

Transfer Document of Gas Arabian
Services Company from the Parallel
Market to the Main Market

GAS

جاز العربية للخدمات
GAS ARABIAN SERVICES

Transfer Document of Gas Arabian Services Company from the Parallel Market to the Main Market



Gas Arabian Services Company (“the Company” or “the Issuer” or “Gas”) was incorporated as a sole proprietorship owned by Abdulrahman bin Khalid bin Abdullah AlDabal under the name “Gas Arabian Services Establishment” under Commercial Registration No. (2050022617) issued in Dammam on 07/08/1412H (corresponding to 11/02/1992G) with a share capital of three hundred thousand (300,000) Saudi Riyals.

On 08/08/1428H (corresponding to 21/08/2007G), the owner of the establishment, Mr. Abdulrahman bin Khalid bin Abdullah AlDabal, decided to convert the Arabian Gas Services Establishment and its branch registered in the commercial registration No. (2055004723) into a limited liability company with the participation of Mr. Khalid bin Abdulrahman bin Khalid Abdullah AlDabal and Ms. Noura bint Abdulrahman bin Khalid Abdullah AlDabal as new partners in the Company. The net assets and liabilities of the establishment were evaluated at one million (1,000,000) Saudi Riyals as the Company’s capital divided into ten thousand (10,000) in-kind shares of equal value, the value of each share is one hundred (100) Saudi Riyals. The in-kind shares are represented in fixed assets consisting of cars and buildings, pursuant to the Articles of Association dated 05/06/1427H (corresponding to 01/07/2006G) and attested before the Notary Public assigned to the Chamber of Commerce in the Eastern Province in Issue (159), page (198) of Volume (14) dated 08/08/1428H (corresponding to 21/08/2007G).

On 17/11/1432H (corresponding to 15/10/2011G), the partners waived all their shares in the Company, amounting to ten thousand (10,000) in-kind shares, each share being worth one hundred (100) Saudi Riyals, with a total value of one million (1,000,000) Saudi Riyals, including their rights and obligations, in favor of each of (1) the partner, Gas Gulf for Trading & Contracting Company, amounting to six thousand six hundred and sixty-seven (6,667) shares, representing (66.67%) of the total ownership of the Company, and (2) the partner, Gas Asia for Trading & Contracting Company, amounting to three thousand three hundred and thirty-three (3,333) shares, representing (33.33%) of the total ownership of the Company, pursuant to the partners’ decision dated 25/01/1432H (corresponding to 31/12/2010G) and attested before the Notary Public assigned to the Chamber of Commerce in the Eastern Province, No. (45145147) and dated 17/11/1432H (corresponding to 15/10/2011G).

On 03/07/1432H (corresponding to 05/06/2011G), the partners decided to increase the Company’s capital from one million (1,000,000) Saudi Riyals to two million five hundred thousand (2,500,000) Saudi Riyals divided into two hundred and fifty thousand (250,000) cash shares of equal value, each worth ten (10) Saudi Riyals. The increase of one million five hundred thousand (1,500,000) Saudi Riyals was paid in cash through the partners’ current accounts according to the certificate of the Company’s auditor (Tala Abu-Ghazaleh & Co.) pursuant to the partners’ decision dated 27/06/1432H (corresponding to 30/05/2011G) and documented by the notary public commissioned to work at the Chamber of Commerce in the Eastern Province in Issue (82) page (83) of volume (58) and dated 03/07/1432H (corresponding to 06/05/2011G).

On 15/02/1441H (corresponding to 14/10/2019G), the partners decided to amend the Company’s Articles of Association, whereby the activities were amended pursuant to the electronic articles of association approved by the Ministry of Commerce under No. (7647) and dated 15/02/1441H (corresponding to 14/10/2019G).

On 03/03/1441H (corresponding to 31/10/2019G), the partners decided to increase the Company’s share capital from two million five hundred thousand (2,500,000) Saudi Riyals to one hundred and fifty million (150,000,000) Saudi Riyals divided into fifteen million (15,000,000) cash shares of equal value, each share worth ten (10) Saudi Riyals. The increase of one hundred and forty-seven million five hundred thousand (147,500,000) Saudi Riyals was met by capitalizing retained earnings in the amount of one hundred and forty-five million eight hundred and thirty-three thousand six hundred and thirty-four (145,833,634) Saudi Riyals and capitalizing the balance of related parties of the partners in the amount of one million six hundred and sixty-six thousand three hundred and sixty-six (1,666,366) Saudi Riyals, pursuant to the electronic articles of association approved by Ministry of Commerce No. (7647) dated 03/03/1441H (corresponding to 31/10/2019G).

On 11/04/1441H (corresponding to 08/12/2019G), the partner Gas Gulf for Trading & Contracting Company waived part of its shares in favor of each of (1) the new partner Future Prospects Operation and Maintenance Company Limited, amounting to three million (3,000,000) shares representing (20%) of the total ownership of the Company, (2) the new partner Future Generation Company Limited, amounting to three million (3,000,000) shares representing (20%) of the total ownership of the Company, and (3) the new partner Future Cooperation Company Limited, amounting to one million five hundred (1,000,500) shares representing (6.67%) of the total ownership of the Company. The partner Gas Asia for Trading & Contracting Company also waived one million nine hundred and ninety-nine thousand five hundred (1,999,500) shares in favor of the new partner Future Cooperation Company Limited. The partners also unanimously decided to approve the transformation of the Company and its six branches from a limited liability company to a Closed joint stock company with its rights and obligations and with the same capital of one hundred and fifty million (150,000,000) Saudi Riyals divided into fifteen million (15,000,000) shares, each share is worth ten (10) Saudi Riyals and all of them are ordinary shares. This is in accordance with the partners’ decision to convert the legal entity of the Company dated 11/04/1441H (corresponding to 28/12/2019G) which was approved by the Ministry of Commerce and Investment, Riyadh Branch, with request number (55793).

On 11/04/1441H (corresponding to 08/12/2019G), the Ministerial Resolution No. (Q/2162) was issued approving the conversion of Gas Arabian Services Company Limited from a limited liability company into a closed joint stock company.

On 27/04/1441H (corresponding to 24/12/2019G), the General Assembly of Shareholders (Transformational Assembly) approved the Company’s Articles of Association, appointed the first Board of Directors and an external auditor, and verified the subscription of the entire share capital.

On 05/05/1441H (corresponding to 31/12/2019G), the Ministerial Resolution No. (Q/2163) was issued approving the announcement of the conversion of Gas Arabian Services Company Limited from a limited liability company into a closed joint-stock company.

The Company was registered in the joint stock companies register in Dammam under Commercial Register No. (2050022617) dated 07/08/1412H (corresponding to 11/02/1992G).

On 23/09/1442H (corresponding to 05/05/2021G), the Extraordinary General Assembly approved increasing the Company’s capital from one hundred and fifty million (150,000,000) Saudi Riyals to one hundred and fifty-eight million (158,000,000) Saudi Riyals, divided into fifteen million eight hundred thousand (15,800,000) fully paid ordinary shares, by issuing eight hundred thousand (800,000) ordinary shares, each with a value of ten (10) Saudi Riyals, with a total nominal value of eight million (8,000,000) Saudi Riyals, paid in cash by the founding shareholders for the benefit of the new shareholders, numbering one hundred and seven (107) new shareholders, where the increase was made by pumping the increase amount into the Company’s accounts through a cash deposit. A resolution was also passed approving the amendment of certain Articles of the Company’s Articles of Association and the direct listing on the Parallel Market (Nomu).

On 02/02/1443H (corresponding to 09/09/2021G), the (Extraordinary) General Assembly of Shareholders approved the cancellation of the request for the direct listing of the Company in the Parallel Market (Nomu) and voted on the offering in the Parallel Market of seven hundred and ninety thousand (790,000) ordinary shares, which represent (5%) of the Company’s shares amounting to fifteen million eight hundred thousand (15,800,000) ordinary shares and registration and listing in the Parallel Market after obtaining the necessary approvals from the Capital Market Authority and Tadawul.

On 26/04/1443H (corresponding to 01/12/2021G), the Company obtained the approval of the Capital Market Authority for the Company’s request to register and offer (790,000) shares, representing (5%) of its shares, in the Parallel Market.

On 06/07/1443H (corresponding to 07/02/2022G), the Company’s shares were listed and trading began, and it was converted from a closed joint-stock company into a public joint-stock company (with trading code 9528).

On 10/09/1443H (corresponding to 11/04/2022G), the Extraordinary General Assembly approved amending Article Two of the Articles of Association related to the Company’s name, in addition to amending Articles No. (31-37-38-39-40-45) and adding Article No. (15) related to the Company’s purchase of its shares and the shares allocated to employees.

On 19/09/1444H (corresponding to 10/04/2023G), the (Extraordinary) General Assembly of Shareholders approved amending the Articles of Association pursuant to the new Companies Law and voting on re-arranging and numbering the articles of the Company’s Articles of Association to be consistent with the amendments.

On 25/11/1444H (corresponding to 14/06/2023G), the Board of Directors recommended to the (Extraordinary) General Assembly of Shareholders to split the nominal value of the share from ten (10) riyals per share to one (1) riyal per share, so

that the number of the Company’s shares would become one hundred and fifty-eight million (158,000,000) shares instead of fifteen million eight hundred thousand (15,800,000) shares.

On 21/01/1445H (corresponding to 08/08/2023G), the (Extraordinary)General Assembly of Shareholders approved the division of the Company’s shares, provided that the nominal value of the share before the amendment would be (10) Saudi Riyals and the number of (15,800,000) shares, to become one (1) Saudi Riyal and the number of (158,000,000) shares without changing the capital A resolution was also passed approving the amendment of Articles (7) and (8) of the Articles of Association relating to the share capital and the subscription of shares.

The current capital of the Company is (158,000,000) one hundred and fifty-eight million Saudi Riyals, divided into (158,000,000) one hundred and fifty-eight million fully paid ordinary shares, each share is worth one (1) Saudi Riyal, all of which are ordinary cash shares. Each shareholder (“Shareholder”) regardless of the number of shares he owns, has the right to attend and vote in the meetings of the General Assembly of Shareholders (“General Assembly”).

The company’s activities, as stated in its commercial registration, include establishing stations and main lines for water distribution, establishing refining, petrochemical and refinery stations, extending electrical wires, installing scaffolding works, and renting construction and building equipment with an operator.

The Company’s activities, as stated in its Articles Of Association, are:

Sector	Category
Manufacturing Industries	Manufacture of refractory products
Manufacturing Industries	Manufacture of basic iron and steel
Manufacturing Industries	Manufacture of electric motors, generators, transformers, electrical distribution and control devices.
Manufacturing Industries	Repair of fabricated metal products
Manufacturing Industries	Repair of machinery
Construction	Construction of buildings
Construction	Construction of utility projects
Construction	Construction works in connection with other civil engineering projects
Construction	Electrical installations
Construction	Other specialized construction activities
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of machinery and other equipment
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of solid, liquid and gaseous fuels and related products
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of waste, scrap and other products not elsewhere classified
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of hardware, paint and glass in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of other new goods in specialized stores
Transportation and storage	Urban and suburban passenger road transport
Transportation and storage	Freight road transport
Transportation and storage	Pipeline transport
Transportation and storage	Storage
Professional, scientific and technical activities	Technical testing and analysis

The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

The Company carries out its activities under Commercial Registration No. (2050022617) dated 07/08/1412H (corresponding to 11/02/1992G). The Company shall not engage in its activities except after obtaining the regulatory licenses, if any, which are required by the laws and regulations applicable in the Kingdom of Saudi Arabia.

As of 01/07/2025G, the substantial shareholders of the Company who own (5%) or more of its capital are as follows:

Name	Directly		Indirectly	
	Number of Shares	Percentage	Number of Shares	Percentage
Naima Khaled Abdullah AlDabal	100	0.0001%	21,884,260	13.8508%
Future Generations Company Limited (One Person Company)	19,509,975	12.3481%	1,567,660	0.9922%
Gaz Gulf Trading & Contracting Co	19,334,177	12.2368%	1,567,660	0.9922%
Gaz Asia Trading & Contracting Co	19,333,851	12.2366%	1,567,660	0.9922%
Abdulrahman Khaled Abdullah AlDabal	305,000	0.1930%	20,144,482	12.7497%
Future Horizons Company for Operation and Maintenance	19,334,735	12.2372%	None	None
Faisal Khaled Abdullah AlDabal	990,000	0.6266%	11,533,017	7.2994%
Future Cooperation Company Limited	11,733,852	7.4265%	None	None
Faisal Abdul Mohsen Suleiman Al-Mushaiqeh	100	0.0001%	8,213,696	5.1985%
Total	90,541,790	57.30%	66,478,437	42.07%

Investing in shares subject to transfer to the Main Market involves risks and uncertainties, and therefore the “**Important Notice**” and “**Risk Factors**” sections of this Transfer Document should be carefully considered by investors before they decide to invest in the Company’s shares following transfer to the Main Marke.

Financial Advisor



“This Transfer Document includes information provided as part of the application for transfer to the Main Market in compliance with the Listing Rules of the Saudi Stock Exchange. The directors, whose names appear on page [*], collectively and individually accept full responsibility for the accuracy of the information contained in this transfer document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the content of this document, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Document”

This Document was issued on 24/03/1447H (corresponding to 16/09/2025G)

A photograph of an industrial facility, likely a refinery or gas processing plant, at night. The image shows a tall, cylindrical distillation column with multiple levels of scaffolding and walkways. The structure is illuminated by blue and white lights, creating a dramatic effect against the dark sky. The image is partially obscured by a dark blue diagonal overlay on the right side.

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**KSA's Market
Leaders**

www.gasarabian.com

Important Notice

This Document provides information about Gas Arabian Services Company and its shares subject to the transfer to the Main Market, and can be viewed by visiting the Company's website (www.gasarabian.com) or the website of the financial advisor Yaqeen Capital ("**Yaqeen Capital**") (www.yaqeen.sa) or the website of the Saudi Exchange ("**Saudi Exchange**") (www.saudiexchange.sa).

This transfer document includes information provided as part of the application for transfer to the Main Market in compliance with the requirements of Listing Rules of the Saudi Stock Exchange. The directors, whose names appear on page [iii], collectively and individually accept full responsibility for the accuracy of the information contained in this Transfer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the content of this document, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Yaqeen Capital has been appointed as a financial advisor ("Financial Advisor") in connection with the application for the transfer of the Company's shares to the Main Market.

The information contained in this Document as of the date of its issuance is subject to change, and in particular, the financial position of the Company and the value of its shares may be adversely affected by future developments related to inflation factors, interest rates, taxes or any other economic or political factors beyond the Company's control (please refer to Section No. (2) "**Risk Factors**" in this document), and this Document and any oral, written or printed communications regarding the shares subject to transfer to the Main Market should not be considered, interpreted or relied upon in any way or interpreted as a promise or statement regarding future profits, results or events.

This Document shall not be considered as a recommendation by the Company, its Board of Directors or any of its advisors to participate in the process of investing in the shares subject to transfer to the Main Market. The information contained in this Document is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or specific investment needs of persons wishing to invest in the shares subject to transfer to the Main Market. Before making any investment decision, each recipient of this Document should obtain independent professional advice regarding investing in the shares subject to transfer to the Main Market after the commencement of trading from a financial advisor licensed by the Authority, in order to assess the suitability of the investment opportunity and the information contained in this Document for his/her specific investment objectives, situations and needs, including the advantages and risks associated with investing in the shares subject to transfer to the Main Market. Investing in the shares subject to transfer to the Main Market may be suitable for some investors and not others, and potential investors should not rely on the decision of another party to invest or not to invest as a basis for their own study of their investment opportunity or the specific circumstances of such investors. The Company and the Financial Advisor request that the recipient of this Document shall read and adhere to all regulatory restrictions relating to the purchase or sale of shares.

Financial Information

The Company's audited financial statements for the financial year ended December 31, 2022G (which include comparative figures for the financial year ended December 31, 2021G), the Company's audited financial statements for the financial year ended December 31, 2023G (which include comparative figures for the financial year ended December 31, 2022G), and the Company's audited financial statements for the financial year ended December 31, 2024G (which include comparative figures for the financial year ending December 31, 2023) have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and versions approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Company's financial statements for the financial years ended December 31, 2021, 2022G, 2023G, and 2024G, as well as the interim financial statements for the three-month period ended 31 March 2025, have been audited by "Dr. Mohammed Al-Amri & Co. Chartered Accountants". The Company issues its financial statements in Saudi Riyals.

The figures contained in this Document are presented in Saudi Riyals. The figures in the financial statements, if aggregated, may differ from those in this Document as a result of rounding. Accordingly, the financial information in this Document may differ from the information in the financial statements. It shall also be noted that some of the figures and percentages in this Document are approximate. Accordingly, figures for the same category presented in different tables may vary slightly, and figures shown as a total in some tables may not represent an arithmetic average or total of the previous figures.

Forecasts and Forward-Looking Statements

Forecasts set forth in this Document have been prepared on the basis of specific and stated assumptions. The Company's future conditions may differ from the assumptions used now. Therefore, no warranty, affirmation, or representation is made with respect to the accuracy or completeness of any of these forecasts.

Certain forecasts contained in this Document constitute "forward-looking statements," which can generally be identified by the use of certain forward-looking words such as "plans," "intends," "estimates," "believes," "expects," "is expected," "poropably," "possible," "likely," "will," "may," or the negative thereof and other words of similar or comparable meaning. These statements reflect the Company's current views with respect to future events, but are not guarantees or assurances of the Company's actual future performance, as there are many factors that could cause the Company's actual performance, achievements or results to differ materially from those expressed or implied by such statements. The most important risks and factors that could lead to such an impact have been reviewed in more detail in other sections of this Document (see Section No. (2) "**Risk Factors**"). If one or more of these factors is met, or if any of the expectations or estimates contained in this Document prove to be incorrect or inaccurate, the Company's actual results may differ materially from those described in this Document.

Company's Board of Directors

Name	Position	Capacity	Independence	Nationality	Age	Direct ownership % ⁽¹⁾	Indirect ownership %	Date of Appointment ⁽²⁾
Abdulrahman Khalid Abdullah AlDabal	Chairman	Non-executive	Non-Independent	Saudi	71	0.1930%	12.7497%	09/06/1446H (corresponding to 10/12/2024G)
Faisal Khalid Abdullah AlDabal	(Vice Chairman - CEO	Executive	Non-Independent	Saudi	54	0.6266%	7.2994%	09/06/1446H (corresponding to 10/12/2024G)
Khaled Abdulrahman Khaled AlDabal ⁽³⁾	Board Member	Executive	Non-Independent	Saudi	35	0.6071%	3.8364%	07/01/1447H (corresponding to 02/07/2025G)
Fawaz Abdullah Ahmed Danish	Board Member	Non-executive	Independent	Saudi	57	0.0001%	None	09/06/1446H (corresponding to 10/12/2024G)
Abdulaziz Ibrahim Abdulrahman Al-Khamis	Board Member	Non-executive	Independent	Saudi	71	None	None	09/06/1446H (corresponding to 10/12/2024G)
Alawi Mohammed Hussein Baroum ⁽³⁾	Board Member	Non-executive	Independent	Saudi	73	0.0032%	None	09/06/1446H (corresponding to 10/12/2024G)

(1) Direct ownership of the Board of Directors in the Company according to the shareholders' register dated 01/07/2025G.

(2) The Extraordinary General Assembly held on 09/06/1446H (corresponding to 10/12/2024G) approved the election of the Board of Directors Among the candidates for the next session, which begins on 01/07/1446H (corresponding to 01/01/2025G), for a period of four (4) years, ending on 15/08/1450H (corresponding to 31/12/2028G).

(3) On 07/01/1447H (corresponding to 02/07/2025G), Board member Eng. Arif Abdullah AlDabal submitted his resignation from the Board of Directors. On the same date, the Board of Directors approved the resignation and appointed Mr. Khaled Abdulrahman Khaled AlDabal as an Executive Board Member in his place. His membership will be effective from the date of the decision until the end of the Board's term, which ends on 31/12/2028G.

The Secretary of the Board of Directors is Khaled Jamal Khaled AlDabal, who was appointed pursuant to a Board of Directors resolution dated 01/07/1446H (corresponding to 01/01/2025G).

Company Directory

Company Registered Address

Gas Arabian Services Company

Dammam - Al-Rabie District - King Saud Street
P.O. Box: 3422 Postal Code: 31471
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Company Representatives

Abdulrahman Khaled Abdullah AlDabal

Chairman
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Faisal Khalid Abdullah AlDabal

Vice Chairman & CEO
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Stock Exchange

Saudi Exchange Company (Saudi Exchange)

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Financial Advisor

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The company's chartered accountant for the financial years ended 31 December 2022, 2023, and 2024, and for the three-month period ended 31 March 2025.

Dr. Mohammed Al-Amri & Co. Chartered Accountants

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Financial Due Diligence Advisor

RSM - Allied Accountants Professional Services

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Disclaimer: All of the above Independent Advisors and Chartered Public Accountants have given their written consent to the use of their names, logos, statements or reports (as applicable) in this Document in the form and context in which they appear, and none of them has withdrawn their consent as of the date of this Document.

Transfer Timeline

This section includes a timeline showing the important dates for the process of transferring the Issuer's shares to the Main Market:

Expected Timeline for Transferring	Date
Approval of the Board of Directors to transfer from the Parallel Market to the Main Market	21/06/1445H (corresponding to 03/01/2024G)
Date of publication of the Board of Directors report	28/11/1446H (corresponding to 26/05/2025G)
Date of submitting the transfer application from the Parallel Market to the Main Market	Thursday 22/01/1447H (corresponding to 17/07/2025G)
Approval of Saudi Exchange to the request to transfer to the Main Market	On Tuesday 24/03/1447H (corresponding to 16/09/2025G)
Period of publication of the Transfer Document for inspection on the websites of the Issuer, the Exchange and the Financial Advisor	On Thursday 26/03/1447H (corresponding to 18/09/2025G) and ends on Thursday 10/04/1447H (corresponding to 02/10/2025G)
Date of suspension/stoppage of trading of the Issuer's shares for the purpose of transferring them to the Main Market	On Sunday 13/04/1447H (corresponding to 05/10/2025G)
Date of the last day of the trading suspension period on the share	Within a period not exceeding 5 trading days from the date of suspension of trading in the Company's shares
Expected date of listing and commencement of trading of the Company's shares on the Main Market	The date of transfer to the Main Market will be announced on the Saudi Exchange website.

**Dates to be determined later on.*

For more information, please visit the Saudi Exchange website (www.saudiexchange.sa), the Issuer website (www.gasarabian.com) and the Financial Advisor website (www.yaqeen.sa).

Risk Factors Summary

A. Risks Related to the Company

- Risks related to the inability to implement the Company's strategic plan
- Risks related to not obtaining or not renewing licenses, permits and certificates
- Risks related to credit
- Risks related to contingent engagements and obligations
- Risks related to financing agreements
- Risks related to providing financing in the future
- Risks related to reliance on key employees and executive management
- Risks related to lack of experience in managing companies listed on the Main Market
- Risks of management decisions
- Risks related to employee mistakes or misconduct
- Risks related to operation and unexpected business stoppage
- Risks related to non-compliance with quality standards and specifications required by customers
- Risks related to Zakat
- Risks related to customer concentration
- Risks related to contracts with suppliers
- Risks related to losses resulting from some joint ventures
- Risks related to the Company's reliance on short-term leases (as the Company is a lessee)
- Risks related to investing in securities
- Risks related to accounts payable
- Risks related to the age of buildings
- Risks related to early recognition of expenses related to future rental income
- Risks related to the protection of trademarks and property rights
- Risks related to the adequacy of insurance coverage
- Risks related to lawsuits
- Risks related to non-compliance with the Capital Market Law and its implementing regulations
- Risks related to the Company's violation of Article (54) of the Corporate Governance Regulations
- Risks related to the implementation of the Corporate Governance Regulations
- Risks related to transactions with related parties
- Risks related to operating systems and information technology
- Risks related to Saudization requirements
- Risks related to government fees applied to non-Saudi employees
- Risks related to reliance on non-Saudi employees
- Risks related to the Company's reputation
- Risks related to the work system, the residence law, and the variation in the number of employees in the Company.

B. Risks Related to the Market and the Sector in which the Company Operates.

- Risks related to the Kingdom's economic performance
- Risks related to the competitive environment
- Risks related to natural disasters
- Risks related to climate conditions
- Risks related to political and economic instability in the Middle East region

- Risks related to non-compliance with current regulations and laws and/or the issuance of new regulations and laws
- Risks related to value added tax
- Risks related to the Competition Law and its implementing regulations
- Risks related to energy, electricity and water products
- Risks related to the Company's operations being subject to environmental, health and safety regulations
- Risks related to the outbreak of infectious diseases or other threats to public health

C. Risks Related to Securities Listed on the Main Market

- Risks related to failure to meet liquidity requirements in the Main Market after the transfer
- Risks related to potential fluctuations in the share price
- Risks related to future data
- Risks related to the possibility of issuing new shares
- Risks related to distributing dividends to shareholders
- Risks related to actual control by Existing Shareholders after the transfer
- Risks related to selling a large number of shares in the market after the transfer to the Main Market
- Risks related to the suspension of trading or cancellation of the Company's shares as a result of not publishing its financial statements within the statutory period

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Terms and Definitions

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1. Terms and Definitions

The following table provides a list of definitions and abbreviations for terms used in this Transfer Document:

Defined Term or Abbreviation	Definition
Company/Issuer	Gas Arabian Services Company.
Board or Board of Directors	The Company's board of directors.
Company Management or Senior Management	Company's Management.
Articles of Association	Articles of Association of the Company.
General Assembly	General Assembly of Shareholders of the Company.
Ordinary General Assembly	Ordinary General Assembly of Shareholders of the Company.
Extraordinary General Assembly	Extraordinary General Assembly of Shareholders of the Company.
Government	Government of the Kingdom of Saudi Arabia.
Kingdom	Kingdom of Saudi Arabia.
Ministry of Commerce	Ministry of Commerce of the Kingdom of Saudi Arabia.
Zakat, Tax and Customs Authority	Zakat, Tax and Customs Authority of the Kingdom of Saudi Arabia.
Ministry of Human Resources and Social Development	Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia.
Ministry of Industry and Mineral Resources	Ministry of Industry and Mineral Resources in the Kingdom of Saudi Arabia.
General Authority of Meteorology and Environmental Protection	General Authority of Meteorology and Environmental Protection in the Kingdom of Saudi Arabia.
General Authority for Competition	The General Authority for Competition (formerly the Competition Council) is an independent capital and administrative governmental body established in 1439H (corresponding to 2018G). It aims to promote and encourage fair competition, combat illegal monopolistic practices, ensure the abundance and diversity of high-quality goods and services at competitive prices, and encourage innovation.
Companies Law	The Companies Law in the Kingdom of Saudi Arabia, issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) and Cabinet Resolution No. (678) dated 29/11/1443H (corresponding to 28/06/2022G).
Corporate Governance Regulations	The Corporate Governance Regulations in the Kingdom of Saudi Arabia, issued by the board of the Capital Market Authority under resolution No.. (8-16-2017), dated 16/05/1438H (corresponding to 13/02/2017G), amended by the Capital Market Authority resolution of No. (8-05-2023G), dated 25/06/1444H (corresponding to 18/01/2023G), and any amendments thereto.
Rules on the Offer of Securities and Continuing Obligations	The the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), subject to the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, and amended by Capital Market Authority Board Resolution No. 1-53-2025 dated 21/11/1446H (corresponding to 19/05/2025G) and any amendments thereto.
Listing Rules	Listing rules issued by the Saudi Exchange Company and approved by Capital Market Authority Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G) and amended by Capital Market Authority Board Resolution No. (1-104-2019) dated 01/02/1441H (corresponding to 30/09/2019G) and amended by Capital Market Authority Board Resolution No. (1-22-2021) dated 12/07/1442H (corresponding to 24/02/2021G) and amended by Capital Market Authority Board Resolution No. (1-19-2022) dated 12/07/1443H (corresponding to 13/04/2022G) and amended by Capital Market Authority Board Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G) and amended by Capital Market Authority Board Resolution No. (3-96-2022) dated 10/02/1444H (corresponding to 06/09/2022G) and amended by the Capital Market Authority Board Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G) and amended by Capital Market Authority Board Resolution No. (4-114-2024) dated 04/04/1446H (corresponding to 07/10/2024G) and amended by its Resolution No. (1-48-2025) dated 02/11/1446H (corresponding to 30/04/2025G), and amended by its Resolution No. (2-53-2025) dated 21/11/1446 H (corresponding to 19/05/2025G) and any amendments thereto..

