

BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019
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 2019

	Page
Report on review of interim financial information	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of financial position	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7 - 13



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 2019 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

9 May 2019



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	
		2019 (Unaudited)	2018 (Unaudited)
Revenue		130,977,887	153,757,209
Cost of sales		(101,618,855)	(110,929,055)
Gross profit		29,359,032	42,828,154
Selling and distribution expenses		(11,762,101)	(12,627,022)
General and administrative expenses		(6,140,059)	(4,751,329)
Other operating income - net		589,674	1,510,765
Operating profit		12,046,546	26,960,568
Finance income		-	286,111
Finance costs	2	(51,102)	-
Profit before zakat and income tax		11,995,444	27,246,679
Zakat expense		(971,458)	(2,132,314)
Income tax expense		(992,605)	(1,768,829)
Profit for the period		10,031,381	23,345,536
Other comprehensive income for the period		-	-
Total comprehensive income for the period		10,031,381	23,345,536
Total comprehensive income for the period is attributable to:			
Shareholders of Basic Chemical Industries Company		6,115,175	16,012,773
Non-controlling interests		3,916,206	7,332,763
		10,031,381	23,345,536

Earnings per share (Saudi Riyals)

Basic and diluted	7	0.22	0.58
-------------------	---	------	------

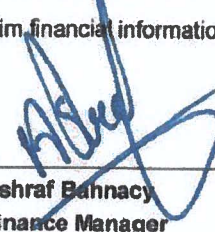
The accompanying notes are an integral part of this condensed consolidated interim financial information.



Khalid Al-Moammar
Board Member



Ossama Farouk
Chief Executive Officer



Ashraf Bahnacy
Finance Manager

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 2019 (Unaudited)	As at 31 December 2018 (Audited)
Assets	Note		
Non-current assets			
Property, plant and equipment		366,462,423	332,486,744
Right-of-use assets	2	5,364,999	-
Total non-current assets		371,827,422	332,486,744
Current assets			
Inventories		90,207,273	92,880,574
Trade and other receivables		156,029,226	160,325,796
Cash and cash equivalents		106,026,987	106,895,306
Total current assets		352,263,486	360,101,676
Total assets		724,090,908	692,588,420
Equity and liabilities			
Equity			
Share capital		275,000,000	275,000,000
Statutory reserve		58,037,541	58,037,541
Retained earnings		180,316,421	174,201,246
Equity attributable to shareholders of Basic Chemical Industries Company		513,353,962	507,238,787
Non-controlling interests		82,416,756	78,500,550
Total equity		595,770,718	585,739,337
Liabilities			
Non-current liabilities			
Lease liabilities	2	3,787,593	-
Employee benefit obligations		29,365,513	29,376,697
Total non-current liabilities		33,153,106	29,376,697
Current liabilities			
Trade and other payables		85,948,972	71,308,696
Current portion of lease liabilities	2	1,090,359	-
Zakat and income tax payable		8,127,753	6,163,690
Total current liabilities		95,167,084	77,472,386
Total liabilities		128,320,190	106,849,083
Total equity and liabilities		724,090,908	692,588,420

The condensed consolidated interim financial information including notes and other explanatory information were approved and authorised for issue by the Board of Directors on 9 May 2019 and were signed on their behalf by:



Khalid Al-Moammar
Board Member



Osama Farouk
Chief Executive Officer



Ashraf Bahnacy
Finance Manager

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

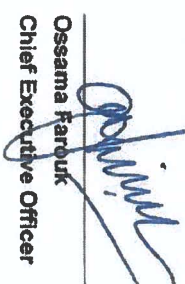
BASIC CHEMICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of changes in equity
(All amounts in Saudi Riyals unless otherwise stated)

	Attributable to the shareholders of Basic Chemical Industries Company					Non- controlling interests		Total
	Share capital	Statutory reserve	Retained earnings	Total				
At 1 January 2018 (Audited)	276,000,000	53,070,778	160,618,821	488,689,599	78,779,615			567,469,214
Profit for the period	-	-	16,012,773	16,012,773	7,332,763			23,345,536
Other comprehensive income for the period	-	-	-	-	-			-
Total comprehensive income for the period	-	-	16,012,773	16,012,773	7,332,763			23,345,536
At 31 March 2018 (Unaudited)	276,000,000	53,070,778	176,631,594	504,702,372	86,112,378			590,814,750
At 1 January 2019 (Audited)	275,000,000	58,037,541	174,201,246	507,238,787	78,500,560			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	-	-	-	-	-			-
Total comprehensive income for the period	-	-	6,115,175	6,115,175	3,916,206			10,031,381
At 31 March 2019 (Unaudited)	275,000,000	58,037,541	180,316,421	513,353,962	82,416,756			595,770,718

