

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S
REVIEW REPORT ON REVIEW OF CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS
PERIODS ENDED SEPTEMBER 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 THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 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 comprise the condensed interim statement of financial position as at September 30, 2024 and the related condensed interim statements of profit or loss and other comprehensive income for the three months and nine months periods then ended and the related condensed interim statements of changes in equity and cash flows for the nine 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 – ("IAS 34") "Interim Financial Reporting" 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.

Other matter

The accompanying interim condensed financial statements prepared by the management represents first quarterly unaudited financial statements issued by the Company for three months and nine months periods ended September 30, 2024, therefore no audit opinion or review conclusion was issued for the interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for three months and nine months periods ended September 30, 2023 and related disclosures.

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. Mohammed Al-Amri & Co.



Ahmed Aljumah
Certified Public Accountant
Registration No.621




Dammam, on: 01 Jumada al-Awwal 1446 (H)
Corresponding to: 03 November 2024 (G)

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

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

	Notes	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	108,888,385	85,332,948
Right-of-use assets		5,450,388	3,793,078
Intangible assets		165,389	145,211
Investment in associates and joint ventures	5	114,049,886	106,170,934
Total non-current assets		228,554,048	195,442,171
Current assets			
Inventories		42,700,440	61,778,490
Accounts receivable and unbilled revenue	6	292,832,904	186,576,454
Prepayments and other receivables		72,881,640	51,553,711
Cash and cash equivalents	7	111,582,805	91,059,388
Total current assets		519,997,789	390,968,043
TOTAL ASSETS		748,551,837	586,410,214
EQUITY AND LIABILITIES			
Equity			
Share capital		158,000,000	158,000,000
Treasury shares	14	(3,279,789)	(3,224,947)
Statutory reserve		36,867,936	36,867,936
Other reserve		410,025	410,025
Retained earnings		178,708,248	168,637,211
Total equity		370,706,420	360,690,225
Non-current liabilities			
Obligation against investment in joint venture	5	10,844,076	8,721,969
Employees' defined benefits liabilities		34,687,843	30,528,688
Lease liabilities		3,199,058	2,476,538
Total non-current liabilities		48,730,977	41,727,195
Current liabilities			
Current portion of lease liabilities		1,313,488	1,139,284
Accounts payable	8	124,942,627	96,709,699
Accruals and other liabilities	9	114,169,339	49,019,253
Contract liabilities		81,555,055	30,273,448
Provision for Zakat		7,133,931	6,851,110
Total current liabilities		329,114,440	183,992,794
Total liabilities		377,845,417	225,719,989
TOTAL EQUITY AND LIABILITIES		748,551,837	586,410,214

The accompanying notes from 1 to 18 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 THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024**

(Expressed in Saudi Riyals)

	Notes	For the three months period ended September 30		For the nine months period ended September 30	
		2024 (Un-audited)	2023 (Un-audited and un-reviewed)	2024 (Un-audited)	2023 (Un-audited and un-reviewed)
Revenue	10	287,720,013	182,842,945	769,260,690	534,060,070
Cost of revenue		(226,974,046)	(136,519,595)	(617,274,884)	(431,203,824)
Gross profit		60,745,967	46,323,350	151,985,806	102,856,246
General and administrative expenses		(33,528,606)	(26,404,166)	(88,254,738)	(69,760,035)
Reversal / (allowance) for expected credit losses		651,103	(2,134,759)	986,902	(3,869,898)
Share in results of associates and joint ventures		6,818,025	5,856,282	16,906,845	29,465,952
Profit from operations		34,686,489	23,640,707	81,624,815	58,692,265
Other income - net		2,990,910	910,405	6,256,641	5,141,912
Finance costs		(255,090)	(376,648)	(673,803)	(1,574,093)
Profit before Zakat		37,422,309	24,174,464	87,207,653	62,260,084
Zakat		(2,100,000)	(1,923,118)	(6,221,625)	(4,527,919)
NET PROFIT FOR THE PERIOD		35,322,309	22,251,346	80,986,028	57,732,165
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		35,322,309	22,251,346	80,986,028	57,732,165
EARNINGS PER SHARE					
Basic earnings per share from net profit attributable to the shareholders of the Company	15	0.2236	0.1410	0.5139	0.3658
Diluted earnings per share from net profit attributable to the shareholders of the Company	15	0.2236	0.1408	0.5126	0.3654

