

**ELECTRICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021
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 2021

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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 2021 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 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

4 May 2021



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	
		2021 (Unaudited)	2020 (Unaudited)
Revenue	7	167,833,215	139,494,745
Cost of sales	7	(136,426,941)	(116,909,892)
Gross profit		31,406,274	22,584,853
Selling and distribution expenses		(8,444,270)	(7,847,920)
General and administrative expenses	7	(10,965,890)	(9,281,198)
Expected credit loss allowance		(546,873)	(153,283)
Other operating (expenses) income - net		(896)	272,496
Operating profit		11,448,345	5,574,948
Financial costs		(1,795,496)	(2,079,286)
Share of net loss of an investment accounted for using the equity method		-	(21,286)
Profit before zakat		9,652,849	3,474,376
Zakat expense		(2,694,309)	(2,626,802)
Profit for the period		6,958,540	847,574
Other comprehensive income for the period		-	-
Total comprehensive income for the period		6,958,540	847,574
Earnings per share			
Basic	8	0.16	0.02
Diluted	8	0.16	0.02

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 2021 (Unaudited)	As at 31 December 2020 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		266,726,520	269,717,594
Right-of-use assets		11,083,275	11,590,699
Intangible assets		8,648,739	9,387,732
Financial asset at fair value through other comprehensive income		15,300,000	15,300,000
Total non-current assets		301,758,534	305,996,025
Current assets			
Inventories		265,848,614	261,718,456
Trade and other receivables		419,718,836	455,553,574
Cash and cash equivalents		90,104,399	70,792,172
Total current assets		775,671,849	788,064,202
Total assets		1,077,430,383	1,094,060,227
Equity and liabilities			
Equity			
Share capital		450,000,000	450,000,000
Statutory reserve		47,874,050	47,874,050
Treasury shares		(9,861,621)	(9,861,621)
Share based payment reserve		839,166	629,375
Retained earnings		83,832,282	76,873,742
Total equity		572,683,877	565,515,546
Liabilities			
Non-current liabilities			
Long-term borrowings	6	-	31,237,480
Lease liabilities		9,122,490	9,408,799
Employee benefit obligations		75,031,955	73,894,933
Total non-current liabilities		84,154,445	114,541,212
Current liabilities			
Trade and other payables		238,103,819	235,642,860
Current portion of long-term borrowings	6	44,102,318	12,815,568
Short-term murabaha borrowings		121,303,904	151,173,913
Current portion of lease liabilities		1,897,972	1,881,389
Zakat payable		15,184,048	12,489,739
Total current liabilities		420,592,061	414,003,469
Total liabilities		504,746,506	528,544,681
Total equity and liabilities		1,077,430,383	1,094,060,227

The condensed consolidated interim financial information including notes was authorized for issue by the Board of Directors on 4 May 2021 and was signed on their behalf by:


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 changes in equity
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Treasury shares	Share based payment reserve	Retained earnings	Total
At 1 January 2020 (Audited)	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	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	847,574	847,574
At 31 March 2020 (Unaudited)	450,000,000	45,481,782	(2,697,043)	-	60,052,235	552,836,974
At 1 January 2021 (Audited)	450,000,000	47,874,050	(9,861,621)	629,375	76,873,742	565,515,546
Profit for the period	-	-	-	-	6,958,540	6,958,540
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	6,958,540	6,958,540
Share based compensation	-	-	-	209,791	-	209,791
At 31 March 2021 (Unaudited)	450,000,000	47,874,050	(9,861,621)	839,166	83,832,282	572,683,877

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)