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



Khalid Al-Moaemmar
Board Member



Ossama Farouk
Chief Executive Officer



Ashraf Barnacy
Finance Manager

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	
		2019 (Unaudited)	2018 (Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		11,995,444	27,246,679
<u>Adjustments for:</u>			
Depreciation		7,145,646	6,809,109
Gain on disposal of property and equipment		(46,363)	(8,276)
Finance income		-	(286,111)
Finance costs		51,102	-
Employee benefit obligations		731,563	440,413
<u>Changes in operating assets and liabilities:</u>			
Decrease (increase) in inventories		2,673,301	(26,933,185)
Decrease in trade and other receivables		3,662,446	2,531,955
Increase in trade and other payables		14,640,276	21,546,402
Cash generated from operations		40,853,415	31,347,006
Finance income received on deposits		-	286,111
Employee benefit obligations paid		(742,747)	-
Net cash inflow from operating activities		40,110,668	31,633,117
Cash flows from investing activities			
Short-term deposit		-	(50,000,000)
Payments for property, plant and equipment		(40,838,957)	(14,138,212)
Proceeds from disposal of property and equipment		46,363	8,277
Net cash outflow from investing activities		(40,792,594)	(64,129,935)
Cash flow from financing activity			
Lease liabilities repaid		(186,393)	-
Net decrease in cash and cash equivalents		(868,319)	(32,496,818)
Cash and cash equivalents at beginning of period		106,895,306	172,878,753
Cash and cash equivalents at end of period		106,026,987	140,381,935
Non-cash operating, investing and financing activities:			
Right-of-use assets recorded against lease liabilities	2	5,647,367	-
Prepaid lease rentals adjusted against lease liabilities		634,124	-

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



Khalid Al-Moammar
Board Member



Ossama Farouk
Chief Executive Officer



Ashraf Bannay
Finance Manager

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 2019**

(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 Saudi Arabian 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.

The Company is in the process of setting-up a project in Jubail for producing chlorine and its derivatives with an estimated production capacity of 70,000 tons. As at 31 March 2019, the Group has incurred Saudi Riyals 218.0 million on the new plant representing costs incurred by the Group under different agreements entered for procurement of machinery and equipment and engineering and consulting services. The Royal Commission for Jubail and Yanbu has allocated land for such project in Jubail. The Company has also signed an agreement with a local commercial bank for credit facilities amounting to Saudi Riyals 262.0 million to partially finance this project. Such credit facilities have remained unutilized as at 31 March 2019.

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:

	Effective ownership percentage at	
	31 March 2019	31 December 2018
Basic Chemicals National Company Limited ("BCNC")	100%	100%
Chemical Marketing and Distribution Company Limited ("CMDC")	100%	100%
Saudi Water Treatment Company ("SWTC")	100%	100%
Huntsman APC ("HAPC")	49%	49%
National Adhesives Company Limited ("NAL")	47%	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.

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.

The Group holds 50% equity interest in an associate, 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 accounted for using the equity method of accounting. As at 31 March 2019 and 31 December 2018, the investment was fully impaired.

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 2019
(All amounts in Saudi Riyals unless otherwise stated)

2. Accounting policies

The principal accounting policies applied in the preparation of condensed interim financial information of the Group are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of IFRS 16 'Leases' ("IFRS 16").

2.1 Basis of preparation

This condensed 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 Saudi Organization for Certified Public Accountants ("SOCPA").

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements. Accordingly, this condensed interim financial information is to be read in conjunction with the annual financial statements for the year ended 31 December 2018.

2.2 New and amended standards adopted by the Company

The Group has adopted IFRS 16 'Leases' ("IFRS 16"), the new standard, which became applicable for the current reporting period. The impact of the adoption of such standard and the new accounting policies are disclosed in note 2.3 below.

2.3 Transition to IFRS 16

a) Transition approach and impact

The Group has adopted IFRS 16 from 1 January 2019, using the modified retrospective method, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in IFRS 16. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the condensed consolidated statement of financial position on 1 January 2019.

On adoption of IFRS 16, the Group recognized 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 Group's incremental borrowing rate as of 1 January 2019. The equal and opposite side of the lease liability calculated, is the Right-of-Use ("RoU") asset. Therefore, there is no adjustment against opening retained earnings as at the transition date i.e 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.44%.