The accompanying notes from 1 to 18 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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	-	-	-	-	57,732,165	57,732,165
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	57,732,165	57,732,165
Shares to be issued under Employee Stock Ownership plan (ESOP)	-	-	-	410,025	-	410,025
Purchase of treasury shares (note-14)	-	(2,499,952)	-	-	-	(2,499,952)
Dividends	-	-	-	-	(35,550,000)	(35,550,000)
At September 30, 2023 (un-audited and un-reviewed)	158,000,000	(2,499,952)	28,721,025	410,025	152,629,703	337,260,801
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	-	-	-	-	80,986,028	80,986,028
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	80,986,028	80,986,028
Purchase of treasury shares (note-14)	-	(54,842)	-	-	-	(54,842)
Dividends (note-16)	-	-	-	-	(70,914,991)	(70,914,991)
At September 30, 2024 (un-audited)	158,000,000	(3,279,789)	36,867,936	410,025	178,708,248	370,706,420

The accompanying notes from 1 to 18 form an integral part of these unaudited condensed interim financial statements.



Chairman



Chief Executive Officer



Finance Manager

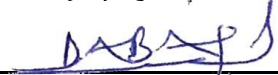
GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)


CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(Expressed in Saudi Riyals)

	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited and un-reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Zakat	87,207,653	62,260,084
<i>Adjustments for:</i>		
Depreciation of property and equipment	6,817,446	3,793,002
Depreciation of right-of-use-assets	1,098,429	742,457
Amortization of intangible assets	54,445	52,631
(Reversal) / allowance for expected credit losses	(986,902)	3,869,898
Share in results of associates and joint ventures	(16,906,845)	(29,465,952)
Shares to be issued under ESOP	-	410,025
Unrealized gain on investments at FVTPL	-	(1,215,411)
Provision for employees' defined benefit liabilities	6,054,685	4,497,575
Gain on disposal of property and equipment	(89,475)	(131,473)
Finance costs	673,803	1,574,093
	83,923,239	46,386,929
<i>Changes in:</i>		
Inventories	19,078,050	(21,670,924)
Trade receivables and unbilled revenue	(105,269,548)	(33,252,350)
Prepayments and other receivables	(21,327,929)	(3,907,250)
Accounts payable	28,232,928	9,282,458
Accruals and other liabilities	65,150,086	19,157,748
Contract liabilities	51,281,607	4,640,537
Cash provided by operations	121,068,433	20,637,148
Employees' defined benefit liabilities paid including advances	(1,895,530)	(1,250,243)
Zakat paid	(5,938,804)	(5,594,029)
Finance costs paid	(376,488)	(1,386,785)
Net cash generated from operating activities	112,857,611	12,406,091
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(30,494,679)	(24,646,797)
Proceeds from disposal of property and equipment	211,271	182,513
Purchase of intangible assets	(74,623)	(7,850)
Dividend received from associates and joint ventures	13,500,000	10,125,000
Investment in associates and joint ventures	(2,350,000)	-
Purchase of investments at FVTPL	-	(23,729,044)
Sale of investments at FVTPL	-	23,495,984
Net cash used in investing activities	(19,208,031)	(14,580,194)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(70,914,991)	(35,550,000)
Repayment of lease liabilities	(2,156,330)	(455,520)
Purchase of treasury shares	(54,842)	(2,499,952)
Net cash used in financing activities	(73,126,163)	(38,505,472)
Net change in cash and cash equivalents	20,523,417	(40,679,575)
Cash at banks and cash equivalents at beginning of the period	91,059,388	67,915,356
Cash and cash equivalents at end of the period	111,582,805	27,235,781

The accompanying notes from 1 to 18 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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 Sha'ban 07, 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's 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:

Branch	CR No.
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 nine months period ended September 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").