	For the three-month period ended 31 March	
	2021	2020
Cash flows from operating activities		
Profit before zakat	9,652,849	3,474,376
<u>Adjustments for</u>		
Depreciation and amortization	6,140,343	6,057,915
Expected credit loss allowance	546,873	153,283
Allowance for inventory obsolescence	22,426	2,432,358
Share in net loss of an investment accounted for using the equity method	-	21,286
Financial costs	1,795,496	2,079,286
Share based payment expense	209,791	-
Employee benefit obligations	1,904,279	1,864,132
<u>Changes in operating assets and liabilities:</u>		
Employee benefit obligations paid	(767,257)	(2,126,821)
Decrease (increase) in trade and other receivables	35,287,865	(3,914,449)
Increase in inventories	(4,152,584)	(7,405,360)
Increase in trade and other payables	2,591,961	18,083,953
Cash generated from operations	53,232,042	20,719,959
Financial costs paid on borrowings	(1,877,228)	(2,709,763)
Net cash inflow from operating activities	51,354,814	18,010,196
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(1,802,281)	(2,180,207)
Payments for purchase of intangible assets	(100,571)	(11,280)
Net cash outflow from investing activities	(1,902,852)	(2,191,487)
Cash flows from financing activities		
Changes in short-term murabaha borrowings	(29,870,009)	(8,453,027)
Repayments of lease liabilities	(269,726)	-
Net cash outflow from financing activities	(30,139,735)	(8,453,027)
Net increase in cash and cash equivalents	19,312,227	7,365,682
Cash and cash equivalents at beginning of period	70,792,172	24,142,233
Cash and cash equivalents at end of period	90,104,399	31,507,915
Non-cash operating, investing and financing activities:		
Amortisation of transaction costs	49,270	65,130
Loss on an investment accounted for using the equity method classified under trade and other payables	-	21,286

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 2021
(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:

	Effective ownership at	
	31 March	31 December
	2021	2020
Wahah Electric Supply Company of Saudi Arabia Limited (“WESCOA”)	100%	100%
Saudi Transformers Company Limited (“STC”)	100%	100%
Saudi Power Transformers Company Limited (“SPTC”)	100%	100%
Gulf Electrical Equipment Company L.L.C. (“GEEC”)	100%	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.

Subsequent to the reporting date, on 15 April 2021, Pauwels Transformers NV, a joint stock company incorporated in Belgium, and a 100% owned subsidiary of GEEC, signed an agreement with the liquidators of CG Power Systems Belgium (“CGPB”) - under liquidation and CG Holding Belgium (CG Holding) - under liquidation, to acquire the assets of CGPB and CG Holding at an agreed consideration of Euro 5.0 million (equivalent to Saudi Riyals 22.7 million).

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 75.5 million as at 31 March 2021 (31 December 2020: Saudi Riyals 76.8 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, the Group’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.

Notwithstanding these challenges, the Group was successful in maintaining stable operations. 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 2021. The Group’s management continues to monitor the situation closely.

As of 31 March 2021, the Group has a current ratio of 1.84, confirmed order back-log of Saudi Riyals 926.4 million, cash and cash equivalent of Saudi Riyals 90.1 million and unutilized credit facilities of Saudi Riyals 384.9 million. The Group’s management has also forecasted its liquidity position and, based on these factors, believes that the Group will be adequately able to meet its working capital and capital expenditure needs for the coming twelve months from the reporting date.

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 2021
(All amounts in Saudi Riyals unless otherwise stated)

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 2020, 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 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 Chartered and Professional 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 2020.

2.2 Standards and amendments to the standards adopted and issued but not yet effective

New IFRS standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published by the IASB that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

New and amended IFRS standards adopted by the Group

There are no new standards applicable to the Group, however, the Group has applied the following amendments to the standards for the first time for their reporting period commencing on 1 January 2021:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark (IBOR) reform - Phase 2

Phase 1 of these amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that Interbank Offered Rate ("IBOR") reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of profit or loss and other comprehensive income (Note 38).

The Phase 2 amendments require an entity to prospectively cease to apply the Phase 1 reliefs to a non-contractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued.

Amendment to IFRS 16, 'Leases', Covid 19 - Related rent concessions

The amendment provides the lessees with option to account for rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Seasonality of operations

There are no seasonal changes that may affect the operations of the Group.

