

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL
STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Gas Arabian Services Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim financial statements of Gas Arabian Services Company ("the Company") which comprises of condensed interim statement of financial position as of June 30, 2024 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements 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 these condensed interim financial statements based on our review.

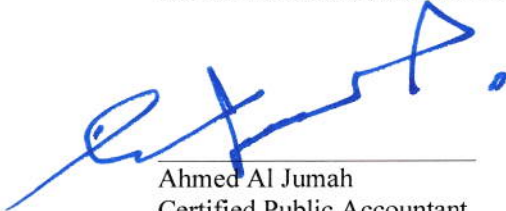
Scope of review

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 condensed interim financial statements 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 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 interim financial statements are not prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Ahmed Al Jumah
Certified Public Accountant
Registration No 621




Dammam, on 7 Safar 1446 (H)
Corresponding to: 11 August, 2024 G


GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024
(Expressed in Saudi Riyals)

	Notes	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	93,466,963	85,332,948
Right-of-use assets		5,176,945	3,793,078
Intangible assets		110,239	145,211
Investment in associates and joint ventures	5	111,455,574	106,170,934
Total non-current assets		210,209,721	195,442,171
Current assets			
Inventories		67,187,497	61,778,490
Accounts receivable and unbilled revenue		276,269,852	186,576,454
Prepayments and other receivables		70,911,251	51,553,711
Cash at banks		63,173,284	91,059,388
Total current assets		477,541,884	390,968,043
TOTAL ASSETS		687,751,605	586,410,214
EQUITY AND LIABILITIES			
Equity			
Share capital		158,000,000	158,000,000
Treasury shares	10	(3,279,789)	(3,224,947)
Statutory reserve		36,867,936	36,867,936
Other reserve		410,025	410,025
Retained earnings		167,023,713	168,637,211
Total equity		359,021,885	360,690,225
Non-current liabilities			
Obligation against investment in joint venture	5	10,005,289	8,721,969
Employees' defined benefits liabilities		33,486,524	30,528,688
Lease liabilities		2,881,969	2,476,538
Total non-current liabilities		46,373,782	41,727,195
Current liabilities			
Current portion of lease liabilities		1,092,037	1,139,284
Accounts payable		112,579,554	96,709,699
Accruals and other liabilities		163,650,416	79,292,701
Provision for Zakat		5,033,931	6,851,110
Total current liabilities		282,355,938	183,992,794
Total liabilities		328,729,720	225,719,989
TOTAL EQUITY AND LIABILITIES		687,751,605	586,410,214

The accompanying notes from 1 to 15 form an integral part of these unaudited condensed interim financial statements.


Chairman


Chief Executive Officer


Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

(Expressed in Saudi Riyals)

	Notes	For the six months period ended June 30	
		2024	2023
		(Un-audited)	(Un-audited)
Revenue		481,540,677	351,217,125
Cost of revenue		(390,300,838)	(298,971,282)
Gross profit		91,239,839	52,245,843
General and administrative expenses		(54,726,132)	(39,068,816)
Reversal / (allowance) for expected credit losses		335,799	(1,735,139)
Share in results of associates and joint ventures		10,088,820	23,609,670
Profit from operations		46,938,326	35,051,558
Other income	7	3,265,731	4,231,507
Finance costs		(418,713)	(1,197,445)
Profit before Zakat		49,785,344	38,085,620
Zakat		(4,121,625)	(2,604,801)
NET PROFIT FOR THE PERIOD		45,663,719	35,480,819
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		45,663,719	35,480,819
EARNINGS PER SHARE			
Basic earnings per share from net profit attributable to the shareholders of the Company	11	0.2898	0.2247
Diluted earnings per share from net profit attributable to the shareholders of the Company	11	0.2890	0.2245

The accompanying notes from 1 to 15 form an integral part of these unaudited condensed interim financial statements.