Defined Term or Abbreviation	Definition
Capital Market Authority, CMA, or Authority	Capital Market Authority of the Kingdom of Saudi Arabia.
Saudi Stock Exchange, Capital Market, Stock Market, Exchange, or Tadawul	Saudi Exchange Company (“the Saudi Stock Exchange”) is a subsidiary of the Saudi Exchange Group. Established in accordance with the Council of Ministers Resolution dated 29/02/1428H (corresponding to 19/03/2007G), in implementation of the Capital Market Law, it is a Saudi joint stock company and the only entity authorized to operate as a stock market in the Kingdom of Saudi Arabia, where it lists and trades securities.
Main Market	The market in which securities that have been registered and offered under Part Four of the Rules on the Offer of Securities and Continuing Obligations are traded and accepted for listing under Part Three of the Listing Rules.
Parallel Market	The market in which shares that have been registered and offered under Part Eight of the Rules on the Offer of Securities and Continuing Obligations are traded and accepted for listing under Part Eight of the Listing Rules.
Application of Transfer	Submitting an application to the Saudi Stock Exchange to transfer the Company’s shares from the Parallel Market to the Main Market.
Shares of Existing Shareholders before Transfer to Main Market	100% of the total shares of the Company’s capital, which amounts to one hundred and fifty-eight million (158,000,000) ordinary shares.
Share	Ordinary share with a nominal value of (1) Saudi riyals
Nominal Value	(1) Saudi riyals per share.
Person	Natural or legal person.
Shareholder or Shareholders	A Company’s stockholder for any specified period of time.
Investor	Any person investing in shares subject to transfer to the Main Market.
Business Day	Any businessday except for Friday and Saturday, and any day that is an official holiday in the Kingdom of Saudi Arabia, and any day on which banking institutions close their doors to work in the Kingdom in accordance with the applicable regulations and other government procedures.
Labor Law	The Saudi Labor Law issued by Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G) and its amendments.
Financial Statements	The Company’s audited financial statements for the financial year ended December 31, 2022G (which include comparative figures for the financial year ended December 31, 2021G), and the Company’s audited financial statements for the financial year ended December 31, 2023G (which include comparative figures for the financial year ended December 31, 2022G), and the Company’s audited financial statements for the financial year ending December 31, 2024 (which include comparative figures for the financial year ending December 31, 2023) in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia other standards and versions approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
Financial Year(s)	It is the period of time for displaying the results of the establishment’s activity, the beginning and end of which are specified in the articles of association or bylaws of the Company. Note that the Company’s financial year ends on December 31 of every Gregorian year.
H	Hijri Calendar
G	Gregorian Calendar
Listing	Listing of securities in the Main Market or Parallel Market or – where permitted by the context – submitting a listing application to the Saudi Stock Exchange.
The Transfer	Transferring of the Issuer’s shares from the Parallel Market to the Main Market.
Transfer Document to the Main Market / Document	This Transfer Document, which is the document required to transfer the Issuer’s shares from the Parallel Market to the Main Market, according to the Listing Rules.
Advisors	The Company’s advisors whose names are shown on page (v).
Financial Advisor	Yaqeen Capital Company (“Yaqeen Capital”).
Legal Advisor	Khaligyoun Legal Advisors – KLA Firm
Financial Professional Due Diligence Advisor	RSM - Allied Accountants Professional Services

Defined Term or Abbreviation	Definition
Chartered Accountant of the Company for the financial years ended 31 December 2022, 2023, and 2024, and for the financial period ending on March 31, 2025.	Dr. Mohammed Al-Amri & Co. Chartered Accountants
Trading	The automated system for trading in Saudi shares.
Control	According to the Glossary of Defined Terms used in the Exchange Rules and the glossary of terms used in the CMA regulations and rules issued by the CMA, control is the ability to influence the actions or decisions of another person, though, whether directly or indirectly, alone or with a relative or affiliate, through any of the following: <ul style="list-style-type: none"> – Holding 30% or more of the voting rights in a company; or – Having the right to appoint 30% or more of the members of the governing body.
Public	In the Glossary of Defined Terms used in the Exchange Rules or the Rules on the Offer of Securities and Continuing Obligations means persons not mentioned below: <ol style="list-style-type: none"> 1. Affiliates of the Issuer. 2. Substantial shareholders of the Issuer. 3. Directors and senior executives of the Issuer. 4. Directors and senior executives of the affiliates of the Issuer. 5. Directors and senior executives of substantial shareholders of the Issuer. 6. Any relatives of the persons in (1, 2, 3, 4, or 5) above. 7. Any Company controlled by any person in (1, 2, 3, 4, 5, or 6) above. 8. Persons who act together in agreement and jointly own (5%) or more of the class of shares that will be listed.
Risk Factors	It is the set of potential factors that must be understood and accounted for before making an investment decision in the shares subject to transfer to the Main Market.
International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia	A set of accounting standards and interpretations issued by the International Accounting Standards Board. (International Financial Reporting Standards) They are the international financial reporting standards approved by SOCPA, which include international standards in addition to additional requirements and disclosures required by SOCPA other standards and versions approved by SOCPA, which include standards and technical publications related to issues not covered by international standards, such as the issue of Zakat.
Saudi Organization for Chartered and Professional Accountants (SOCPA)	Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia
Saudization	Labor regulations in the Kingdom of Saudi Arabia that require companies operating in the Kingdom to employ a certain percentage of Saudis and replace expatriate workers with Saudi citizens in private sector jobs.
Nitaqat	The Saudization program (Nitaqat) was approved pursuant to Ministry of Labor Resolution No. (4040) dated 12/10/1432H (corresponding to 10/09/2011G) subject to the Cabinet Resolution No. (50) dated 12/05/1415H (corresponding to 27/10/1994G). The Ministry of Human Resources and Social Development (formerly the Ministry of Labor and Social Development) in the Kingdom launched the Nitaqat Program to provide incentives for enterprises to employ Saudi nationals. The performance of each enterprise is evaluated under this program based on specific ranges (Platinum, Green, and Red).
SAR or SR	Saudi Arabian Riyal, the official currency of the Kingdom of Saudi Arabia.
USD	US Dollar – the official currency of the United States of America.
Vision 2030	The National Strategic Economic Program aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy, and develop public services.
Value Added Tax (VAT)	The Council of Ministers decided on 02/05/1438H (corresponding to 30/01/2017G) to approve the Unified Value Added Tax Agreement for the Gulf Cooperation Council countries, which came into effect as of January 1, 2018G, as a new tax added to the system of other taxes and fees that must be implemented by specific sectors in the Kingdom and in the Gulf Cooperation Council countries. The amount of this tax is (5%), and the Kingdom's government has decided to increase the value added tax rate from (5%) to (15%), starting from July 2020G, and a number of products have been exempted, including (basic foods and services related to health care and education).

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Risk Factors

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2. Risk Factors

Investment in the shares subject to transfer to the Main Market involves a high degree of risk and may be suitable only for investors who are capable of assessing the merits and risks of such investment and of bearing any loss that may result therefrom. Anyone wishing to invest in shares that will be transferred to and traded in the Main Market must carefully study all the information contained in this Document, including the Risk Factors shown below, before making any decision to invest in the shares subject to the transfer. Risks described below may not include all the risks that the Company may face, and it is possible that there are additional factors that are not known to the Company at the present time, that would affect its operations.

The Company's activity, financial conditions, prospects, results of operations, and cash flows may be materially and adversely affected if any of the risks included in this section occur or materialize, and which the Company's management currently considers to be material. This is in addition to any other risks that the Board of Directors has not identified or currently classifies as immaterial but may actually occur and become material.

In the event of the occurrence or realization of a risk factor that the Company's management believes at the present time to be material, or the occurrence of any other risks that the Company's management has not been able to identify, or which it considers at the present time to be immaterial, this may lead to a decrease in the Issuer's share price in the market, a weakening of its ability to distribute profits to shareholders, and the investor may lose all or part of his investment in the Company's shares.

The members of the Issuer's Board of Directors declare that, to the best of their knowledge and belief, there are no other material risks as at the date of this Document other than those mentioned in this section, that could affect investors' decisions to invest in shares that will be transferred to the Main Market. The risks and uncertainties set out below are presented in an order that is not representative of their importance. Additional risks and uncertainties, including those not currently known or considered immaterial, may have the effects described above.

2.1 Risks related to the Company

2.1.1 Risks related to the inability to implement the Company's strategic Plan

The Company's ability to increase its revenues and improve its profitability depends on the extent of effective implementation of its business plans and successful achievement of its strategy and improvement of existing production lines or expansion by adding new production lines. The Company's ability to expand its business in the future depends on its ability to continue to implement and improve operational, financial and administrative information systems efficiently and in a timely manner, as well as its ability to increase, train, motivate and manage its workforce. In addition, any business expansion plans that the Company intends to undertake in the future will be subject to estimated costs and the specified implementation schedule, and the Company may need to obtain additional financing to complete any expansion plans. If it is unable to implement the expansion plans according to the specified schedule and according to the estimated costs of the project or in the event of failure to achieve the desired profitability from these projects, which may be due to various reasons, including changes in the market conditions at the time of implementation of these projects or in the event of a defect in the feasibility study, this will negatively affect the Company's competitive position and, consequently, its business results, profitability and future prospects.

2.1.2 Risks related to not obtaining or not renewing licenses, permits and certificates

The Company shall obtain and maintain various regulatory permits, licenses, certificates and approvals in relation to its activities. Such licenses and certificates include, but are not limited to: commercial register, business license, environmental operating permit issued by the National Center for Environmental Compliance, industrial facility license issued by the Ministry of Industry and Mineral Resources, Zakat and Income Certificate, and Value Added Tax Registration Certificate. (For more information, please refer to Subsection (5.6) "**Government certificates, licenses and approvals**" of Section (5) "**Legal Information and Declarations of Board Members**" of this Document.

If the Company is unable to renew its current licenses, permits and certificates or obtain any of the licenses necessary for its business, or if any of its licenses are suspended or expired, or if any of those licenses are renewed on terms that are not suitable for the Company, or if the Company is unable to obtain additional licenses, permits and certificates that may be requested from it in the future, this may expose the Company to ceasing to carry out its business, or freezing all services provided by the regulatory authorities to the Company (such as renewing licenses and certificates, issuing visas and residence permits, transferring sponsorships, etc.), or exposing it to financial fines imposed by the authorities related to licenses, permits and certificates, which will result in the disruption of the Company's operations and the incurring of additional costs, which in turn will negatively affect the Company's business, results of operations, financial position and future prospects.

2.1.3 Risks related to credit

Credit risk arises when one party fails to meet a financial obligation to the other party. The Company may face credit risk in several temporary or permanent situations, including the existence of receivables from customers, the failure of other debtor parties to meet their obligations to the Company, and others.

The Company's net trade receivables amounted (145.2) million, (149.9) million, (190.8) million, and (320.3) million Saudi Riyals as of December 31, 2022G, 2023G, 2024G, and March 31, 2025G respectively. The following table shows the details of the receivables as of December 31, 2022G, 2023G, 2024G, and March 31, 2025G:

Table No. (1): Details of receivables as of December 31, 2022G, 2023G, 2024G, and March 31, 2025G

	December 31, 2022G	December 31, 2023G	December 31, 2024G	March 31, 2025G
Accounts receivable from third parties	145,519,182	155,842,254	194,179,505	324,080,194
Accounts receivable from related parties	2,920,542	1,338,872	4,081,448	3,687,013
Total accounts receivable	148,439,724	157,181,126	198,260,953	327,767,207
Provision for expected credit losses	(3,227,377)	(7,253,504)	(7,465,809)	(8,491,288)
Net accounts receivable	145,212,347	149,927,622	190,795,144	319,275,919
Provision for expected credit losses as a percentage of total accounts receivable	2.17%	4.61%	3.77%	2.59%

Source: The Company's audited financial statements for the financial years ended December 31, 2023G, 2024G, the financial period ending on March 31, 2025G and management information.

The following table sets out an analysis of the Company's accounts receivable aging as of 31 December 2022, 2023, and 2024, and 31 March 2025.

Table No. (2): An analysis of the Company's accounts receivable aging as of December 31, 2022G, 2023G, 2024G and March 31, 2025G

Ageing analysis of accounts receivable	December 31, 2022G		December 31, 2023G		December 31, 2024G		March 31, 2025G	
	Value	The percentage of total accounts receivable	Value	The percentage of total accounts receivable	Value	The percentage of total accounts receivable	Value	The percentage of total accounts receivable
Present	83,741,305	56.41%	80,327,279	51.10%	111,774,832	56.38%	184,225,163	56.21%
0 - 30 days	21,247,918	14.31%	31,018,086	19.73%	39,416,266	19.88%	69,372,210	21.17%
31 - 90 days	20,942,552	14.11%	15,337,414	9.76%	18,521,094	9.34%	41,315,764	12.61%
91 - 180 days	7,164,072	4.83%	13,881,983	8.83%	17,129,347	8.64%	17,891,862	5.46%
More than 180 days	15,343,877	10.34%	16,616,364	10.57%	11,419,414	5.76%	14,962,208	4.56%
Total	148,439,724	100.00%	157,181,126	100.00%	198,260,953	100.00%	327,767,207	100.00%

Source: The Company's audited financial statements for the financial years ended December 31, 2022G, 2023G, 2024G, the financial period ending on March 31, 2025G and management information.

The Company cannot guarantee that the counterparties with whom it deals will not fail to fulfill their obligations., nor can it accurately predict their future ability to comply. In the event that debtors fail to pay the Company's dues or delay in collecting receivables from them, this will have a material adverse effect on the availability of liquidity for the Company's needs, expenses and cash flows, and thus will have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

2.1.4 Risks related to contingent engagements and obligations

The Company has outstanding letters of guarantee amounting to SAR 384.5 million (December 31, 2024G: SAR 374.8 million) issued by local banks on its behalf in the ordinary course of business. In addition, the Company has capital commitments amounting to SAR 3.7 million (December 31, 2024G: SAR 9.2 million) for the construction of the Company's new office building.

If these obligations are realized, they will have a material adverse effect on the Company's financial position, financial position, results of operations and future prospects.

2.1.5 Risks related to providing financing in the future

The Company may need to obtain loans and bank facilities to finance future expansion plans. It is worth noting that obtaining financing depends on the Company's capital, financial position, cash flows, guarantees provided and credit history. The Company does not provide any assurance or guarantee regarding obtaining appropriate financing if necessary. Therefore, the Company's inability to obtain the financing it needs from financing entities, or financing on acceptable preferential terms that suit the Company, will have a negative impact on the Company's performance, operations and future plans..

2.1.6 Risks related to reliance on key employees and executive management

The Company and its future plans for success depend on the expertise and competencies of its executive management and key employees. The Company aims to attract and employ qualified individuals to ensure the efficiency and quality of business through effective management and sound operation. The Company will also need to increase the salaries of its employees to ensure their retention or to attract new cadres with appropriate qualifications and experience. Accordingly, if the Company loses any of its senior executives or qualified employees and is unable to employ replacements with the same level of expertise and qualifications at a cost appropriate to the Company, this will have a material negative impact on the Company's business, results of operations and future prospects.

2.1.7 Risks related to lack of experience in managing companies listed on the Main Market

Although the Company's senior management has experience in managing the Company as a public joint stock company listed on the Parallel Market, their experience may not be sufficient to manage joint stock companies listed on the Main Market, and how to comply with the rules and regulations of joint stock companies listed on the main Saudi financial market. Accordingly, the Company's senior management must make additional efforts to ensure its compliance with the rules and regulations imposed on companies listed on the Saudi main capital market. In the event that the Company does not comply with these rules, or fails to meet governance and disclosure requirements, this will expose the Company to regulatory penalties and fines and announce them, which in turn will have a material negative impact on its business, prospects and financial position.

2.1.8 Risks of management decisions

The Company's business results depend primarily on the ability of its management to make the right and appropriate decisions regarding its business and activities at the right time. If the Company's management makes wrong decisions regarding its business, this will negatively affect the Company's performance, results of operations and financial position.

2.1.9 Risks related to employee mistakes or misconduct

The Company may encounter employee errors or misconduct, and the Company cannot guarantee the avoidance of employee misconduct or errors such as fraud, intentional errors, embezzlement, fraud, theft, forgery, misuse of its property and acting on its behalf without obtaining the required administrative authorizations. Accordingly, such actions may result in consequences and responsibilities borne by the Company, or regulatory penalties, or financial liability, which will negatively affect the Company's reputation, financial position, results of operations and future prospects.

2.1.10 Risks related to operation and unexpected business interruption

The Company depends on the continuity of its operations on the progress and effectiveness of production lines, implementation, supply and maintenance of projects, operational processes and work systems. The Company is exposed to significant operational risks as a result of several factors, including natural disasters, sudden breakdowns of its main equipment, failure to perform or stop production lines and computers, or interruption of power and electricity supply. These risks may cause significant damage to the Company's facilities or workforce, or disrupt the production process and the Company's ability to deliver its products, which results in the Company incurring losses, and thus negatively and materially affecting the Company's business, results of operations, financial position and future prospects.

2.1.11 Risks related to non-compliance with quality standards and specifications required by customers

The Company seeks to maintain customer satisfaction by continuing to provide the same level of quality of its products. However, if the Company is unable to continue to provide its products with the same level of quality, this will negatively affect its reputation with its customers and thus cause them to refrain from dealing with it, which will negatively and materially affect the Company's revenues and consequently the results of its operations, financial position and future prospects..

2.1.12 Risks related to Zakat

The Company and its branch paid the zakat due under a certificate registered under number (111617210) dated 26/09/1446H (corresponding to 26/03/2025G) stating that the Company has submitted its declaration for the period ending on 30/06/1446H (corresponding to 31/12/2024G). It is valid until 13/11/1447H (corresponding to 30/04/2026G). The value of the zakat paid during the year ending on December 31, 2024G amounted to (6,064,309) Saudi riyals.

The Company also submitted zakat declarations for all years since its establishment until the year ending on December 31, 2023G and paid the zakat due accordingly and obtained zakat certificates for all these years.

According to the financial statements of 2024, and with respect to the appeals filed in 2015 for the claim of SAR 359,873, the Company received the final order from the General Secretariat of the Tax Committees in the amount of SAR 78,374, which was paid and settled by the shareholders. During the year 2024, the Company received the Zakat assessment order for the year 2023 in the amount of SAR 47,131, which has been settled. It should be noted that the Executive Regulations for Zakat Collection oblige the taxpayer, including companies operating in the Kingdom, to submit their zakat and tax returns and pay the zakat dues accordingly within a period not exceeding (120) from the end of the zakat year (i.e. the date of the end of the taxpayer's financial year). Given the Company's financial year ends on December 31 of each Gregorian year, its returns must be submitted before April (30) of the year following the ended financial year. If the taxpayer is late and does not pay its zakat dues according to the dates specified in the regulations, the Authority shall send the taxpayer a maximum of three demands, and he shall pay the zakat dues within thirty (30) days from the date of notification of each demand. If it does not respond to the three demands for payment, the Zakat Authority may take all regulatory measures to oblige the taxpayer to pay its zakat dues and notify it of the measures taken against it in accordance with Article (120) of the regulations. Based on Article (122) of the Regulations, if the taxpayer does not pay the zakat due on it according to the deadlines specified by the law, the Authority may request the seizure of its movable and immovable assets in accordance with the procedures and controls specified in Articles (123) and (124) of the Executive Regulations for Zakat Collection. Also, in the event of failure to submit the declarations within the regular deadlines and renew the certificate, the Company will not be able to disburse its dues and renew the remaining licenses and will be subject to accountability by the General Authority of Zakat, Tax and Customs, and the services of the Labor Office and the Ministry of Commerce will be suspended, which will have a negative and substantial impact on the Company's revenues and consequently on the results of its operations, its financial position and its future prospects.

2.1.13 Risks related to customer concentration

The Company's revenues depend on a number of customers, as the percentage of revenues from the five largest customers represented (21.27%), (41.79%), (60.25%), and (61.82%) of total revenues for the years ending December 31, 2022G, 2023G, 2024G, and the financial period ending March 31, 2025G, respectively. Saudi Aramco is the Company's most prominent customer in terms of contribution to revenues, as its contribution to revenues represented (10.29%), (20.67%), (24.43%), and (39.12%) of total revenues for the years ending ending December 31, 2022G, 2023G, 2024G, and the financial period ending March 31, 2025G, respectively. Therefore, if contracts are not renewed or the relationship with one or a group of major customers is stopped or severed, and/or the Company fails to create the necessary relationships with new customers, this will have a negative and material impact on the Company's business and consequently on its results of operations and financial performance.

2.1.14 Risks related to contracts with suppliers

Purchases from the Company's five top suppliers represent (24.08%), (63.84%), (25.13%), and (14.79%) of the total cost of revenues for the years ended December 31, 2022G, 2023G, 2024G, and the financial period ending March 31, 2025G, respectively. The significant increase in the financial year ended December 31, 2023G is the result of purchases from a single supplier, where purchases from it represented (40.07%) of the total cost of revenues.

Accordingly, the Company is exposed to the risk that the parties contracting with it will not be able to fulfill their contractual obligations, or the risk of not renewing those contracts on terms favorable to the Company. The parties contracting with the Company may fail to fulfill their obligations for any reason, including as a result of their bankruptcy, financial insolvency, or disruption of their operations, and the risks arising from dealing with these parties become more severe in light of difficult market conditions. It cannot be confirmed that these parties will live up to the Company's expectations. If the Company or its contracting parties are unable to abide by the terms of these contracts, or if any future disputes or lawsuits arise, this will negatively affect its financial position, cash flows and operational results.

2.1.15 Risks related to losses resulting from some joint ventures

Two of the Company's joint ventures, FS Elliott Saudi Arabia Ltd. and Elster-Instromet Services Saudi Arabia Ltd., are consistently making losses, while Elster-Instromet Saudi Arabia Services Ltd. is on the verge of liquidation. In addition, the Company provides some services to these companies and records provisions against their recoverability.

Accordingly, the Company needs to address the causes of these losses and re-evaluate the feasibility of investing in these projects. If these joint ventures continue to make additional losses in the coming periods, this will negatively impact its financial position, cash flows and operating results.

2.1.16 Risks related to the Company's reliance on short-term leases (as the Company is a lessee)

The Company has concluded (28) lease contracts as a lessee, which are offices, showrooms, lands and warehouses to carry out its activity. The contracts stipulate a rental amount that the Company pays to the lessor annually and are renewable. They also stipulate that they are considered void if the lessee is late in paying the rent. The lessee does not have the right to sublet the property without obtaining the written approval of the lessor. It is also not allowed to change the method of using the leased property or the activity without the approval of the lessor. (For more information, please refer to Subsection (5.8.4) "*Lease Contracts*" of Section (5) "*Legal Information and Declarations of Board Members*" of this Document), which exposes the Company to the risks of annual real estate price fluctuations, and the risks of the contracts not continuing on the same terms that apply to current contracts. If the Company is unable to renew any of the leases for any reason, it will be forced to look for other locations that may be more expensive than the current locations or may be on unsuitable terms, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects. The Company may also incur additional capital expenditures resulting from equipping the leased properties with new contracts, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.17 Risks related to accounts payable

As of March 31, 2025 13.6% of accounts payables are outstanding for more than one year, which indicates a long delay in settlement. Long-outstanding balances raise concerns about the Company's commitment to payment obligations and good relations with suppliers. Furthermore, the Company may also face problems in supplying raw materials and other equipment necessary for operations as a result of its failure to settle those outstanding balances. Accordingly, the Company will need to consider rescheduling payment terms or settling old trade payables to maintain good relations with suppliers and facilitate ongoing operations. In the event of any future disputes or lawsuits, this will adversely affect its financial position, cash flows and operating results. In addition, if contracts are not renewed or the relationship with one or a group of suppliers is suspended or severed, and/or the Company fails to establish the necessary relationships with new suppliers, this will have a material adverse effect on the Company's business and consequently its results of operations and financial performance.

2.1.18 Risks related to the age of buildings

Some of the items classified as buildings in the Company have been assigned a useful life of 3 and 5 years, which is inconsistent with the Company's accounting policy of assigning a useful life of 20 years to buildings. Accordingly, the Company will need to conduct a comprehensive audit and reclassify these assets into the relevant categories to be consistent with the accounting policy. This inconsistency also affects the accuracy of financial reporting and asset valuation.

2.1.19 Risks related to early recognition of expenses related to future rental income

The Company has recorded a provision of SAR 3.7 million for future rental income due from a related party, FS Elliott Saudi Arabia Ltd. and Elster-Instromet Services Saudi Arabia Ltd., are consistently making losses, while Elster-Instromet Saudi Arabia Services Ltd, for a contract for the period from August 2024G to August 2026G as an expense.

This treatment is not in line with accounting practices, which require that provisions should be recognized only for obligations that represent current obligations resulting from past events. Recording this provision prematurely distorts the Company's financial position and financial performance by recognizing an income expense that has not yet been realized. The Company will need to record and account for provisions correctly and in line with accepted accounting practices to maintain the integrity of financial reporting.

In addition, the involvement of a related party raises further concerns about the transaction being on an arm's length basis, and the Companies Law requires disclosure to the General Assembly of Shareholders of transactions with related parties so that all transactions are on an arm's length basis that guarantees shareholders' rights.

2.1.20 Risks related to the protection of trademarks and property rights

The Company's ability to market its products and develop its business depends on the use of its name, logo and trademark, which supports its business and competitive position and gives it a clear distinction in the market among customers. The Company has registered its trademark with the competent authorities. (For more information, please refer to Subsection (5.9.4) "*Trademarks and Intellectual Property Rights*" of Section (5) "*Legal Information and Declarations of Board Members*" of this Document). Any infringement of property rights or illegal use of the Company's trademark will affect the Company's

reputation, and lawsuits and claims will be filed before the competent courts to protect these rights. This is a costly process that requires a great deal of time and effort by the management to follow up. If the Company fails to protect its trademark effectively when renewing the registration certificate or tracking similar trademarks, this will negatively affect its value, which will negatively affect the Company's business, results of operations, financial position and future prospects.

2.1.21 Risks related to the adequacy of insurance coverage

The Company has insurance policies that provide the necessary coverage for the Company's employees, offices and properties, but it may not have sufficient insurance coverage in all cases, and events may occur in the future for which the Company is not insured in a way that covers potential losses, or may not be insured at all. There is no guarantee that the Company's insurance contracts will remain available on commercially acceptable terms, or will remain available at all. Any of these events or circumstances or the occurrence of an uninsured event for the Company will have a material adverse effect on the Company's business, assets, financial position, results of operations and future prospects.

2.1.22 Risks related to lawsuits

The Company is not a party to any lawsuits, cases, complaints, claims, arbitrations, administrative proceedings or investigations, whether pending or pending, which, taken together or individually, could have a material effect on the Company's business or financial position, nor has the Company's management become aware of any material litigation currently pending or potential or facts that could, taken together or individually, give rise to an imminent risk of material litigation,

The Company may also find itself a party to other lawsuits, whether as a plaintiff or defendant, and any negative outcome with respect to litigation and regulatory procedures could adversely affect the Company's business, financial position, results of operations and future prospects. The Company cannot predict the cost of lawsuits or legal proceedings that it may file or that may be filed against it in the future, or the final results of such lawsuits or the judgments issued therein, including compensation and penalties. Accordingly, any negative outcome of these cases will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.23 Risks related to non-compliance with the Capital Market Law and its implementing regulations

The Company is subject to all mandatory provisions stipulated in the Capital Market Law and the regulations, rules and circulars issued by the Capital Market Authority and the Companies Law issued by the Ministry of Commerce; except for those provisions that are advisory or do not apply to them. In the event that the Company is unable to comply with any of the regulations and rules to which it is subject, it will bear costs and penalties such as temporarily suspending trading in shares or canceling the listing of shares; which will negatively affect the Company's business, results of operations, financial performance and profitability..

2.1.24 Risks related to the implementation of the Corporate Governance Regulations

After transfer to the Main Market, the Company is obligated to implement all mandatory provisions imposed by the Corporate Governance Regulations on companies listed on the Main Market. Therefore, the inability of the members of the Board of Directors and committee members to carry out their assigned responsibilities in a manner that ensures the protection of the interests of the Company and its shareholders will affect the implementation of the governance regulations in the Company. In addition, the Company's failure to comply with the requirements of continuous disclosure after transfer to the Main Market, or its failure to implement any of the mandatory provisions contained in the Corporate Governance Regulations, will have a negative and material impact on the Company's future business, financial position and operational results.

2.1.25 Risks related to transactions with related parties

The Company has transactions with related parties, which consist of shareholders, key management personnel, and entities controlled, jointly controlled, and substantially controlled by these parties. The Company has entered into numerous transactions with related parties in the ordinary course of business. These transactions have been concluded on terms and conditions agreed upon by the Company's management or its Board of Directors. (For more information, please refer to Subsection (5.8.3) "*Table of Transactions with Related Parties*" of Section (5) "*Legal Information and Declarations of Board Members*" of this Document.)

The Companies Law requires the disclosure to the General Assembly of Shareholders of transactions with related parties, so that all transactions are on an arm's length basis that guarantees the rights of shareholders, and that such contracts are voted on by the General Assembly of the Company without the participation of shareholders who have interests in such contracts. In the event that the General Assembly of the Company does not approve the renewal of these contracts, the Company will be forced to search for other parties other than those related to contract with them to carry out the work. In the event that the Company is unable to find a suitable alternative to the contracted related parties within a reasonable period of time, or in the event that

the Company is forced to conclude alternative contracts on terms that are inconsistent with its strategic plan and objectives, this will have a material and negative impact on the Company's business, financial position and future results of operations. In addition, if transactions and agreements with related parties in the future are not conducted on an arm's length basis, this will have a material and negative impact on the Company's business, financial position, results of operations and future prospects.

2.1.26 Risks related to operating systems and information technology

The Company relies on information technology systems to manage its business and facilities, which exposes the Company to the risks of these systems malfunctioning, such as system collapse, failure of protection systems, hacking of the Company's systems, electronic viruses, natural disasters, fires, communication errors, or the lack of skilled labor necessary to operate and manage these systems. If the Company fails to maintain and develop its information technology systems, or if there are any malfunctions in their functions, or if a major malfunction or recurring failure occurs, this will negatively affect the Company's business and its financial and operational results.

2.1.27 Risks related to Saudization requirements

Compliance with Saudization requirements is a regulatory requirement in the Kingdom, whereby all companies operating in the Kingdom, including the Company, are obligated to employ and maintain a certain percentage of Saudi employees among their total employees. According to the Saudization Certificate issued in July 2024G, the Company is committed to achieving the required Saudization percentage of (17.85%), which is in the (high green) range. The Company has been classified as a large establishment according to the Nitaqat Program issued by the Ministry of Human Resources and Social Development. However, if it does not continue to maintain these percentages or if the Ministry of Human Resources and Social Development decides to impose more stringent Saudization policies in the future, and the Company is unable to comply with the requirements of the Ministry of Human Resources and Social Development, this will lead to the imposition of penalties on the Company by government authorities, such as suspending work visa applications and transferring sponsorship for non-Saudi workers, which will have a material negative impact on the Company's business, financial position, results of operations and prospects.

2.1.28 Risks related to government fees applied to non-Saudi employees

The government has approved a number of decisions aimed at implementing comprehensive reforms to the labor market in the Kingdom of Saudi Arabia, which included the approval of additional fees for each non-Saudi employee working for a Saudi entity, effective from 14/04/1439H (corresponding to 01/01/2018G), at a rate of 200 Saudi riyals per month for each non-Saudi employee in 2018G, increasing to 400 Saudi riyals per month in 2019G and then 600 Saudi riyals per month in 2020G. This will lead to an increase in government fees that the Company will pay for its non-Saudi employees, and thus an increase in the Company's costs in general.

In addition, the government has also approved fees for issuing and renewing residency permits for dependents and companions of non-Saudi employees (companion fees), which became effective as of 07/10/1438H (corresponding to 01/07/2017G), noting that they will gradually increase from 200 Saudi Riyals per month for each dependent in 2017G to 400 Saudi Riyals per month for each dependent in 2020G. Accordingly, the increase in the fees for issuing and renewing residency that a non-Saudi employee will bear for his family may lead to an increase in his cost of living, which may lead to him heading to work in other countries where the cost of living is lower. If such a thing happens, the Company will come across difficulty in maintaining its non-Saudi employees, which may force it to bear those costs for non-Saudi employees or part of them directly, or indirectly by increasing the wages of its non-Saudi employees, which will lead to an increase in the Company's costs, and thus will have a negative and fundamental impact on its business, financial performance and results of operations.

2.1.29 Risks related to reliance on non-Saudi employees

The percentage of non-Saudi employees in the Company constitutes approximately (82.15%) of the total employees in the Company as of May 2025G. If it is unable to maintain its non-Saudi cadres or find replacements for them with the same required skills and experiences, or in the event of any change in the policies, regulations and laws of the Ministry of Human Resources and Social Development resulting in an increase in the percentage of Saudization in the sector, this will cause an increase in the cost to the Company, which will negatively affect the Company's business, results of operations, financial position and future prospects.

2.1.30 Risks related to the Company's reputation

The Company's reputation is critical to attracting new customers, retaining customers and building strong relationships with counterparties. The Company's reputation may be damaged in the future as a result of a number of factors, including a decline in the Company's financial results, legal or regulatory actions against the Company, or the conduct of one of its employees that may cause the Company to fail to comply with applicable regulatory requirements. Damage to the Company's reputation will adversely affect its business, financial position, results of operations, profitability of its shares and future prospects.