The Company has first time adopted and prepared their primary set of interim condensed financial statements for the nine months period ended September 30, 2024 in accordance with IAS 34 endorsed in KSA. There are no interim condensed financial statements for the nine months period ended September 30, 2023 issued before as per the requirements of IAS 34, as a result the corresponding interim condensed statements of profit or loss and other comprehensive income, statement of changes in equity and cash flows for the nine months period ended September 30, 2023 and related disclosures presented as un-audited and un-reviewed.

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 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.

The results for the nine-months period ended September 30, 2024 are not necessarily indicative of the results that can be expected for the year ending December 31, 2024.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

(Expressed in Saudi Riyals)

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT (continued)

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 September 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 September 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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:

- The Technical segment** - This segment provides technical manpower services and executes technical engineering projects.
- The Trading and commission segment** - The segment is engaged in supply of engineering products and solutions, sales of industrial, electrical, mechanical, hydro-mechanical, petroleum and other technical equipment.
- 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 September 30, 2024 and September 30, 2023 is as follows:

Period ended September 30, 2024 (Un-audited)	Technical services	Trading and commission	Manufacturing	Unallocated	Total
Revenue	331,212,813	392,433,041	45,614,836	-	769,260,690
Cost of revenue	(287,813,189)	(295,569,148)	(33,892,547)	-	(617,274,884)
Gross profit	43,399,624	96,863,893	11,722,289	-	151,985,806
General and administrative expenses	-	-	-	(88,254,738)	(88,254,738)
Reversal for expected credit losses	-	-	-	986,902	986,902
Other income	-	-	-	6,256,641	6,256,641
Finance costs	-	-	-	(673,803)	(673,803)
Share in results of associates and joint ventures	-	-	-	16,906,845	16,906,845
Profit before Zakat	-	-	-	87,207,653	87,207,653
Total assets	99,481,832	120,045,232	7,820,246	521,204,527	748,551,837
Total liabilities	-	-	-	377,845,417	377,845,417
Period ended September 30, 2023 (Un-audited and un-reviewed)	Technical services	Trading and commission	Manufacturing	Unallocated	Total
Revenue	155,005,582	367,293,015	11,761,473	-	534,060,070
Cost of revenue	(132,843,845)	(289,867,921)	(8,492,058)	-	(431,203,824)
Gross profit	22,161,737	77,425,094	3,269,415	-	102,856,246
General and administrative expenses	-	-	-	(69,760,035)	(69,760,035)
Allowance for expected credit losses	-	-	-	(3,869,898)	(3,869,898)
Other income	-	-	-	5,141,912	5,141,912
Finance costs	-	-	-	(1,574,093)	(1,574,093)
Share in results of associates and joint ventures	-	-	-	29,465,952	29,465,952
Profit before Zakat	-	-	-	62,260,084	62,260,084
Total assets	62,013,439	123,100,644	5,934,029	368,464,409	559,512,521
Total liabilities	-	-	-	222,251,720	222,251,720

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(Expressed in Saudi Riyals)

4. PROPERTY AND EQUIPMENT

During the nine months period ended September 30, 2024, the Company purchased property and equipment with a cost of SR 30,494,679 (September 30, 2023: SR 24,646,797) including additions to capital work in progress amounted to SR 12,634,062 (September 30, 2023: SR 14,374,743) and disposed-off assets with a cost of SR 1,342,311 (September 30, 2023: SR 789,850). The depreciation charge for the nine months period ended September 30, 2024 was amounted to SR 6,817,446 (September 30, 2023: SR 3,793,002).