Chairman



Chief Executive Officer



Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

(Expressed in Saudi Riyals)

	Share capital	Treasury shares	Statutory reserve	Other reserve	Retained earnings	Total equity
At January 01, 2023 (audited)	158,000,000	-	28,721,025	-	130,447,538	317,168,563
Net profit for the period	-	-	-	-	35,480,819	35,480,819
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	35,480,819	35,480,819
Purchase of treasury shares (note-10)	-	(2,499,952)	-	-	-	(2,499,952)
Dividends (note-12)	-	-	-	-	(35,550,000)	(35,550,000)
At June 30, 2023 (un-audited)	158,000,000	(2,499,952)	28,721,025	-	130,378,357	314,599,430
At January 01, 2024 (audited)	158,000,000	(3,224,947)	36,867,936	410,025	168,637,211	360,690,225
Net profit for the period	-	-	-	-	45,663,719	45,663,719
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	45,663,719	45,663,719
Purchase of treasury shares (note-10)	-	(54,842)	-	-	-	(54,842)
Dividends (note-12)	-	-	-	-	(47,277,217)	(47,277,217)
At June 30, 2024 (un-audited)	158,000,000	(3,279,789)	36,867,936	410,025	167,023,713	359,021,885

The accompanying notes from 1 to 15 form an integral part of these unaudited condensed interim financial statements.



Chairman



Chief Executive Officer



Finance Manager

GAS ARABIAN SERVICES COMPANY

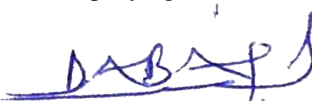
(A Saudi Joint Stock Company)

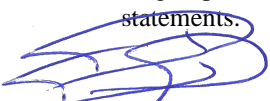
**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

(Expressed in Saudi Riyals)

	June 30, 2024 (Un-audited)	June 30, 2023 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Zakat	49,785,344	38,085,620
<i>Adjustments for:</i>		
Depreciation of property and equipment	3,756,698	2,436,416
Depreciation of right-of-use-assets	681,250	427,715
Amortization of intangible assets	34,972	34,997
(Reversal) / allowance for expected credit loss	(335,798)	1,735,140
Share in results of associates and joint ventures	(10,088,820)	(23,609,670)
Unrealized gain on investments at FVTPL	-	(1,417,559)
Provision for employees' defined benefit liabilities	4,271,955	2,965,115
Gain on disposal of property and equipment	(89,475)	(101,760)
Finance costs	418,713	1,197,445
	48,434,839	21,753,459
<i>Changes in:</i>		
Inventories	(5,409,007)	(16,436,730)
Trade receivables and unbilled revenue	(89,357,600)	(41,510,660)
Prepayments and other receivables	(19,357,540)	1,867,519
Accounts payable	15,869,855	23,910,678
Accruals and other liabilities	84,357,715	12,310,944
Cash provided by operations	34,538,262	1,895,210
Employees' defined benefit liabilities paid including advances	(1,314,119)	(629,929)
Zakat paid	(5,938,804)	(5,594,029)
Finance costs paid	(225,641)	(1,030,845)
Net cash generated from/ (used in) operating activities	27,059,698	(5,359,593)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(12,012,508)	(14,004,675)
Proceeds from disposal of property and equipment	211,270	152,802
Purchase of intangible assets	-	(7,850)
Dividend received from associates and joint ventures	8,437,500	10,125,000
Purchase of investments at FVTPL	-	(7,760,089)
Investment in associates and joint ventures	(2,350,000)	-
Sale of investments at FVTPL	-	7,694,071
Net cash used in investing activities	(5,713,738)	(3,800,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(47,277,217)	(35,550,000)
Proceeds from short term loans	-	3,500,000
Lease payments	(1,900,005)	-
Purchase of treasury shares	(54,842)	(2,499,952)
Net cash used in financing activities	(49,232,064)	(34,549,952)
Net change in cash and cash equivalents	(27,886,104)	(43,710,286)
Cash at banks and cash equivalents at January 01,	91,059,388	67,915,356
Cash and cash equivalents at June 30,	63,173,284	24,205,070

The accompanying notes from 1 to 15 form an integral part of these unaudited condensed interim financial statements.


Chairman


Chief Executive Officer


Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

(Expressed in Saudi Riyals)

1. CORPORATE INFORMATION AND COMPANY STRUCTURE

Gas Arabian Services Company ("the Company") is a Saudi Joint Stock Company registered in Saudi Arabia under Commercial Registration No. 2050022617 dated 7 Sha'ban 1412H (corresponding to February 11, 1992) issued in Dammam. The Company's registered office is at King Saud Street, P.O. Box 3422, Dammam 31471, Kingdom of Saudi Arabia. The Company shares are listed on the parallel Saudi Stock Exchange ("NOMU").