2.1.31 Risks Related to the Labor Law, the Residency Law, and the Inconsistency in the Number of Employees in the Company

The Labor Law, its Executive Regulations, and the Social Insurance Law require that Saudi workers be registered with the Ministry of Human Resources and Social Development and the General Organization for Social Insurance. These regulations, in addition to the Residency Law, also require non-Saudi workers to be registered with the aforementioned entities, in addition to the Ministry of Interior (Passports Department). Failure to register with any of the aforementioned entities constitutes a violation of the aforementioned regulations and leads to discrepancies between the number of workers registered with one government agency and another. Furthermore, at the date of publication of the transfer document, there was a discrepancy between the number of workers registered with the company and its branches. This discrepancy is due to weekly and monthly updates made to the websites of the relevant government agencies, as well as updates made to the labor data of the General Organization for Social Insurance that are not directly reflected in other agencies (such as the Ministry of Human Resources and Social Development). Although this discrepancy does not constitute a direct violation of the Labor Law, its Executive Regulations, or the Residency Law, the continuation and increase of this discrepancy may lead to the creation of a type of imbalance between Saudi and non-Saudi workers. This may have an impact on the Company's classification within the Nitaqat program and on the monthly Saudization rate, which may negatively affect its opportunities in government contracts and projects, or deprive the Company of the benefits that some Nitaqat grant to establishments and not others classified in lower ranges, which may negatively impact the Company's business, financial position, results of operations, and future prospects.

2.2 Risks Related to the Market and the Sector in which the Company Operates

2.2.1 Risks related to the Kingdom's economic performance

The expected future performance of the Company depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, gross domestic product growth, average per capita income, and so on. The Kingdom's macro and micro economy is primarily dependent on oil and oil industries, which still control a large share of the gross domestic product. Therefore, any negative fluctuations in oil prices will have a direct and material impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which will negatively affect the Company's financial performance, given its work within the Kingdom's economic ecosystem and its impact on government spending rates.

The continued growth of the Kingdom's economy also depends on several other factors, including continued population growth and public and private sector investments in infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and will thus negatively and substantially affect the Company's business, financial results, and future prospects.

2.2.2 Risks related to the competitive environment

The Company operates in a highly competitive environment, and there is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. The pricing policies of the Company's competitors also significantly affect its financial performance, and the Company may be unable to continue to compete with those companies, which will lead to a reduction in the Company's market share and thus have a material negative impact on the Company's business, results of operations, financial position and future prospects.

2.2.3 Risks related to natural disasters

Any damage from natural disasters to the Company's facilities, such as floods, fires, earthquakes and other natural events, may result in significant and significant costs to the Company. It also severely affects the Company's ability to perform and conduct its operations, thus reducing its operating results. In the event of natural disasters that damage the Company's facilities and assets, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.4 Risks related to climate conditions

Climate changes such as rising temperatures, changes in rainfall and volatile weather patterns may disrupt production operations at the Company's facilities or delay the delivery of the Company's products to its customers. It may also affect the Company's ability to perform and conduct its operations and thus reduce its operational results. This will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.5 Risks related to political and economic instability in the Middle East region

The Company's financial performance depends on the prevailing economic and political conditions in the Kingdom, in addition to the global economic conditions that in turn affect the Kingdom's economy. Some countries in the Middle East region suffer from economic or political instability, and there are no guarantees that these economic and political conditions in these countries or any other countries will not have a negative impact on the Kingdom. Therefore, any negative change in any of these conditions will have a negative and material impact on the Company's business, results of operations, financial position and future prospects.

2.2.6 Risks related to non-compliance with current regulations and laws and/or the issuance of new regulations and laws

The Company is subject to the supervision of a number of government agencies in the Kingdom, including but not limited to the Ministry of Industry and Mineral Resources, the Capital Market Authority, the Ministry of Commerce, and the Zakat, Tax and Customs Authority. Accordingly, the Company is subject to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. The legislative and regulatory environment in the Kingdom witnesses the issuance of a number of laws and regulations, meaning that they are more susceptible to change and development. The costs of compliance with these regulations are high. In the event that any changes are made to the current laws or regulations or new laws or regulations are issued, this will result in the Company incurring additional unexpected financial expenses for purposes related to compliance with these regulations and meeting the requirements of these laws, or it may be subject to penalties and fines imposed by the competent supervisory authorities in the event of its failure to comply with these regulations and laws on an ongoing basis, which will negatively affect its business, results of operations, financial position and future prospects.

2.2.7 Risks related to value added tax

The Kingdom issued the Value Added Tax (VAT) Law, which came into effect on 1 January 2018G. This law imposes a 5% value added tax on a number of products and services, as stated in the law. The Kingdom's government has decided to increase the VAT rate from 5% to 15%, starting from July 2020G. Accordingly, relevant establishments must know the nature of VAT, the method of its application, and how it is calculated. They will also have to submit their own reports to the relevant government agencies. Accordingly, the Company must adapt to the changes resulting from the implementation of VAT, including its collection and delivery, and the impact of the implementation of the VAT Law on the Company's business. The implementation of VAT in the Kingdom has led to an increase in the prices of most goods and services, including the Company's products, which was one of the reasons for the decrease in the Company's revenues during 2018G due to the decrease in consumer spending. Any violation or incorrect application of the Tax Law by the Company's management will expose it to fines or penalties or damage its reputation, which will also increase operating costs and expenses, which could reduce the Company's competitive position and the level of demand for its products, which will have a negative impact on the Company, its financial position, results of operations and future prospects.

2.2.8 Risks related to the Competition Law and its executive regulations

In the event that the Company becomes in a dominant position in the market or is classified as such by the General Authority for Competition, the Company's operational activities will be subject to the terms and conditions contained in the Competition Law issued by Royal Decree No. (M/75) dated 29/06/1440H (corresponding to 06/03/2019G) and its implementing regulations issued by the General Authority for Competition by Resolution No. (327) dated 25/01/1441H (corresponding to 24/09/2019G). The Competition Law aims to protect fair competition in the Saudi markets and encourage and consolidate market rules, price freedom and transparency. In the event that the Company violates the provisions of the Competition Law and a judgment is issued against the Company in relation to this violation, the Company may be subject to large fines subject to the discretion of the General Authority for Competition not exceeding (10%) of the annual sales value (return) subject to the contract or not exceeding ten million Saudi riyals if the annual return cannot be calculated.

In addition, the General Authority for Competition has the right to request the suspension and cessation of the Company's activities temporarily or permanently (partially or completely) in the event of repeated violations by the Company. Moreover, the procedures for filing lawsuits may be financially costly for the Company and may take a long time to resolve. The occurrence of any of the above-mentioned risks may have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

2.2.9 Risks related to energy, electricity and water products

The Council of Ministers issued its Resolution No. (95) dated 17/3/1437H (corresponding to 28/12/2015G) to raise the prices of energy products, electricity consumption tariffs, water sales prices, and sewage services for the residential, commercial, and industrial sectors, as part of policies related to raising the efficiency of government support in the Kingdom. The Ministry of Energy (formerly the Ministry of Energy, Industry, and Mineral Resources) also issued a statement dated 24/03/1439H

(corresponding to 12/12/2017G) regarding the Fiscal Sustainability Program plan to correct energy product prices starting from 14/04/1439H (corresponding to 01/01/2018G). The Company's operations depend on the availability of energy, electricity and water products. Therefore, any interruption or reduction in the supply of these products or any increase in their prices would affect the Company's operations, which would lead to a reduction in its profit margins and thus negatively affect its business, financial position, results of operations and future prospects.

2.2.10 Risks related to the Company's operations being subject to environmental, health and safety regulations

The Company's operations are subject to a wide range of environmental, health and safety laws and regulations in the Kingdom, which increasingly impose stringent standards that the Company must adhere to on an ongoing basis. The costs of complying with these laws and regulations and the resulting fines may be significant, and compliance with new and stringent standards may require additional capital expenditures or changes in operating practices. Environmental, health and safety incidents may arise. For example, the Company's operations may result in a number of waste materials and pollutants being released that, if not properly controlled and managed or left untreated or unmanaged, could lead to the risk of environmental pollution. Failure to fully comply with environmental legislation and regulations may result in the closure of the Company's industrial facilities and may expose the Company to violations, fines or penalties that may be imposed by regulatory authorities, which will negatively impact its operations, limiting the growth of its revenues or suspending its work or licensing, and this will affect its ability to conduct its business and thus negatively impact its financial results and profitability.

2.2.11 Risks related to the outbreak of infectious diseases or other threats to public health

An outbreak of an infectious disease, or any other serious public health concern, could have a material adverse effect on economies, financial markets and business activities worldwide, including the Company's business. For example, the global COVID-19 pandemic caused by a new strain of the SARS-CoV-2 coronavirus, as declared by the World Health Organization, has led to some precautionary measures by governments, companies and individuals that have led to business disruptions worldwide. The COVID-19 pandemic has adversely affected global economies, financial markets, global oil demand and prices, and the general environment in which the Company operates due to strict precautionary measures, restrictions on travel and public transportation, stay-at-home requirements, social distancing practices, and prolonged closures of workplaces and economic activities, which has caused significant damage to the Kingdom's economy. In addition, the re-imposition of preventive measures or the imposition of additional measures due to the outbreak of infectious diseases, whether the COVID-19 pandemic or otherwise, may lead to a prolonged decline in oil prices or an exacerbation of the decline, or a long-term negative impact on the Kingdom's economy, which will have a material adverse effect on the Company's business, financial position and future results of operations.

2.3 Risks Related to Securities Listed on the Main Market

2.3.1 Risks related to failure to meet liquidity requirements in the Main Market after the transfer

The Issuer must meet the liquidity requirements for transfer to the Main Market and must not breach these requirements after the transfer. Liquidity requirements represent an ongoing obligation on the Issuer. Any breach of liquidity requirements may result in the suspension of trading in the Issuer's shares. Although the public ownership percentage is (30.78%) of the Company's shares according to the shareholders' register issued on 01/07/2025G, if public ownership of the Issuer's shares becomes less than 30%, this will conflict with the liquidity requirements in the Main Market. If this occurs, the Issuer must immediately notify the market of this matter and take the necessary corrective measures to ensure that the requirements are met within the time period specified by the market after coordination with the Capital Market Authority. The Issuer must continuously notify the market of any developments regarding the corrective measures.

2.3.2 Risks related to potential fluctuations in the share price

The market price of the Company's shares may not be stable after the transfer from the Parallel Market to the Main Market and may be significantly affected by many factors, including but not limited to: stock market conditions, poor performance of the Company, inability to implement the Company's future plans, entry of new competitors into the market, change in the vision or estimates of experts and analysts of the stock market, and any announcement by the Company or any of its competitors related to mergers and acquisitions or strategic alliances.

2.3.3 Risks related to future data

The future results and performance data of the Company cannot be predicted and may differ from those contained in this Document. The Company's achievements and ability to develop are what determine the actual results, which cannot be predicted or determined. The inaccuracy of data and results is one of the risks that the shareholder must be aware of so as not to affect his investment.

2.3.4 Risks related to the possibility of issuing new shares

If the Company decides to issue new shares in the future, this could negatively impact the market price of the share or reduce shareholders' ownership in the Company if they do not invest in the new shares at that time.

2.3.5 Risks related to distributing dividends to shareholders

Future earnings per share will depend on a number of factors including the Company's profitability, maintaining its sound financial position, capital requirements, distributable reserves, the Company's credit strength and general economic conditions. Increasing the Company's capital may result in a decrease in future earnings per share on the grounds that the Company's profits will be distributed over a larger number of shares as a result of increasing its capital. The Company does not guarantee that any dividends on shares will actually be distributed, nor does it guarantee the amount that will be distributed in any given year. The distribution of dividends is subject to certain restrictions and conditions stipulated in the Company's Articles of Association.

2.3.6 Risks related to actual control by Existing Shareholders after the transfer

Following completion of the transfer, the Existing Shareholders, together or with other shareholders, may be able to control decisions and actions requiring Shareholder approval, including, without limitation, mergers, acquisitions, asset sales, election of Board members, capital increases or decreases, issuance or non-issuance of additional shares, distribution of dividends, or any change in the Company. If circumstances arise in which the interests of the Existing Shareholders conflict with those of the Minority Shareholders, this may place the Minority Shareholders at a disadvantage, and the Existing Shareholders may exercise their control over the Company in a manner that would materially adversely affect the Company's business, financial condition, results of operations or future prospects.

2.3.7 Risks related to selling a large number of shares in the market after the transfer to the Main Market

The sale of a large number of shares of the Issuer after the completion of the transfer or in anticipation of such a transaction will adversely affect the market price of such shares. The sale of a large number of shares by existing shareholders (particularly a large shareholder owning 5% or more of the Issuer's shares) may adversely affect the Issuer's shares, thereby reducing their market price.

2.3.8 Risks related to the suspension of trading or cancellation of the Company's shares as a result of not publishing its financial statements within the statutory period

In the event that the Company is unable to publish its financial information within the statutory period imposed on the Main Market (thirty days from the end of the financial period for the interim financial statements and three months from the end of the financial period for the annual financial statements), the procedures for suspending listed securities shall be applied in accordance with the listing rules issued by the Saudi Exchange (Tadawul), which stipulate that the market shall suspend trading in securities for one trading session following the end of the statutory period. In the event that the financial information is not published within twenty trading sessions following the first suspended trading session, the Saudi Exchange shall announce the re-suspension of the Company's securities until it announces its financial results. If the Company's shares remain suspended for six months without the Company taking appropriate measures to correct the suspension, the Authority may cancel the listing of the Company's securities. The Saudi Exchange shall lift the suspension after one trading session following the announcement of the Company's financial results. However, if the Company delays announcing its financial results, or if it is unable to publish them within the statutory period referred to above, this will result in the suspension of the Company's shares or the cancellation of the listing of its shares, which will have a negative and material impact on the interests of the Company's shareholders, the Company's reputation and the results of its operations.

Purpose of Transferring to the Main Market

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3. Purpose of Transferring to the Main Market

- On 21/06/1445H (corresponding to 03/01/2024G), the Board of Directors of the Issuer approved the transfer of the Issuer's shares from the Parallel Market (Nomu) to the Main Market, based on the listing rules issued by the Saudi Exchange and approved by the Capital Market Authority Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), and all amendments made thereto, and in light of what was stated in the rules for offering securities and continuing obligations issued by the Capital Market Authority Board pursuant to Resolution 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), and all amendments made thereto, and based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H amended by the Capital Market Authority Board Resolution No. 1-53-2025 dated 21/11/1446H (corresponding to 19/05/2025G).
- The Board of Directors of the Issuer has resolved that it is in the best interest of the Company and its shareholders to utilize the options available under the Listing Rules regarding the transfer from the Parallel Market to the Main Market and the benefits accruing to the Issuer and its shareholders, as of 06/07/1443H (corresponding to 07/02/2022G) the Company's shares were listed in the Parallel Market and thus spent two calendar years in accordance with what is stipulated in paragraph (a) of Article Forty-Four of the Listing Rules related to the passage of two calendar years from the date of listing in the Parallel Market.
- Subject to the shareholders' register issued on 01/07/2025G, the Issuer has met the liquidity requirements in accordance with subparagraph (b) of Article Seven of the Listing Rules for the shares subject to the request of transfer to the Main Market.
- Based on the shareholders' register issued on 01/07/2025G, the Issuer has met the additional criteria related to the availability of liquidity in the shares subject to the request to transition to the Main Market, in accordance with the second tranche of the first criterion of the additional liquidity criteria. The number of shareholders from the general public (according to the third criterion of the additional liquidity criteria) is (341) shareholders who directly own (48,568,904) ordinary shares, representing (30.74%) of the Company's total shares.
- The Issuer has also fulfilled the total market value during the twelve months prior to submitting the transfer request.
- In addition, the Issuer has met the governance requirements of the Main Market, and the Board of Directors is confident in the Issuer's ability to meet the disclosure requirements after transferring to the Main Market and its current ability to deal with all matters related to listing on the Main Market, including direct dealings with regulatory and legislative bodies, the public, and others.

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Overview of GAS Arabian Services Company

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4. Overview of GAS Arabian Services Company

4.1 Company Vision

Driving the growth of the regional industrial sector through unwavering commitment, trusted partnerships, and innovative ideas, with the goal of strengthening the Kingdom's position and capabilities on the global level.

4.2 Company Mission

Creating comprehensive solutions specifically designed to precisely meet our clients' needs, helping them advance through exceptional services and products and specialized technical competencies.

4.3 Company Values

- **Entrepreneurship:** We approach work with passion, which enriches our work and all our commitments.
- **Dependability:** We deliver on our promises and adhere to the standards and delivery deadlines our clients expect.
- **Innovation:** We welcome new ideas and suggestions for improvement in all aspects.
- **Integrity:** We are committed to adhering to the highest ethical standards and taking full responsibility for our actions.
- **Teamwork:** We pride ourselves on our diverse competencies and skills, which enhance our capabilities and make us stronger.
- **Respect:** We hold deep respect for our colleagues, clients, and partners. We recognize the importance of listening to diverse perspectives, valuing and appreciating outstanding efforts, and offering thoughtful, constructive guidance..

4.4 Company Business Sectors

4.4.1 Technical Services Sector

• Project Management Department

GAS Arabian Services Company has achieved a wide range of distinguished accomplishments, implementing more than 60 vital projects for leading national industrial companies operating in the oil, gas, petrochemical, mining, water, electricity, steel, and industrial infrastructure sectors. These include Saudi Aramco, SABIC, Ma'aden, Marafiq, the Saudi Electricity Company, and other companies, leveraging its extensive experience and leading position.

The Company has distinguished itself in the execution of Engineering, Procurement and Construction ("EPC") contracts, Lump Sum Turnkey ("LSTK") projects, and Lump Sum Procurement and Build ("LSPB") projects, including roles in management, engineering, procurement, quality control, operations, and various support services. We are committed to delivering all projects on time and within budget.

The Company is committed to adopting strict occupational health and safety procedures in all project laboratories and facilities, in accordance with the highest international standards. This is evidenced by the Company's safety record, which includes a significantly lower injury rate than the average for other companies operating in the industrial sector. This is further confirmed by the letters of appreciation and awards presented by various clients for our excellence in this field.

• Field Services Department

The Company continues to develop work methodologies, in accordance with global operational best practices, through which it provides a wide range of professional field services for important projects in the manufacturing sector for companies operating in the oil and gas, petrochemicals, mining, water, electricity, steel, and industrial infrastructure sectors. Through this, the Company is committed to providing a diverse workforce with the highest levels of expertise and competence, enabling it to implement all projects on schedule, according to the highest levels of quality, safety, and efficiency. This is consistent with the Company's vision to enhance the efficiency of field work services by developing the skills of our specialized workforce.

Furthermore, Gas Arabian Services also implements an ambitious strategy that gives it the flexibility to hire external specialists on a long- or short-term basis. This strategy aims to meet all customer requirements at all stages of projects, from planning and implementation to maintenance and decommissioning, according to a precise phased work plan. The following are the most prominent field solutions and services provided by the Company:

- **Services and Solutions**

- Repair and maintenance of site facilities and specialized rotating equipment (turbines, compressors, extruders, pumps, etc.) by an experienced team fully equipped with modern, advanced equipment and tools.
- Engineering, procurement, and construction services for turnkey projects.
- Manufacturing and installation of factory pipes.
- Electrical works.
- Factory modernization and development services.
- Dismantling, moving, and reassembling plants.
- Scheduled and emergency plant maintenance.

- **Providing a skilled technical workforce specialized in each of the following:**

- Scheduled maintenance.
- Emergency plant maintenance.
- Mechanical and rotating equipment services.
- Electrical and machinery technical services.
- Welding.

- **Long-term maintenance:**

- Operation engineers.
- Rotating equipment engineers.
- Reliability and reliability engineers (RBI & RCM).
- Quality assurance and control engineers.
- Planners and schedulers.
- Analysis technicians.
- Technicians in various fields of expertise.

4.4.2 Commercial Sector

- **Instrumentation and Electrical Equipment Department**

Through its representation and exclusive agencies for the most prominent and largest measurement and electrical equipment companies, GAS Arabian Services Company offers the latest leading solutions in the fields of pressure, flow, level, temperature, gas/liquid analysis systems, wireless solutions, connectivity, and communication, all with the highest levels of efficiency, quality, and safety. This is based on its deep understanding of the precision and sensitivity of the facilities and installations through which it implements successful projects for its clients in various industrial sectors.

- **Mechanical Equipment and Products Department**

GAS Arabian Services Company has succeeded in building a wide range of strategic relationships and partnerships with a select group of highly experienced suppliers from around the world in the field of industrial mechanical engineering. This gives it a competitive advantage, enhancing its ability to provide a variety of the best sources of mechanical solutions for oil, gas, petrochemicals, chemicals, steel, water and desalination, mining, and general industries throughout the Kingdom.

It is further empowered by its accumulated advanced capabilities and expertise in meeting client needs for equipment, supplies, and mechanical solutions, enabling it to efficiently support its clients with exceptional, value-added solutions, particularly with respect to rotating and static equipment. The Company offers a variety of solutions to supply its customers with rotating equipment such as pumps and compressors, and static equipment such as valves, steam valves, and heat exchangers. In addition, it is efficient in supplying various chemicals essential for the daily operations of various industries.

GAS Arabian Services also provides integrated solutions to mitigate today's environmental challenges, such as carbon removal and neutralization, to many of its customers.

4.4.3 Manufacturing Sector

GAS Arabian Services Company has taken a strategic step in the right direction by establishing a factory in Dammam. This adds real value by expanding its portfolio of advanced services and solutions, providing greater support and assistance to all its customers. The factory utilizes its state-of-the-art equipment, advanced production lines, and the unique skills and capabilities of its technical and engineering teams to design, manufacture, assemble, and test modular gas platforms, modular oil platforms, chemical injection platforms, and pressure reduction platforms. It also produces all types of metal pipe reels, fabricates structures, and produces many other essential industrial products for key customers, including Saudi Aramco, SABIC, the Saudi Electricity Company, Sipchem, and others. The factory features the following specifications and advantages:

- A state-of-the-art facility spanning an area of 30,000 m², including manufacturing, storage, and testing facilities.
- The factory offers engineering, inspection, welding, painting, non-destructive testing, and hydrotesting services.
- The factory includes loading and unloading equipment, including overhead cranes and forklifts.
- The factory includes a distinguished group of engineers and equipment specialized in the works.

Legal Information and Decla- rations of Board Members

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5. Legal Information and Declarations of Board Members

5.1 Legal Information

5.1.1 Company Name

The company is registered in the commercial register under the commercial name: “Gas Arabian Services Company”.

5.1.2 Incorporation

- Gas Arabian Services Company was incorporated as a sole proprietorship owned by Abdulrahman bin Khalid bin Abdullah AlDabal under the name “Gas Arabian Services Establishment” under Commercial Registration No. (2050022617) issued in Dammam on 07/08/1412H (corresponding to 11/02/1992G) with a capital of three hundred thousand (300,000) Saudi Riyals.
- On 08/08/1428H (corresponding to 21/08/2007G), the owner of the establishment, Mr. Abdulrahman bin Khalid bin Abdullah AlDabal, decided to convert the Arabian Gas Services Establishment and its branch registered in the commercial registration No. (2055004723) into a limited liability company with the participation of Mr. Khalid bin Abdulrahman bin Khalid Abdullah AlDabal and Ms. Noura bint Abdulrahman bin Khalid Abdullah AlDabal as new partners in the Company. The net assets and liabilities of the establishment were evaluated at one million (1,000,000) Saudi Riyals as the Company’s capital divided into ten thousand (10,000) shares in kind of equal value, the value of each share is one hundred (100) Saudi Riyals. The shares in kind are represented in fixed assets consisting of cars and buildings, pursuant to the Articles Of Association dated 05/06/1427H (corresponding to 01/07/2006G) and attested before the Notary Public assigned to the Chamber of Commerce in the Eastern Province in Issue (159), page (198) of Volume (14) dated 08/08/1428H (corresponding to 21/08/2007G).
- On 17/11/1432H (corresponding to 15/10/2011G), the partners waived all their shares in the Company, amounting to ten thousand (10,000) in-kind shares, each share being worth one hundred (100) Saudi Riyals, with a total value of one million (1,000,000) Saudi Riyals, including their rights and obligations, in favor of each of (1) the partner, Gas Gulf for Trading & Contracting Company, amounting to six thousand six hundred and sixty-seven (6,667) shares, representing (66.67%) of the total ownership of the Company, and (2) the partner, Gas Asia for Trading & Contracting Company, amounting to three thousand three hundred and thirty-three (3,333) shares, representing (33.33%) of the total ownership of the Company, pursuant to the partners’ decision dated 25/01/1432H (corresponding to 31/12/2010G) and registered with the notary public commissioned to work at the Chamber of Commerce in the Eastern Province, No. (45145147) and dated 17/11/1432H (corresponding to 15/10/2011G).
- On 03/07/1432H (corresponding to 05/06/2011G), the partners decided to increase the Company’s capital from one million (1,000,000) Saudi Riyals to two million five hundred thousand (2,500,000) Saudi Riyals divided into two hundred and fifty thousand (250,000) cash shares of equal value, each worth ten (10) Saudi Riyals. The increase of one million five hundred thousand (1,500,000) Saudi Riyals was paid in cash through the partners’ current accounts according to the certificate of the Company’s auditor (Talal Abu-Ghazaleh & Co.) pursuant to the partners’ decision dated 27/06/1432H (corresponding to 30/05/2011G) and documented by the notary public commissioned to work at the Chamber of Commerce in the Eastern Province in Issue (82) page (83) of volume (58) and dated 03/07/1432H (corresponding to 06/05/2011G).
- On 15/02/1441H (corresponding to 14/10/2019G), the partners decided to amend the Company’s Articles of Association, as the activities were amended pursuant to the electronic articles of association approved by the Ministry of Commerce under No. (7647) and dated 15/02/1441H (corresponding to 14/10/2019G).
- On 03/03/1441H (corresponding to 31/10/2019G), the partners decided to increase the Company’s capital from two million five hundred thousand (2,500,000) Saudi riyals to one hundred and fifty million (150,000,000) Saudi riyals divided into fifteen million (15,000,000) cash shares of equal value, each share worth ten (10) Saudi riyals. The increase of one hundred and forty-seven million five hundred thousand (147,500,000) Saudi riyals was met by capitalizing retained earnings in the amount of one hundred and forty-five million eight hundred and thirty-three thousand six hundred and thirty-four (145,833,634) Saudi riyals and capitalizing the balance of related parties of the partners in the amount of one million six hundred and sixty-six thousand three hundred and sixty-six (1,666,366) Saudi riyals, pursuant to the electronic articles of association (Version o. 3) approved by Ministry of Commerce No. (7647) dated 03/03/1441H (corresponding to 31/10/2019G).

- On 11/04/1441H (corresponding to 08/12/2019G), the partner Gas Gulf for Trading & Contracting Company waived part of its shares in favor of each of (1) the new partner Future Prospects Operation and Maintenance Company Limited, amounting to three million (3,000,000) shares representing (20%) of the total ownership of the Company, (2) the new partner Future Generation Company Limited, amounting to three million (3,000,000) shares representing (20%) of the total ownership of the Company, and (3) the new partner Future Cooperation Company Limited, amounting to one million five hundred (1,000,500) shares representing (6.67%) of the total ownership of the Company. The partner Gas Asia for Trading & Contracting Company also waived one million nine hundred and ninety-nine thousand five hundred (1,999,500) shares in favor of the new partner Future Cooperation Company Limited. The partners also unanimously decided to approve the transformation of the Company and its six branches from a limited liability company to a Closed joint stock company with its rights and obligations and with the same capital of one hundred and fifty million (150,000,000) Saudi Riyals divided into fifteen million (15,000,000) shares, each share is worth ten (10) Saudi Riyals and all of them are ordinary shares. This is in accordance with the partners' decision to convert the legal entity of the Company dated 11/04/1441H (corresponding to 28/12/2019G) which was approved by the Ministry of Commerce and Investment, Riyadh Branch, with request number (55793).
- On 11/04/1441H (corresponding to 08/12/2019G), Ministerial Resolution No. (Q/2162) was issued approving the licensing of the transformation of Gas Arabian Services Company Limited from a limited liability company to a closed joint-stock company.
- On 27/04/1441H (corresponding to 24/12/2019G), the General Assembly of Shareholders (Transformational Assembly) approved the Company's Articles of Association and the appointment of the Company's first Board of Directors and auditors, and verified the subscription of the entire capital.
- On 05/05/1441H (corresponding to 31/12/2019G), Ministerial Resolution No. (Q/2163) was issued approving the announcement of the transformation of Gas Arabian Services Company Limited from a limited liability company to a closed joint-stock company.
- The Company was registered in the joint stock companies' register in Dammam under Commercial Register No. (2050022617) dated 07/08/1412H (corresponding to 11/02/1992G).
- On 23/09/1442H (corresponding to 05/05/2021G), the Extraordinary General Assembly approved increasing the Company's capital from one hundred and fifty million (150,000,000) Saudi riyals to one hundred and fifty-eight million (158,000,000) Saudi riyals, divided into fifteen million eight hundred thousand (15,800,000) fully paid ordinary shares, by issuing eight hundred thousand (800,000) ordinary shares, each with a value of ten (10) Saudi riyals, with a total nominal value of eight million (8,000,000) Saudi riyals, paid in cash by the founding shareholders for the benefit of the new shareholders, numbering one hundred and seven (107) new shareholders, where the increase was made by pumping the increase amount into the Company's accounts through a cash deposit. It was also voted on amending some articles of association and on direct listing in the Parallel Market (Nomu).
- On 02/02/1443H (corresponding to 09/09/2021G), the (Extraordinary) General Assembly of Shareholders approved the cancellation of the request for the direct listing of the Company in the Parallel Market (Nomu) and voted on the offering in the Parallel Market of seven hundred and ninety thousand (790,000) ordinary shares, which represent (5%) of the Company's shares amounting to fifteen million eight hundred thousand (15,800,000) ordinary shares and registration and listing in the Parallel Market after obtaining the necessary approvals from the Capital Market Authority and Tadawul.
- On 26/04/1443H (corresponding to 01/12/2021G), the Company obtained the approval of the Capital Market Authority for the Company's request to register and offer (790,000) shares, representing (5%) of its shares, in the Parallel Market.
- On 06/07/1443H (corresponding to 07/02/2022G), the Company's shares were listed and trading began, and it was transformed from a closed joint-stock company to a public joint-stock company (with trading code 9528).
- On 10/09/1443H (corresponding to 11/04/2022G), the Extraordinary General Assembly approved amending Article Two of the Articles of Association related to the Company's name, in addition to amending Articles No. (31-37-38-39-40-45) and adding Article No. (15) related to the Company's purchase of its shares and the shares allocated to employees.
- On 19/09/1444H (corresponding to 10/04/2023G), the (Extraordinary) General Assembly of Shareholders approved amending the Articles of Association in line with the new Companies Law and voting on re-arranging and numbering the articles of the Company's Articles of Association to be consistent with the amendments.
- On 25/11/1444H (corresponding to 14/06/2023G), the Board of Directors recommended to the (Extraordinary) General Assembly of Shareholders to split the nominal value of the share from ten (10) riyals per share to one (1) riyal per share, so that the number of the Company's shares would become one hundred and fifty-eight million (158,000,000) shares instead of fifteen million eight hundred thousand (15,800,000) shares.

