consolidated financial statements, but they 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 condensed consolidated 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.

**4 Critical accounting estimates and judgements**

The preparation of condensed consolidated interim financial information in conformity with International Financial Reporting Standards (“IFRS”) 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. Critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial information are the same as those that were applied and disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2019.

However, as explained in Note 1, the Group’s management, has proactively assessed the potential of the COVID-19 pandemic for any further regulatory and government restrictions both locally and in the market in which the Group operates that could adversely affect the Group’s supply chain, production capabilities, demand of its products, as well as the sales distribution network that could cause a negative impact on the financial performance. Management has concluded that the Group’s critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances. Further, as the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

**ELECTRICAL 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)

**5 Segment information**

The Group operates principally in the following two operating segments:

- (i) Manufacturing, assembly and supply of various types of electrical equipment; and
- (ii) Provision of technical services.

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>Manufacturing, assembly and supply</b>	<b>Services</b>	<b>Total</b>
<b>For the three-month period ended 31 March 2020</b>			
Revenue			
- At a point in time	123,542,537	-	<b>123,542,537</b>
- Over time	-	15,952,208	<b>15,952,208</b>
	<u>123,542,537</u>	<u>15,952,208</u>	<u><b>139,494,745</b></u>
Cost of sales	(111,462,469)	(5,447,423)	<b>(116,909,892)</b>
<b>Gross profit</b>	<u>12,080,068</u>	<u>10,504,785</u>	<u><b>22,584,853</b></u>
Selling and distribution expenses	(7,331,176)	(516,744)	<b>(7,847,920)</b>
General and administrative expenses	(8,669,964)	(611,234)	<b>(9,281,198)</b>
Expected credit loss allowance	(153,283)	-	<b>(153,283)</b>
Other operating income - net	<u>272,496</u>	<u>-</u>	<u><b>272,496</b></u>
Operating (loss) profit	(3,801,859)	9,376,807	<b>5,574,948</b>
Financial costs	(1,982,729)	(96,557)	<b>(2,079,286)</b>
Segment results	<u>(5,784,588)</u>	<u>9,280,250</u>	<u><b>3,495,662</b></u>
<b>As at 31 March 2020</b>			
Property, plant and equipment	<u>259,232,983</u>	<u>19,961,018</u>	<u><b>279,194,001</b></u>
Total assets	<u>969,389,199</u>	<u>59,428,635</u>	<u><b>1,028,817,834</b></u>
Total liabilities	<u>474,058,826</u>	<u>1,922,034</u>	<u><b>475,980,860</b></u>

**ELECTRICAL 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)

**5 Segment information (continued)**

	<b>Manufacturing, assembly and supply</b>	<b>Services</b>	<b>Total</b>
<b>For the three-month period ended 31 March 2019</b>			
Revenue			
- At a point in time	94,990,748	-	94,990,748
- Over time	-	11,186,144	11,186,144
	94,990,748	11,186,144	106,176,892
Cost of sales	(82,422,294)	(4,776,905)	(87,199,199)
<b>Gross profit</b>	12,568,454	6,409,239	18,977,693
Selling and distribution expenses	(5,298,315)	(2,382,813)	(7,681,128)
General and administrative expenses	(9,072,763)	(662,566)	(9,735,329)
Expected credit loss allowance	(88,568)	-	(88,568)
Other operating expense - net	(154,222)	-	(154,222)
<b>Operating (loss) profit</b>	(2,045,414)	3,363,860	1,318,446
Financial costs	(3,164,023)	(151,362)	(3,315,385)
Segment results	(5,209,437)	3,212,498	(1,996,939)
<b>As at 31 December 2019</b>			
Property, plant and equipment	262,393,074	19,545,305	281,938,379
Total assets	940,636,930	75,947,482	1,016,584,412
Total liabilities	457,729,280	6,865,732	464,595,012

**Reconciliation of segment results with profit (loss) before zakat**

	<b>For the three-month period ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
Total segment results	<b>3,495,662</b>	(1,996,939)
Share in net loss of an investment accounted for using the equity method	<b>(21,286)</b>	(21,763)
Profit (loss) before zakat	<b>3,474,376</b>	(2,018,702)

The business activities of the Group are mainly concentrated in the Kingdom of Saudi Arabia. All operating assets of the Group are located in the Kingdom of Saudi Arabia. The revenue for the three-month period ended 31 March 2020 and 2019, categorized by the geographical segments is as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
Kingdom of Saudi Arabia	<b>132,128,250</b>	89,463,760
Other countries	<b>7,366,495</b>	16,713,132
	<b>139,494,745</b>	106,176,892