5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
At the beginning	106,170,934	91,143,068
Provision created for losses	2,122,107	2,358,087
Share in results	16,906,845	37,602,523
Additional investment (note 5.1)	2,350,000	-
Dividend received	(13,500,000)	(24,667,500)
Adjustments	-	(265,244)
At the end of the period / year	114,049,886	106,170,934

5.1 During 2023, the Company has entered in a joint venture (JV) agreement with TubeFit Engineers a registered partnership firm in India; to establish a Limited Liability Company in the Kingdom of Saudi Arabia with the name of TubeFit Engineering Arabian Factory registered on October 10, 2023 having Commercial Registration number 2050176995 and Ministry of Investment license number 121034502223974 dated August 30, 2023. The Company's business activities will be manufacturing, assembling and supplying of instrumentation fittings etc. The Share Capital amounting to SR 5,000,000 was fully paid up on January 15, 2024 by both partners, accordingly, the investment as per shareholding is recorded. The Company owns 47% of the shares in the joint venture.

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

Investment in associates and joint ventures under non-current assets	114,049,886	106,170,934
Obligations against investment in associates and joint ventures under non-current liabilities	(10,844,076)	(8,721,969)
Net investment in associates and joint ventures	103,205,810	97,448,965

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

(Expressed in Saudi Riyals)

6. ACCOUNTS RECEIVABLE AND UNBILLED REVENUE

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Accounts receivables (note 6.1)	206,546,383	149,927,622
Unbilled revenue	86,286,521	36,648,832
	292,832,904	186,576,454

6.1 ACCOUNTS RECEIVABLE

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Accounts receivables		
- From third parties	206,339,420	155,842,254
- From related parties (note 11)	6,216,124	1,338,872
Accounts receivable	212,555,544	157,181,126
Less: allowance for expected credit losses	(6,009,161)	(7,253,504)
	206,546,383	149,927,622

Three major customers' balances represent 38% (2023: 29%) of gross accounts receivables.

Movement in the allowance for expected credit losses was as follows:

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
At the beginning of the year	7,253,504	3,227,377
(Reversal)/ charge for the period / year	(1,244,343)	4,026,127
At the end of the period / year	6,009,161	7,253,504

An aged analysis of accounts receivables is as follows:

	Total	Current	0-30 days	31-90 days	91 -180 days	> 180 days
September 30, 2024	212,555,544	71,619,314	78,566,738	30,851,678	16,597,501	14,920,313
December 31, 2023	157,181,126	80,327,279	31,018,086	15,337,414	13,881,983	16,616,364

6.2 UNBILLED REVENUE

Unbilled revenue is initially recognised for services rendered but not yet billed to customers, from long-term projects with customers. Upon billing of invoice, the amounts are recognised as billed revenue and are reclassified to accounts receivable.

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Value of services performed	243,709,061	133,267,936
Less: amounts billed under progress billings	(156,997,389)	(96,451,394)
Less: allowance for expected credit losses	(425,151)	(167,710)
	86,286,521	36,648,832

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

(Expressed in Saudi Riyals)

7. CASH AND CASH EQUIVALENTS

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Cash at banks	70,332,805	91,059,388
Short term deposit (note 7.1)	41,250,000	-
	111,582,805	91,059,388

7.1 Short term deposit consist deposit in a local commercial bank with maturity of three months or less. The average interest earned is 5.3% annually.

8. ACCOUNTS PAYABLE

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Accounts payable		
- To third parties	122,461,958	95,408,573
- To related parties (note 11)	2,480,669	1,301,126
	124,942,627	96,709,699

9. ACCRUALS AND OTHER LIABILITIES

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Accrued expenses	94,464,831	28,763,856
Employee's related accruals	12,899,617	11,423,462
VAT payable	3,011,786	5,071,935
Other payables	3,793,105	3,760,000
	114,169,339	49,019,253

10. REVENUE**Type of goods or services and timing of revenue recognition**

	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited and un- reviewed)
<i>Revenue transferred at a point in time</i>		
Sale of traded goods (note 10.1)	390,888,187	363,823,141
Technical services	87,503,753	70,095,995
Sales commission	1,544,854	3,469,874
Manufacturing	45,614,836	11,761,473
	525,551,630	449,150,483
<i>Revenue transferred over the time</i>		
Technical services	243,709,060	84,909,587
Total revenue	769,260,690	534,060,070

10.1 Disaggregation of revenue

The revenue includes export to a single customer amounted to SR nil (2023: SR 2,591,883). All other revenues are generated within Kingdom of Saudi Arabia during the year.