- On 21/01/1445H (corresponding to 08/08/2023G), the (Extraordinary) General Assembly of Shareholders approved the division of the Company's shares, provided that the nominal value of the share before the amendment would be (10) Saudi Riyals and the number of (15,800,000) shares, to become one (1) Saudi Riyal and the number of (158,000,000) shares without changing the capital. It was also voted on to amend Articles No. (7 and 8) of the Articles of Association related to capital and subscription to shares.
- On 21/06/1445H (corresponding to 03/01/2024G), the Board of Directors unanimously approved the Company's transfer from the Parallel Market (Nomu) to the Main Market, and the appointment of Yaqeen Capital as a Financial Advisor for the purpose of the transfer, based on the requirements of the updated and amended listing rules pursuant to Capital Market Authority Board Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G).
- On 06/11/1445H (corresponding to 14/05/2024G), the (Extraordinary) General Assembly of Shareholders approved amending some articles of the Articles of Association, Article (3) regarding the Company's purposes and Article (40) regarding the distribution of profits.
- On 09/06/1446H (corresponding to 10/12/2024G), the (Extraordinary) General Assembly of Shareholders voted to amend Article Four of the Articles of Association regarding the Company's purposes pursuant to Electronic Contract No. (3), Order No. (532281).
- On 24/11/1446H (corresponding to 22/05/2025G), the Board of Directors of GAS Arabia Services Company, a listed Saudi joint-stock company, approved the endorsement of the previous Board's decision dated 21/06/1445H (corresponding to 03/01/2024G) regarding the Company's transition from the Parallel Market (Nomu) to the Main Market (TASI). The current capital of the Company is (158,000,000) one hundred and fifty-eight million Saudi Riyals, divided into (158,000,000) one hundred and fifty-eight million fully paid ordinary shares, each share is worth one (1) Saudi Riyal, all of which are ordinary cash shares.
- The Company is managed by a board of directors consisting of six (6) members.
- As of 01/07/2025G, the number of substantial shareholders in the Company (who own 5% or more of the Company's shares) reached five shareholders, as the table below shows the percentage of ownership of each of them.

Table No. (3): Ownership of substantial shareholders in the Company according to the shareholders' register issued on 01/07/2025G

Name	Share Number		Percentage%		Ownership percentage as of the last trading day
	Directly	Indirectly	Directly	Indirectly	
Future Generation Company Limited	19,509,975	1,567,660	12.3481%	0.9922%	13.3403%
Future Prospects Operation and Maintenance Company Limited	19,334,735	None	12.2372%	None	12.2372%
Gas Gulf Trading & Contracting Company	19,333,177	1,567,660	12.2368%	0.9922%	13.2290%
Gas Asia for Trading & Contracting Company	19,333,851	1,567,660	12.2366%	0.9922%	13.2288%
Future Cooperation Company Limited	11,733,852	None	7.4265%	None	7.4265%
Faisal Khaled Abdullah AlDabal	990,000	11,533,017	0.6266%	7.2994%	7.9260%
Abdulrahman Khaled Abdullah AlDabal	305,000	20,144,482	0.1930%	12.7497	12.9427%
Naima Khaled Abdullah AlDabal	100	21,884,260	0.0001%	13.8508%	13.8509%
Faisal Abdulmohsen Sulaiman Al-Mushaiqeh	100	8,213,696	0.0001%	5.1985%	5.1986%

Source: The Company

5.1.3 Capital

- According to Article Seven (7) of the Articles of Association, the Company's issued capital was set at one hundred and fifty-eight million (158,000,000) riyals, divided into one hundred and fifty-eight million (158,000,000) nominal shares of equal value, each with a value of (1) Saudi riyal, all of which are ordinary shares in exchange for cash shares, and the value of the cash paid is one hundred and fifty-eight million (158,000,000) riyals. The cash amounts paid from the issued capital were deposited with one of the licensed banks.
- In accordance with Article Eight (8) of the Articles of Association, the shareholders subscribed to the entire issued capital shares amounting to one hundred and fifty-eight million (158,000,000) fully paid shares..

5.1.3.1 Substantial changes to the Articles of Association

- Since the date of the Company's incorporation until the date of preparing this Transfer Document, amendments have been made to the Articles of Association as follows:
- The first articles of association of the Company were approved by the Ministry of Commerce (Department of Corporate Governance) based on the decision of the Transformation Assembly held on 27/04/1441H (corresponding to 24/12/2019G)
- On 23/09/1442H (corresponding to 05/05/2021G), the (Extraordinary) General Assembly of Shareholders approved increasing the Company's capital from one hundred and fifty million (150,000,000) Saudi riyals to one hundred and fifty-eight million (158,000,000) riyals and amending Article No. (7) related to capital, Article No. (8) related to subscription and shares accordingly, and Article No. (6) related to the termination of Board membership.
- On 10/09/1443H (corresponding to 11/04/2022G), the Extraordinary General Assembly approved amending Article Two of the Articles of Association related to the Company's name, in addition to amending Articles No. (31-37-38-39-40-45) and adding Article No. (15) related to the Company's purchase of its shares and the shares allocated to employees.
- On 19/09/1444H (corresponding to 10/04/2023G), the General Assembly of Shareholders (Extraordinary) approved amending the Articles of Association in accordance with the new Companies Law and voting on re-arranging and numbering the articles of the Company's Articles of Association to be consistent with the amendments.
- On 21/01/1445H (corresponding to 08/08/2023G), the (Extraordinary) General Assembly of Shareholders approved dividing the Company's shares, to become one (1) Saudi Riyal and a number of (158,000,000) shares, without changing the capital, and amending Articles No. (7 and 8) of the Articles of Association related to capital and subscription to shares accordingly.
- On 06/11/1445H (corresponding to 14/05/2024G), the (Extraordinary) General Assembly of Shareholders approved amending Article (3) regarding the Company's purposes and Article (40) regarding the distribution of profits from the Articles of Association.
- On 09/06/1446H (corresponding to 10/12/2024G), the (Extraordinary) General Assembly of Shareholders approved amending Article (4) of the Articles of Association regarding the Company's activities.

5.2 Company Activities

According to Article Four (4) of the Articles of Association, the Company may practice and implement the following activities:

Sector	Category
Mining and quarrying	Crude oil extraction
Mining and quarrying	Natural gas extraction
Mining and quarrying	Quarrying for stone, sand, and clay
Mining and quarrying	Mining of chemical and fertilizer minerals
Mining and quarrying	Other mining and quarrying activities not elsewhere classified
Mining and quarrying	Support activities for oil and natural gas extraction
Mining and quarrying	Other business support activities for mining and quarrying
Manufacturing Industries	Manufacture of finished textiles, except apparel
Manufacturing Industries	Manufacture of refined petroleum products
Manufacturing Industries	Manufacture of basic chemicals
Manufacturing Industries	Manufacture of other chemical products not elsewhere classified
Manufacturing Industries	Manufacture of rubber tires and tubes, and retreading and rebuilding of rubber tires
Manufacturing Industries	Manufacture of other rubber products
Manufacturing Industries	Manufacture of refractory products
Manufacturing Industries	Manufacture of articles of concrete, cement, and plaster
Manufacturing Industries	Manufacture of other non-metallic mineral products not elsewhere classified
Manufacturing Industries	Manufacture of basic iron and steel
Manufacturing Industries	Manufacture of precious and basic non-ferrous metals
Manufacturing Industries	Iron and steel casting
Manufacturing Industries	Non-ferrous metal casting
Manufacturing Industries	Manufacture of structural metal products
Manufacturing Industries	Manufacture of tanks, reservoirs, and vessels of metal
Manufacturing Industries	Manufacture of steam generators, except for central hot water heating boilers
Manufacturing Industries	Forging, pressing, casting, and rolling of metals
Manufacturing Industries	Metal processing and coating of machinable metals
Manufacturing Industries	Manufacture of Cutting tools, hand tools, and general metal tools
Manufacturing Industries	Manufacture of other fabricated metal products not elsewhere classified
Manufacturing Industries	Manufacture of electronic components and boards
Manufacturing Industries	Manufacture of telecommunications equipment
Manufacturing Industries	Manufacture of measuring, testing, navigation, and control equipment
Manufacturing Industries	Manufacture of electric motors, generators, transformers, and electrical distribution and control devices
Manufacturing Industries	Manufacture of wiring harnesses and wiring harness apparatus
Manufacturing Industries	Manufacture of other electrical and electronic wires and cables
Manufacturing Industries	Manufacture of wiring apparatus
Manufacturing Industries	Manufacture of electric lighting equipment

Sector	Category
Manufacturing Industries	Manufacture of engines and turbines, except for aircraft, automobile, and motorcycle engines
Manufacturing Industries	Manufacture of pumps, compressors, taps, and other valves
Manufacturing Industries	Manufacture of power-driven hand tools
Manufacturing Industries	Manufacture of metal forming machines and machine tools
Manufacturing Industries	Manufacture of machinery for mining, quarrying, and construction operations
Manufacturing Industries	Manufacture of other products not elsewhere classified
Manufacturing Industries	Repair of fabricated metal products
Manufacturing Industries	Repair of machinery
Manufacturing Industries	Repair of electronic and optical equipment
Manufacturing Industries	Repair of electrical equipment
Manufacturing Industries	Repair of transport equipment, except for motor vehicles
Manufacturing Industries	Repair of other equipment
Manufacturing Industries	Erection of industrial machinery and equipment
Electricity, gas, steam and air conditioning supplies	Electric power generation, transmission, and distribution
Electricity, gas, steam and air conditioning supplies	Manufacture of lighting gas and distribution of gaseous fuels by mains
Electricity, gas, steam and air conditioning supplies	Vapor fuel and air conditioning delivery
Water supply, sanitation, waste management and treatment activities	Water collection, treatment, and delivery
Construction	Building construction
Construction	Construction of roads and railways
Construction	Construction of utility projects
Construction	Construction work related to other civil engineering projects
Construction	Demolition
Construction	Site preparation
Construction	Electrical installations
Construction	Plumbing, heating, and air conditioning work
Construction	Other structural installations
Construction	Building completion and finishing
Construction	Other specialized construction activities
Wholesale and retail trade and repair of motor vehicles and motorcycles	Maintenance and repair of motor vehicles
Wholesale and retail trade and repair of motor vehicles and motorcycles	Sale of motor vehicle parts and accessories
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale for a fee or on a contract basis
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of electronic and telecommunications equipment and spare parts
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of agricultural machinery, equipment, and supplies
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of other machinery and equipment
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of solid, liquid, and gaseous fuels and related products

Sector	Category
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of metals and metal ores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of waste, scrap, and other products not elsewhere classified
Wholesale and retail trade and repair of motor vehicles and motorcycles	Non-specialized wholesale trade
Wholesale and retail trade and repair of motor vehicles and motorcycles	Other retail sales in non-specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of automotive fuels in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of computers, computer peripherals, software, and telecommunications equipment in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of audio and video equipment in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of hardware, paint, and glass in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of household electrical appliances, furniture, lighting equipment, and other household items in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of other new goods in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of used goods
Wholesale and retail trade and repair of motor vehicles and motorcycles	Other types of retailing outside stores, kiosks, and markets
Transportation and storage	Urban and suburban passenger road transport
Transportation and storage	Freight road transport
Transportation and storage	Pipeline transport
Transportation and storage	Warehousing
Transportation and storage	Service activities connected with road transport
Transportation and storage	Freight handling
Transportation and storage	Other transport support activities
Information and Communications	Wireless telecommunications activities
Information and Communications	Wireless telecommunications activities
Information and Communications	Satellite telecommunications activities
Information and Communications	Other telecommunications activities
Information and Communications	Computer consultancy and computer facilities management activities
Information and Communications	Data processing, website hosting, and related activities
Real estate activities	Real estate activities in owned or leased properties
Professional, scientific and technical activities	Head office activities: supervision and management of other units of a company or organization
Professional, scientific and technical activities	Management consultancy activities
Professional, scientific and technical activities	Architectural and engineering activities and related technical consultancy services
Professional, scientific and technical activities	Technical testing and analysis
Professional, scientific and technical activities	Experimental research and development in the field of natural sciences Engineering
Professional, scientific and technical activities	Research and experimental development in the social sciences and humanities
Professional, scientific and technical activities	Specialized design activities
Professional, scientific and technical activities	Other professional, scientific, and technical activities not elsewhere classified

Sector	Category
Administrative and support services	Rental of machinery, other equipment, and tangible goods
Administrative and support services	Security system service activities
Administrative and support services	Integrated facilities support activities
Administrative and support services	General building cleaning
Administrative and support services	Other building and industrial cleaning activities
Administrative and support services	Activities related to landscaping service and maintenance
Administrative and support services	Integrated office administrative services activities
Administrative and support services	Organization of conferences and trade fairs
Administrative and support services	Packaging and packaging activities
Administrative and support services	Other business support service activities not elsewhere classified

Source: The Company

5.3 Company Term

Article Five (5) of the Articles of Association stipulates that the Company's term shall be ninety-nine (99) Gregorian years, starting from the date of its registration in the commercial register. This term may always be extended by a decision issued by the Extraordinary General Assembly at least one year before the expiration of its term.

5.3.1 Board Formation

- The Company is managed in accordance with Article Fifteen (15) of its Articles of Association by a Board of Directors consisting of six (6) members, who must be natural persons elected by the Ordinary General Assembly of Shareholders for a period not exceeding four (4) years. As an exception to this, the founders appointed the first Board of Directors for a period of 4 years.
- On 09/06/1446H (corresponding to 10/12/2014G), the (Extraordinary) General Assembly of Shareholders elected members of the Board of Directors for a term starting from the date of 01/07/1447H (corresponding to 01/01/2015G) and for a period of four (4) years ending on 15/08/1450H (corresponding to 31/12/2028G). The following members were elected:
 - Abdulrahman Khalid Abdullah AlDabal
 - Faisal Khalid Abdullah AlDabal
 - Aref Khalid Abdullah AlDabal
 - Fawaz Abdullah Ahmed Danish
 - Abdulaziz Ibrahim Abdul Rahman Al-Khamis
 - Alawi Muhammad Hussein Baroum

- On 02/07/2025G, Board Member Eng. Aref Abdullah AlDabal submitted his resignation from the Board of Directors. On the same date, the Board of Directors approved the resignation and appointed Mr. Khaled Abdulrahman Khaled AlDabal as an Executive Board Member to replace the resigning member. His membership will be effective from the date of issuance of the decision until the end of the Board's term, which ends on 31/12/2028G. Accordingly, the current Board of Directors consists of the following members:

Table No. (4): Board of Directors of the Issure

No	Name	Position	Nationality	Age	Membership Status		Election Date - Appointment	Commencement Date of the Board Session	Shares held			
									Direct	Indirect	Total	Total Percentage
1	Abdulrahman Khalid Abdullah AlDabal [*]	Chairman	Saudi	71	Non-executive	Non-independent	10/12/2024G	01/01/2025G	305,000	20,144,482	20,449,482	12.9427%
2	Faisal Khalid Abdullah AlDabal ^{**}	Vice Chairman & CEO	Saudi	54	Executive	Non-independent	10/12/2024G	01/01/2025G	990,000	11,533,017	12,523,017	7.9260%
3	Khaled Abdul Rahman Khaled AlDabal ^{***}	Member of the Board of Directors	Saudi	35	Executive	Non-independent	02/07/2025G	01/01/2025G	959,218	6,061,507	7,020,725	4.4435%
4	Fawaz Abdullah Ahmed Danesh	Member of the Board of Directors	Saudi	57	Non-executive	Independent	10/12/2024G	01/01/2025G	100	-	100	0.0001%
5	Abdul Aziz Ibrahim Abdul Rahman Al Khamis	Member of the Board of Directors	Saudi	71	Non-executive	Independent	10/12/2024G	01/01/2025G	-	-	-	-
6	Alawi Mohammed Hussein Baroom	Member of the Board of Directors	Saudi	73	Non-executive	Independent	10/12/2024G	01/01/2025G	5,017	-	5,017	0.0032%
Secretary of the Board												
1	Khaled Jamal Khaled AlDabal	Secretary of the Board	Saudi	37	-	-		01/01/2025G	100	1,672,221	1,672,321	1.0584%

Source: The Company

- The Company is operated in compliance with the Companies Law and the Governance Regulations issued by the Board of Directors of the Capital Market Authority. The Company is also committed to Article (16) of the Governance Regulations, which obliges listed companies to have the majority of the board members be non-executive members and that the number of independent members shall not be less than two members or one-third of the board members (whichever is greater).

5.3.2 Powers of the Board of Directors

According to the Company's Articles of Association and taking into account the powers assigned to the General Assembly, the Board Of Directors shall have the broadest powers and authorities in managing the Company in a manner that achieves its objectives. It shall have the right to participate in other companies and, within the limits of its powers, may delegate one or more of its members or others to carry out a specific work or specific works..

5.3.3 Remuneration of Board Members

- The remuneration to the members of the Board of Directors are distributed in accordance with the controls stipulated in Article Eighteen (18) of the Company's Articles of Association, where the remuneration of the Board of Directors consists of a percentage of the net profits, in-kind benefits, an attendance allowance for meetings, a specific amount, or what is determined by the Ordinary General Assembly.
- The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all the remunerations, meeting attendance allowances, expense allowances and other benefits that each member of the Board of Directors received or was entitled to receive during the financial year. It must also include a statement of what the members of the Board received in their capacity as employees or administrators or what they received in exchange for technical, administrative or consulting work. It must also include a statement of the number of Board meetings and the number of meetings attended by each member.
- Below are details of what the Board of Directors and senior executives received for the past three years (-2022G-2023G):

Table No. (5): Distribution of Remuneration

Description	2022G	2023G	2024G
	Saudi riyals	Saudi riyals	Saudi riyals
Board of Directors	1,289,443.00	1,289,443.00	1,096,000.00
Senior executives (including the CEO, CFO and four senior executives)	8,597,828.00	9,645,507.00	11,811,661
Total	9,887,271.00	10,934,950.00	12,907,661.00

Source: The Company

- It is worth noting that the General Assembly of Shareholders held on 13/11/1446H (corresponding to 11/05/2025G) approved the remunerations included in the Board of Directors' report for the year 2024G, while voting on the Board's report for the same year.

5.3.4 Board Meetings

In accordance with Article Twenty-Three (23) of the Articles of Association, the Board of Directors shall meet four (4) times a year upon the invitation of its Chairman. The Chairman shall call the Board to meetings whenever any member of the Board requests him to do so. The Board of Directors shall determine the place where its meetings shall be held, and they may be held using modern technology, provided that all members sign the minutes of each meeting.

5.3.5 Board Responsibilities

- Articles (17) and (21) of the Articles of Association have defined the powers and responsibilities of the Board of Directors, whereby the Board of Directors has the broadest powers and authorities in managing the Company to achieve its objectives, in addition to the powers stipulated in Articles (17) and (21) of the Articles of Association. Articles (19) and (22) of the Articles of Association have defined the powers and authorities of the Chairman of the Board of Directors and his Deputy, and the Chairman of the Board has the authority to call the Board to meet and chair the meetings of the Board and the General Assembly of Shareholders, whether ordinary or extraordinary, in addition to the powers stipulated in Articles (19) and (22) of the Articles of Association.

5.3.6 Board Committees

The Board of Directors has two committees, as follows:

5.3.6.1 Audit Committee

- An audit committee shall be formed by a decision of the Board of Directors, with no less than three (3) and no more than five (5) members, other than the executive members of the Board of Directors, whether from shareholders or others. The decision shall specify the committee's tasks, the controls of its work, and the remuneration of its members.
 - The company has an Audit Committee consisting of three (3) members, which was formed and its members were appointed by the Board of Directors on 01/07/1446H (corresponding to 01/01/2025G).
 - The committee consists of the following members:
 1. Fawaz Abdullah Ahmed Danish (Chairman of the Committee)
 2. Adnan Abdulrahman Almansour (Member)
 3. Youssef Abdelhamid Khalil (Member)
 - The Company has a specific bylaw for the Audit Committee, the amended version thereof was approved by the Extraordinary General Assembly of Shareholders in its meeting held on 09/06/1446H (corresponding to 10/12/2024G).
 - The summary of the Audit Committee's report for the financial year ending 31/12/2024G was read at the (extraordinary) General Assembly held on 09/06/1446H (corresponding to 10/12/2024G).
- **Audit Committee Meetings:**
- According to Article Two (2) of the Audit Committee's Bylaws, the Committee shall hold at least (4) meetings in the Company's financial year, and it may meet whenever necessary.
 - As of the date of preparing this Transfer Document, the Audit Committee held a number of meetings as follows:

Table No. (6): Audit Committee Meetings

Year	2022G	2023G	2024G	2025G [*]
Number of Audit Committee Meetings	4	5	5	2

Source: The Company

^{*}As of the date of preparing this Document

Duties of Audit Committee:

The Audit Committee is responsible for monitoring the Company's activities and verifying the integrity of its reports, financial statements and internal control systems. The Committee's duties in particular include the following:

First- Financial reports:

1. Studying the Company's interim and annual financial statements before presenting them to the Board of Directors and expressing their opinion and recommendation to ensure their integrity, fairness and transparency.
2. Expressing a technical opinion, at the request of the Board of Directors, whether the report of the Board of Directors and the financial statements of the Company are fair, balanced, and understandable, and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
3. Examining any important or unusual issues contained in the financial reports.
4. Examining carefully any issues raised by the Company's financial manager or whoever assumes his duties, the Company's internal control officer, or the auditor.
5. Verifying the accounting estimates in material matters contained in the financial reports.
6. Studying the accounting policies followed in the Company and expressing an opinion and a recommendation to the Board of Directors in this regard.

Second- Internal Audit:

1. Studying and reviewing the Company's internal and financial control and risk management systems.
2. Studying the internal audit reports and following up the implementation of corrective actions according to the notes contained therein.
3. Controlling and supervising the performance and activities of the internal auditor and the internal audit department in the Company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.
4. The Audit Committee reviews the results of the annual report on the implementation of the Company's risk management policy and procedures through the internal auditor and makes any recommendations in respect thereof..

Third- Auditor:

1. Recommending to the Board of Directors the nomination and dismissal of auditors, determining their fees and evaluating their performance after verifying their independence and reviewing the scope of their work and the terms of their contacts.
2. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the Company's auditor's plan and work and verifying that he does not submit technical or administrative work that is outside the scope of the audit work and expressing its opinions in this regard.
4. Answering the inquiries of the Company's auditor.
5. Examining the auditor's report and his notes on the financial statements and following up on what steps have been taken in this regard.

Fourth- Ensuring Compliance:

1. Reviewing the results of the regulatory authorities' reports and verifying that the Company has taken the necessary measures in this regard.
2. Verifying the Company's compliance with relevant regulations, policies and instructions.
3. Reviewing contracts and transactions proposed to be conducted by the Company with related parties and submitting its views in this regard to the Board of Directors.
4. Raising the issues, it deems necessary to take action on to the Board of Directors and providing recommendations for the actions to be taken.

5.3.6.2 Nominations and Remuneration Committee

- The Company has a Nominations and Remuneration Committee consisting of three (3) members, formed and appointed by the Board of Directors in its meeting held on 01/07/1446H (01/01/2025G). The Committee consists of the following members:
 1. Abdulaziz Ibrahim Abdulrahman Al-Khamis (Committee Chairman)
 2. Fawaz Abdullah Ahmed Danish (Member)
 3. Ibrahim Fahd Al-Dulaijan (Member)
- The Company has adopted bylaws governing the Nomination and Remuneration Committee, which were approved by the Extraordinary General Assembly of Shareholders in its meeting held on 19/09/1444H (corresponding to 10/04/2020G).

Nominations and Remuneration Committee Meetings:

- According to the Nominations and Remunerations Committee's Bylaws, the Nominations and Remunerations Committee shall meet periodically twice a year.
- As of the date of preparing this transfer document, the Remuneration and Nominations Committee held a number of meetings as follows:

Table No. (7): Nominations and Remuneration Committee Meetings

Year	2021G	2023G	2024G	2025G*
Number of Nominations and Remuneration Committee Meetings	2	3	3	1

Source: The Company

* As of the date of preparing this Document

Duties of Nominations and Remuneration Committee:

The Nominations and Remuneration Committee is responsible for reviewing and evaluating remunerations, as well as determining the nomination controls for the Board of Directors, its committees and the executive management, and submitting periodic reports to the Board on its work. The following are the tasks and responsibilities of the Committee:

First: Duties and responsibilities regarding remuneration:

1. Developing clear policies for compensation and remuneration for members of the Board of Directors, the Board's committees, and the Company's executive management in line with performance standards and in a manner that enhances the motivation of the administrative apparatus and the retention of distinguished cadres. It must be ensured that these policies are consistent with the regulatory requirements stipulated in the Companies Law and the regulations and systems of the Capital Market Authority. These policies are presented to the Board of Directors for discussion in preparation for presenting them to the General Assembly for approval.
2. Supervising and following up on the implementation of the remuneration system, periodically reviewing rewards policies, and evaluating their effectiveness in achieving their objectives.
3. Recommending to the Board of Directors and the remuneration of the Board members (including the Chairman of the Board and the Managing Director, if appointed, and the Secretary of the Board) and the committees emanating from it and the senior executives of the Company in accordance with the approved remuneration policy.
4. Reviewing the CEO's recommendations regarding the general criteria for financial remuneration and other benefits for senior executives and Company employees and ensuring that they are consistent with the remuneration policy.
5. Ensuring that the details of the financial compensation paid by the Company to the members of the Board of Directors and five of the senior executives who receive the highest compensation are disclosed to the senior executives who receive the highest compensation, provided that they include the CEO and the CFO of the Company, in the Board of Directors' report in accordance with the rules of the Corporate Governance Regulations issued by the Capital Market Authority in this regard.
6. Considering paying additional remuneration to any member of the Board of Directors in return for additional efforts or other advisory or technical services provided by the member and presenting the Committee's recommendation in this regard to the Board for approval.
7. Ensuring that an annual independent review of the remuneration system is conducted and that this review report is submitted to the Board of Directors.
8. Reviewing the Company's remuneration system and related policies on an annual basis or upon request from the Board of Directors, ensuring that these policies are consistent in the short and long term with risk policies, and submitting appropriate recommendations to the Board regarding amending and updating these policies.

Second: Tasks and responsibilities regarding nominations

1. Proposing clear policies and standards for membership in the Board of Directors, its committees, executive management, and the Company's representatives in subsidiaries.
2. Periodic annual review of the structure and composition of the Board of Directors and recommending changes if necessary. Annual review of the necessary skills or experience requirements for membership of the Board and executive

management and preparing a description of the capabilities and qualifications required for membership of the Board and holding executive management positions, including determining the time that the member must allocate to the work of the Board.

3. Maintaining a permanent record containing information about the qualifications and skills of the Board of Directors members in order to follow up on the additional skills required to enable the Board to carry out its duties.
4. Developing job descriptions for executive members, non-executive members, independent members and senior executives.
5. Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
6. Ensuring the implementation of training programs for all Board members related to the development needs that are approved and that are in line with work activities.
7. Ensuring, on an annual basis, the independence of the Board members and its committees in accordance with the rules of the Capital Market Authority regarding independent members.
8. Ensuring, on an annual basis, that the procedures imposed in the event of a conflict of interest are followed for the members of the Company's board of directors and its subsidiaries.
9. Establishing special procedures in the event of a vacant position within the membership of the Board of Directors or senior executives.
10. Submitting recommendations to the Board in the event of a vacancy in the membership of any of the Board's committees, to appoint new members when needed.
11. Studying and reviewing the CEO's recommendation regarding the appointment or termination of senior executives.
12. Studying and reviewing the administrative succession or job replacement plans for the Company in general and for the board, CEO and senior executives in particular.
13. Providing an appropriate level of training and familiarization for new members of the Board and committees about the Company's tasks and achievements, enabling them to perform their work with the required efficiency.
14. Assisting the Board of Directors in developing and reviewing the Company's organizational structure and the operating model that regulates the relationship between the parent company and its subsidiaries.

5.4 Executive Management

- The current position of CEO is held by Mr. Faisal Khalid Abdullah AlDabal, in accordance with the Board of Directors' decision dated 06/05/1441H (corresponding to 01/01/2020G). The following table shows the details of the Company's executive management:

Table No. (8): Executive Management Details

Name	Position	Nationality	Age	Appointment Date	Shares Owned			
					Directly		Indirectly	
					No.	%	No.	%
Faisal Khalid Abdullah AlDabal	Chief Executive Officer	Saudi	54	28/05/1418G (corresponding to 01/10/1997G)	990,000	0.6266%	11,533,017	7.2994%
Aref Khalid Abdullah AlDabal	Chief Investment Officer	Saudi	58	23/01/1429H (corresponding to 01/02/2008G)	366,821	0.2322%	6,374,597	4.0346%
Faisal Ahmed Al-Sunaid	Chief Operating Officer	Saudi	38	27/01/1431H (corresponding to 13/01/2010G)	170	0.0001%	1,672,221	1.0584%
Khalid Jamal Khalid AlDabal	Executive General Manager – Investor Relations & Corporate Governance / Shared Services	Saudi	37	14/10/1433H (corresponding to 01/09/2012G)	100	0.0001%	1,672,221	1.0584%

Name	Position	Nationality	Age	Appointment Date	Shares Owned			
					Directly		Indirectly	
					No.	%	No.	%
Mish Kumar Sabur	Senior General Manager – Instrumentation & Electrical Equipment Department	Indian	75	03/05/1436H (corresponding to 22/02/2015G)	1,950	0.012%	None	None
Reda Ali Mohammed Arafat	Executive Financial Manager	Egyptian	60	14/02/1427H (corresponding to 14/03/2006G)	500	0.0003%	None	None
Kiro Pakaran Parthasarathi	Senior General Manager – Mechanical Equipment & Products Department	Indian	47	28/05/1427H (corresponding to 24/06/2006G)	None	None	None	None
Ahmed Ghazi Ismail Hassan	Director of Internal Audit	Jordanian	41	22/02/1444H (corresponding to 18/09/2022G)	None	None	None	None

Source: The Company

Below is a brief summary of the CVs of the members of the Executive Management:

Table No. (9): Biography of Faisal Khalid Abdullah AlDabal

Name	Faisal Khalid Abdullah AlDabal
Age	54 Years
Nationality	Saudi
Position	CEO
Academic Qualifications	<ul style="list-style-type: none"> – Master of Science from Rochester Institute of Technology in the United States of America in 1997. – Bachelor of Science in Project Management from King Faisal University in 1994. – Certified Management Consultant from the Ministry of Commerce and Investment in 2019.
Practical Experience	<ul style="list-style-type: none"> – CEO of Gas Arabian Services Company since 2020 until now. – Served as Senior Operations Manager at Gas Arabian Services Company from 2012 until 2020. – Senior Vice President at Gas Arabian Services Company from 2010 until 2012. – Vice President at Gas Arabian Services Company from 2008 until 2010. – General Manager at Gas Arabian Services Company from 2004 until 2008. – Director of the Control Devices Department at Gas Arabian Services Company from 1999 until 2004. – Operations Management Representative at Gas Arabian Services Company from 1997 until 1999.

Source: The Company

Table No. (10): Biography of Aref Khalid Abdullah AlDabal

Name	Aref Khalid Abdullah AlDabal
Age	58 Years
Nationality	Saudi
Position	Chief Investment Officer
Academic Qualifications	<ul style="list-style-type: none"> – Certified Chemical Engineering Consultant from the Saudi Council of Engineers in 2015. – Master of Business Administration from the University of Hull, UK in 2001. – Bachelor of Applied Chemical Engineering from King Fahd University of Petroleum and Minerals in 1991
Practical Experience	<ul style="list-style-type: none"> – Head of Investment Operations at Gas Arabian Services Company since 2024 until now. – Head of Operations at Gas Arabian Services Company since 2020 until 2023. – Senior Vice President at Gas Arabian Services Company from 2015 until 2020. – Vice President at Gas Arabian Services Company from 2009 until 2015. – General Manager at Gas Arabian Services Company from 2008 until 2009. – Regional Manager at Eagle Burgmann Saudi Arabia (a limited liability company operating in the field of manufacturing and mining) from 1997 until 2008. – Project Engineer at Saudi Aramco (a public joint stock company operating in the field of energy) from 1991 until 1997.