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 2021**

(All amounts in Saudi Riyals unless otherwise stated)

3 Fair value of assets and liabilities

As at 31 March 2021 and 31 December 2020, 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 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 consolidated financial statements for the year ended 31 December 2020.

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 2021
(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 2021 and 31 December 2020 and for the three-month periods ended 31 March 2021 and 2020, summarized by the above operating segments, is as follows:

	Manufacturing, assembly and supply	Services	Total
For the three-month period ended 31 March 2021			
Revenue			
- At a point in time	154,008,693	-	154,008,693
- Over time	-	13,824,522	13,824,522
	154,008,693	13,824,522	167,833,215
Cost of sales	(132,897,401)	(3,529,540)	(136,426,941)
Gross profit	21,111,292	10,294,982	31,406,274
Selling and distribution expenses	(7,699,283)	(744,987)	(8,444,270)
General and administrative expenses	(10,282,393)	(683,497)	(10,965,890)
Expected credit loss allowance	(487,026)	(59,847)	(546,873)
Other operating expenses - net	(896)	-	(896)
Operating profit	2,641,694	8,806,651	11,448,345
Financial costs	(1,720,848)	(74,648)	(1,795,496)
Segment results	920,846	8,732,003	9,652,849
As at 31 March 2021			
Property, plant and equipment	245,361,348	21,365,172	266,726,520
Total assets	1,007,915,116	69,515,267	1,077,430,383
Total liabilities	502,094,883	2,651,623	504,746,506

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 2021
(All amounts in Saudi Riyals unless otherwise stated)

5 Segment information (continued)

	Manufacturing, assembly and supply	Services	Total
For the three-month period ended 31 March 2020			
Revenue			
- At a point in time	123,542,537	-	123,542,537
- Over time	-	15,952,208	15,952,208
	123,542,537	15,952,208	139,494,745
Cost of sales	(111,462,469)	(5,447,423)	(116,909,892)
Gross profit	12,080,068	10,504,785	22,584,853
Selling and distribution expenses	(7,331,176)	(516,744)	(7,847,920)
General and administrative expenses	(8,669,964)	(611,234)	(9,281,198)
Expected credit loss allowance	(153,283)	-	(153,283)
Other operating income - net	272,496	-	272,496
Operating (loss) profit	(3,801,859)	9,376,807	5,574,948
Financial costs	(1,982,729)	(96,557)	(2,079,286)
Segment results	(5,784,588)	9,280,250	3,495,662
As at 31 December 2020			
Property, plant and equipment	251,248,010	18,469,584	269,717,594
Total assets	1,026,207,176	67,853,051	1,094,060,227
Total liabilities	517,656,901	10,887,780	528,544,681

Reconciliation of segment results with profit before zakat

	For the three-month period ended 31 March	
	2021	2020
Total segment results	9,652,849	3,495,662
Share in net loss of an investment accounted for using the equity method	-	(21,286)
Profit before zakat	9,652,849	3,474,376

The business activities of the Group are mainly concentrated in the Kingdom of Saudi Arabia and all operating assets of the Group are located in the Kingdom of Saudi Arabia. The revenue for the three-month periods ended 31 March 2021 and 2020, categorized by the geographical segments is as follows:

	For the three-month period ended 31 March	
	2021	2020
Kingdom of Saudi Arabia	153,056,296	132,128,250
Other countries	14,776,919	7,366,495
	167,833,215	139,494,745

ELECTRICAL INDUSTRIES COMPANY
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Notes to the condensed consolidated interim financial information (Unaudited)
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6 Long-term borrowings

	Note	31 March 2021	31 December 2020
Saudi Industrial Development Fund ("SIDF")	6.1	44,400,000	44,400,000
Less: unamortized transaction costs		(297,682)	(346,952)
		44,102,318	44,053,048
Long-term borrowings are presented as follows:			
Current maturity shown under current liabilities		44,102,318	12,815,568
Non-current portion		-	31,237,480
		44,102,318	44,053,048

Movements in unamortized transaction costs are as follows:

	31 March 2021	31 December 2020
Balance at beginning of period / year	346,952	583,661
Less: amortization	(49,270)	(236,709)
Balance at end of period / year	297,682	346,952

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 by 31 December 2014. 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. During July 2020, SPTC again rescheduled the loan repayments with no changes to other terms of the borrowing agreement.

