

**GAS ARABIAN SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX MONTHS PERIODS ENDED  
JUNE 30, 2021**

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(A Saudi Closed Joint Stock Company)

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**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Shareholders of  
Gas Arabian Services Company  
(A Saudi Closed Joint Stock Company)  
Dammam, Kingdom of Saudi Arabia

**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, 2021, 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 summary of significant accounting policies 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) that is 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", 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 that are 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.

**Emphasis of matter**

Without qualifying our review conclusion, we draw attention to Note 1 of the accompanying condensed interim financial statements for the six months period ended June 30, 2021 which explains that the Board of Directors have already issued condensed interim financial statements for the three months and six months period ended June 30, 2021 dated September 29, 2021 G. which include comparative figures "Not Audited or Reviewed" by the company's auditor for the statements of profit or loss and other comprehensive income, changes in equity and cash flows. However, subsequent to issue of condensed interim financial statements, we were engaged to review the comparative figures and as a result, a separate review report has been issued on October 19, 2021 on the condensed interim financial statements for the six months period ended June 30, 2020.

**Other matters**

The financial statements of the Company for the year ended December 31, 2020 were audited by another auditor whose report dated Sha'ban 30, 1442H (corresponding to April 12, 2021) contained an unqualified opinion.

For Dr. Mohamed Al-Amri & Co.

M. A. Al-Amri



Dr. Mohamed Al-Amri  
Certified Public Accountant  
Registration No. 60

October 19 2021 G  
Rabi Al-Awal 13 1443 H

**GAS ARABIAN SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

**AS AT JUNE 30, 2021**

(Expressed in Saudi Riyals)

	Notes	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	55,585,421	52,563,040
Right-of-use assets		1,799,955	2,065,843
Intangible assets		138,613	210,798
Investment in associates	5	88,375,149	75,459,054
<b>Total non-current assets</b>		<b>145,899,138</b>	<b>130,298,735</b>
<b>Current assets</b>			
Inventories		12,289,914	11,624,472
Projects work in progress		2,736,442	5,979,322
Trade receivables and unbilled revenue		146,574,191	148,832,922
Prepayments and other receivables		31,064,429	23,005,737
Cash and cash equivalents		53,475,170	78,664,929
<b>Total current assets</b>		<b>246,140,146</b>	<b>268,107,382</b>
<b>TOTAL ASSETS</b>		<b>392,039,284</b>	<b>398,406,117</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	158,000,000	150,000,000
Statutory reserve		15,976,528	15,976,528
Retained earnings		59,822,485	74,382,284
<b>Total equity</b>		<b>233,799,013</b>	<b>240,358,812</b>
<b>Non-current liabilities</b>			
Employees end of service benefits		25,725,640	23,662,428
Lease liabilities		1,039,072	1,379,980
Obligation against investment in associates	5	5,051,270	4,577,123
<b>Total non-current liabilities</b>		<b>31,815,982</b>	<b>29,619,531</b>
<b>Current liabilities</b>			
Accounts payable		56,500,600	67,602,719
Accruals and other liabilities		42,854,125	29,411,609
Short term loans	7	25,145,452	26,897,248
Current portion of lease liabilities		410,939	591,095
Provision for zakat		1,513,173	3,925,103
<b>Total current liabilities</b>		<b>126,424,289</b>	<b>128,427,774</b>
<b>Total liabilities</b>		<b>158,240,271</b>	<b>158,047,305</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>392,039,284</b>	<b>398,406,117</b>

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

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(UNAUDITED)****FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