Source: The Company

Table No. (11): Biography of Faisal Ahmed Al-Sunaid

Name	Faisal Ahmed Al-Sunaid
Age	38 Years
Nationality	Saudi
Position	Chief Operating Officer
Academic Qualifications	Bachelor's degree in Public Administration from the College of Applied Sciences in the Kingdom of Bahrain in 2008.
Practical Experience	<ul style="list-style-type: none"> – Chief Operating Officer at Gas Arabian Services Company since 2024 until now. – Vice President of Operations at Gas Arabian Services Company since 2020 until 2023. – General Manager at Gas Arabian Services Company from 2016 until 2020. – Projects Department Manager at Gas Arabian Services Company from 2013 until 2016. – Administrative Representative at Gas Arabian Services Company from 2010 until 2013. – Head of Sales at International Telecommunications Company (a limited liability company operating in the field of telecommunications) from 2006 until 2010. – Asset Sales Department Coordinator at International Telecommunications Company (a limited liability company operating in the field of telecommunications) from 2002 until 2006.

Source: The Company

Table No. (12): Biography of Khalid Jamal Khalid AlDabal

Name	Khalid Jamal Khalid AlDabal
Age	37
Nationality	Saudi
Position	Executive General Manager – Investor Relations & Corporate Governance / Shared Services
Academic Qualifications	<ul style="list-style-type: none"> – Bachelor's degree in Applied Mechanical Engineering from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2012.
Practical Experience	<ul style="list-style-type: none"> – Executive General Manager - Investor Relations & Corporate Governance / Shared Services at Gas Arabian Services Company since 2024 until now. – General Manager of Investor Relations Department at Gas Arabian Services Company from 2022 until 2023. – General Manager of Field Services Department at Gas Arabian Services Company from 2020 until 2022. – Director of Field Services Department at Gas Arabian Services Company from 2016 until 2020. – Sales Engineer at Gas Arabian Services Company from 2012 until 2016.

Source: The Company

Table No. (13): Biography of Reda Ali Mohammed Arafat

Name	Reda Ali Mohammed Arafat
Age	60 Years
Nationality	Egyptian
Position	Executive Financial Manager
Academic Qualifications	<ul style="list-style-type: none"> He holds a Bachelor's degree in Accounting from Cairo University, Arab Republic of Egypt, in 1987. Certified Public Accountant from the Egyptian Society of Accountants and Auditors, in 1990.
Practical Experience	<ul style="list-style-type: none"> Executive Financial Manager at Gas Arabian Services Company from 2024 until now. Senior Manager of Financial and Accounting Department at Gas Arabian Services Company from 2017 until 2023. Financial and Accounting Manager at Gas Arabian Services Company from 2008 until 2017. Accounts Manager at Gas Arabian Services Company from 2006 until 2008. Auditor at Boudi and Al-Omar Certified Public Accountants from 2003 until 2006. Financial Controller at Mufa Oil Services Company from 2001 until 2003. Deputy Regional Manager for the Eastern Region at Al Robaish Certified Public Accountants from 1993 until 2001. Auditor at Magdy Hashish & Partners, Chartered Accountants and Auditors, during the period from 1987 to 1993.

Source: The Company

Table No. (14): Biography of Kiro Pakaran Parthasarathi

Name	Kiro Pakaran Parthasarathi
Age	47 Years
Nationality	Indian
Position	Senior General Manager – Mechanical Equipment & Products Department
Academic Qualifications	Senior General Manager - Mechanical Equipment & Products Department
Practical Experience	<ul style="list-style-type: none"> Senior General Manager - Mechanical Equipment and Products Department at Gas Arabian Services Company from 2024 until now. General Manager of Mechanical Equipment and Products Department at Gas Arabian Services Company from 2020 until 2023. Senior Department Manager at Gas Arabian Services Company from 2016 until 2020. Department Manager at Gas Arabian Services Company from 2013 until 2016. Sales Manager at Gas Arabian Services Company from 2012 until 2013. Team Leader at Gas Arabian Services Company from 2006 until 2012. Sales Engineer at Akai Industries Private Limited from 2004 until 2006.

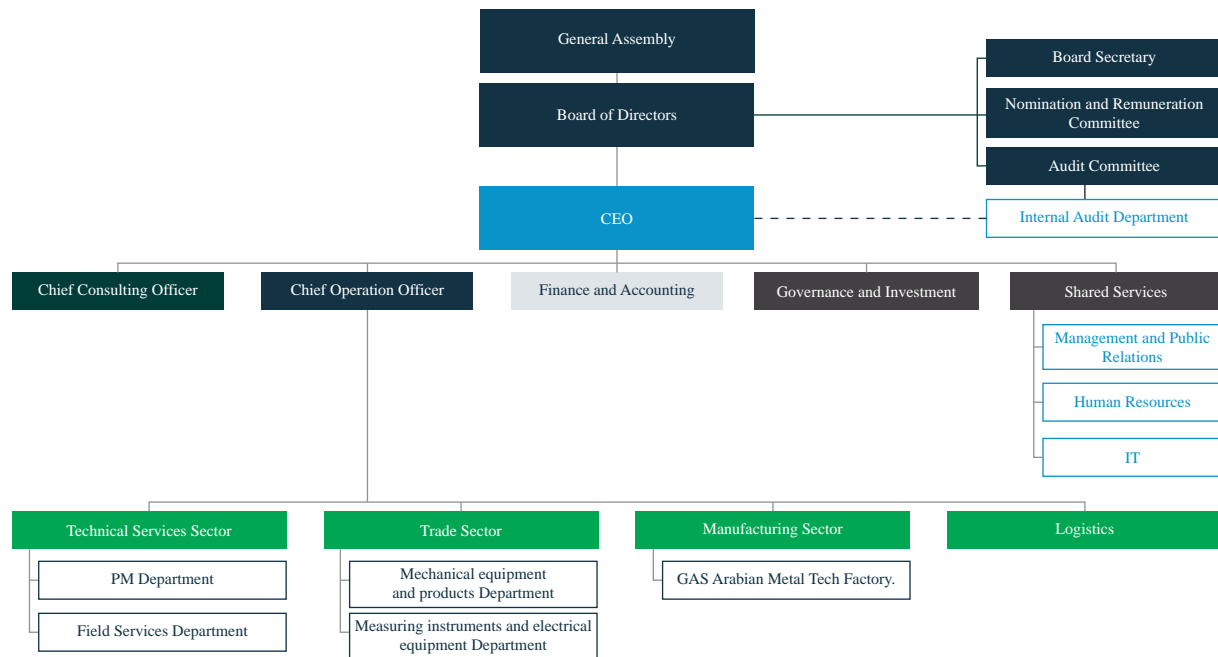
Source: The Company

Table No. (15): Biography of Ahmed Ghazi Ismail Hassan

Name	Ahmed Ghazi Ismail Hassan
Age	41 Years
Nationality	Jordanian
Position	Director of Internal Audit
Academic Qualifications	<ul style="list-style-type: none"> Master's degree in Accounting and Finance from Hashemite University - Jordan in 2009. Bachelor's degree in Accounting and Commercial Law from Hashemite University - Jordan in 2005.
Practical Experience	<ul style="list-style-type: none"> Director of Internal Audit Department at Gas Arabian Services Company since 2022 until now. Director of Internal Audit at Al Jazeera Markets during the period from 2019 to 2022. Director of Internal Audit at Al-Murabba Investment Company during the period from 2016 to 2019. Senior Internal Auditor at the Saudi Binladin Group during the period from 2013 to 2016. Senior Accountant at the Jordan Tourism Board during the period from 2011 to 2013. Senior Accountant at Lesaffre - Jordan during the period from 2006 to 2011. Customer Service Accountant at the Jordan Islamic Bank during the period from 2005 to 2006.

Source: The Company

5.5 The Company's Organizational Structure



Source: The Company

5.6 Government certificates, licenses and approvals

- The Company has obtained several regulatory and operational licenses and certificates from the competent authorities necessary to practice its activity in accordance with the regulations in force in the Kingdom of Saudi Arabia. These licenses are renewed periodically.
- The following table shows the current licenses and approvals obtained by the Company and related to its main record.

Table No. (16): Licenses and approvals obtained by the Company

Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance / Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company in the Commercial Companies Register	GAS Arabian Services Company	7001535025	2050022617	07/08/1412H (corresponding to 11/02/1992G)	10/07/1447H (corresponding to 30/12/2025G)	Ministry of Commerce - Commercial Registry

• **Other licenses and certificates**

Type of License	Purpose	License Holder	License Number	Issuance/Renewal Date	Expiry Date	Issuing Agency
Membership Certificate of the Chamber of Commerce and Industry	In compliance with the provisions of the Commercial Register Law - the Company is a joint venture (first)	Gas Arabian Services Company	41658	29/03/1446H (corresponding to 02/10/2024G)	14/08/1450H (corresponding to 30/12/2028G)	Eastern Province Chamber of Commerce and Industry
Zakat and Income Certificate	To report that the Company has submitted its annual declaration and is committed to paying Zakat	Gas Arabian Services Company	1116171210	26/09/1446H (corresponding to 26/03/2025G)	13/11/1447H (corresponding to 30/04/2025G)	Zakat, Tax and Customs Authority
Value Added Tax Registration Certificate	To report that the Company is registered for value added tax	Gas Arabian Services Company	100241101109957	02/12/1438H (corresponding to 24/08/2017G)	-	Zakat, Tax and Customs Authority
Social Insurance Subscription Certificate*	In compliance with the Social Insurance Law	Gas Arabian Services Company	97398288	20/12/1446H (corresponding to 16/06/2025G)	20/01/1447H (corresponding to 15/07/2025)	General Organization for Social Insurance
Wage Protection System Commitment Certificate**	In compliance with the Wage Protection System	Gas Arabian Services Company	10557453-135571	20/12/1446H (corresponding to 16/06/2025G)	21/01/1447H (corresponding to 16/07/2025G)	Wage Protection System - Ministry of Human Resources and Social Development
Saudization Certificate***	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Gas Arabian Services Company	19974608-130805	13/11/1443H (corresponding to 12/06/2022G)	24/02/1447H (corresponding to 18/08/2025G)	Ministry of Human Resources and Social Development
Municipality License	A license to practice a commercial activity	Gas Arabian Services Company	451216070686	-	25/12/1450H (corresponding to 09/05/2029G)	Eastern Province Secretariat
Safety Certificate	To report that the Company is committed to the field safety standards and conditions of the Civil Defense	Gas Arabian Services Company	45-001526840	25/12/1445H (corresponding to 01/07/2024G)	25/12/1445H (corresponding to 09/05/2029G)	General Directorate of Civil Defense
Contractor Membership Certificate	To report that the Company is registered as a member of the Saudi Contractors Authority according to the procedures followed	Gas Arabian Services Company	100007682	02/03/1446H (corresponding to 05/09/2024G)	10/07/1451H (corresponding to 17/11/2029G)	Saudi Contractors Authority

Source: The Company

*The Certificate of Commitment is valid for a maximum of one month and is renewable electronically upon request.

**The Certificate of Commitment is valid for a maximum of one month and is renewable electronically upon request.

***The Certificate of Commitment is valid for a maximum of three months and is renewable electronically upon request.

5.7 Company's Branches

- Article Three (3) of the Company's Articles of Association stipulates that the main office shall be located in Dammam, and branches may be established inside or outside the Kingdom by a decision of the Board of Directors.
- As of the date of preparing this Transfer Document, the Company has six (6) branches within the Kingdom. The details of the commercial registration and licenses for the Company's branches are summarized as follows:

5.7.1 Company Branch in Dammam (2050180839)

The branch was registered in the commercial register under certificate number (2050180839) dated 26/06/1445H (corresponding to 08/01/2024 G) and unified number (7037813644) in Dammam at the address (Address: 5150, 8th Al-Rabi' - Postal Code: 32241) to practice the activity of (constructing prefabricated buildings on sites). The annual confirmation of the commercial register must be made by 22/05/1447H (corresponding to 13/11/2025G). The following are the details of the licenses obtained by the branch::

Table No. (17): License details for the Company branch (2050180839)

• Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance /Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company in the Commercial Companies Register	GAS Arabian Services Company Branch	7037813644	2050180839	26/06/1445H (corresponding to 08/01/2024G)	22/05/1447H (corresponding to 13/11/2025G)	Ministry of Commerce - Commercial Registry

• Other licenses and certificates

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Chamber of Commerce and Industry Membership Certificate	In compliance with the provisions of the Commercial Register Law, the Company is classified as (first) class.	Gas Arabian Services Company Branch	1005148	25/09/1445H (corresponding to 04/04/2024G)	26/06/1450H (corresponding to 13/11/2028G)	Eastern Province Chamber of Commerce and Industry
Social Insurance Subscription Certificate	In compliance with the Social Insurance Law	Gas Arabian Services Company Branch	97398387	20/12/1447H (corresponding to 15/07/2025G)	03/07/1446H (corresponding to 03/01/2025G)	General Organization for Social Insurance
Wage Protection System Commitment Certificate	In compliance with depositing workers' wages through local banks	Gas Arabian Services Company Branch	12565573-109092	04/01/1447H (corresponding to 29/06/2025G)	04/02/1447H (corresponding to 29/07/2025G)	Ministry of Human Resources and Social Development (Qiwa)
Saudization Certificate	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Gas Arabian Services Company Branch	844604-13894567	01/12/1446H (corresponding to 28/05/2025G)	03/03/1447H (corresponding to 26/08/2025G)	Ministry of Human Resources and Social Development
Municipal License	To license to practice a commercial activity	Gas Arabian Services Company Branch	460216647847	-	21/02/1447H (corresponding to 15/08/2025G)	Eastern Province Municipality
Safety Certificate	In compliance with the safety requirements of the Civil Defense	Gas Arabian Services Company Branch	46-001596385-1	21/02/1446H (corresponding to 25/08/2024G)	21/02/1447H (corresponding to 15/08/2025G)	General Directorate of Civil Defense

Source: The Company

5.7.2 Company Branch in Dammam (2050099200)

The Branch is registered in the commercial register under certificate No. (2050099200) dated 01/06/1435H (corresponding to 01/04/2014G) and unified number (7006692011) in Dammam and its address is (Address: Eastern Province, Dammam, Al-Rabi', King Saud Street, Plot No. 14 – Code – P.O. Box: (3422)) to practice the activity of (wholesale of electrical wires, switches and connection equipment, wholesale of electrical generators and transformers, wholesale of measuring equipment, wholesale of industrial machinery including the sale of carpentry and sawmills, wholesale of construction, building and civil engineering machinery and equipment, wholesale of hand tools and tools such as screwdrivers, saws, hammers, etc., wholesale of chemicals, chemical warehouses and general warehouses that include a variety of goods). This certificate is valid until 15/07/1449H (corresponding to 13/12/2027G). The annual confirmation of the commercial register must be made by 22/06/1447H (corresponding to 13/12/2025G). The following are the details of the licenses obtained by the branch:

Table No. (18): License details for the Company's Branch (2050099200)

• Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance / Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company in the Commercial Companies Register	GAS Arabian Services Company Branch	7006692011	2050099200	01/06/1435H (corresponding to 01/04/2014G)	22/06/1447H (corresponding to 13/12/2025G)	Ministry of Commerce - Commercial Registry

• Other licenses and certificates

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Chamber of Commerce and Industry Membership Certificate	In compliance with the provisions of the Commercial Register Law, the Company is classified as (first) class.	Gas Arabian Services Company Branch	159019	25/09/1445H (corresponding to 04/04/2024G)	15/07/1449H (corresponding to 13/12/2027G)	Eastern Province Chamber of Commerce and Industry
Social Insurance Subscription Certificate	In compliance with the Social Insurance Law	Gas Arabian Services Company Branch	97398392	20/12/1446H (corresponding to 15/07/2025G)	20/01/1447H (corresponding to 15/07/2025G)	General Organization for Social Insurance
Wage Protection System Commitment Certificate	In compliance with depositing workers' wages through local banks	Gas Arabian Services Company Branch	49499355-403075	20/12/1446H (corresponding to 15/07/2025G)	21/01/1447H (corresponding to 16/07/2025G)	Ministry of Human Resources and Social Development (Qiwa)
Saudization Certificate	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Gas Arabian Services Company Branch	143144-96840609	19/10/1445H (corresponding to 28/04/2024G)	24/02/1447H (corresponding to 28/08/2025G).	Ministry of Human Resources and Social Development
Transport License	To license the activity of transporting goods by land roads	Gas Arabian Services Company Branch	11/00073176	09/05/1446H (corresponding to 11/11/2024G)	12/06/1449 H (corresponding to 11/11/2027G)	General Authority of Transport
Municipal License	To license the wholesale activity of hand tools and equipment such as screwdrivers, saws, hammers, etc.	Gas Arabian Services Company Branch	3909266338	-	09/11/1450 H (corresponding to 24/03/2029G)	Eastern Province Municipality - Dammam Central Municipality
Municipal License	To license the wholesale activity of chemical storage	Gas Arabian Services Company Branch	450714518561	-	28/10/1450H (corresponding to 13/03/2029G)	Eastern Province Municipality - Dammam Central Municipality

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Safety Certificate	In compliance with the safety requirements of the Civil Defense (chemical stores)	Gas Arabian Services Company Branch	1-001367649-45	28/10/1445H (corresponding to 07/05/2024G)	28/10/1450H (corresponding to 13/03/2029G)	General Directorate of Civil Defense
Municipal License	To license general warehouses that include a variety of goods	Gas Arabian Services Company Branch	450213141175	-	09/04/1450H (corresponding to 30/08/2028G)	Eastern Province Municipality - Dammam Central Municipality
Safety Certificate	In compliance with the safety requirements of the Civil Defense	Gas Arabian Services Company Branch	1-001257041-45	08/04/1445H (corresponding to 23/10/2023G)	08/04/1450H (corresponding to 29/08/2028G)	General Directorate of Civil Defense
Safety Certificate	In compliance with the safety requirements of the Civil Defense	Gas Arabian Services Company Branch	3-001540359-46	08/12/1446H (corresponding to 04/06/2025G)	09/11/1450H (corresponding to 24/03/2029G)	General Directorate of Civil Defense

Source: The Company

5.7.3 Branch of GAS Arabian Metal Tech Factory (2050113651)

The Branch is registered in the commercial register under certificate number (2050113651) dated 28/11/1438H (corresponding to 20/08/2017G) and the unified number (7007805042) in Dammam and its address is (Address: Dammam, Supporting Warehouses Area outside King Abdulaziz Port, Tel.: 8369120 - Postal Code: 31471 - P.O. Box: (3422)), to practice the activity of (manufacturing pipes, tubes and hollow shapes of iron and steel and manufacturing electrical distribution and control devices). The annual confirmation of the commercial register must be made on 18/12/1447H (corresponding to 04/06/2026G). The following are details of the licenses obtained by the branch:

Table No. (19): License details for the Company's Branch (2050113651)

• Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance /Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company' Branch in the Commercial Companies Register	Branch of GAS Arabian Metal Tech Factory	7007805042	2050113651	28/11/1438H (corresponding to 20/08/2017G)	18/12/1447H (corresponding to 04/06/2026G)	Ministry of Commerce - Commercial Registry

• Other licenses and certificates

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Chamber of Commerce and Industry Membership Certificate	In compliance with the provisions of the Commercial Register Law, the Company is classified as (second) class.	Gas Arabian Services Company Branch	226879	25/09/1445H (corresponding to 04/04/2024G)	11/01/1450H (corresponding to 04/06/2028G)	Eastern Province Chamber of Commerce and Industry
Social Insurance Subscription Certificate	In compliance with the Social Insurance Law	Gas Arabian Services Company Branch	97398520	20/12/1446H (corresponding to 16/16/2025G)	20/01/1447H (corresponding to 15/07/2025G)	General Organization for Social Insurance
Wage Protection System Commitment Certificate	In compliance with depositing workers' wages through local banks	Gas Arabian Services Company Branch	12277465-141632	01/01/1447H (corresponding to 26/06/2025G)	01/02/1447H (corresponding to 26/07/2025G)	Ministry of Human Resources and Social Development (Qiwa)

Type of license	Purpose	License Holder	License number	Issuance/Re- newal Date	Expiry date	Issuing Agency
Saudization Certificate	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Gas Arabian Services Company Branch	171361-94513346	14/04/1444H (corresponding to 08/11/2022G)	24/02/1447H (corresponding to 18/08/2025G)	Ministry of Human Resources and Social Development
Certificate of Implementation of Safety Requirements	To report that the Company is committed to implementing safety requirement	Gas Arabian Services Company Branch	633	08/11/1446H (corresponding to 06/05/2026G)	18/11/1447H (corresponding to 05/05/2026G)	King Abdulaziz Port - Dammam
Industrial Facility License	In compliance with the Unified Industrial Regulation System	Gas Arabian Services Company Branch	451110128850	27/01/1445H (corresponding to 14/08/2023G)	23/03/1450H (corresponding to 14/08/2028G)	Ministry of Industry and Mineral Resources
Environmental Permit for Operation	In compliance with the National Center for Environmental Compliance Law	Gas Arabian Services Company Branch	EPOPP-2023-002454	29/12/1444H (corresponding to 17/07/2023G)	03/02/1448H (corresponding to 17/07/2026G)	National Center for Environmental Compliance

Source: The Company

* This Branch does not require a Municipal License, Safety (Civil Defense) Certificate or Operating License.

5.7.4 Company branch in Yanbu city (4700106468)

The Branch is registered in the commercial register under certificate number (4700106468) dated 03/06/1439H (corresponding to 19/02/2018G) and the unified number (7002569841) in Yanbu and its address is (Address: Yanbu Industrial City - Al-Mehan District - Mu'tah Street, Tel: 966143948319 - Postal Code: 46457) to practice the activity of (wholesale of generators and electrical transformers, wholesale of measuring equipment, wholesale of construction, building and civil engineering machinery and equipment, retail sale of electrical tools and their extensions, retail sale of metal and iron pipes, retail trade of construction, building and civil engineering machinery and equipment, oil and heavy equipment and their maintenance, testing and measuring environmental indicators and operating air laboratories). The annual confirmation of the commercial register must be made on 11/05/1447H (corresponding to 02/11/2025G). The following are details of the licenses obtained by the branch:

Table No. (20): License details for the Company's Branch (4700106468)

• Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance / Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company' Branch in the Commercial Companies Register	Gas Arabian Services Company Branch	7002569841	4700106468	03/06/1439H (corresponding to 19/02/2018G)	11/05/1447H (corresponding to 02/11/2025G)	Ministry of Commerce - Commercial Registry

• Other licenses and certificates

Type of license	Purpose	License Holder	License number	Issuance/ Renewal Date	Expiry date	Issuing Agency
Chamber of Commerce and Industry Membership Certificate	In compliance with the provisions of the Commercial Register Law, the Company is classified as (first) class.	Gas Arabian Services Company Branch	205001125758	25/09/1445H (corresponding to 04/04/2024G)	03/06/1449H (corresponding to 02/11/2027G)	Yanbu Chamber of Commerce and Industry
Social Insurance Subscription Certificate	In compliance with the Social Insurance Law	Gas Arabian Services Company Branch	97398445	20/12/1446H (corresponding to 16/06/2025G)	20/01/1447H (corresponding to 15/07/2025G)	General Organization for Social Insurance

Type of license	Purpose	License Holder	License number	Issuance/ Renewal Date	Expiry date	Issuing Agency
Wage Protection System Commitment Certificate	In compliance with depositing workers' wages through local banks	Gas Arabian Services Company Branch	611478-83542272	01/01/1447H (corresponding to 26/06/2025G)	01/02/1447H (corresponding to 26/07/2025G)	Ministry of Human Resources and Social Development (Qiwa)
Saudization Certificate	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Gas Arabian Services Company Branch	453726-19523811	22/11/1446H (corresponding to 20/05/2025G)	24/02/1447H (corresponding to 18/08/2025G)	Ministry of Human Resources and Social Development

Source: The Company

5.7.5 Company branch in Jubail city (2055004723)

The Branch is registered in the commercial register under certificate number (2055004723) dated 11/07/1421H (corresponding to 08/10/2000G) and the unified number (7014602820) in Jubail and its address is (Address: Jubail / Support Industries - Third Industrial Zone - Road 118 - Tel: 966133407919 - Postal Code: 35729), to practice the activity of (wholesale of spare parts for industrial equipment and machinery, wholesale of spare parts for construction equipment and machinery, wholesale of metal and iron pipes and sale of water pumping equipment). The annual confirmation of the commercial register must be made on 29/10/1447H (corresponding to 17/04/2026G). The following are details of the licenses obtained by the branch:

Table No. (21): License details for the Company's Branch (2055004723)

• Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance /Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company' Branch in the Commercial Companies Register	Gas Arabian Services Company Branch	7014602820	2055004723	11/07/1421H (corresponding to 08/10/2000G)	29/10/1447H (corresponding to 17/04/2026G)	Ministry of Commerce - Commercial Registry

• Other licenses and certificates

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Chamber of Commerce and Industry Membership Certificate	In compliance with the provisions of the Commercial Register Law, the Company is classified as (first) class.	Gas Arabian Services Company Branch	129501	24/05/1430H (corresponding to 19/05/2009G)	22/11/1449H (corresponding to 17/04/2028G)	Eastern Province Chamber of Commerce and Industry
Social Insurance Subscription Certificate	In compliance with the Social Insurance Law	Gas Arabian Services Company Branch	97398406	20/12/1446H (corresponding to 16/06/2025G)	20/01/1447H (corresponding to 15/07/2025G)	General Organization for Social Insurance
Wage Protection System Commitment Certificate	In compliance with depositing workers' wages through local banks	Gas Arabian Services Company Branch	210200-16179265	01/01/1447H (corresponding to 26/05/2025G)	01/02/1447H (corresponding to 26/07/2025G)	Ministry of Human Resources and Social Development (Qiwa)
Saudization Certificate	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Gas Arabian Services Company Branch	154567-87129917	22/11/1446H (corresponding to 20/05/2025G)	24/02/1447H (corresponding to 18/08/2025G)	Ministry of Human Resources and Social Development

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Preventive Safety License	To report that the Company is committed to operating and maintaining the firefighting system and alarm system.	Gas Arabian Services Company Branch	303614	14/07/1446H (corresponding to 14/01/2025G)	25/07/1447H (corresponding to 14/01/2026G)	Royal Commission for Jubail and Yanbu

Source: The Company

*This branch does not require a municipal license as it is affiliated with the Royal Commission for Jubail and Yanbu.

**This branch does not require a municipal license as it is affiliated with the Royal Commission for Jubail and Yanbu.

5.7.6 Branch of GAS Arabian Metal Tech Factory (2055011867)

The branch is registered in the commercial register under certificate No. (2055011867) dated 18/05/143 H (corresponding to 02/05/2010G) and unified number (7011744872) in Jubail and its address is (Address: Jubail Industrial City - Third Support Industries Zone - Road 118 - Tel: 966133407919 - Postal Code: 35729 - P.O. Box: (10487)) to practice the activity of (manufacturing iron or steel products, etc., by drawing, extrusion or rollin). This certificate is valid until 02/07/1450H (corresponding to 19/11/2028G). The following are the details of the licenses obtained by the Branch:

Table No. (22): License details for the Company's Branch (2055011867)

• Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Entity Number	Issuance /Registration Date	Annual Commercial Register Confirmation Date	Issuing Agency
Commercial Registration	Registering the Company' Branch in the Commercial Companies Register	Branch of GAS Arabian Metal Tech Factory	7011744872	2055011867	18/05/1431H (corresponding to 02/05/2010G)	28/05/1447H (corresponding to 19/11/2025G)	Ministry of Commerce - Commercial Registry

• Other licenses and certificates

Type of license	Purpose	License Holder	License number	Issuance/Renewal Date	Expiry date	Issuing Agency
Chamber of Commerce and Industry Membership Certificate	In compliance with the provisions of the Commercial Register Law, the Company is classified as (first) class.	Branch of GAS Arabian Metal Tech Factory	136233	07/06/1446H (corresponding to 08/12/2024G)	02/07/1450H (corresponding to 19/11/2028G))	Eastern Province Chamber of Commerce and Industry
Social Insurance Subscription Certificate	In compliance with the Social Insurance Law	Branch of GAS Arabian Metal Tech Factory	97398505	20/12/1446H (corresponding to 16/06/2025G)	20/01/1447H (corresponding to 15/07/2025G)	General Organization for Social Insurance
Wage Protection System Commitment Certificate	In compliance with depositing workers' wages through local banks	Branch of GAS Arabian Metal Tech Factory	930824-21085473	01/01/1447H (corresponding to 26/06/2025G)	01/02/1447H (corresponding to 26/07/2025G)	Ministry of Human Resources and Social Development (Qiwa)
Saudization Certificate	To report that the Company is committed to the required percentage of Saudization according to the Nitaqat program	Branch of GAS Arabian Metal Tech Factory	176433-12441992	22/11/1446H (corresponding to 20/05/2025G)	24/02/1447H (corresponding to 18/08/2025G)	Ministry of Human Resources and Social Development
Industrial Facility License *	In compliance with the Industrial Regulation System	Branch of GAS Arabian Metal Tech Factory	1432100180901	14/05/1432H (corresponding to 18/04/2011G)	23/04/1451H (corresponding to 03/09/2029G)	Ministry of Industry and Mineral Resources

Type of license	Purpose	License Holder	License number	Issuance/Re-nwal Date	Expiry date	Issuing Agency
Environmental permit for operation	In compliance with the National Center for Environmental Compliance Law	Branch of GAS Arabian Metal Tech Factory	EPOPP-2023-006206	01/05/1445H (corresponding to 15/11/2023G)	05/06/1448H (corresponding to 15/11/2026G)	National Center for Environmental Compliance

Source: The Company

* Under renewal according to the Company

5.7.7 The Company's ownership in other companies

Companies within the Kingdom of Saudi Arabia

- As of the date of this Document, the Company has a number of companies that are classified according to the financial statements as associates (a company over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee company, but does not represent control over those policies). The number of affiliates and investees reached eight companies, as follows:

5.7.7.1 FS Elliott Saudi Arabia Ltd.

- It is a limited liability company established under Commercial Registration Certificate No. (2055011939) and the unified number (7001626279) dated 01/06/1431H (corresponding to 15/05/2010G) issued by the city of Jubail and based on Investment Certificate of Registration No. (1031057739-01) dated 13/05/1431H (27/04/2010G) issued by the Ministry of Investment. Gas Arabian Services Company owns (50%) of it, while FS Elliott Middle East Company owns (50%). Its current capital is two million (2,000,000) Saudi riyals divided into one hundred (100) equal cash shares, with the value of each share being (20,000) Saudi riyals. This company is engaged in the activity of: manufacturing gas and air compressor pumps and discharge.
- The table below shows the Company's ownership structure as follows:

Table No. (23): Table Ownership Structure of FS Elliott Saudi Arabia Ltd.