The loan is secured by a mortgage on property, plant and equipment of SPTC as of 31 March 2021. As per the loan agreements between SPTC and SIDF, SPTC had to comply with certain loan covenants related to maintenance of financial ratios (current ratio 1:1 and liabilities to tangible net worth ratio 3:1). As at 31 March 2021, SPTC was not in compliance with certain loan covenants. Accordingly, the non-current portion of SIDF loan, with original maturity in 2022 and 2023 amounting to Saudi Riyals 31.4 million has been classified as current liability in the accompanying condensed consolidated interim financial information.

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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	
	2021	2020
Revenue from other related parties	46,424	6,600
Costs and expenses charged by other related parties	-	3,090
Royalty charged by other related parties	-	159,020

(b) *Key management personnel compensation:*

	For the three-month period ended 31 March	
	2021	2020
Salaries and other short-term employee benefits	2,717,264	1,549,540
Employee benefit obligations	247,052	118,110
	2,964,316	1,667,650

Board of directors' fee for the three-months period ended 31 March 2021 and 2020 was Saudi Riyals 400,000.

8 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated as follows:

	For the three-month period ended 31 March	
	2021	2020
Profit attributable to the shareholders of Electrical Industries Company	6,958,540	847,574
Weighted average number of ordinary shares for basic earnings per share*	44,500,000	44,812,867
Weighted average number of ordinary shares deemed to be issued under employee share incentive program	288,616	-
Weighted average number of ordinary shares for the purpose of diluted earnings	44,788,616	44,812,867
Basic earnings per share	0.16	0.02
Diluted earnings per share	0.16	0.02

* Weighted average number of ordinary shares outstanding as at 31 March 2021 and 2020 are adjusted by weighted average number of treasury shares bought back by the Company for the purpose of issuing shares under the employee share incentive program.

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 2021
(All amounts in Saudi Riyals unless otherwise stated)

9 Contingencies and commitments

- (i) At 31 March 2021, the Group was contingently liable for bank guarantees and letters of credit issued in the normal course of business amounting to 406.5 million (31 December 2020: Saudi Riyals 332.8 million).
- (ii) The capital expenditure contracted by the Group but not yet incurred until 31 March 2021 was approximately 4.1 million (31 December 2020: Saudi Riyals 5.0 million).
- (iii) During 2020, the Group received additional zakat and withholding tax assessments for the years from 2015 to 2018 amounting to Saudi Riyals 6.4 million and Saudi Riyals 1.3 million respectively. The Group has filed appeals against such assessments with GAZT and strongly believes that their contentions are in accordance with the applicable GAZT regulations and no material liability will arise upon finalisation of such assessments. Accordingly, no provision for such additional assessments has been made in the accompanying condensed consolidated interim financial information.
- (iv) Also see Note 1.

10 Dividends

The Company's Board of Directors, at their meeting held on 16 March 2021, has proposed cash dividends of Saudi Riyals 0.5 per share totalling to Saudi Riyals 22.5 million which is approved by the annual general meeting held on 26 April 2021.

11 Subsequent events

Subsequent to the reporting date, the Group signed an agreement to acquire the assets of CGPB and CG Holding. See Note 1.

See Note 10 for approval of dividends by the shareholders subsequent to the reporting date.

There have been no other significant subsequent events since the three-month period ended 31 March 2021 that could have a material effect on the condensed consolidated interim financial information as at 31 March 2021.