	Note	For the six months period ended June 30	
		2021	2020
Revenue		<b>139,888,691</b>	130,131,138
Cost of revenue		<b>(109,040,548)</b>	(103,913,362)
<b>Gross profit</b>		<b>30,848,143</b>	26,217,776
General and administrative expenses		<b>(31,153,102)</b>	(22,693,267)
Depreciation and amortization expenses		<b>(1,894,053)</b>	(1,880,450)
<b>(Loss) / Profit from operations</b>		<b>(2,199,012)</b>	1,644,059
Finance cost		<b>(1,257,730)</b>	(556,205)
Other income	<b>9</b>	<b>5,419,682</b>	2,293,028
Share in results of associates		<b>14,995,408</b>	8,070,419
<b>Profit before zakat</b>		<b>16,958,348</b>	11,451,301
Zakat		<b>(1,518,147)</b>	(1,962,552)
<b>NET PROFIT FOR THE PERIOD</b>		<b>15,440,201</b>	9,488,749
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>15,440,201</b>	9,488,749
<b>BASIC AND DILUTED EARNING PER SHARE</b>			
Basic and diluted earnings per share from net profit attributable to shareholders of the Company	<b>12</b>	<b>1.02</b>	0.63

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

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>At January 01, 2021 (Audited)</b>	150,000,000	15,976,528	74,382,284	240,358,812
<b>Increase in share capital (Note 6)</b>	8,000,000	-	-	8,000,000
<b>Net profit for the period</b>	-	-	15,440,201	15,440,201
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	15,440,201	15,440,201
<b>Dividend paid (Note 13)</b>	-	-	(30,000,000)	(30,000,000)
<b>At June 30, 2021 (Unaudited)</b>	<b>158,000,000</b>	<b>15,976,528</b>	<b>59,822,485</b>	<b>233,799,013</b>
At January 01, 2020 (Audited)	150,000,000	8,645,557	61,015,034	219,660,591
Net profit for the period	-	-	9,488,749	9,488,749
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	9,488,749	9,488,749
Dividend paid (Note 13)	-	-	(54,000,000)	(54,000,000)
At June 30, 2020 (Unaudited)	<b>150,000,000</b>	<b>8,645,557</b>	<b>16,503,783</b>	<b>175,149,340</b>

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

**GAS ARABIAN SERVICES COMPANY**  
(A Saudi Closed Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**  
(Expressed in Saudi Riyals)

	June 30, 2021	June 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before zakat	16,958,348	11,451,301
<i>Adjustments for non –cash items to reconcile profit before zakat to net cash flows</i>		
Depreciation of Property and equipment	1,555,977	1,618,707
Depreciation of Right-of-use assets	265,888	189,357
Amortization of intangible assets	72,185	72,386
Provision for expected credit loss	988,990	1,379,056
Share in results of associates	(14,995,408)	(8,070,419)
Provision for employees' end of service benefits	2,643,388	92,289
Finance cost	1,257,730	556,205
	<b>8,747,098</b>	<b>7,288,882</b>
<i>Working capital adjustments</i>		
Inventories	(665,442)	2,908,436
Projects work in progress	3,242,880	(4,506,648)
Trade receivables and unbilled revenue	1,269,741	3,145,180
Prepayments and other receivables	(8,058,692)	4,653,585
Accounts payable	(11,102,119)	(26,235,259)
Accruals and other liabilities	13,442,516	(10,390,371)
	<b>6,875,982</b>	<b>(23,136,195)</b>
Payment of employees' end of service benefits	(580,176)	(1,043,047)
Zakat paid	(3,930,077)	-
Finance cost paid	(1,207,030)	(516,750)
<b>Net cash generated from / (used in) operating activities</b>	<b>1,158,699</b>	<b>(24,695,992)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and equipment	(4,578,358)	(3,028,022)
Dividend received from associates	2,553,460	10,138,500
Movement in bank deposit	-	65,000,000
Investment in associates	-	(2,450,000)
<b>Net cash (used in) / generated from investing activities</b>	<b>(2,024,898)</b>	<b>69,660,478</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in share capital	8,000,000	-
Dividend paid to the shareholders	(30,000,000)	(54,000,000)
Net change in short term loans	(1,751,796)	(11,913,252)
Lease payments	(571,764)	-
<b>Net cash used in financing activities</b>	<b>(24,323,560)</b>	<b>(65,913,252)</b>
<b>Net change in cash and cash equivalents</b>	<b>(25,189,759)</b>	<b>(20,948,766)</b>
Cash and cash equivalents at January 01,	78,664,929	88,383,595
Cash and cash equivalents at June 30,	<b>53,475,170</b>	<b>67,434,829</b>

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

## **GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

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#### **1. CORPORATE INFORMATION AND COMPANY STRUCTURE**

Gas Arabian Services Company ("the Company") is a Saudi Closed 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 operates through the following branches:

<b><u>Branch</u></b>	<b><u>CR No.</u></b>
Gas Arabian Services Company - Dammam	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

The Company is 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.