The change in accounting policy resulted in recognition of RoU assets and lease liabilities amounting to Saudi Riyals 5.6 million as of 1 January 2019.

b) Change in accounting policy

Starting 1 January 2019, the Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a RoU asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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 2019
 (All amounts in Saudi Riyals unless otherwise stated)

The lease liability is presented as a separate line in the condensed consolidated interim statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Extension options

Extension options are included in the Company's lease contracts. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by mutual agreement of the Company and the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". The costs are included in the related RoU asset, unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the RoU asset reflects that the Group expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line in the condensed consolidated interim statement of financial position.

The Group applies IAS 36 "Impairment of Assets" to determine whether a RoU asset is impaired and accounts for any identified impairment loss.

c) RoU assets

The RoU assets and corresponding lease liabilities relate to the following type of assets:

Land and warehouse	3,913,580
Office lease	1,733,787
	<u>5,647,367</u>

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 2019
(All amounts in Saudi Riyals unless otherwise stated)

d) Reconciliation of operating lease commitments as at 31 December 2018 and lease liability recognized as at 1 January 2019 is as follows:

Operating lease commitments disclosed as at 31 December 2018	-
Add: adjustment as a result of assessment of lease contracts under IFRS 16	5,785,095
Impact of discounting using the Group's incremental borrowing rate at the date of initial application	(137,728)
Lease liabilities recognized as at 1 January 2019	<u>5,647,367</u>
Current lease liabilities	1,622,058
Non-current lease liabilities	<u>4,025,309</u>
	<u>5,647,367</u>

3. Fair value of assets and liabilities

As at 31 March 2019 and 31 December 2018, 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.

4. Critical accounting estimates and judgements

The preparation of condensed 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 interim financial information from those that were applied and disclosed in the annual financial statements for the year ended 31 December 2018.

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 2019**

(All amounts in Saudi Riyals unless otherwise stated)

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 2019 and 31 December 2018 and for the three-month periods ended 31 March 2019 and 2018, summarized by the above operating segments, is as follows:

	Chemicals	Adhesives and other materials	Total
For the three-month period ended 31 March 2019			
Revenue	68,678,447	62,299,440	130,977,887
Cost of sales	(53,668,285)	(47,950,570)	(101,618,855)
Gross profit	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
Operating profit	3,678,370	8,368,176	12,046,546
Financial charges	(48,933)	(2,169)	(51,102)
Segment results	3,629,437	8,366,007	11,995,444
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
	Chemicals	Adhesives and other materials	Total
For the three-month period ended 31 March 2018			
Revenue	95,675,150	58,082,059	153,757,209
Cost of sales	(66,587,223)	(44,341,832)	(110,929,055)
Gross profit	29,087,927	13,740,227	42,828,154
Selling and distribution expenses	(8,398,015)	(4,229,007)	(12,627,022)
General and administrative expenses	(4,938,893)	187,564	(4,751,329)
Other operating income (expenses) - net	1,815,578	(304,813)	1,510,765
Operating profit	17,566,597	9,393,971	26,960,568
Financial income	286,111	-	286,111
Segment results	17,852,708	9,393,971	27,246,679
As at 31 March 2018			
Total assets	559,533,782	170,801,667	730,335,449
Total liabilities	97,699,958	41,820,741	139,520,699

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 2019**

(All amounts in Saudi Riyals unless otherwise stated)

6. 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	
		2019	2018
Sales to related parties	Associated companies	10,426,098	11,259,405
Purchases from related parties	Associated companies	12,136,284	35,237,485
Royalty charged by a related party	Associated companies	1,831,350	1,443,124

(b) Key management personnel compensation:

	For the three-month period ended 31 March	
	2019	2018
Salaries and other short-term employee benefits	1,492,431	1,433,799
Employee benefit obligations	119,451	187,423
	1,611,882	1,621,222

7. 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	
	2019	2018
Profit attributable to the shareholders of Basic Chemical Industries Company	6,115,175	16,012,773
Weighted average number of ordinary shares for basic and diluted earnings per share	27,500,000	27,500,000
Basic and diluted earnings per share	0.22	0.58

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 2019

(All amounts in Saudi Riyals unless otherwise stated)

8. Contingencies and commitments

- (i) The Group was contingently liable at 31 March 2019 for bank guarantees issued in the normal course of business amounting to Saudi Riyals 9.2 million (31 December 2018: Saudi Riyals 9.1 million).
- (ii) The capital expenditure contracted by the Group but not yet incurred till 31 March 2019 was approximately Saudi Riyals 20.7 million (31 December 2018: Saudi Riyals 36.2 million).
- (iii) There has been no update with regards to the Zakat and Income tax information from those that were disclosed in the annual financial statements for the year ended 31 December 2018.