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	50	20,000	1,000,000	50%
FS Elliott Middle East Company	50	20,000	1,000,000	50%
Total	100		2,000,000	100%

Source: The Company

5.7.7.2 FS Elliott Saudi Services Co. Ltd.

- It is a mixed limited liability company established under Commercial Registration Certificate No. (2055010876) and the unified number (7001600886) dated 05/09/1430H (corresponding to 26/08/2009G) issued in Jubail based on Investment Certificate of Registration No. (122930072469) dated 26/07/1430H (corresponding to 19/07/2009G) issued by the Ministry of Investment. Gas Arabian Services Company owns (50%) of the shares, while FS Elliott Middle East Company owns (50%) of the shares. Its current capital is five hundred thousand (500,000) Saudi riyals, divided into five hundred (500) shares, with the value of each share being (1000) Saudi riyals. This company is engaged in the following activities: repairing multi-purpose consumer machines, repairing and maintaining pumps and liquid energy equipment.
- The table below shows the Company's ownership structure as follows:

Table No. (24): Ownership Structure of FS Elliott Saudi Services Co. Ltd.

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	250	1,000	250,000	50%
FS Elliott Middle East Company	250	1,000	250,000	50%
Total	500		500,000	100%

Source: The Company

5.7.7.3 Elliott Gas Saudi Arabia Services Co. Ltd:

- It is a limited liability company established under Commercial Registration Certificate No. (2055012560) and the unified number (7001638266) dated 10/11/1431H (corresponding to 18/10/2010G) issued in Jubail based on Investment Certificate of Registration No. (122031108789) dated 17/10/1431H (corresponding to 26/09/2010G) issued by the Ministry of Investment. Gas Arabian Services Company owns (45%) of it, while Elliott Turbomachinery Limited owns (55%) of it. Its current capital is five hundred thousand (500,000) Saudi riyals divided into one hundred (100) shares, with the value of each share being (5,000) riyals. This company is engaged in the activity of: repairing and maintaining multi-purpose consumer machines.
- The table below shows the Company's ownership structure as follows:

Table No. (25): Ownership Structure of Elliott Gas Saudi Arabia Services Co. Ltd

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	45	5,000	225,000	45%
Elliott Turbomachinery Limited	55	5,000	275,000	55%
Total	100		500,000	100%

Source: The Company

5.7.7.4 Elster-Instromet Saudi Arabia Services Ltd.:

- It is a limited liability company established under Commercial Registration Certificate No. (2050073064) and the unified number (7001648059) dated 26/11/1431H (corresponding to 03/11/2010G) issued from Dammam based on Investment Certificate of Registration No. (122031088640) dated 28/08/1431H (corresponding to 09/08/2010G) issued by the Ministry of Investment. Gas Arabian Services Company owns (40%) of it, while Elster Company (a closed company) owns (60%). Its current capital is seven hundred thousand (700,000) Saudi riyals divided into seven hundred (700) shares, with the value of each share being (1,000) Saudi riyals. This company is engaged in the activity of: repairing and maintaining measuring, testing, monitoring and control equipment.
- The table below shows the Company's ownership structure as follows:

Table No. (26): Ownership Structure of Elster-Instromet Saudi Arabia Services Ltd.

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	280	1,000	280,000	40%
Elster Company (a closed company)	420	1,000	420,000	60%
Total	700		700,000	100%

Source: The Company

5.7.7.5 Weidmueller Saudi Arabia Factory LLC

- It is a limited liability company established under Commercial Registration Certificate No. (2050132454) and the unified number (7016702610) dated 27/05/1441H (corresponding to 22/01/2020G) issued in Dammam based on Investment Certificate of Registration No. (12103410392122) dated 30/03/1441H (28/11/2019G) issued by the Ministry of Investment. Gas Arabian Services Company owns (49%) of it, while Weidmüller Interface GmbH & Co. KG owns (51%) of it. Its current capital is ten million (10,000,000) Saudi riyals, divided into one hundred thousand (100,000) shares, and the value of each share is (100) Saudi riyals. This Company engages in the following activities: manufacturing of electrical distribution and control devices; manufacturing of metallic electrical busbars; manufacturing of electrical connectors and wiring ducts made of metal; and manufacturing of electrical connectors and wiring ducts made of plastics.
- The table below shows the Company's ownership structure as follows:

Table No. (27): Ownership Structure of Weidmueller Saudi Arabia Factory LLC

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	49,000	100	4,900,000	49%
Weidmüller Interface GmbH & Co. KG	51,000	100	5,100,000	51%
Total	100,000		10,000,000	100%

Source: The Company

5.7.7.6 Yokogawa Services Saudi Arabia

- It is a limited liability company established under Commercial Registration Certificate No. (2052001720) and the unified number (7001664304) dated 09/04/1432H (corresponding to 14/03/2011G) issued by the city of Dhahran based on Investment Certificate of Registration No. (122030071844) dated 20/06/1427H (corresponding to 17/07/2006) issued by the Ministry of Investment. Gas Arabian Services Company owns (33%) of it, while Yokogawa Electric Corporation owns (67%). Its current capital is five hundred thousand (500,000) Saudi riyals divided into one hundred (100) shares, with the value of each share being (5,000) Saudi riyals. This company is engaged in the following activities: repair and maintenance of measurement, testing, monitoring and control equipment, repair and maintenance of electrical distribution and control devices, repair and maintenance of booster and control stations, installation of industrial process control equipment, installation of communications equipment, extension of electrical wires, extension of communication wires, network extensions, installation and extension of computer and communications networks.
- The table below shows the Company's ownership structure as follows:

Table No. (28): Ownership Structure of Yokogawa Services Saudi Arabia

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	33	5,000	165,000	33%
Yokogawa Electric Corporation	67	5,000	335,000	67%
Total	100		500,000	100%

Source: The Company

5.7.7.7 Gas Vector Saudi Arabia Limited

- It is a limited liability company established under Commercial Registration Certificate No. (2050056081) and the unified number (7001541924) dated 29/07/1428H (corresponding to 12/08/2007G) issued in Dammam based on Investment Certificate of Registration No. (2031016781) dated 05/01/1428H (corresponding to 24/01/2007G) issued by the Ministry of Investment. Gas Arabian Services Company owns (45%) of the Company, while Victoria Infotech Limited owns (55%). Its current capital is five hundred thousand (500,000) Saudi riyals divided into five hundred (500) shares, with the value of each share being (1,000) Saudi riyals. This company is engaged in the following activities: installation and extension of computer and communications networks, installation and maintenance of fire alarm devices and equipment, installation and maintenance of security devices, installation and maintenance of early warning sirens and their control centers.
- The table below shows the Company's ownership structure as follows:

Table No. (29): Ownership Structure of Gas Vector Saudi Arabia Limited

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	225	1,000	225,000	45%
Victoria Infotech PTE Limited	275	1,000	275,000	55%
Total	500	-	500,000	100%

Source: The Company

5.7.7.8 TubeFit Engineering Arabian Factory LLC

- It is a limited liability company established under Commercial Registration Certificate No. (2050176995) and the unified number (7036942089) dated 25/03/1445H (corresponding to 10/10/2023G) issued in Dammam based on Investment Certificate of RegistrationNo. (12103450222374) dated 13/03/1445H (corresponding to 30/08/2023G) issued by the Ministry of Investment. Gas Arabian Services Company owns (47%) of it, while TubeFit Engineering Company owns (53%). Its current capital is five million (5,000,000) Saudi riyals divided into one hundred (100) shares. The value of the share is (5,000) Saudi riyals. This company is engaged in the following activities: manufacturing pipes, tubes, hollow shapes, and pipe or tube connections, manufacturing metal fixing clips including nails, pins, nuts, and rings of all kinds, manufacturing temperature and humidity control devices, and manufacturing faucets, taps, valves and similar devices.
- The table below shows the Company's ownership structure as follows:

Table No. (30): Ownership Structure of TubeFit Engineering Arabian Factory LLC

Partner	Number of Shares	Share Value	Total Share Value	Percentage
Gas Arabian Services Company	47	5,000	235,000	47%
TubeFit Engineering	53	5,000	265,000	53%
Tota	100		500,000	100%

Source: The Company

5.8 Contracts and Agreements

5.8.1 Participation Agreements and Memoranda of Understanding

According to the Company's statement, there are no partnership agreements with any parties other than the Company's Articles of Association. The only exception is the partnership agreement with Bonomi Italy to establish a limited liability company (the "New Company") for the manufacture of valves under the name "Saudi Arabia Bonomi Factory Company – Limited Liability Company." Furthermore, there are no memoranda of understanding regarding any potential future partnership with third parties other than what is provided for in the Articles of Association.

Table No. (31): Summary of Joint Venture Agreements:

Date of MOU	First Party	Second Party	Subject	Duration
12/12/1446H (corresponding to 12/06/2025G)	Gas Arabian Services Co.	Italy's Bonomi Co.	Establishment of a limited liability company to manufacture valves and other equipment for oil and gas applications under the name "Bonomi Saudi Arabia Factory Company - Limited Liability Company"	15 years

Key Terms of this Agreement:

- Bonomi will be responsible for providing the Joint Venture with the necessary technical expertise, while GAS will be responsible for obtaining all relevant licenses from the relevant government authorities and ensuring the establishment of the Joint Venture in accordance with the terms and conditions stipulated in this agreement.
- The Joint Venture's capital is SAR 5,000,000, distributed as follows: 60% to Italy's Bonomi and 40% to GAS Arabian Services Company. Each party shall deposit the full value of its allocated capital in cash in a bank registered in the Kingdom in the name of the Joint Venture as a company under formation, no later than 90 (ninety) days from the date of approval by the Ministry and a notary public of the Joint Venture's bylaws.
- As long as each party owns at least 25% (twenty-five percent) of the contributed capital, the presence of at least one (1) authorized representative from each party is required to constitute a quorum at any shareholders' meeting.
- In the event that a disagreement arises between Bonomi and GAS regarding the management of the Joint Venture, such that a resolution on the relevant matter cannot be reached at a Board of Directors meeting or a shareholders' meeting duly convened on three (3) consecutive occasions within a period of 90 (ninety) days, and the matter to which the impasse relates is substantially impeded from carrying out any or all of its operations, the matter to which the impasse relates shall be referred for discussion in good faith between the managing directors of Bonomi and GAS, who shall determine the appropriate course of action to be taken in the best interests of the company. If the managing directors of the shareholders fail to reach an agreement within 30 (thirty) business days, the parties shall follow the procedures set forth in this agreement. In the event of an impasse, a third party shall be appointed, and the decisions and actions taken by the agent shall be binding on both parties.
- The Board of Directors shall consist of five (5) members, three (3) of whom shall be appointed by Bonomi and two (2) of whom shall be appointed by GAS, with the Chairman being appointed from among the five members by GAS.
- The Shareholders agree and undertake that they will not, and will ensure that their Affiliates will not, from the date of completion of this Agreement until the expiration of 5 (five) years from the date of its implementation (the "Lock-up Period") transfer any portion of their shareholding to a third party, except with the prior written consent of the other Shareholder.
- If the Joint Venture is not granted all necessary licenses and permits to conduct business within 18 (eighteen) months from the date of completion of this Agreement, upon written request from either party, all pending applications or proposals relating to or relating to the Joint Venture will be immediately withdrawn, and this Agreement will terminate.

Source: The Company

5.8.2 Agreements and transactions with related parties

- According to the financial statements, the Company has transactions with related parties, which consist of shareholders, key management personnel, and entities controlled, jointly controlled and substantially controlled by these parties. The Group has entered into several transactions with related parties in the ordinary course of business. These transactions were concluded in accordance with the terms and conditions agreed upon by the Group's management or its Board of Directors.
- The (Ordinary)General Assembly of Shareholders, held on 13/11/1446H (corresponding to 11/05/2025G), voted on the transactions that took place with related parties during the year 2024G.
- The Extraordinary General Assembly of Shareholders, held on 06/11/1445H (corresponding to 14/05/2024G), voted on the transactions that took place with related parties for the year 2023G.
- The (Extraordinary) General Assembly of Shareholders held on 19/09/1444H (corresponding to 10/04/2023G) voted on the transactions that took place with related parties for the year 2022G.

5.8.3 Table of Transactions with Related Parties

The table below shows the most important transactions with related parties that took place during the years, 2022G, 2023G, and 2024G:

Table No. (32): Transactions with related parties for the year ended 2022G.

Balances due from and to related parties for the financial year ended December 31, 2022G			
Related Party	Nature of the Relationship	Nature of the Transaction	Balance as of 2022G (Saudi Riyals)
Elliott Gas Saudi Arabia Services Co. Ltd	Joint venture	Sales of goods and technical services provided	142,039
Gas Vector Saudi Arabia Limited	Associate	Sales of goods and technical services provided Purchases of goods	253,592
TSR Arabia Limited	Affiliate	Rental income	754,197
Elster-Instromet Saudi Arabia Services Ltd.	Associate	Sales of goods and technical services provided	824,191
Yokogawa Services Saudi Arabia Ltd.	Associate	Purchases of goods Technical services received Rental income	927,389
Other related companies	-	-	19,134
Total			6,694,551
Advances and other Accounts Receivable			
Elster-Instromet Saudi Arabia Services Ltd.	Associate	Sales of goods and technical services provided	2,240,000
Gas Vector Saudi Arabia Limited	Associate	Sales of goods and technical services provided Purchases of goods	1,787,535
FS Elliott Saudi Services Co. Ltd.	Joint venture	Sales of goods and technical services provided Technical services received	1,286,873
TSR Arabia Limited	Affiliate	Rental income	431,911
FS Elliott Saudi Services Co. Ltd.	Joint venture	Sales of goods and technical services provided Technical services received	411,125
Other related companies	-	-	537,107
Total			6,694,551
Accounts payable			
FS Elliott Saudi Services Co. Ltd.	Joint venture	Sales of goods and technical services provided Technical services received	8,600
Yokogawa Services Saudi Arabia Ltd.	Associate	Purchases of goods Technical services received Rental income	406,301
Gas Vector Saudi Arabia Limited	Associate	Sales of goods and technical services provided Purchases of goods	43,521
Weidmueller Saudi Arabia Factory LLC	Joint venture	Financial support Additional Investment Purchases of Goods and Services Sales of Goods and Services	59,675

Balances due from and to related parties for the financial year ended December 31, 2022G			
Related Party	Nature of the Relationship	Nature of the Transaction	Balance as of 2022G (Saudi Riyals)
EagleBurgmann Saudi Arabia Ltd.	Affiliate	Sales of goods and technical services provided Purchases of goods	2,320
Other related companies	-	-	53,491
Total			573,908

Source: The Company

Table No. (33): Transactions with related parties for the year ending 2023G

Balances due from and to related parties for the financial year ended December 31, 2023G			
Related Party	Nature of the Relationship	Nature of the Transaction	Balance as of 2023G (Saudi Riyals)
Accounts Receivable			
Gas Vector Saudi Arabia Limited	Associate	Sales of goods and technical services provided Purchases of goods	314,865
TSR Arabia Limited	Affiliate	Rental income	341,904
Elster-Instromet Saudi Arabia Services Ltd.	Associate	Sale of goods and technical services provided Rental income Purchases of goods	148,985
Yokogawa Services Saudi Arabia Ltd.	Associate	Sales of goods and technical services provided Purchases of goods Technical services received	140,664
FS Elliott Saudi Services Co. Ltd.	Joint venture	Rental income Sales of goods and technical services provided Technical services received	1,768
EagleBurgmann Saudi Arabia Ltd.	Affiliate	Sales of goods and technical services provided	118,566
Weidmueller Saudi Arabia Factory LLC	Joint venture	Additional Investment Purchases of Goods and Services Sales of Goods and Services	272,120
Total			1,338,872
Advances and other Accounts Receivable			
Elster-Instromet Saudi Arabia Services Ltd.	Associate	Sale of goods and technical services provided Rental income Purchases of goods	2,240,000
FS Elliott Saudi Services Co. Ltd.	Joint venture	Rental income Sale of goods and technical services provided	1,286,882
TSR Arabia Limited	Affiliate	Rental income	307,994
FS Elliott Saudi Services Co. Ltd.	Joint venture	Rental income Sale of goods and technical services provided Technical services received	411,125
Weidmueller Saudi Arabia Factory LLC	Joint venture	Additional Investment Purchases of Goods and Services Sales of Goods and Services	471,173
Magnetrol gas	-	-	65,925
TubeFit Engineering Arabian Factory LLC	-	-	12,000
Total			4,795,099
Less: Provision due from Related Party			(2,240,000)
Total			2,555,099

Source: The Company

Table No. (34): Transactions with related parties for the year ending 2024G

Transactions with related parties for the financial year ended 2024G			
Related Party	Nature of the Relationship	Nature of the Transaction	Balance as of 2024G (Saudi Riyals)
Elliott Gas Saudi Arabia Services Co. Ltd	Joint venture	Sale of goods and technical services provided	323,431
		Paid on behalf of an associate	(15,150)
EagleBurgmann Saudi Arabia Ltd.	Affiliate	Merchandise purchases	(36,440)
Elster-Instromet Saudi Arabia Services Ltd.	Associate	Sale of goods and technical services provided	2,691,817
		Rental income	1,687,500
		Purchases of goods	(465,1479)
FS Elliott Saudi Services Co. Ltd.	Joint venture	Rental income	478,15
		Technical services provided	90,000
Yokogawa Services Saudi Arabia Ltd.	Associate	Purchases of goods	(5,448,496)
		Technical services received	628,799
FS Elliott Saudi Services Co. Ltd.	Joint venture	Rental income	239,063
		Sale of goods and technical services provided	106,088
Gas Vector Saudi Arabia Limited	Associate	Sale of goods and technical services provided	252,311
		Paid on behalf of an associate	2,721,804
		Purchases of goods	(704,000)
Weidmueller Saudi Arabia Factory LLC	Affiliate	Rental income	18,514
		Paid on behalf of an associate	(755,056)
		Purchases of goods and services	4,692,430
TSR Arabia Limited	Affiliate	Rental income	655,824
		Paid on behalf of an associate	131,016
		Purchases of goods and services	(322,923)
SGB AlDabal Company Limited	Affiliate	Purchases of goods and services	(9,791,935)
TubeFit Engineering Arabian Factory LLC	Joint venture	Investments	2,350,000
Mr. Arif Khaled AlDabal	Chief Administrative Officer	Rental expense	(487,500)
Mr. Abdulrahman Khaled AlDabal	Chief Administrative Officer	Rental expense	(552,500)
Mr. Khaled Abdulrahman AlDabal and Mrs. Hind Abdulrahman AlDabal	Chief Administrative Officer	Rental expense	(351,525)
Mrs. Noura Abdulrahman AlDabal and Mrs. Kholoud Abdulrahman AlDabal	Chief Administrative Officer	Rental expense	(45,000)
Mr. Khaled Abdulrahman AlDabal	Chief Administrative Officer	Rental expense	(202,500)
Total			(6,755,586)

5.8.4 Lease Contracts

- The company has concluded (28) lease contracts as a lessee, which are offices, showrooms, lands, warehouses to carry out its activity.
- The contracts stipulate a rental amount that the Company pays to the landlord annually and that they are renewable. They also stipulate that they are considered void if the tenant is late in paying the rent. The tenant does not have the right to sublet the property without obtaining the written approval of the landlord. It is also not allowed to change the method of use of the rented property or the activity without the consent of the landlord. The following is a list of the Company's site rental contracts and their most important details:

Table No. (35): Lease contracts of the Company's sites as a Lessee

No.	Contract Date	Lessor	Property Type	Address	Rental Period	Renewal	Rental Value	Contract Status
1	29/04/1446H (corresponding to 01/11/2024G)	Kholoud Abdul Rahman Khaled AlDabal	Building - Apartment	Prince Mohammed bin Fahd Road, 7874, 5585, 32241	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	It is automatically renewed for a similar period unless one party notifies the other through the network of its desire not to renew before (60) days.	(45,000) Saudi riyal	Electronically notarized contract No. 0-2/10068554622
2	26/12/1446H (corresponding to 22/06/2025G)	Abdul Rahman Khalid bin Abdullah AlDabal	Building - Shared Room	3527,8287,4,35525	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	If both parties wish to renew, this is done through the network.	(410,000) Saudi riyal	Electronically notarized contract No. 0-1/10632463020
3	29/04/1446H (corresponding to 01/11/2024G)	Abdul Rahman Khalid bin Abdullah AlDabal	Building - Apartment	King Khalid Road 5435,8111,32241	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	It is automatically renewed for a similar period unless one party notifies the other through the network of its desire not to renew before (60) days.	(155,000) Saudi riyal	Electronically notarized contract No. 0-2/10262981656
4	29/04/1446H (corresponding to 01/11/2024G)	Khaled, Hind, Noura, and Kholoud Abdul Rahman Khaled AlDabal	Building - Apartment	Rabia ibn al-Harith 8086, 5435, 32241	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	It is automatically renewed for a similar period unless one party notifies the other through the network of its desire not to renew before (60) days.	(155,000) Saudi riyal	Electronically notarized contract No. 0-2/10032479482
5	26/12/1446H (corresponding to 22/06/2025G)	Khaled Abdul Rahman Khaled AlDabal	Building - Apartment	3527,8287,4,35525	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	If both parties wish to renew, this is done through the network.	(130,000) Saudi riyal	Electronically notarized contract No. 0-1/10549455050
6	26/12/1446H (corresponding to 22/06/2025G)	Abdul Rahman Khalid bin Abdullah AlDabal	Building - Apartment	Rabia ibn al-Harith 8066, 5435, 32241	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	If both parties wish to renew, this is done through the network.	(145,000) Saudi riyal	Electronically notarized contract No. (0-1/10879337215)
7	29/04/1446H (corresponding to 01/11/2024G)	Khaled and Hind Abdul Rahman bin Khaled AlDabal	Building - Floor	8500,5150,32241	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	It is automatically renewed for a similar period unless one party notifies the other through the network of its desire not to renew before (60) days.	(351,525) Saudi riyal	Electronically notarized contract No. 0-2/10797169524

No.	Contract Date	Lessor	Property Type	Address	Rental Period	Renewal	Rental Value	Contract Status
8	08/06/1446H (corresponding to 29/12/2024G)	Ahmad ibn Musa ibn Hamad al- Alyan	Building - Floor	Abu Al-Asad Al-Qushayri 2882,8754,32221	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	If both parties wish to renew, this is done through the network.	(130,000) Saudi riyal	Electronically notarized contract No. 1-0/10728021064
9	22/11/1446H (corresponding to 20/05/2025G)	Ahmad ibn Musa ibn Hamad al- Alyan	Building - Annex Apartment	Abu Al-Asad Al-Qushayri 2838,8756,32221	(364) days starting from 16/11/1446H (corresponding to 14/05/2025G) and ending on 26/11/1447H (corresponding to 13/05/2026G)	If both parties wish to renew, this is done through the network.	(130,000) Saudi riyal	Electronically notarized contract No. 1-0/10668923508
10	12/03/1446H (corresponding to 15/09/2024G)	Two golden leopards, two golden leopards	Plot of Land- Warehouse	Saad bin Amara 447,7027,32232	(729) days starting from 28/03/1446H (corresponding to 01/10/2024G) and ending on 19/04/1448H (corresponding to 30/09/2026G)	If both parties wish to renew, a new contract will be drawn up in writing and agreed upon by both parties.	(1,104,000) Saudi riyal	Electronically notarized contract No. 1-0/20119450307
11	29/05/1446H (corresponding to 01/12/2024G)	Hussein Nayef Abdul Mohsen Al-Muwaisher	Plot of Land	Road without a name 3735,9656,36256	(1094) days starting from 90/06/1446H (corresponding to 10/12/2024G) and ending on 11/07/1449H (corresponding to 09/12/2027G)	If both parties wish to renew, a new contract will be drawn up in writing and agreed upon by both parties.	(210,000) Saudi riyal	Electronically notarized contract No. 1-0/20695500429
12	16/08/1446H (corresponding to 15/02/2025G)	Musa Talbi Issa Kharf	Villa	The worst 2521,7691,14516	(364) days starting from 16/08/1446H (corresponding to 15/03/2025G) and ending on 26/08/1447H (corresponding to 14/02/2026G)	If both parties wish to renew, this is done through the network.	(40,000) Saudi riyal	Electronically notarized contract No. 1-0/10826545711
13	23/12/1446H (corresponding to 19/06/2025G)	Ibrahim ibn Ali ibn Abd al-Rahman al-Qafari	Building - Apartment	Mohammed Al-Marouzi, 52345, 80084077	(364) days starting from 15/12/1446H (corresponding to 15/03/2025G) and ending on 14/12/1447H (corresponding to 31/05/2026G)	It is automatically renewed for a similar period unless one party notifies the other through the network of its desire not to renew before (60) days.	(220,000) Saudi riyal	Electronically notarized contract No. 1-0/ 10143614412
14	10/11/1446H (corresponding to 08/05/2025G)	Sulaiman bin Ayed bin Khalif Al-Rashidi	Building	Sahl bin Daif, 46431, 4028, 8303	(364) days starting from 05/12/1446H (corresponding to 01/06/2025G) and ending on 14/12/1447H (corresponding to 31/05/2026G)	If both parties wish to renew, this is done through the network.	(130,000) Saudi riyal	Electronically notarized contract No. 1-0/10391871472
15	27/04/1446H (corresponding to 30/10/2024G)	Saud Mohammed Obaid Al-Harbi	Plot of Land	2123,9047,56451	(1460) days starting from 27/04/1446H (corresponding to 30/10/2024G) and ending on 11/06/1450H (corresponding to 29/10/2028G)	The two parties agree to renew, and a new contract is drawn up in writing and agreed upon by both parties.	(120,004) Saudi riyal	Electronically notarized contract No. 1-0/20944637841
16	16/09/1446H (corresponding to 16/03/2025G)	Ahmed Ali Abdul Rahman Al-Qafari	Building - Apartment	Mohammed Al-Marouzi 4077,8008,52345	(364) days starting from 16/09/1446H (corresponding to 16/03/2025G) and ending on 09/26/1447H (corresponding to 15/03/2026G)	The two parties agree to renew, and a new contract is drawn up in writing and agreed upon by both parties.	(250,000) Saudi riyal	Draft and not legally binding
17	27/04/1446H (corresponding to 30/10/2024G)	Abdul Rahman Issa Salah Al-Harbi	Store	Faydat Al-Dara 6595,5687,54527,522	(364) days starting from 18/04/1446H (corresponding to 21/10/2024G) and ending on 04/28/1447H (corresponding to 20/10/2025G)	The contract is automatically renewed for a similar period unless one party notifies the other party of its desire to terminate the contract (30) days in advance.	(35,000) Saudi riyal	Electronically notarized contract No. 1-0/20108071830

No.	Contract Date	Lessor	Property Type	Address	Rental Period	Renewal	Rental Value	Contract Status
18	26/12/1446H (corresponding to 22/06/2025G)	Arif bin Khalid bin Abdullah Al-Dabal	Floor	Dabab 6199,3341,35712,1560	(364) days starting from 01/07/1446H (corresponding to 01/01/2025G) and ending on 11/07/1447H (corresponding to 31/12/2025G)	If both parties wish to renew, this is done through the network.	(530,000) Saudi riyal	Electronically notarized contract No. 0-1/10148572178
19	28/10/1444H (corresponding to 18/05/2023G)	King Abdulaziz Port	Plot No. (12/4/3)	In the support warehouses area of King Abdulaziz Port	5 Gregorian years starting from 30/08/1444H (corresponding to 22/03/2023G) and ending on 25/10/1449H (corresponding to 21/03/2028G)	-	(942,486) Saudi Riyals annually	-
20	04/11/1445H (corresponding to 12/05/2024G)	Faraj bin Ali bin Jumaan Al-Dosari (20816923201)	Plot of Land	Hofuf-Riyadh Road 6525,4251,36565	(364) days starting from 02/11/1445H (corresponding to 05/10/2024G) and ending on 11/11/1446H (corresponding to 09/05/2025G)	If both parties wish to renew, a new contract will be drawn up in writing and agreed upon by both parties.	(150,000) Saudi riyal	Electronically notarized contract No. 1-0/20816923201
21	09/11/1444H (corresponding to 29/05/2023G)	Mamdouh bin Aziz bin Abdullah Al-Subaie	Open commercial complex (plaza) - warehouse	The Square, 32231, 7540, 3032	(1095) days starting from 12/11/1444H (corresponding to 01/06/2023G) and ending on 14/12/1447H (corresponding to 31/05/2026G)	If both parties wish to renew, a new contract will be drawn up in writing and agreed upon by both parties.	(995,250) Saudi riyal	Electronically Notarized Contract No.
22	16/11/1446H (corresponding to 14/05/2025G)	Awad bin Issa bin Ahmed Al Saleh	Farm	Qatif 6436,3398,32733,800	(1094) days starting from 12/11/1445H (corresponding to 20/05/2024G) and ending on 13/12/1448H (corresponding to 19/05/2027G)	If both parties wish to renew, a new contract will be drawn up in writing and agreed upon by both parties.	(240,000) Saudi Riyals	1-0/20455831590
23	21/08/1446H (corresponding to 20/02/2025G)	Awad bin Issa bin Ahmed Al Saleh	Farm	Qatif 6436,3398,32733,800	(828) days starting from 11/08/1446H (corresponding to 10/02/2025G) and ending on 13/12/1448H (corresponding to 19/05/2027G)	If both parties wish to renew, a new contract will be drawn up in writing and agreed upon by both parties.	(273,288) Saudi Riyals	Electronically Notarized Contract No.
24	18/11/1445H (corresponding to 26/05/2024G)	Sulaiman bin Ayed bin Khalif Al Rashidi	Building	Sahl Bin Dhaif 8303,4028,46431	(364) days starting from 24/11/1445H (corresponding to 01/06/2024G) and ending on 04/12/1446H (corresponding to 31/05/2025G)	If both parties wish to renew, this will be done online.	(130,000) Saudi Riyals	1-0/20073603307
25	09/04/1437H (corresponding to 19/01/2016G)	Royal Commission for Jubail and Yanbu	Plot No. (11)	Section (Z), Square (1), in the Supporting Industries Area in Jubail (2)	(10) Hijri years starting from 09/04/1437H (corresponding to (19/01/2016) and ending on 09/04/1447H (corresponding to 01/10/2025G)	If the tenant wishes and with the approval of the first party.	(19,324/80) Saudi Riyals	Electronically Notarized Contract No.
26	20/09/1425H (corresponding to 30/11/2004G)	Royal Commission for Jubail and Yanbu	Plot of Land	Plot No. (9) in Section (N), Square (9), in the Supporting Industries Area in Jubail (1)	(10) Hijri years starting from 20/09/1445 AH (corresponding to 30/03/2024G) and ending on 19/09/1455H (corresponding to 11/12/2033G)	If the tenant wishes and with the approval of the first party.	(225,000) Saudi Riyals annually	1-0/20940106591
27	19/02/1444H (corresponding to 15/09/2022G)	Jubail and Yanbu Industrial Cities Services Company	Plot of Land	Al-Muhan District (02), Lane (08), Square (01), Plot (024)	5 Hijri years starting from 19/02/1444H (corresponding to 15/09/2022G) and ending on 18/02/1449H (corresponding to 22/07/2027G)	If both parties wish to renew.	(100,000) Saudi Riyals	Electronically Notarized Contract No.
28	02/11/1441H (corresponding to 23/06/2020G)	King Abdulaziz Port	Plot No. (12/4/2)	In the Supporting Warehouses Area at King Abdulaziz Port in Dammam	5 Gregorian years starting from 02/11/1441H (corresponding to 23/06/2020G) and ending on 22/12/1446H (corresponding to 18/06/2025G)	-	(1,433,850) Saudi Riyals	