The company's Board of Directors have already issued condensed interim financial statements for the three months and six months period ended June 30, 2021 dated September 29, 2021 which include comparative figures "Not Audited or Reviewed" by the company's auditor for the statements of profit or loss and other comprehensive income, changes in equity and cash flows. Subsequent to that, the management arranged with the external auditor to get the comparative figures reviewed. Accordingly, the comparative figures in these condensed interim financial statements for the six months period ended June 30, 2021, are distinguished as "Not audited" rather than "Not Audited or Reviewed".

#### **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, 2021 G 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, 2020 G.

The methods of computation and accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2020 G.

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, 2020.



## **GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

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## **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 employees' benefits that have been measured at present value. As of June 30, 2021 and December 31, 2020, the carrying values of the financial assets and financial liabilities approximate to their fair values.

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

### **2.3 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, 2021 and onwards and have been explained in the Company's annual financial statements for the year ended December 31, 2020, but these do not have a material effect on the Company's condensed interim financial statements for the period ended June 30, 2021. The Company did not early adopt any such amendments.

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(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 services- This segment provides technical manpower services and executes technical engineering projects.
- The Trading segment- The segment is engaged in sales of industrial, electrical, mechanical, hydro-mechanical, petroleum and other technical equipment.
- The manufacturing segment- This segment is engagement 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. The selected information for each operating segment for the period ended June 30, 2021 and June 30, 2020 are as follows:

<b>Period ended June 30, 2021 (unaudited)</b>	<b>Technical services</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Unallocated</b>	<b>Total</b>
<b>Revenue</b>	<b>55,645,423</b>	<b>77,843,918</b>	<b>6,399,350</b>	-	<b>139,888,691</b>
<b>Cost of revenue</b>	<b>(43,356,325)</b>	<b>(59,779,424)</b>	<b>(5,904,799)</b>	-	<b>(109,040,548)</b>
<b>Gross profit</b>	<b>12,289,098</b>	<b>18,064,494</b>	<b>494,551</b>	-	<b>30,848,143</b>
<b>General and administrative expenses</b>	-	-	-	<b>(31,153,102)</b>	<b>(31,153,102)</b>
<b>Depreciation and amortization</b>	-	-	-	<b>(1,894,053)</b>	<b>(1,894,053)</b>
<b>Other income</b>	-	-	-	<b>5,419,682</b>	<b>5,419,682</b>
<b>Finance costs</b>	-	-	-	<b>(1,257,730)</b>	<b>(1,257,730)</b>
<b>Share in results of associates</b>	-	-	-	<b>14,995,408</b>	<b>14,995,408</b>
<b>Profit before zakat</b>					<b>16,958,348</b>
<b>Total assets</b>	<b>61,437,864</b>	<b>35,359,657</b>	<b>11,101,649</b>	<b>284,140,114</b>	<b>392,039,284</b>
<b>Total liabilities</b>	-	-	-	<b>158,240,271</b>	<b>158,240,271</b>
<b>Period ended June 30, 2020 (unaudited)</b>	<b>Technical services</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Unallocated</b>	<b>Total</b>
<b>Revenue</b>	<b>52,317,083</b>	<b>77,303,376</b>	<b>510,679</b>	-	<b>130,131,138</b>
<b>Cost of revenue</b>	<b>(47,205,580)</b>	<b>(55,803,641)</b>	<b>(904,141)</b>	-	<b>(103,913,362)</b>
<b>Gross profit/ (loss)</b>	<b>5,111,503</b>	<b>21,499,735</b>	<b>(393,462)</b>	-	<b>26,217,776</b>
<b>General and administrative expenses</b>	-	-	-	<b>(22,693,267)</b>	<b>(22,693,267)</b>
<b>Depreciation and amortization</b>	-	-	-	<b>(1,880,450)</b>	<b>(1,880,450)</b>
<b>Other income</b>	-	-	-	<b>2,293,028</b>	<b>2,293,028</b>
<b>Finance costs</b>	-	-	-	<b>(556,205)</b>	<b>(556,205)</b>
<b>Share in results of associates</b>	-	-	-	<b>8,070,419</b>	<b>8,070,419</b>
<b>Profit before zakat</b>					<b>11,451,301</b>
<b>Total assets</b>	<b>65,523,596</b>	<b>52,919,324</b>	<b>9,444,762</b>	<b>270,518,435</b>	<b>398,406,117</b>
<b>Total liabilities</b>	-	-	-	<b>158,047,305</b>	<b>158,047,305</b>