The Company is engaged in the business of wholesale of machinery and equipment, electrical, electronic, mechanical, hydro-mechanical, petroleum, industrial equipment, drilling equipment, technical equipment, desalination equipment, generators and spare parts, providing operational, maintenance and technical engineering services, manufacturing of piping spools, structural steel fabrication, pressure reducing stations and other industry essential products.

During the period, the Board of Directors of the Company adopted a resolution to facilitate the transfer of the Company from the Parallel Market (Nomu) to the Main Market (Tadawul). The Company anticipates that this process will be completed by the end of 2024.

The Company operates through the following branches:

<u>Branch</u>	<u>CR No.</u>
Gas Arabian Services Company – Jubail	2055004723
Gas Arabian Services Company – Dammam	2050099200
Gas Arabian Services Company – Dammam	2050113651
Gas Arabian Services Company – Yanbu	4700106468
Gas Arabian Services Company – Jubail	2055011867
Gas Arabian Services Company – Dammam	2050180839

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

These condensed interim financial statements for the six months period ended June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as endorsed in the KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements prepared in accordance with International Financial Reporting Standards that are endorsed in KSA and therefore, should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023. The methods of computation and material accounting policies adopted in the preparation of these condensed interim financial statements and the significant judgements made by management in applying the Company's key sources of estimation uncertainty were similar to those described in the Company's annual financial statements for the year ended December 31, 2023.

2.2 Basis of measurement

These condensed interim financial statements have been prepared using the accruals basis of accounting under the historical cost convention except for remeasurement of investments at fair value through profit or loss (FVTPL), and employees' benefits that have been measured at fair value and present value respectively. As of June 30, 2024 and December 31, 2023, the carrying values of the financial assets and financial liabilities approximate to their fair values.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company.

2.4 New accounting standards, interpretations and amendments

There are no new standards issued, however, there are number of amendments to standards which are effective from January 01, 2024 and onwards and have been explained in Company's annual financial statements for the year ended December 31, 2023, but these do not have a material effect on the Company's condensed interim financial statements for the period ended June 30, 2024. The Company did not early adopt any such amendments.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**
(Expressed in Saudi Riyals)

3. SEGMENT INFORMATION

Operating segments

For management purposes, The Company is organized into business units based on their operations and has the following three reportable segments:

- a) The Technical segment- This segment provides technical manpower services and executes technical engineering projects.
- b) The Trading segment- The segment is engaged in supply of engineering products and solutions, sales of industrial, electrical, mechanical, hydro-mechanical, petroleum and other technical equipment.
- c) The manufacturing segment- This segment is engaged in manufacturing of piping spools, structural steel fabrication, pressure reduction stations and other industry essential products.

All of the Company's operations are located in the Kingdom of Saudi Arabia. Control of products / services is transferred at a point in time and directly sold / provided to the customers for all segments above expect technical segment for which revenue is recorded both point in time and over the time. The selected information for each operating segment for the period ended June 30, 2024 and June 30, 2023 is as follows:

Period ended June 30, 2024 (un-audited)	Technical services	Trading	Manufacturing	Unallocated	Total
Revenue	203,357,668	267,737,724	10,445,285	-	481,540,677
Cost of revenue	(177,879,526)	(208,132,602)	(4,288,710)	-	(390,300,838)
Gross profit	25,478,142	59,605,122	6,156,575	-	91,239,839
General and administrative expenses	-	-	-	(54,726,132)	(54,726,132)
Reversal for expected credit losses	-	-	-	335,799	335,799
Other income	-	-	-	3,265,731	3,265,731
Finance costs	-	-	-	(418,713)	(418,713)
Share in results of associates and joint ventures	-	-	-	10,088,820	10,088,820
Profit before Zakat					49,785,344
Total assets	84,779,163	134,879,572	6,629,436	461,463,434	687,751,605
Total liabilities	-	-	-	328,729,720	328,729,720
Period ended June 30, 2023 (un-audited)	Technical services	Trading	Manufacturing	Unallocated	Total
Revenue	89,146,996	256,570,713	5,499,416	-	351,217,125
Cost of revenue	(84,382,346)	(209,894,186)	(4,694,750)	-	(298,971,282)
Gross profit	4,764,650	46,676,527	804,666	-	52,245,843
General and administrative expenses	-	-	-	(39,068,816)	(39,068,816)
Allowance for expected credit losses	-	-	-	(1,735,139)	(1,735,139)
Other income	-	-	-	4,231,507	4,231,507
Finance costs	-	-	-	(1,197,445)	(1,197,445)
Share in results of associates and joint ventures	-	-	-	23,609,670	23,609,670
Profit before Zakat					38,085,620
Total assets	57,024,906	121,559,714	9,302,478	352,486,926	540,374,024
Total liabilities	-	-	-	225,774,594	225,774,594