Source: The Company

5.8.5 Contracts and agreements related to the Company's activity

The Company has concluded a number of agreements with other parties in the course of practicing its activity, as follows:

5.8.5.1 Contracts and agreements related to the Company's activity

The Company has concluded agreements and contracts related to its activity as follows:

Table No. (36): Contracts related to the Company's activities

Agreement Date	First Party	Second Party	Agreement Subject	Agreement Expiry Date	Contract Value	Remarks
20/09/1442H (corresponding to 02/05/2021G)	Arabian Maize Company	Gas Arabian Services Company	Gas supply to the Arabian Maize Company, pipeline, metering equipment, mechanical and structural installations, and communications works	48 months from the date of the contract	16,097,999 Saudi riyals	Amended on 10/08/1446H (corresponding to 09/02/2025G)
10/04/1445H (corresponding to 25/10/2023G)	Advanced Petrochemical Company	Gas Arabian Services Company	Engineering, procurement and construction project for a pipeline to transport associated gas from Advanced Petrochemical Company to United Petrochemical Company, a subsidiary of SABIC.	14 months from the date of the contract	52,579,862 Saudi riyals	
17/06/1444H (corresponding to 10/01/2023G)	JGC Arabia Limited	Gas Arabian Services Company	Pre-assembly of steel structures, erection of steel structures, equipment installation, piping, painting and support services for Saudi Aramco's Zuluf Field Project	2 years	151,377,290 Saudi riyals	
29/05/1442H (corresponding to 13/01/2021G)	Saudi Aramco	Gas Arabian Services Company	Upgrade of water supply at Kharsaniyah Gas Plant (KGP)	30/11/1446H (corresponding to 02/04/2025G)	201,112,223 Saudi riyals	
21/11/1445H) (corresponding to 29/05/2024G)	Saudi Aramco	Gas Arabian Services Company	Engineering, procurement and construction works for the expansion project of the main gas network from Shedgum to the Aramco East-West 1 pumping station.	1180 calendar days from the date of the agreement	346,865,749 Saudi riyals	
23/07/1445H (corresponding to 04/02/2024G)	Global Polymers Company	Gas Arabian Services Company	New Ethylene Supply Line from Sadara to Sipchem	11 months to 05/28/1446H (corresponding to November 30, 2024G)	18,627,165 Saudi Riyals	
15/08/1445H (corresponding to 25/02/2024G)	Yamama Cement	Gas Arabian Services Company	Supply and construction related to gas pipeline/fuel supply for the new Yamama Cement Plant	14 months	35,300,000 Saudi Riyals	
10/09/1443H (corresponding to 11/04/2022G)	Advanced Polyolefins Company	Gas Arabian Services Company	Supply and construction of gas and propane lines, including interconnectors and metering	16 months	122,793,970 Saudi Riyals	Amendment of the agreement value on 28/10/1445H (corresponding to 07/05/2024G)
24/11/1444H (corresponding to 13/06/2023G)	Ma'aden	Gas Arabian Services Company	Upgrade of Saudi Aramco's natural gas metering station in Ras Al Khair	21 months	38,657,871 Saudi Riyals	
22/10/1446H (corresponding to 20/04/2025G)	Yamama Cement	Gas Arabian Services Company	Contract for construction, testing, and commissioning of fuel supply for the Yamama Transmission Project	19 months	32,850,000 Saudi Riyals	

Agreement Date	First Party	Second Party	Agreement Subject	Agreement Expiry Date	Contract Value	Remarks
22/08/1445H (corresponding to 03/03/2024G)	Saudi Power Procurement Company (Main Buyer)	Gas Arabian Services Company	Engineering, procurement, and construction of the Taiba Gas Pipeline	36 months	253,902,943 Saudi Riyals	
22/08/1445H (corresponding to 03/03/2024G)	Saudi Power Procurement Company (Main Buyer)	Gas Arabian Services Company	Engineering, procurement, and construction of the Qassim Gas Pipeline	36 months	340,443,797 Saudi Riyals	
28/11/1446H (corresponding to 26/05/2025G)	Saudi Power Procurement Company (Main Buyer)	Gas Arabian Services Company	Construction of feeder gas pipelines for the Nuayriyah Independent Production Project	12/19/1448H (corresponding to May 25, 2027 G)	504,324,042 Saudi Riyals	
28/11/1446H (corresponding to 26/05/2025G)	Saudi Power Procurement Company (Main Buyer)	Gas Arabian Services Company	Construction of feeder gas pipelines for the Ramah Independent Production Project	12/19/1448H (corresponding to May 25, 2027 G)	326,316,320 Saudi Riyals	
21/11/1445H (corresponding to 29/05/2024G)	Saudi Aramco	Gas Arabian Services Company	Engineering, procurement, and construction works for the expansion of the main gas network in the Eastern Province and Qassim Province	30 months	416,886,055 Saudi Riyals	-

Source: The Company

5.8.6 Service Contracts

The Company has entered into service contracts as follows:

Table No. (37): Service Contracts

Agreement Date	First Party	Second Party	Agreement Subject	Agreement Expiry Date	Contract Value
18/11/1444H (corresponding to 07/06/2023G)	Dr. Mohammed Al-Amri & Co.	Gas Arabian Services Company	Audit of the Company's local content for the financial year ending 12/31/2022G prepared in accordance with the LCGPA guidelines provided by LCGPA	End of service provision	24,000 Saudi riyals
20/06/1445H (corresponding to 02/01/2024G)	Baker Tilly MKM & Co.	Gas Arabian Services Company	Zakat and tax compliance services for the year ended 31/12/2023G	End of service provision	25,000 Saudi riyals
19/05/1444H (corresponding to 13/12/2022G)	Baker Tilly MKM & Co.	Gas Arabian Services Company	VAT Services	End of service provision	2,000 Saudi riyals per month
01/12/1446H (corresponding to 28/05/2025G)	Dr. Mohammed Al-Amri & Co.	Gas Arabian Services Company	Reviewing and auditing the financial statements for the second and third quarters and the annual financial statements for the year 2025G and the first quarter of the financial year 2026G.	End of service provision	420,000 Saudi riyals

Source: The Company

5.8.7 Contracts concluded with government entities

The Company has entered into a consultancy services agreement with a government entities as follows:

Table No. (38): Contract concluded with a government entity

Consulting Services Contract	
Parties	<ul style="list-style-type: none"> Government entity (First Party) Gas Arabian Services Company (Contractor)
Subject of the Agreement	The contractor shall supply and establish the gas network
Duration of the Agreement and Renewal	156 Gregorian weeks.
Amount of the Agreement	A specific amount in Saudi Riyals specified in the contract, and this value is subject to increase or decrease depending on the change in the actual services performed by the contractor.
Payment Mechanism	According to the payment method agreed upon in Annex "C" of the contract.
Assignment	Subcontracting may be done up to (30%) of the contract value after the approval of the First Party. Subcontracting may be done to implement services exceeding (30%) of the total value of the work, provided that prior approval is obtained from the government entity. Note that the contractor may not assign the contract or part of it except after obtaining approval from the government entity and fulfilling the conditions stipulated in the contract.
Termination	The contract may be terminated due to the contractor's negligence. It may also be terminated by the government entity or by agreement between the two parties.
Disputes	Taking into account the jurisdiction of the committees formed under the Government Tenders and Procurement Law and any applicable or related laws, any dispute, disagreement or claim arising from or related to this contract shall be subject to the jurisdiction of the administrative courts in the Kingdom of Saudi Arabia to adjudicate it unless the contract includes a condition of resorting to arbitration in the event of a dispute arising between the two parties.
Applicable Law	This contract is subject to the Government Tenders and Procurement Law, its implementing regulations, and the regulations in force in the Kingdom of Saudi Arabia.

Source: The Company

5.9 Assets and Property

5.9.1 Fixed Assets

- According to the financial statements for the year ending in 2024G, the book value of the Company's fixed assets amounted to (35,921,126) Saudi Riyals compared to (38,096,773) Saudi riyals, as of 2023G, which includes the value of lands and buildings.
- The net book value of capital work-in-progress (representing construction in the Gas Tower and the Zuluf Field project) amounted to (26,400,119) riyals as of 31/12/2023G, compared to (37,010,503) riyals as of 12/31/2024 AD.
- The Company owns a number of lands under statutory deeds. The following is a table of deeds:

Table No. (39): Fixed Assets

Deed No.	Owner	Property	Area (m2)	Address (District-City)
335005000288	Gas Arabian Services Company	Plot No. 27	325.22	Al Rabie - Dammam
394019000418	Gas Arabian Services Company	Plot No. 503 of Plan 644/1	2,044.5	Al Safa - Dammam
435005000286	Gas Arabian Services Company	Plot No. 39	325.22	Al Rabie - Dammam
435005000287	Gas Arabian Services Company	Plot No. 38	325.22	Al Rabie - Dammam
435005000289	Gas Arabian Services Company	Plot No. 28	325.22	Al Rabie - Dammam
781688005361	Gas Arabian Services Company	Plot No. 82	337	Dabab - Jubail
981688005360	Gas Arabian Services Company	Plot No. 80	337	Dabab - Jubail
981688005359	Gas Arabian Services Company	Plot No. 30	337.43	Dabab - Jubail

Source: The Company

5.9.2 Movable Assets

- According to the financial statements for the year ending in 2024G, the book value of the Company's movable assets, which are vehicles, furniture, fixtures, office equipment, machinery, equipment and project facilities, amounted to (62,125,887) Saudi riyals, and as of 2023G, it amounted to (20,649,981) Saudi riyals.
- The Company has movables and equipment worth more than one hundred thousand (100,000) riyals, which are equipment, computers, machines, vehicles, facilities and utilities at the project site. Their net value amounted to (13,916,226) riyals as of 31/12/2023G.

5.9.3 Loans and Facilities

There are no loans or bank facilities in use, nor are there any financial leasing agreements with any Saudi or non-Saudi banks in effect as of the date of preparing this document. The Company has not provided any cash loans of any kind to its board members, nor has it provided any guarantees for any loans to board members or employees with third parties, nor has it opened any bank credit lines.


The Company has not granted loans to any of its employees, except for advance payments on salaries, which are deducted from housing and/or transportation allowances according to the employment contract.

5.9.4 Trademarks and Intellectual Property Rights

- The Company has the logo (Gas Arabian Services Company - GAS) that it uses in its dealings and it has been registered as a trademark with the Saudi Authority for Intellectual Property under category (37), which is one of the trademark categories that specializes in (building construction services, roads, bridges, dams, painting, plumbing, repair and maintenance works, installation and assembly services, and construction tools and materials rental services). This will enable the Company to place its name and logo on its products and on the external facade of the building, offices or shops that the Company operates, as it has registered the trademark and granted it the necessary legal protection in accordance with the Trademark Law.

The following table shows the most important contents of the trademark registration certificate:

Table No. (40): The Company-owned Trademark

Registration No	Category	Registration Date	Protection Start Date	Protection End Date	Trademark
1443006946	37	09/05/1443H (corresponding to 13/12/2021G)	23/02/1443H (corresponding to 30/12/2021G)	22/02/1453H (corresponding to 13/06/2031G)	

Source: The Company

- The Company's website is not registered with the Communications, Space and Technology Commission (formerly the Communications and Information Technology Commission) - Saudi Network Information Center. The Company has no desire to register it.

5.9.5 Judicial Disputes

The Company is not a party to any lawsuits, claims, complaints, arbitration, administrative proceedings, or investigations, whether pending or threatened, that, individually or collectively, would have a material effect on the Company's business or financial position. Furthermore, the Company's management is not aware of any material litigation currently pending or threatened, nor of any facts that may give rise to any such material dispute, whether individually or collectively, that could pose a material adverse risk.

5.9.6 Legal Information and Declarations of members of the Board of Directors

The members of the Board of Directors acknowledge the following:

- The transfer does not constitute a breach of any contract/agreement entered into by the issuer.
- All material legal issues concerning the issuer have been disclosed in the transfer document.
- The issuer comply with the Corporate Governance Regulations and the disclosure requirements set out in the Corporate Governance Regulations, the Companies Law and the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

4. The issuer and its subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
5. The directors are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its subsidiaries or their financial position.
6. There has not been any interruption in the business of the issuer or any of the issuer's subsidiaries which may have or has had a significant effect on the financial position in the last 12 months.
7. Other than what is mentioned on page (iii) of this document, the board of directors do not have any shareholding or interest of any kind in the issuer or any of the issuer's subsidiaries and nor does any relative of theirs.

Management Discussion and Analysis Report on Financial Position and Results of Operations

GAS

جاز العربية للخدمات
GAS ARABIAN SERVICES

6. Management Discussion and Analysis Report on Financial Position and Results of Operations

6.1 Board of Director's Declarations

- The Board of Directors declares that the financial information included in the transition document has been extracted without material change and has been presented in accordance with the audited financial statements for the financial years ended on FY2022, FY2023, and FY2024 and interim reviewed financial statements for the first quarter ended on March 2025, without making any fundamental amendment to it and in accordance with it, and that the audited and interim reviewed financial statements have been prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").
- The Board of Directors declares that there are no properties in the Company, including contractual securities or other assets, whose value is subject to fluctuations or whose value is difficult to ascertain, which would significantly affect the assessment of the financial position of the Company.
- The Board of Directors declares that there are no seasonal factors or economic cycles related to the activity that may have an impact on the business and financial situation.
- The Board of Directors declares that the Company is not aware of any information related to governmental, economic, financial, monetary, or political policies, or any other factors that have affected or could significantly affect (directly or indirectly) the operations of the Company.
- Except for what has been mentioned in the equity section, the Board of Directors declares that there have been no material changes in the Company's capital during the three years immediately preceding the date of submitting the transfer request.
- The Board of Directors declares that no capital of the issuer is covered by an option right.
- Except for what has been mentioned in the liabilities section, the Board of Directors Declares that there are no approved debt instruments that have not been issued, and there are no loans covered by a personal guarantee or secured loans or unsecured loan (Whether the pledge is provided by the issuer or by third parties).
- Except for what has been disclosed in the liabilities section, the Board of directors Declares that the Company does not have any loans or other receivables, including overdrafts from bank accounts, obligations under acceptance, acceptance credit, or hire purchase obligations.
- Except for what has been disclosed in the liabilities section, the Board of Directors declares that there are no mortgages, rights or encumbrances on the Company's property, as of the date of publication of this document.
- Except for what has been disclosed in the contingencies and commitments section, the Board of Directors Declares that there are no potential liabilities or guarantees.
- The Board of Directors declares that there has been no negative or material change in the financial and commercial situation during the financial years ending on December 31, FY2022, FY2023, and FY2024 and first quarter ended on March 2025.
- The Board of Directors declares that there are no commissions, discounts, brokerage fees, or any non-cash compensation granted by the issuer during the three years immediately preceding the date of submitting the transfer request in relation to the shares subject to the transfer.

6.2 Business Overview

6.2.1 Business Overview

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 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 operates about 6 registered branches across the Kingdom of Saudi Arabia (KSA).

The Company has diversified its offering, evolving into a total technical solution provider, combining the delivery of complex technical services, trading of engineered solutions and products, and manufacturing.

The Company has longstanding relationships with clients in key sectors of oil, gas, petrochemicals, electricity and cement, among others

The Company boasts 8 joint ventures (JVs) with world-class partners, complementing its in-house offering across manufacturing and services.

6.3 Accounting standards

6.3.1 Basis of preparation and basis of measurement

6.3.1.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

6.3.1.2 Basis of measurement

These financial statements have been prepared on historical cost convention except for employees benefits which are measured at present value.

6.3.1.3 Functional and presentation currency

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

6.3.1.4 Material Accounting Policies

6.3.1.4.1 Current and non-current assets and liabilities classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

6.3.1.4.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

6.3.1.4.3 Revenue from contracts with customers

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. Operational, Maintenance and technical engineering services. Manufacturing of piping spools, structural steel fabrication, pressure reducing stations and other industry essential products.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

6.3.1.4.4 Sale of goods

Revenue from sale of goods is recognized at the point in time when control is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

6.3.1.4.5 Technical services

Revenue from technical services is recognized at a point in time when the services are rendered to customer.

In case of fixed price contracts, the Company recognizes revenue from technical services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

6.3.1.4.6 Sales commission

The Company acts as a sales representative for products sold by its principals'. Commission is recognized at a point in time usually when the relevant terms and conditions are satisfied by the Company as per the agreement with its principals.

6.3.1.5 Contract balances

6.3.1.5.1 Contract assets

A contract asset is initially recognized for revenue earned from technical services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognized as contract assets are reclassified to accounts receivables. The Company contract assets include unbilled revenue, retention receivable and advance to suppliers.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

6.3.1.5.2 Trade receivable

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

6.3.1.5.3 Contract liabilities

A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). The Company contract liabilities include advance from customers.

6.3.1.5.4 Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue. All other expenses, except for finance costs, depreciation and amortization are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

6.3.1.6 Cash dividend distribution to equity holders

The Company recognizes a liability to pay a dividend to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per provisions of Companies' Law, distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in statement of changes in equity.

6.3.1.7 Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

6.3.1.8 Zakat and indirect tax

6.3.1.8.1 Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations and charged to the statement of profit or loss. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

6.3.1.8.2 Value added tax (VAT)

Sales, expenses and assets are recognized net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

6.3.1.9 Property and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are initially recorded at cost and stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation is calculated from the date the item of property and equipment is available for its intended use or in respect of self-constructed assets, from the date such assets are completed and ready for the intended use. The cost of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Particulars	Useful Life
Buildings	20 years
Machinery and equipment	2 to 5 years
Motor vehicles	5 to 8 years
Furniture, fixture and office equipment	4 to 5 years
Project facilities	3 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset is written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statement of profit or loss as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

6.3.1.10 The Employee Stock Ownership Plan (ESOP)

The ESOP is an employee stock incentive plan that designates a specific number of shares in order to distribute them among the Company's employees who are in service. The Company maintains treasury shares to support this program. This employee stock incentive plan is divided into two main types namely, Company funded plans and employee share purchase plans. The Company recognizes a corresponding increase in equity when shares are actually transferred to employees.

6.3.1.11 Leases

The Company assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

6.3.1.11.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

6.3.1.11.2 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful lives of the assets, as follows:

Leasehold land	5 to 10 years
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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "*Impairment of non-financial assets*".

6.3.1.11.3 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

6.3.1.11.4 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

6.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

6.5 Investment in associates and joint arrangements

6.5.1 Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's Investment in associates are accounted for using the equity method.

6.5.2 Joint arrangements

Under IFRS 11 Joint Arrangements, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining whether joint control exists or not are similar to those necessary to determine control over subsidiaries.

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

6.5.3 Joint ventures:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the statement of financial position.

6.5.4 Joint operations:

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and liabilities of the joint operation.

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

6.5.5 Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. After the share in the investee is reduced to zero, a liability is recognized only to the extent that there is an obligation to fund the investee's operations or any payments have been made on behalf of the investee. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Company.

When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

6.6 Financial instruments – initial recognition, subsequent measurement and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.6.1 Financial assets

6.6.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

6.6.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - not applicable to the Company.
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - not applicable to the Company.
- Financial assets at fair value through profit or loss

6.6.1.3 Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified, or impaired. The Company's financial assets at amortized cost include accounts receivables and amounts due from related parties.

6.6.1.4 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

6.6.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a. The Company has transferred substantially all the risks and rewards of the asset, or
 - b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

6.6.1.6 Impairment

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

6.6.2 Financial liabilities

6.6.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include accounts and other payables, amounts due to related parties, lease liabilities and short-term loans.

6.6.2.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

8. Financial liabilities at fair value through profit or loss
9. Financial liabilities at amortized cost (loans and borrowings)

6.6.2.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

6.6.2.4 Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

6.6.2.5 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

6.6.2.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

6.6.3 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For assets, an assessment is made at each financial year-end as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

6.6.4 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Goods for resale: purchase cost on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

6.6.5 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

6.6.6 Short Term Investment

Short term investments include time deposits placements with banks with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk.

Interest income from time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

6.6.7 Statutory reserve

According to the latest update in the Regulations for Companies in the Kingdom of Saudi Arabia, the mandatory statutory reserve requirement has been abolished. In accordance with the bylaws, the Company transferred the statutory reserve to retained earnings. This reserve is currently available for distribution.

6.6.8 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the shares. Any difference between the carrying amount of the shares and the consideration, if reissued, is recognized in other reserves within equity.

6.6.9 Employees' benefits

6.6.9.1 Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, airfare, child education allowance, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position under accruals and other current liabilities.

6.6.9.2 Employees' defined contribution obligations

The Company has defined contribution plan with General Organization for Social Insurance ("GOSI") where the Company contributes fixed percentage of the employee's salary towards the retirement of its employees, which qualify as defined contribution plan. Contribution payable to the defined contribution plan is recognized as an expense in the statement of profit or loss.

The Company operates a non-funded employee end-of-service benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. A defined benefit plan is a plan which is not a defined contribution plan. The liability recognized in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high-quality corporate bonds that have terms to maturity approximating to the estimated term of the post-employment benefit obligations. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized in equity through other comprehensive income in the period in which they arise.

6.6.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as an asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

6.6.11 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

6.7 Significant Accounting Judgements, Estimates And Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

6.7.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

6.7.1.1 Satisfaction of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company has assessed that based on the agreements entered with the customers and the provisions of relevant laws and regulations, where contracts are entered into to undertake long term fixed price contracts with the customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. Further, the technical services provided under the contract are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Company. Based on this, the Company recognizes revenue over time. Where this is not the case, revenue is recognized at a point in time.

The Company has elected to apply the output method in allocating the transaction price to performance obligation where revenue is recognized over time. The Company considers that the use of the output method, which requires revenue recognition based on the Company's output against the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the output method, the Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

6.7.1.2 Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option to renew the lease term for some of its leases. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in a business strategy). The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent of the use of a specific asset or assets or the arrangement conveys the right to use the asset.

6.7.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

6.7.2.1 Contract costs to complete estimates

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

6.7.2.2 Valuation of defined benefit obligations

The present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and other assumptions. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

6.7.2.3 Provision for Zakat

Provision for zakat and is determined by the Company in accordance with the requirements of the Zakat, Tax and Custom Authority ("ZATCA") and is subject to change based on final assessments received from the ZATCA. The Company recognizes liabilities for any anticipated Zakat based on management's best estimates of whether additional Zakat will be due. The final outcome of any additional amount assessed by the ZATCA related to Zakat, VAT or excise tax is dependent on the eventual outcome of the appeal process which the Company is entitled to. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences could impact the statement of profit or loss in the period in which such final determination is made.

6.7.2.4 Provision for expected credit losses of Trade receivables and contract assets

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

6.8 New and Amended Standards and Interpretations

The Company has applied for the first time certain standards and amendments that are effective for annual periods beginning on or after January 1, 2024, but they have no material impact on these financial statements.

- Amendment - Liability in Sale and Leaseback (IFRS 16),
- Amendment - Classification of Liabilities as Current or Non-Current (Amendment to IAS 1),
- Amendment - Non-Current Liabilities with Commitments (Amendment to IAS 1),
- Supplier Financing Arrangements (IFRS 7 and IFRS 7).

6.9 New Standards, Interpretations, and Amendments Not Yet Effective

The Company has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective.

The following amendments are effective for the period beginning on January 1, 2025:

- Foreign Exchange Inability - The Effect of Changes in Foreign Exchange Rates (IAS 21)
- Three amendments:
- Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7).
- Presentation and Disclosure in Financial Statements (IFRS 18).
- Subsidiaries without Public Accountability: Disclosures (IFRS 19).

The Company does not expect these amendments to have a significant impact on its financial statements upon adoption.

6.10 Statement of Profit or Loss and Other Comprehensive Income

The following schedule illustrates the statement of profit and loss and other comprehensive income for the years FY2022, FY2023, FY2024, Q1 2024, and Q1 2025:

Statement of Profit or Loss and Other Comprehensive Income								
SAR	FY22	FY23	↑↓	FY24	↑↓	March 2024	March 2025	↑↓
Revenue	496,039,689	721,511,577	45.45%	1,093,034,698	51.49%	213,127,375	321,718,403	50.95%
Cost of revenue	(380,898,763)	(598,381,636)	57.10%	(920,626,253)	53.85%	(177,310,281)	(266,327,444)	50.20%
Gross profit	115,140,926	123,129,941	6.94%	172,408,445	40.02%	35,817,094	55,390,959	54.65%
General and administrative expenses	(73,552,643)	(71,584,400)	(2.68%)	(88,998,617)	24.33%	(17,423,887)	(22,143,473)	27.09%
Allowance for expected credit losses	1,030,143	(6,433,837)	(724.56%)	(574,157)	(91.08%)	-	(1,084,577)	(100.00%)
Profit share from Joint Venture	31,336,426	37,602,523	20.00%	27,927,406	(25.73%)	4,853,447	(523,078)	(110.78%)
Operating profit / (loss)	73,954,852	82,714,227	11.84%	110,763,077	33.91%	23,246,654	31,639,831	36.10%
Other income	1,564,350	7,360,671	370.53%	8,892,578	20.81%	963,056	2,125,459	120.70%
Financial cost	(1,999,672)	(1,818,322)	(9.07%)	(1,030,088)	(43.35%)	(801,824)	(523,118)	(34.76%)
Net profit / (loss) before zakat	73,519,530	88,256,576	20.05%	118,625,567	34.41%	23,407,886	33,242,172	42.01%
Zakat	(6,134,713)	(6,787,464)	10.64%	(4,669,830)	(31.20%)	(2,100,000)	(1,931,882)	(8.01%)
Net profit / (loss) for the year	67,384,817	81,469,112	20.90%	113,955,737	39.88%	21,307,886	31,310,290	46.94%
Other comprehensive income:								
Items that will not be reclassified to profit or loss								
Remeasurement gain on employees' defined benefits	3,217,948	417,472	(87.03%)	787,912	88.73%	-	-	0.00%
Other comprehensive (income / loss) for the year	3,217,948	417,472	(87.03%)	787,912	88.73%	-	-	0.00%
Total other comprehensive income	70,602,765	81,886,584	15.98%	114,743,649	40.13%	21,307,886	31,310,290	46.94%
Earnings per share:								
Basic earnings per share*	0.4265	0.5164	21.08%	0.7231	40.03%	0.135	0.200	48.15%
Diluted earnings per share*	0.4265	0.5156	20.89%	0.7212	39.88%	0.135	0.200	48.15%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and unaudited interim condensed financial statements for the first quarter period ending March 31, 2025.

6.11 Revenue

Revenue by segment													
Segment	FY2022	%	FY2023	%	↑↓	FY2024	%	↑↓	March 2024	%	March 2025	%	↑↓
Sales of Traded goods	303,122,995	61.11%	459,542,086	63.69%	51.60%	523,475,997	47.89%	13.91%	143,104,343	67.14%	119,031,057	37.00%	(16.82%)
Technical services	174,464,918	35.17%	236,293,788	32.75%	35.44%	513,907,289	47.02%	117.49%	63,012,849	29.57%	195,571,540	60.79%	210.37%
Commissions	2,944,193	0.59%	4,723,103	0.65%	60.42%	1,818,156	0.17%	(61.51%)	42,293	0.02%	-	0.00%	(100.00%)
Manufacturing	15,507,583	3.13%	20,952,601	2.90%	35.11%	53,833,256	4.93%	156.93%	6,967,890	3.27%	7,115,806	2.21%	2.12%
Total	496,039,689	100.00%	721,511,577	100.00%	45.45%	1,093,034,698	100.00%	51.49%	213,127,375	100%	321,718,403	100.00%	50.95%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the first quarter ended March 31, 2025, and management information.

Revenue has increased by 45.45% from FY2022 to FY2023, while it further grows by 51.49% in FY2024. In the first quarter of FY2025, revenue increased significantly by 50.95% compared to the same period in FY2024. This growth is driven by the company's dedicated efforts in acquiring new clients and retaining high-value clients like ARAMCO, Saudi Power Procurement, SABIC amongst others.

Revenue consists of 4 types of revenues from different lines of business of the Company and is bifurcated according to the nature of its recognition. These are as follows:

- Sales of Traded Goods which comprise of mechanical and instrumentation products and solutions which are being used in different sectors such as Oil, Gas, Cement and other heavy mechanical industries. The equipment or products are sourced from more than 32 different world class suppliers. The revenue from traded goods witnessed significant growth during the review period as it reaches to SAR 459.54 Mn during FY2023 which was being reported as SAR 303.12 Mn during FY2022. The revenue further increased to SAR 523 Mn in FY24 with a growth of 13.91%. Additionally, comparing March 2025 to the same period in March 2024 shows a decrease of 16.82%, amounting to approximately SAR 24 Mn. The Company is having a vast portfolio of electrical equipment and instruments such as pressure gauges, flow meters, temperature control instruments, Gas and liquid analyzers, sampling systems along with having a huge supply line of heavy mechanical equipment or parts such as steam turbines, compressors, pumps, flow control system and tubing and piping.
- Technical services include offerings such as Lumpsum Turnkey Projects (LSTK), Lumpsum Procure and Build (LSBP), engineering, shutdown turnarounds, plant overhauls, maintenance of rotating equipment, emergency maintenance, and more. The Company provides these services to various clients, including SAUDI ARAMCO, SABIC, TASNEE, CHEVRON, Saudi Power Procurement Company etc. This revenue stream showed an increase of 35.44% in FY23. The revenue further increased significantly in FY24 to reach SAR 513.91 million, reflecting a growth of 117.49%. This growth in FY24 was mainly due to the successful execution and progress of key new and existing projects, alongside significant expansion in manpower services. Additionally, comparing March 2025 to the same period in March 2024 shows an increase of 210.37%, supported by continued advancement and execution of projects during the first quarter of 2025. This sector also delivers projects of varying complexity, such as project management, engineering, procurement, and construction, and occasionally sources from the trading and manufacturing segments.
- Manufacturing revenue is earned by the GAS Metal Tech Factory which was established in 2019. This manufacturing unit is capable of manufacturing, fabrication, sand blasting and painting. It has agreement with ARAMCO and SABIC for manufacturing of SKIDS, Flanges and fitting materials. The revenue from this stream grew by 35.11% and 156.93% in FY23 and FY24. During Mar-25, it saw a slight growth of 2.12% compared to Mar-24. This is due to the company completing key manufacturing projects and delivering a major consignment of Skids to Saudi Aramco, with other significant projects from Hyundai E&C and Sulzer Pumps Equipment by the end of FY24.
- Sales Commission makes up a very small part of total revenue. It comes from an agreement between GAS and its vendors (OEMs). If a GAS customer directly orders equipment from an OEM, the vendor pays a commission to GAS. While it increased by 60.42% in FY23 compared to FY22. However, it declined by 61.51% in FY24. During Q1 of 2025, no commission revenue was received.