## GAS ARABIAN SERVICES COMPANY

(A Saudi Closed Joint Stock Company)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

(Expressed in Saudi Riyals)

#### 4. PROPERTY AND EQUIPMENT

During the six months period ended June 30, 2021, the Company acquired property and equipment with a cost of SR 4,578,358 (June 30, 2020: SR 3,028,022) and disposed-off assets with a cost of SR 117,000 (June 30, 2020: SR. Nil).

#### 5. INVESTMENT IN ASSOCIATES

The movement in the investment in associates is as follows;

	<b>Period ended June 30, 2021 (unaudited)</b>	As at December 31, 2020 (audited)
At the beginning of the period/ year	<b>70,881,931</b>	75,485,979
Additions during the period/ year	-	2,450,000
Share in results of associates	<b>14,995,408</b>	8,364,452
Dividend received	<b>(2,553,460)</b>	(15,418,500)
At the end of the period/ year	<b>83,323,879</b>	70,881,931
Disclosed in the condensed interim statement of financial position as follows:		
Investment in associates under non-current assets	<b>88,375,149</b>	75,459,054
Obligations against investment in associates under non-current liabilities	<b>(5,051,270)</b>	(4,577,123)
Total investment in associates	<b>83,323,879</b>	70,881,931

#### 6. SHARE CAPITAL

On May 05, 2021, the Shareholders of the Company resolved to increase the share capital from SR 150,000,000 to SR 158,000,000 million by issuing further 800,000 shares of SAR 10 each. The Company has amended their Articles of Association and also updated other regulatory requirements for this purpose accordingly.

#### 7. SHORT TERM LOANS

The Company has obtained short term loans from the commercial bank for working capital purposes. The loan carries financial charges at commercial rates and are secured by personal guarantee of one of the shareholder of the Company. The loan is repayable within one year from the end of the financial year and are accordingly classified under current liabilities. The movement in the short terms loans is as follows;

	<b>Period ended June 30, 2021 (unaudited)</b>	As at December 31, 2020 (audited)
At the beginning of the period / year	<b>26,897,248</b>	34,659,748
Additions during the period/ year	<b>12,000,000</b>	41,000,000
Payments during the period/ year	<b>(14,502,357)</b>	(49,536,676)
Interest accrued for the period/ year	<b>750,561</b>	774,176
At the end of the period/ year	<b>25,145,452</b>	26,897,248