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

(Expressed in Saudi Riyals)

4. PROPERTY AND EQUIPMENT

During the six months period ended June 30, 2024, the Company purchased property and equipment with a cost of SR 12,012,508 (June 30, 2023: SR 14,004,675) including additions to capital work in progress amounted to SR 6,294,735 (June 30, 2023: SR 8,315,638) and disposed-off assets with a cost of SR 1,066,103 (June 30, 2023: SR 685,252). The depreciation charge for the six months period ended June 30, 2024 was amounted to SR 3,756,698 (June 30, 2023: SR 2,436,416).

5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The movement in the investment in associates and joint ventures is as follows;

	Period ended June 30, 2024 (un-audited)	As at December 31, 2023 (audited)
At the beginning	106,170,934	91,143,068
Provision created for losses	1,283,320	2,358,087
Share in results	10,088,820	37,602,523
Adjustments	-	(265,244)
Additional investment	2,350,000	-
Dividend received	(8,437,500)	(24,667,500)
At the end of the period / year	111,455,574	106,170,934

Disclosed in the condensed interim statement of financial position as follows:

Investment in associates and joint ventures under non-current assets	111,455,574	106,170,934
Obligations against investment in associates and joint ventures under non-current liabilities	(10,005,289)	(8,721,969)
Net investment in associates and joint ventures	101,450,285	97,448,965

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

(Expressed in Saudi Riyals)

6. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, key management personnel and the entities controlled, jointly controlled or significantly influenced by such parties. The Company considers the members of the Board of Directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of the IAS 24 Related Party Disclosures.

The significant transactions with related parties have been disclosed below:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amounts of transaction for six months period ended June 30,</i>	
			2024 (Un-audited)	2023 (Un-audited)
TCR Arabia Company Limited	Affiliate	Rental Income	327,914	327,914
		Payment made on behalf of affiliate	47,244	34,943
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	240,519	312,007
		Purchase of goods and services	(1,233,480)	(883,228)
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and providing technical services	193,777	524,053
Elster Instromet Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	2,014,238	454,496
		Purchase of goods and services	-	(2,423,811)
		Rental income	843,755	846,005
Eagle Burgmann Saudi Arabia Company Limited	Affiliate	Sale of goods and technical services	-	103,101
		Purchase of goods and services	-	1,585
First Insurance & Reinsurance Broker Co.	Affiliate	Insurance charged	1,075,024	1,937,630
TubeFit Engineering Arabian Factory	Joint venture	Investment	(2,350,000)	-

GAS ARABIAN SERVICES COMPANY

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

(Expressed in Saudi Riyals)

6. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amounts of transaction for six months period ended June 30,</i>	
			2024 (Un-audited)	2023 (Un-audited)
FS Elliot Services Company Limited	Joint venture	Sale of goods and technical services	56,400	45,000
		Rental income	119,532	119,851
		Purchase of goods and services	-	(52,250)
Weidmuller Company Limited	Joint venture	Sale of goods and technical services	3,092,740	164,554
		Purchase of goods and services	(302,344)	(668,035)
Gas Vector Saudi Arabia Company Limited	Associate	Sale of goods and technical services	163,917	264,411
		Purchase of goods and services	(533,156)	(32,589)
		Payment made on behalf of associate	2,721,804	2,475,721
SGB Al-Dabal Company Limited	Affiliate	Purchase of goods	(3,146,010)	(105,161)
FS Elliot Saudi Arabia Company Limited	Joint venture	Sale of goods and technical Services	45,000	44,820
		Rental income	239,064	239,701
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rental expenses	(276,250)	(223,750)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management relative	Rental expenses	(175,763)	(175,764)
Ms. Nora Abdulrahman Aldabal & Ms. Kholoud Abdulrahman Aldabal	Key management relative	Rental expenses	(22,500)	(22,500)
Mr. Aref Khalid Aldabal	Key management personnel	Rental expenses	(243,750)	(242,500)
Mr. Khalid Abdulrahman Aldabal	Key management relative	Rental expenses	(101,250)	-