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11. 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.

Pricing policies and terms of payments for the above transactions have been approved by the Company's management. 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 nine months period ended September 30,</i>	
			2024 (Un-audited)	2023 (Un-audited and un-reviewed)
TCR Arabia Company Limited	Affiliate	Rental Income	491,870	491,870
		Payment made on behalf of affiliate	88,221	72,491
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	494,942	562,696
		Purchase of goods and services	(2,668,045)	(1,531,168)
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and providing technical services	242,953	618,740
Elster Instromet Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	2,459,574	265,815
		Purchase of goods and services	(465,150)	(2,521,306)
		Rental income	1,265,632	1,267,319
Eagle Burgmann Saudi Arabia Company Limited	Affiliate	Sale of goods and technical services	-	103,101
		Purchase of goods and services	(36,440)	1,585
First Insurance & Reinsurance Broker Co.	Affiliate	Insurance charged	1,100,667	3,884,334
TubeFit Engineering Arabian Factory	Joint venture	Investment (note 5)	2,350,000	-

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11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amounts of transaction for nine months period ended September 30, 2023</i>	
			2024 (Un-audited)	(Un-audited and un-reviewed)
FS Elliot Services Company Limited	Joint venture	Sale of goods and technical services	83,588	67,500
		Rental income	179,298	179,776
		Purchase of goods and services	-	(52,250)
Weidmuller Company Limited	Joint venture	Sale of goods and technical services	3,390,804	318,591
		Purchase of goods and services	(426,133)	(854,162)
Gas Vector Saudi Arabia Company Limited	Associate	Sale of goods and technical services	224,145	728,235
		Purchase of goods and services	(567,373)	(75,091)
		Payment made on behalf of associate	2,721,804	2,475,877
SGB Al-Dabal Company Limited	Affiliate	Purchase of goods	(7,885,521)	(983,784)
FS Elliot Saudi Arabia Company Limited	Joint venture	Sale of goods and technical Services	67,500	67,500
		Rental income	358,596	359,552
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rental expenses	(414,376)	(224,630)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management relative	Rental expenses	(263,643)	(263,644)
Ms. Nora Abdulrahman Aldabal & Ms. Kholoud Abdulrahman Aldabal	Key management relative	Rental expenses	(33,750)	(33,750)
Mr. Aref Khalid Aldabal	Key management personnel	Rental expenses	(365,625)	(363,675)
Mr. Khalid Abdulrahman Aldabal	Key management relative	Rental expenses	(151,875)	(115,986)

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

Related parties	Balances as at	
	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Wedmular Company Limited	3,228,749	272,120
Elster Instromet Saudi Arabia Company Limited	2,151,018	148,985
TCR Arabia Company Limited	596,101	341,904
Gas Vector Saudi Arabia Company Limited	110,656	314,865
Yokogawa Services Saudi Arabia Company Limited	105,041	140,664
Elliot Gas Services Saudi Arabia Company Limited	19,384	-
FS Elliot Services Company Limited	5,175	1,768
Eagle Burgmann Saudi Arabia Company Limited	-	118,566
	6,216,124	1,338,872

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

Related parties	Balances as at	
	September 30, 2024 (Un-audited)	December 31, 2023 (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	377,004	307,994
FS Elliot Services Company Limited	411,125	411,125
Wedmular Company Limited	471,173	471,173
Magnetrol Gas	65,925	65,925
TubeFit Engineering Arabian Factory	-	12,000
	5,226,165	4,795,099
Less: Allowance for due from a related party	(2,240,000)	(2,240,000)
	2,986,165	2,555,099