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

**8. 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:

Related parties	Relationship	Nature of transactions	Amounts of transaction for six months period ended June 30,	
			2021 (Unaudited)	2020 (Unaudited)
Future Cooperation Co. Ltd	Affiliate	Payment made on behalf of affiliate	-	2,400
Future Generation Co. Ltd	Affiliate	Payment made on behalf of affiliate	-	5,750
Future Prospects Co. Ltd	Affiliate	Payment made on behalf of affiliate	<b>4,876</b>	17,987
		Sale of vehicle	<b>62,503</b>	-
Prudent Saudi Arabia Ltd.	Affiliate	Sale of goods and technical services	<b>240,956</b>	58,281
		Payment made on behalf of affiliate	-	207
		Purchase of goods and services	-	89,826
TCR Arabia Co. Ltd.	Affiliate	Rental Income	<b>359,141</b>	297,426
		Payment made on behalf of affiliate	<b>35,104</b>	91,038
Yokogawa Services Saudi Arabia Co. Ltd.	Associate	Sale of goods and technical services	<b>355,713</b>	22,298
		Payment made on behalf of associate	<b>1,787</b>	-
		Purchase of goods and services	<b>2,515,684</b>	1,523,050
Elliot Gas Services Saudi Arabia Co. Ltd.	Associate	Sale of goods and technical services	<b>1,789,218</b>	2,115,844

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

**8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

<b>Related parties</b>	<b>Relationship</b>	<b>Nature of transactions</b>	<b>Amounts of transaction for six months period ended June 30,</b>	
			<b>2021</b>	<b>2020</b>
			<b>(Unaudited)</b>	<b>(Unaudited)</b>
		Sale of goods and technical services	<b>73,000</b>	71,180
Elster Instromet Saudi Arabia Co. Ltd	Associate	Purchase of goods & Services	<b>133,765</b>	39,081
		Rental income	<b>807,584</b>	302,312
		Payment made on behalf of associate	<b>39,617</b>	24,770
Eagle Burgmann Saudi Arabia Co. Ltd.	Affiliate	Sale of goods and technical services	<b>4,596,907</b>	7,826,093
		Purchase of goods & Services	<b>153,360</b>	-
		Payment made on behalf of affiliate	<b>225</b>	1,435
FS Elliot Services Company Ltd.	Associate	Sale of goods and technical services	<b>77,593</b>	-
		Rental income	<b>137,452</b>	125,499
		Payment made on behalf of associate	<b>3,777</b>	68,339
Weidmuller Co. Ltd	Associate	Sale of goods and technical services	<b>4,690</b>	-
		Purchase of goods & Services	<b>209,833</b>	-
		Financing	<b>490,000</b>	-
		Payment made on behalf of associate	<b>5,326</b>	700,122
Gas Vector Saudi Arabia Co. Ltd.	Associate	Sale of goods and technical services	<b>57,047</b>	105,865
		Purchase of goods & Services	<b>358,883</b>	106,924
		Rental income	<b>37,375</b>	34,125
		Payment made on behalf of associate	<b>104,521</b>	91,196
Magnetrol GAS	Affiliate	Payment made on behalf of affiliate	<b>65,925</b>	-
Gas Gulf for Trading & Contracting Co.Ltd	Affiliate	Payment made on behalf of affiliate	<b>100</b>	10,500
Gas Asia for Trading & Contracting Co.Ltd	Affiliate	Payment made on behalf of affiliate	-	10,500
FS Elliot Saudi Arabia Co. Ltd.	Associate	Sale of Goods & Technical Services	<b>51,750</b>	-
		Rent Income	<b>274,904</b>	250,999

**GAS ARABIAN SERVICES COMPANY**

A Saudi Closed Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

**8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

Related parties	Relationship	Nature of transactions	Amounts of transaction for six months period ended June 30,	
			2021 (Unaudited)	2020 (Unaudited)
Abdulrahman Khalid Aldabal	Key management	Rental expense	321,313	374,954
Aref Khalid Aldabal	Key management	Rental expense	543,735	517,860

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

Related parties	Balances as at	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Elliot Gas Services Saudi Arabia Co. Ltd.	473,196	658,141
FS Elliot Services Company Ltd.	411,125	411,125
Gas Vector Saudi Arabia Co. Ltd.	1,764,689	2,376,568
TCR Arabia Co. Ltd.	1,141,416	671,291
Yokogawa Services Saudi Arabia Co. Ltd.	157,285	142,167
FS Elliot Saudi Arabia Co. Ltd.	1,286,882	1,286,882
Other Affiliates	1,220,488	14,432
Provision for expected credit loss	(261,607)	(261,607)
	<b>6,193,474</b>	<b>5,298,999</b>