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

(Expressed in Saudi Riyals)

6. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**Amounts due from related parties presented under trade receivables:**

	Balances as at	
	June 30, 2024	December 31, 2023
Related parties	(Un-audited)	(Audited)
Elliot Gas Services Saudi Arabia Company Limited	24,288	-
Gas Vector Saudi Arabia Company Limited	122,050	314,865
TCR Arabia Company Limited	696,101	341,904
Elster Instromet Saudi Arabia Company Limited	2,255,985	148,985
Yokogawa Services Saudi Arabia Company Limited	114,903	140,664
FS Elliot Services Company Limited	-	1,768
Eagle Burgmann Saudi Arabia Company Limited	-	118,566
Wedmular Company Limited	3,602,772	272,120
	6,816,099	1,338,872

Amounts due from related parties presented under prepayment and other receivables:

	Balances as at	
	June 30, 2024	December 31, 2023
Related parties	(Un-audited)	(Audited)
Elster Instromet Saudi Arabia Company Limited	2,240,000	2,240,000
FS Elliot Saudi Arabia Company Limited	1,660,938	1,286,882
TCR Arabia Company Limited	336,027	307,994
FS Elliot Services Company Limited	411,125	411,125
Wedmular Company Limited	471,173	471,173
Magnetrol Gas	65,924	65,925
TubeFit Engineers Arabia	-	12,000
	5,185,187	4,795,099
Less: Allowance for due from a related party	(2,240,000)	(2,240,000)
	2,945,187	2,555,099

Amounts due to related parties presented under trade payables:

	Balances as at	
	June 30, 2024	December 31, 2023
Related parties	(Un-audited)	(Audited)
FS Elliot Services Company Limited	-	108,123
Yokogawa Services Saudi Arabia Company Limited	1,297,035	887,071
Gas Vector Saudi Arabia Company Limited	20,858	12,613
Weidmuller Company Limited	293,246	189,839
Eagle Burgmann Saudi Arabia Company Limited	-	735
TCR Arabia Company Limited	50,874	13,636
First Insurance & Reinsurance Broker Company	288,792	12,757
SGB Al-Dabal Company Limited	13,966	76,352
	1,964,771	1,301,126

GAS ARABIAN SERVICES COMPANY

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

(Expressed in Saudi Riyals)

6. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Amounts due to related parties presented under accruals and other liabilities:

	Balances as at	
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Related parties		
Mr. Abdulrahman Khalid Aldabal	276,250	-
Mr. Aref Khalid Aldabal	243,750	-
Mr. Khalid Abdulrahman Aldabal and Ms. Hind Abdulrahman Aldabal	175,762	-
Ms. Nora Abdulrahman Aldabal and Ms. Kholoud Abdulrahman Aldabal	22,500	-
Mr. Khalid Abdulrahman Aldabal	101,250	-
	819,512	-

The compensation for key executives for the period ended on June 30, 2024 is SR 6.37 million (June 30, 2023: SR 4.94 million).

7. OTHER INCOME - NET

	Six months period ended June 30,	
	2024 (Un-audited)	2023 (Un-audited)
Rental income	1,549,899	1,530,148
Interest income on short term investments	1,293,687	157,733
Income from Human Resources Development Fund	342,578	449,450
Gain on disposal of property and equipment	89,475	101,760
Foreign currency exchange loss	(636,399)	(54,774)
Changes in investments at FVTPL – net	-	1,417,557
Others	626,491	629,633
	3,265,731	4,231,507

8. ZAKAT

Status of assessments

The Company has submitted its Zakat returns/declarations for the years up to December 31, 2023. The Company has finalized its Zakat assessments up to 2018. With respect to ongoing appeals for the year 2015 for the balance claim of SR 359,873, the Company has received final order from General Secretariat of Tax Committees (GSTC) wherein the claim has been reduced from SR 359,873 to SR 78,375 for which the Company has paid in April 2024 and same amount was reimbursed by the shareholders. Assessments for the years 2019 to 2023 is currently under study by ZATCA.