Amounts due to related parties presented under trade payables:

Related parties	Balances as at	
	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Yokogawa Services Saudi Arabia Company Limited	1,029,094	887,071
SGB Al-Dabal Company Limited	883,547	76,352
Weidmuller Company Limited	228,515	189,839
First Insurance & Reinsurance Broker Company	150,775	12,757
TCR Arabia Company Limited	141,954	13,636
Eagle Burgmann Saudi Arabia Company Limited	36,440	735
Gas Vector Saudi Arabia Company Limited	10,344	12,613
FS Elliot Services Company Limited	-	108,123
	2,480,669	1,301,126

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11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

Related parties	Balances as at	
	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Mr. Abdulrahman Khalid Aldabal	414,376	-
Mr. Aref Khalid Aldabal	365,625	-
Mr. Khalid Abdulrahman Aldabal and Ms. Hind Abdulrahman Aldabal	263,643	-
Ms. Nora Abdulrahman Aldabal and Ms. Kholoud Abdulrahman Aldabal	33,750	-
Mr. Khalid Abdulrahman Aldabal	151,875	-
	<u>1,229,269</u>	<u>-</u>

Remuneration of key management personnel:

	For the nine months period ended	
	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited and un-reviewed)
Short term benefits	6,401,533	5,664,352
End of service benefits	1,938,032	1,638,101
Board of Directors' remuneration	243,000	243,000
	<u>8,582,565</u>	<u>7,545,453</u>

12. 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. During 2024, the Company has received final assessment order for the year 2023 amounted to SR 47,132 and the same has been paid.

13. CONTINGENCIES AND COMMITMENTS

The Company has issued outstanding letters of guarantee amounting to SR 217.51 million (December 31, 2023: SR 147 million) and letters of credit amounting to SR nil (December 31, 2023: SR 6.80 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 5.21 million (December 31, 2023: SR 9.58 million) on account of construction of Company's new office building.

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14. 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.

15. 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:

	Three months period ended September 30, 2024		Nine months period ended September 30, 2024	
	(Un-audited)	2023 (Un-audited and un-reviewed)	(Un-audited)	2023 (Un-audited and un-reviewed)
Net profit attributable to the shareholders of the Company	35,322,309	22,251,346	80,986,028	57,732,165
Number of shares				
Weighted average number of shares for basic earnings per share (note 15.1)	158,000,000	157,828,390	157,590,724	157,828,390
Weighted average number of shares of repurchased shares (note 15.1)	-	171,610	409,276	171,610
Weighted average number of shares for diluted earnings per share	158,000,000	158,000,000	158,000,000	158,000,000
Earnings per share:				
Basic	0.2236	0.1410	0.5139	0.3658
Diluted	0.2236	0.1408	0.5126	0.3654

15.1 The weighted average number of shares outstanding during the period has been adjusted due to repurchase of Company shares (note 14).

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16. DIVIDENDS PAID

On March 6, 2024, the Board of Directors recommended a cash dividend of SR 47.27 million (SR 0.3 per share) for the year ended December 31, 2023 to the Extraordinary General Assembly of the Company which has approved it on May 14, 2024 and it was also paid to the shareholders. (Nine months ended September 30, 2023: SR 35.55 million).

Further, on August 08, 2024, the Board of Directors has announced the distribution of interim cash dividend amounting to SR 23.64 million for the first half of 2024 and it was also paid to the shareholders.

17. COMPARATIVE FIGURES

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

- Contract liabilities (advances from customers) amounted to SR 30,273,448 previously presented under accruals and other liabilities is now presented as a separate line item in the statement of financial position.

18. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Board of Directors on Rabi Al-Thani 27, 1446H (corresponding October 30, 2024 G).