**Amounts due from related parties presented under trade receivables:**

Related parties	Balances as at	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Elliot Gas Services Saudi Arabia Co. Ltd.	245,657	101,200
Gas Vector Saudi Arabia Co. Ltd.	-	249,686
Prudent Saudi Arabia Ltd.	199,061	7,949
Eagle Burgmann Saudi Arabia Co. Ltd.	1,144,091	138,899
Other Affiliates	23,884	70,121
	<b>1,612,693</b>	<b>567,855</b>

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

Related parties	Balances as at	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Gas Asia for Trading & Contracting Co.Ltd	225,977	225,978
Gas Gulf for Trading & Contracting Co.Ltd	460,323	460,423
Mr. Abdulrahman Khalid Aldabal	321,313	483,926
Mr. Aref Khalid Aldabal	543,735	1,002,533
Other Affiliates	-	56,402
	<b>1,551,348</b>	<b>2,229,262</b>

## GAS ARABIAN SERVICES COMPANY

A Saudi Closed Joint Stock Company)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

(Expressed in Saudi Riyals)

#### 8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Amounts due to related parties presented under trade payables:

	Balances as at	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>Related parties</b>		
FS Elliot Services Company Ltd.	2,199,321	2,199,321
Gas Vector Saudi Arabia Co. Ltd.	321,423	48,281
Weidmuller Co. Ltd	71,967	164,728
Yokogawa Services Saudi Arabia Co. Ltd.	2,335,722	1,053,378
Eagle Burgmann Saudi Arabia Co. Ltd.	101,862	-
Other Affiliates	84,351	30,062
	<b>5,114,646</b>	<b>3,495,770</b>

The compensation for key executives for the period ended on June 30, 2021 is SR 4.42 million (June 30, 2020: SR 2.41 million).

#### 9. OTHER INCOME

	Six months period ended June 30,	
	2021 (Unaudited)	2020 (Unaudited)
Foreign currency exchange gain	148,703	115,293
Rental income	1,405,614	962,249
Others	3,865,365	1,215,486
	<b>5,419,682</b>	<b>2,293,028</b>

#### 10. ZAKAT

##### Status of assessments

The Company has finalized and agreed its Zakat assessments upto 2010 with the Zakat, Tax and Customs Authority "ZATCA" (formerly GAZT). During the period, the ZATCA opened a Zakat assessment for the year 2015 and the assessment is under process. The declarations / returns for the years from 2011 to 2020 have been submitted to ZATCA.

#### 11. CONTINGENCIES AND COMMITMENTS

The Company has outstanding letters of guarantee amounting to SR 79.68 million (December 31, 2020: SR 74 million) and letters of credit amounting to SR Nil (December 31, 2020: SR 1.5 million) issued by the local banks on behalf of Company in the ordinary course of business.

## **GAS ARABIAN SERVICES COMPANY**

(A Saudi Closed Joint Stock Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

(Expressed in Saudi Riyals)

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#### **12. 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 ordinary shares outstanding:

	<b>Six months period ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net profit attributable to the shareholders of the Company	<b>15,440,201</b>	9,488,749
Weighted average number of ordinary shares outstanding during the period	<b>15,159,116</b>	15,000,000
Basic and diluted earnings per share	<b>1.02</b>	0.63

#### **13. DIVIDEND PAID**

During the six months ended June 30, 2021, the shareholders approved the dividend amounted to SR 30 million and it was also paid to the shareholders (six months ended June 30, 2020: SR 54 million).

#### **14. COVID-19 UPDATES**

In the six months period ended June 30, 2021, the Company's management did not observe any significant impact on the operations of the Company as the operations were coming back to normal from the second quarter of 2020. However, the Company continues to monitor the Covid-19 situation closely although at this time, management is not aware of any factors that are expected to change the impact of the pandemic on the Company's operations during 2021 or beyond.

#### **15. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Board of Directors on 13 Rabi Al-Awal 1443 H (corresponding 19 October 2021 G).