9. CONTINGENCIES AND COMMITMENTS

The Company has issued outstanding letters of guarantee amounting to SR 225.88 million (December 31, 2023: SR 147 million) and letters of credit amounting to SR nil (December 31, 2023: SR 6.8 million) issued by the local banks on behalf of Company in the ordinary course of business. Further, the Company has Capital commitments amounting to SR 6.8 million (December 31, 2023: SR 9.58 million) on account of construction of Company's new office building.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

(Expressed in Saudi Riyals)

10. TREASURY SHARES

On April 10, 2023, the shareholders of the Company in Extraordinary General Meeting decided by authorizing the Board of Directors to repurchase 200,000 shares (before split) and keep them as treasury shares since the management believed the share price being less than its fair value in the market. During 2023; on various dates, the Company repurchased 31,484 shares (before split) amounting to SR 2,499,952 is keeping those shares as treasury shares. The repurchase was to be completed within one year of the approval and to be kept no longer than five years from the date of the approval. However, in Extraordinary General Meeting held on May 14, 2024, the shareholders approved to change the purpose of the shares buy back to be allocated to the employee stock incentive plan. Moreover, as a result of Extraordinary General Meeting held on August 08, 2023, the nominal value of share has split from SR 10 per share to SR 1 per share.

Further, on June 16, 2023, the Board of Directors approved to repurchase a number of shares of the Company with a maximum of 100,000 to be allocated to employee stock incentive plan and the same was approved in the Extraordinary General Meeting held on August 08, 2023. The Company repurchased 100,000 shares amounting to SR 779,837. The shares will be distributed to the employees gradually according to the approved Employee Stock Ownership Plan ("ESOP"). The Company has created a reserve amounting to SR 410,025 for the shares to be issued.

11. EARNINGS PER SHARE

The calculation of earnings per share is based on the following profit attributable to the shareholders of the Company and weighted average number of shares outstanding. The calculation of basic and diluted earnings per share is as following:

	Six months period ended June 30,	
	2024	2023
	(Un-audited)	(Un-audited)
Net profit attributable to the shareholders of the Company	45,663,719	35,480,819
Number of shares		
Weighted average number of shares for basic earnings per share (note 11.1)	157,590,479	157,901,190
Weighted average number of shares of repurchased shares (note 11)	409,521	98,810
Weighted average number of shares for diluted earnings per share	158,000,000	158,000,000
Earnings per share:		
Basic	0.2898	0.2247
Diluted	0.2890	0.2245

11.1 The weighted average number of shares outstanding during the period has been adjusted due to repurchase of Company shares (note 10).

12. DIVIDENDS PAID

During the six months ended June 30, 2024, the shareholders approved the dividend amounted to SR 47.27 million and it was also paid to the shareholders (six months ended June 30, 2023: SR 35.55 million).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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13. COMPARATIVE FIGURES

Below comparative figure has been reclassified in order to conform with the presentation for the current period. Such reclassification has been made by the Company to improve the quality of information presented.

- Depreciation and amortization amounted to SR 2,899,128 previously presented as a separate line item in the statement of profit or loss and other comprehensive income is now included in cost of revenue and general and administrative expenses amounted to SR 1,582,800 and SR 1,316,328 respectively.

- Allowance for expected credit losses amounted to SR 1,735,139 previously included in general and administrative expenses is now presented as separate line item in the statement of profit or loss and other comprehensive income.

14. SUBSEQUENT EVENT

On August 08, 2024, the Board of Directors has announced the distribution of interim cash dividend amounting to SR 23.64 million for the six months period ended June 30, 2024.

Further, the Company' Board of Directors approved and recommended to the Ordinary General Assembly the transfer of the Company's entire statutory reserve amounting to SR 36.87 million as reported in the audited financial statements of December 31, 2023 to the retained earnings.

15. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Board of Directors on 2 Safar, 1446 H (corresponding August 06, 2024 G).