**ELECTRICAL 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)

**6 Long-term borrowings**

	<b>Note</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Saudi Industrial Development Fund ("SIDF")	6.1	<b>44,400,000</b>	44,400,000
Less: unamortized transaction costs		<b>(518,531)</b>	(583,661)
		<b>43,881,469</b>	43,816,339
Long-term borrowings are presented as follows:			
Current maturity shown under current liabilities		<b>43,881,469</b>	7,963,291
Long-term borrowings		-	35,853,048
		<b>43,881,469</b>	43,816,339

Movements in unamortized transaction costs are as follows:

	<b>31 March 2020</b>	<b>31 December 2019</b>
Balance at beginning of period / year	<b>583,661</b>	855,862
Less: amortization	<b>(65,130)</b>	(272,201)
Balance at end of period / year	<b>518,531</b>	583,661

**6.1 SIDF loan**

This represents loan obtained by SPTC from SIDF of Saudi Riyals 56.9 million to finance the construction of SPTC's plant facilities, which was fully drawn as of 31 March 2020 and 31 December 2019. The loan is denominated in Saudi Riyals. During 2015, SPTC rescheduled the loan and as per the rescheduling agreement the loan is payable in fifteen un-equal semi-annual installments which commenced in 2017. The loan is secured by a mortgage on property, plant and equipment of SPTC as of 31 March 2020. The covenants of the loans agreements require SPTC to maintain certain level of financial conditions, place limitations on dividend distributions and on annual capital and rental expenditures.

As at 31 March 2020, SPTC was not in compliance with certain loan covenants related to maintenance of certain financial ratios as per the agreement with SIDF. Accordingly, the non-current portion of SIDF loan, with original maturity from 2020 through 2023 amounting to Saudi Riyals 36.2 million has been classified as current in the accompanying condensed consolidated interim financial information.

**ELECTRICAL 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)

**7 Related party transactions**

Related parties comprise the shareholders, directors, associate company, 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 entered into by the Group:

Nature of transactions and relationship	For the three-month period ended 31 March	
	2020	2019
Revenue from other related parties	<b>6,600</b>	1,844,804
Costs and expenses charged by other related parties	<b>3,090</b>	32,562
Royalty charged by other related parties	<b>159,020</b>	25,090

(b) Key management personnel compensation:

	For the three-month period ended 31 March	
	2020	2019
Salaries and other short-term employee benefits	<b>1,549,540</b>	1,556,058
Employee benefit obligations	<b>118,110</b>	118,888
	<b>1,667,650</b>	1,674,946

Board of directors' fee for the three-month period ended 31 March 2020 and 2019 was Saudi Riyals 400,000.

**8 Basic and diluted earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period. As the Group 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 (loss) for the period	<b>847,574</b>	(4,161,812)
Weighted average number of ordinary shares	<b>44,812,867</b>	45,000,000
Basic and diluted earnings (loss) per share	<b>0.02</b>	(0.09)

Weighted average number of ordinary shares outstanding as at 31 March 2020 are adjusted by 187,133 treasury shares bought back by the Company for the purpose of issuing shares under the employee share option programme.

**ELECTRICAL 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)

**9 Contingencies and commitments**

- (i) At 31 March 2020, the Group was contingently liable for bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 295.4 million (31 December 2019: Saudi Riyals 251.9 million).
- (ii) The capital expenditure contracted by the Group but not yet incurred until 31 March 2020 was approximately Saudi Riyals 10.9 million (31 December 2019: Saudi Riyals 4.3 million).
- (iii) During 2018, the Group received additional zakat assessments from GAZT for the years from 2005 through 2014 amounting to Saudi Riyals 75.4 million. The Company has signed an agreement with its founding shareholders, prior to its initial public offering in 2014, whereby any additional zakat liability pertaining to the year 2014 or earlier will be borne by its founding shareholders. In 2019, the Group has accepted and paid an amount of Saudi Riyals 1.6 million related to the years from 2011 to 2014 and has filed appeals against the remaining amounts. The amount of Saudi Riyals 1.6 million was reimbursed by the founding shareholders. Based on appeals, GAZT accepted certain positions taken by the Group and issued the revised assessments amounting to Saudi Riyals 33.0 million. The Group filed appeals against such revised assessments.

During the three-month period ended 31 March 2020, the Group has accepted and paid an amount of Saudi Riyals 4.5 million to GAZT. Subsequent to the reporting date, the Group has further accepted an amount of Saudi Riyals 8.4 million as a final settlement towards the additional assessments. Accordingly, an amount of Saudi Riyals 12.9 million has been recognized as payable to the GAZT and receivable from founding shareholders as at 31 March 2020.

- (iv) Also see Note 1.