6.11.1 Cost of Revenue

The following schedule details the cost of sales for the Company for the years FY2022, FY2023, FY2024, Q1 2024 and Q1 2025:

Cost of Revenue								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Cost of materials consumed	240,342,311	378,457,324	57.47%	425,165,444	12.34%	114,557,151	92,832,990	(18.96%)
Sub-contracting and project material costs	100,547,066	121,446,704	20.79%	330,397,280	172.05%	31,402,324	121,735,229	287.66%
Employees' costs	34,590,384	81,318,084	135.09%	119,983,315	47.55%	25,880,652	42,640,648	64.76%
Depreciation and amortization*	2,220,412	3,686,917	66.05%	9,611,979	160.71%	1,583,283	5,343,622	237.50%
Others	3,198,590	13,472,607	321.20%	35,468,235	163.26%	3,886,872	3,774,955	(2.88%)
Total	380,898,763	598,381,636	57.10%	920,626,253	53.85%	177,310,282	266,327,444	50.20%

Source: Annual Audited Financial Statements for the years ending December 31, 2023 and 2024 and Management Information

- Cost of revenue has increased by 57.10% and 53.85% during FY2023 and FY2024 whereas an increase of 50.20% is being witnessed in Mar-25 which is well aligned with the increase in the revenue. The cost of revenue as a percentage of revenue was 76.79%, 82.93%, 84.23%, 83.19% and 82.78% during FY2022, FY2023, FY2024, Mar-24 and Mar-25 respectively. The increase from 76.79% in FY2022 to 84.23% in FY2024 is mainly due to the rise in employee costs within the cost of revenue, aimed at completing certain services and projects in-house rather than outsourcing them to external companies.
- Cost of Material Consumed has increased by 57.47% in FY23 and increased by 12.34% in FY24 which is well aligned with the revenue. However, during the Mar-25 period, it showed a negative trend, decreasing by 18.96% despite the rise in revenue compared to the same period in FY24. This includes the cost of equipment and instruments sourced from different vendors around the world along with custom duties, SABER charges and demurrages and other expenses incurred by the company incurred for Trading segment only. The company has long-term agreements with suppliers for specialized goods from various vendors worldwide, such as Elliot Company, Yokogawa, Sundyne International, and Norgren GmbH. Additionally, there has been a change in the product mix, with new value added products being introduced. This has helped the company achieve cost efficiencies.
- Sub-contracting and project material costs includes payment to subcontractors and for material purchased to be used in carrying out long term projects termed as technical services in the revenue section as these projects are combination of providing the materials as well as manpower support to carry out the complete project. It increased by 20.79% in FY23, and during FY24 this expense increased significantly by 172.05%. However, it has increased by 287.66% in Mar-25 when compared to Mar-24. The increase is due to the rise in technical service projects, with the majority of projects showing significant progress or being completed during FY24 and Q1 of FY25.
- Employee Costs increased by 135.09% in FY23 due to an increase in technical staff, which grew from 558 to 1,051. During FY24 it increases by 47.55% as the number of employees continued to grow and reached over 2,000 by the end of December 2024. In March 2025, employee costs saw a significant rise of 64.76% compared to the previous period as total payroll reaches to 2,312 by end of March 2025. The company uses these staff for technical service contracts, which have also increased. Additionally, the company has focused on completing projects internally, utilizing its own employees instead of hiring temporary staff from outsourcing companies in order to maintain quality and consistency in the delivery of projects.
- Depreciation have increased throughout the review period mainly due to the expansion in the business.
- Others mainly includes production expenses for the manufacturing segment, which rose by 321.20% and 163.26% in FY23 and FY24, while income from manufacturing increased by only 35.11%. The company reclassified some expenses in FY22, but in FY23, it allocated all manufacturing-related expenses to "Other Expenses". In March 2025, these expenses saw a slightly decrease of 2.88% as company has achieved savings due to optimum utilization of resources.

6.11.2 Employees' Cost

Employees' costs are distributed across two expense categories: Cost of Revenue and General and Admin Expenses.

Employees' Cost								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Cost of Revenue	34,590,384	81,318,084	135.09%	119,983,315	47.55%	25,880,652	42,640,648	64.76%
General & Admin Expenses	53,237,612	44,522,825	(16.37%)	58,644,144	31.72%	11,814,903	12,337,675	4.42%
Total	87,827,996	125,840,909	43.28%	178,627,459	41.95%	37,695,555	54,978,322	45.85%

Source: Management information

- There was a 43.28% increase in total employees' cost during FY2023, followed by a 41.95% increase from FY2023 to FY2024. This growth was mainly driven by an increase in the total number of employees, which rose from 730 at the end of FY22 to 1190 in FY23 and reached 2080 in FY24. In Mar-25, there was a sharp increase of 45.85% compared to Mar-24. This was due to the continuous growth in the employee count, with the total payroll reaching 2312 by the end of Mar-25.
- There was substantial increase during FY2023 of 135.09% and 47.55% during FY2024 and 64.76% in Mar-25 in the employee cost classified as Cost of Revenue expenses. primarily due to the hiring of additional employees to support new technical projects and the growing demand in the Field Service Department. This department, part of the Technical Services Segment, provides manpower to various companies for short-or long-term projects and offers management assistance as a third-party provider. Additionally, the company hired more staff to handle projects internally, reducing the need for outsourced manpower.
- The Company has increased its Saudi Employees base of Saudi employees to carry out operations, in compliance with Saudization requirements.
- The detailed breakup of employees' cost is as follows:

Employees' Cost – Breakup								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Basic Salary	46,592,240	66,721,231	43.20%	96,768,421	45.03%	20,441,196	34,383,297	68.21%
Bonus and other Incentives	5,223,398	11,335,454	117.01%	13,200,857	16.46%	2,356,549	608,662	(74.17%)
House Allowance	8,079,684	11,207,414	38.71%	15,746,194	40.50%	3,477,203	4,945,719	42.23%
Iqama and Visa	8,115,107	10,029,562	23.59%	16,999,674	69.50%	2,507,291	4,474,574	78.46%
Overtime Fee and Extra Fees	4,305,408	5,671,382	31.73%	7,687,361	35.55%	1,677,977	2,810,180	67.47%
End of Service Benefit	4,684,849	4,829,784	3.09%	6,630,432	37.28%	2,428,961	1,744,273	(28.19%)
Medical Insurance	2,178,609	4,050,198	85.91%	6,817,106	68.32%	-	1,680,538	100.00%
GOSI	2,320,580	3,417,648	47.28%	4,622,192	35.24%	1,012,254	1,620,781	60.12%
Other Allowance	2,382,247	3,105,806	30.37%	2,853,516	(8.12%)	1,956,675	(37,303)	(101.91%)
Transportation Allowance	1,882,386	3,025,669	60.74%	4,125,991	36.37%	930,202	1,309,848	40.81%
Vacation Air ticket Allowance	2,063,488	2,036,735	(1.30%)	3,175,716	55.92%	907,249	1,437,753	58.47%
ESOP	-	410,025	100%	-	(100%)	-	-	0.00%
Total	87,827,996	125,840,909	43.28%	178,627,459	41.95%	37,695,555	54,978,322	45.85%

Source: Management information

- The above table highlights significant growth in employee-related expenses from FY2022 to March 2025, reflecting the Company's expansion and increased headcount. The total expenditure on employees surged from SAR 87.83 million in FY22 to SAR 178.63 million in FY24, marking an overall increase of 103.38%
- This expense has further witnessed 45.85% increase in Mar-25 as compared to Mar-24. This growth aligns with the increase in the number of employees from 730 in FY22 to 2312 in FY25, representing a 216.71% rise. The following are some of the details on expenses listed:
- Basic Salary is the largest expense, growing from SAR 46.59 million in FY22 to SAR 96.77 million in FY24. This 45.03% growth and a rise of 68.21% in Mar-25 as compared to Mar-24 reflects both the rise in the number of employees and adjustments in salary scales to attract and retain talent.

- Housing Allowance is an integral part of salaries of individuals who are not being provided with the housing facility in the company's premises. It increases on the similar pace as the increase in basic salaries as it is correlated to the amount of salary.
- Bonuses and incentives saw the most significant growth among all categories, increasing by 117.01% from SAR 5.22 million in FY22 to SAR 11.34 million in FY23, while it increased by 16.46% during FY24. This amount is dropped in Mar-25 by 74.17% as compared to previous year similar period. Annual Bonus is approved by the Board committee upon profit and it is estimated between 2.5% to 5% of the profit based on individuals and department performances. Beside Bonus, there are several other incentives such as milestone awards, sales and collection incentives.
- Expenses for Iqama and visa increased by 23.59% from SAR 8.12 million in FY22 to SAR 10.03 million in FY23, and by another 69.50% to SAR 16.99 million in FY24. It has grown by 78.46% during first quarter of 2025 when compared with similar period of FY24. This growth trend is due to the increasing number of Expats as presented in previous slide.
- Several other expenses also contributed to the overall increase in employee costs. The Overtime Fee and Extra Fees grew by 31.73%, 35.55% and 67.47% in FY23, FY24 and Mar-25 compared to Mar-24. Medical insurance expenses nearly doubled from SAR 2.18 million in FY22 to SAR 4.05 million in FY23 due to increase in number of employees. The General Organization for Social Insurance (GOSI) contributions grew by 47.28% to SAR 3.42 million in FY23, and by 35.24% to SAR 4.62 million in FY24, reflecting compliance with statutory requirements. The growth trend is visible also in Mar-25 as witnessed from above table.
- For the first time, the Company introduced an Employee Stock Ownership Plan (ESOP) in FY2023, with an expense of SAR 0.41 Mn. The ESOP Program is designed mainly to encourage employees to invest in the Company's shares and benefit from the numerous financial rewards that are associated with the program. Its objective behind ESOP is to gain Employee loyalty, Sense of ownership, Growth-Employee as well as Company.
- Employee Stock Ownership Plan (ESOP) is introduced by the company during FY23, which is a company run program that allocates a portion of the company's shares to all qualified GAS Employees and allows them to own GAS shares through various plans. The categories include:
- Company Funded Plans in which the eligible employees will be awarded a certain number of shares from the company (free of cost) in the form of loyalty awards, annual bonus, and IPO incentive.
- Employee Share Purchase Plans in which the employees have the right to exercise the option to purchase GAS shares as per GAS ESOP program.
- The Company Funded Plans are further divided into 3 categories, details of which are as follows:
- IPO Incentive Share Program applicable to all the employees who have joined GAS on or before October 2022. They are entitled to 105 shares of Company free of cost along with a lock-up period of 24 months. A total of 57,750 shares will be granted to employees under this scheme amounting to the market value at the grant date of SAR 410,025 at the rate of SAR 7.1 per share.
- Loyalty Share Program is the conversion of employee loyalty award into share options which was previously awarding of a prize on completion of years of services in the Company such as 5,10,15 and so on. These shares will not have any lock-up period and will be given on February of every year and will be calculated using the daily average closing prices of GAS share for the preceding month of the date of share allotment.
- Annual Bonus Program is the conversion of 15% of the annual bonus amount into Company's shares. All other conditions will be similar to loyalty share program.
- Employee Share Purchase Plans is also divided into two categories which are as follow:
- Regular Share Purchase Program is applicable to all GAS employees without any preconditions. The employees willing to purchase the shares will be eligible for 15% discount and the amount would be adjusted from salary.
- Share Purchase from End of Service Program is applicable to all GAS employees whose end-of-service balance exceeds SAR 25,000 and have completed 5 years of service with the Company. This is only a one-time option to all eligible employees throughout their entire tenure with the Company. A maximum of 25% of the end-of-service balance with a cap of SAR 500,000 is allowed to be transferred into shares, the remaining 75% will remain as end-of-service balance.

6.11.3 Depreciation

- The Company recorded depreciation and amortization separately in the statement of profit or loss during FY2022. However, these were reclassified into cost of revenue and general and administrative expenses during both the FY2022 and FY2023.
- Depreciation expenses are classified between the cost of revenue and general and administrative expenses are as follows:

Classification of Depreciation Expense				
SAR	FY2022	FY2023	FY2024	March 2025
Cost of revenue	2,220,412	3,686,917	9,611,979	5,343,622
General & administration expenses	2,331,538	2,882,346	3,620,411	1,085,099
Total	4,551,950	6,569,263	13,232,390	6,428,721

Source: Management information

6.11.4 Others

Others mainly include production expenses allocated for manufacturing segments and it increased by 321.20% and 163.26% during FY2023 and FY2024, respectively. During the first quarter of FY2025, it decreased slightly by 2.88% compared to the first quarter of FY2024.

6.12 Gross Profit

Gross profit is calculated by deducting cost of revenue from revenue. Gross profit of the company has increased by 6.94% and 40.02% in FY23 and FY24 respectively. It has witnessed a substantial growth of 54.65% during Mar-25 when compared to Mar-24. This is aligned with the revenue growth along with the fact that company achieved economies of scale due to this growth. As a percentage of revenue, gross profit margin was 23.21%, 17.07%, 15.77%, 16.81% and 17.22% for FY22, FY23, FY24, Mar-24, and Mar-25 respectively.

6.13 General & Administrative Expenses

The following schedule illustrates the general and administrative expenses for the Company for the years FY2022, FY2023, FY2024, Q1 2024 and Q1 2025:

General & Administrative Expenses								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Employees' salaries and benefits	53,237,612	44,522,825	(16.37%)	58,644,144	31.72%	11,814,903	12,337,675	4.42%
Rent expense	2,254,106	2,189,006	(2.89%)	2,321,783	6.07%	675,943	603,326	(10.74%)
Depreciation and Amortization	2,331,538	2,882,346	23.62%	3,620,411	25.61%	784,836	1,085,099	38.26%
Repairs and maintenance expense	1,851,510	2,568,160	38.71%	3,521,375	37.12%	513,047	847,921	65.27%
Insurance expense	475,939	731,274	53.65%	1,200,742	64.20%	86,357	217,562	151.93%
IT expenses	1,324,699	1,772,382	33.80%	2,132,614	20.32%	377,653	689,014	82.45%
Professional, legal and consultation fees	478,097	553,050	15.68%	1,452,887	162.70%	309,273	284,955	(7.86%)
Communication expense	529,219	717,422	35.56%	942,725	31.40%	169,973	233,413	37.32%
Electricity and water expense	836,781	1,040,256	24.32%	1,263,561	21.47%	251,358	194,317	(22.69%)
Travel expenses	2,349,932	3,041,860	29.44%	4,618,723	51.84%	764,515	1,592,799	108.34%
Others	7,883,211	7,805,819	(0.98%)	9,279,652	18.88%	1,676,029	4,057,392	142.08%
Allowance for other provision	-	3,760,000	100.00%	-	(100.00%)	-	-	0.00%
Total	73,552,643	71,584,401	(2.68%)	88,998,617	24.33%	17,423,887	22,143,473	27.09%

Source: Annual Audited financial statements for the years ending December 31, 2023 and 2024, and Management Information

- General and Administrative slightly decreased by 2.68% in FY23, mainly due to the decrease in salaries, and Rent expenses. However, in FY24 general and administrative expenses has further increased by 24.33% due to the overall increase in company's operations that inflated other related expenses such as depreciation, repair and maintenance and Insurance of premises and equipment. A provision of 3.76Mn was also booked against rental income in FY23. In Mar-25 increased by 27.09% compared to the same period in Mar-24.
- The major component of general and administrative expenses relates to employee salaries. However, it is noteworthy that the salaries of sales staff are not classified separately as selling expenses, as the company has not presented any line item for selling expenses in its financial statements.
- Rent Expense includes the rentals of housing provided to employees and some of the warehouses and offices which are not on the long term agreements. This expense decreases by 2.89% in FY23. However, it increased by 6.07% in FY24 as some of the agreements are transferred to right of use asset category hence their expenses are not classified as rent. In Mar-25 reduced by 10.74% compared to the same period in Mar-24.
- Depreciation and amortization includes depreciation of right of use asset and amortization of intangibles along with depreciation of property, plant and equipment. It increased by 23.62% and 25.61% in FY23 and FY24, respectively. In March 2025, it further increased by 38.265% compared to the same period in March 2024. Due to additional capex and additions in right-of-use assets and fixed assets mainly vehicles, machinery and equipment during the review period, the corresponding depreciation expenses also raised.
- Travel Expenses has increased by 29.44% and 51.84% in FY23 and FY24 respectively and further it increases by 108.34% in Mar-25 as compared to Mar-24. These expenses represent fuels of company cars, air tickets, car rental, hoteling expenses, etc. The increase is due to expansion of operations which requires frequent travelling of executives and engineers and project managers.
- Others is the 2nd highest amount in the general and administrative expenses and represent almost 10% to 18% of the total General and admin expenses during the whole review period. It represents the Board meeting allowances for board members, recruitment expenses, training and development expenses, health, safety and cleaning consumables expenses, advertisement expenses and much more.
- Allowance for other provision relates to future rental income from Elster Instromet for the period from August 2024 to July 2026. The property leased by the company is sub-leased to one of its joint ventures, Elster Instromet, until August 2026. Due to the current financial situation of Elster, the management has decided to make a provision for lease dues.

6.13.1 (Allowance) / reversal for expected credit losses

(Allowance) / reversal for expected credit losses								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
(Allowance) / reversal for expected credit losses	1,030,143	(6,433,837)	(724.56%)	(574,157)	(91.08%)	-	(1,084,577)	100.00%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and unaudited interim condensed financial statements for the first quarter period ending March 31, 2025.

It represents the provision made against doubtful debts. It was recorded as a reversal of SAR 1.03 million in FY2022, However, in FY2023 with a significant provision of SAR 6.43 million was recorded. In FY2024, the allowance declined to SAR 574 thousand. During March 2024, no allowance was recorded, while an allowance of SAR 1.08 million was recognized in March 2025. The allowance also includes provisions for other receivables and unbilled receivables. The company managed to recover long-outstanding amounts, which contributed to reducing the allowance and recording reversals during the review period.

6.13.2 Share in results of associates and joint ventures

- Profit share from Associates and Joint Venture is the profit the Company recorded under equity accounting method of IFRS. The Company has overall 8 associates and Joint Ventures.
- These associates and joint ventures sometimes act as sub-contractors of the Company and work in different projects due to their unique expertise in carrying out some technical parts of the projects.

Share in results of associates and joint ventures								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Share of results	32,405,868	39,960,610	23.31%	30,844,623	(22.81%)	5,378,859	(337,624)	(106.28%)
Share of obligation	(1,069,442)	(2,358,087)	120.50%	(2,917,217)	23.71%	(525,414)	(185,454)	(64.70%)
Closing	31,336,426	37,602,523	20.00%	27,927,406	(25.73%)	4,853,445	(523,078)	(110.78%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024 and management information

There are two major Company's which generate majority of the Share of profit from Associates and Joint Ventures that are:

- Yokogawa Services Saudi Arabia Company which is a Joint Venture of Gas Arabian Services and Yokogawa Electric Corporation which is a world-famous Japanese Company to provide electrical solutions for heavy machineries and plants; and
- Elliott Gas Services Saudi Arabia Limited which is the joint venture between GAS Arabian Services and Elliot Turbo Machinery Limited which is a renowned name for Manufacturing and maintenance of turbomachines used in heavy mechanical establishments.
- The Profit increased by 20.00% in FY2023, in line with the company's revenue growth. However, in FY2024, profit declined due to a decrease in profit share from some joint ventures, notably Elliott GAS, whose profit dropped by SAR 19 million compared to FY2023. This decline was partially offset by increases in profit from Yokogawa Service by SAR 7.2 million and Weidmueller by SAR 4.5 million, while other joint ventures saw a combined profit decrease of SAR 2.7 million. Losses from ventures also increased by 25.73% during FY2024. In Mar-25, losses stabilized, but profits from Elliott Gas Services Saudi Arabia dropped sharply by 59.46% (SAR 3.4 million), with Yokogawa Service's profits decreasing by SAR 2.6 million, while Weidmueller experienced a slight increase of SAR 452 thousand in Q1 FY2025 compared to the same period in FY2024.

6.13.3 Other income

The following schedule details the other income for the Company for the years FY2022, FY2023, FY2024, Q1 2024 & Q1 2025:

Other Income								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Rent	3,125,512	3,102,610	(0.73%)	3,079,214	(0.75%)	765,692	507,145	(33.77%)
Others	2,176,490	2,278,097	4.67%	2,447,875	7.45%	183,369	279,727	52.55%
Realised gain on sale of investments at FVTPL- net	(3,757,464)	1,175,436	131.28%	-	(100.00%)	-	-	0.00%
Gains on disposal of property and equipment	19,812	152,285	668.64%	123,959	(18.60%)	13,992	33,150	136.92%
Interest in income on short term investments	-	652,243	100.00%	3,241,530	396.98%	-	1,305,437	100.00%
Total other income	1,564,350	7,360,671	370.53%	8,892,578	20.81%	963,053	2,125,459	120.70%

Source: Audited financial statements for the years ending December 31, 2023 and 2024 and management information

- Other income comprises of several other sources of income of the Company which are not related to the company's core business. This includes rental income from subleasing the company's space to associates and joint ventures, interest on short-term deposits, accounting and other services charged to affiliate companies, gains and losses from investments at fair value through profit and loss, income from services provided to associates and joint ventures, HRDF income, and exchange gains and losses.
- The income increased by 370.53% in FY2023 and by 20.81% in FY2024, driven by higher finance income from short-term deposits, despite significant losses on investments in shares that led to a decline in gains from investment sales following the full disposal of investments in 2023. In Mar-25, the income increased by 120.70% compared to the same period in Mar-24, despite a reduction in rental income caused by decreased rent from Elster.
- Rental income is earned from subleasing the Company's leasehold land and building on these rented properties. This remains stable during the whole review period as most of the Company's properties are rented to the Company's joint ventures.
- Others include service income from providing accounting and administrative services to associates and joint ventures, and exchange gains and losses. In FY2023 increased by 4.67% due to higher finance income. It further increased by 7.45% in FY2024. It then rebounded with a 52.55% increase in Mar-25 compared to the same period in Mar-24.
- Realised gain on sale of investments at FVTPL- net represents the unrealized and realized gains or losses on investment in shares made by the company along with their dividend income In FY22, the company recorded a significant unrealized loss of approximately SAR 3.76 million due to a decline in market values. However, in FY23, the company recovered and realized a gain of SAR 1.18 million, achieving all gains through the disposal of the securities. The securities portfolio was managed by an investment management company which is duly licensed by CMA and company has authorized them to invest the company's fund in Shariah Compliant Shares listed on Saudi Stock Exchange.

6.13.4 Finance cost

Finance cost data from FY22 to FY25 reveals notable trends and shifts in the company's financial management. Overall, there has been a significant decrease in total finance costs, with a marked decline in certain areas and an increase in others. This analysis will break down the key components and their implications.

The following schedule details the finance cost for the Company for the years FY2022, FY2023, FY2024, Q1 2024 and Q1 2025:

Finance Cost								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Finance costs on borrowings	281,631	102,314	(63.67%)	-	(100.00%)	-	80,315	100.00%
Finance cost on leases	74,396	272,503	266.29%	417,604	53.25%	77,149	125,100	62.15%
Other finance charges	1,643,644	1,443,505	(12.18%)	612,484	(57.57%)	724,675	317,703	(56.16%)
Total	1,999,671	1,818,322	(9.07%)	1,030,088	(43.35%)	801,824	523,118	(34.76%)

Source: Annual Audited, Interim Reviewed Financial Statements for the years ending December 31, 2023 and 2024, and Management Information

- Finance costs on borrowings have seen a substantial reduction over the period. From SAR 281,631 in FY22, these costs dropped to SAR 102,314 in FY2023, representing a 63.67% decrease. This downward trend continued in FY2024, with costs falling further to zero, representing a 100.00% decrease from the previous year, the decrease is due to reduced letters of credit, bank guarantees, and improved bank fee management. However, in Mar-25, costs rose again to SAR 80,315, indicating a reappearance of interest charges. The decrease is mainly attributed to lower bank charges, zero borrowing, and a reduction in letters of credit (LC). The amount also includes interest on lease liabilities.
- Finance costs on leases have shown a significant increase. Starting at SAR 74,396 in FY2022, these costs increased by 266.29% to SAR 272,503 in FY2023. This cost further increased by 53.25% in FY2024, reaching SAR 417,604. As of Mar-24, finance costs on leases stood at SAR 77,149, rising by 62.15% in Mar-25 to SAR 125,100. The addition is due to the addition of new leased assets to the company's asset base.
- Other finance charges includes LC (Letter of Credit) and bank guarantee charges, have exhibited fluctuating trends. These charges dropped from SAR 1.64 million in FY22 to SAR 1.44 million in FY23, marking a 12.18% decrease. This category saw a further significant reduction in FY24, with costs decreasing by 57.57% to SAR 612,484. In Mar-25 the company manages to reduce this cost even further by 56.16% as compared to Mar-24. The finance cost of employee benefit liability is not classified here; rather, it is classified under employee cost.

6.13.5 Zakat expense

- Since the Company is controlled by Saudis, the total amount is subject to Zakat and No income tax is applicable. Zakat expense is increasing with the increase in Zakat base during the review period and it increased by 19.71% in FY2023 compared to FY2022. However, it decreased by 18.28% in FY2024 compared to FY2023.
- In March 2025, the current year's Zakat expense remained unchanged at SAR 2,100,000, the same level recorded in March 2024. The overall decline of 8.01% in total Zakat expense is attributed to a settlement related to provisions from previous years.

Zakat Expense								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Current year charge	5,657,674	6,772,735	19.71%	5,535,003	(18.28%)	2,100,000	2,100,000	0.00%
(Over)/under provision for previous year	477,039	14,729	(96.91%)	(865,173)	(5973.94%)	-	(168,118)	(100.00%)
Total	6,134,713	6,787,464	10.64%	4,669,830	(31.20%)	2,100,000	1,931,882	(8.01%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024 and management information

- An adjustment is made each year in the financial statements to account for prior year tax liability, which was initially estimated for financial statement purposes. The actual liability is determined after the audit of the financial statements.

6.13.6 Remeasurement (gain) / loss on employees' defined benefits

The Company grants employees' defined benefit obligations ("defined benefit plan") to its employees under the applicable Saudi Labor Law on the basis of the employees' cumulative periods of service as at the date of the consolidated statement of financial position. The cost of providing benefits under defined benefits programs is determined using the projected unit credit method.

Remeasurement (gain) / loss on employees' defined benefits					
SAR	FY2022	FY2023	↑↓	FY2024	↑↓
Gain due to change in financial assumptions	(4,020,838)	(1,922,037)	(52.20%)	(6,179,420)	221.50%
Loss due to change in demographic assumptions	802,890	1,504,565	87.39%	5,391,508	258.34%
Net remeasurement (gain) / loss	(3,217,948)	(417,472)	(87.03%)	(787,912)	88.73%

Source: Audited financial statements for the years ending December 31, 2023 and 2024.

The remeasurement loss decreased significantly by 87.03% as the Company recorded a net remeasurement gain amounting to SAR 0.42 million in FY2023. However, the gain increased by 88.73% to reach SAR 0.79 million in FY2024. The Company follows the practice of conducting an actuarial valuation on an annual basis, which is considered sufficient under applicable financial reporting standards.

6.14 Statement of Financial Position

The following schedule illustrates the statement of financial position for the Company for the years FY2022, FY2023, FY2024 and first quarter of 2025:

Consolidated Statement of Financial Position							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Property, Plant and Equipment	57,212,337	85,332,948	49.15%	135,057,516	58.27%	140,245,555	3.84%
Rights of use assets	1,002,285	3,793,078	278.44%	6,117,456	61.28%	5,809,774	(5.03%)
Intangible assets	179,951	145,211	(19.31%)	143,979	(0.85%)	124,716	(13.38%)
Investment in joint ventures	91,143,068	106,170,934	16.49%	113,611,697	7.01%	113,949,073	0.30%
TOTAL NON-CURRENT ASSETS	149,537,641	195,442,171	30.70%	254,930,648	30.44%	260,129,118	2.04%
Inventories	27,118,240	61,778,490	127.81%	44,995,854	(27.17%)	40,262,242	(10.52%)
Trade receivables	175,005,194	186,576,454	6.61%	285,913,358	53.24%	398,259,523	39.29%
Prepayments and other receivables	68,564,856	51,553,711	(24.81%)	79,794,405	54.78%	120,877,582	51.49%
Cash and cash equivalents	67,915,356	91,059,388	34.08%	172,692,148	89.65%	41,711,141	(75.85%)
Investment in Fair value through PNL	11,216,264	-	(100.00%)	-	0.00%	-	0.00%
TOTAL CURRENT ASSETS	349,819,910	390,968,043	11.76%	583,395,765	49.22%	601,110,488	3.04%
TOTAL ASSETS	499,357,551	586,410,214	17.43%	838,326,413	42.96%	861,239,606	2.73%
Share capital	158,000,000	158,000,000	0.00%	158,000,000	0.00%	158,000,000	0.00%
Treasury shares	-	(3,224,947)	(100.00%)	(3,279,789)	1.70%	(3,279,789)	0.00%
Statutory reserve	28,721,025	36,867,936	28.37%	-	(100.00%)	-	0.00%
Other reserve	-	410,025	100.00%	410,025	0.00%	410,025	0.00%
Retained earnings	130,447,538	168,637,211	29.28%	249,333,805	47.85%	244,399,508	(1.98%)
TOTAL EQUITY	317,168,563	360,690,225	13.72%	404,464,041	12.14%	399,529,744	(1.22%)
Employee benefits obligations	27,810,098	30,528,688	9.78%	33,735,813	10.51%	35,048,387	3.89%
Lease liabilities	447,100	2,476,538	453.91%	3,391,849	36.96%	3,245,633	(4.31%)
Obligation against investment in associates	6,629,126	8,721,969	31.57%	11,639,186	33.45%	11,824,640	1.59%
TOTAL NON-CURRENT LIABILITIES	34,886,324	41,727,195	19.61%	48,766,848	16.87%	50,118,660	2.77%
Lease liabilities - Current portion	580,165	1,139,284	96.37%	1,853,816	62.72%	2,382,676	28.53%
Trade payables	83,054,771	96,709,699	16.44%	189,841,770	96.30%	183,654,418	(3.26%)
Accruals and other liabilities	23,684,212	49,019,253	106.97%	113,221,691	130.97%	168,014,960	48.39%
Advance from customers	34,325,842	30,273,448	(11.81%)	74,643,243	146.56%	55,439,147	(25.73%)
Zakat Payable	5,657,674	6,851,110	21.09%	5,535,004	(19.21%)	2,100,001	(62.06%)
TOTAL CURRENT LIABILITIES	147,302,664	183,992,794	24.91%	385,095,524	109.30%	411,591,202	6.88%
TOTAL LIABILITIES	182,188,988	225,719,989	23.89%	433,862,372	92.21%	461,709,862	6.42%
TOTAL EQUITY AND LIABILITIES	499,357,551	586,410,214	17.43%	838,326,413	42.96%	861,239,606	2.73%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and unaudited interim condensed financial statements for the three-month period ending March 31, 2025.

6.14.1 Non-Current assets

The following schedule details the non-current assets for the Company for the years FY2022, FY2023, FY2024 and Q1 2025:

NON-CURRENT ASSETS							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Property, Plant and Equipment	57,212,337	85,332,948	49.15%	135,057,516	58.27%	140,245,555	3.84%
Rights of use assets	1,002,285	3,793,078	278.44%	6,117,456	61.28%	5,809,774	(5.03%)
Intangible assets	179,951	145,211	(19.31%)	143,979	(0.85%)	124,716	(13.38%)
Investment in joint ventures	91,143,068	106,170,934	16.49%	113,611,697	7.01%	113,949,073	0.30%
TOTAL NON-CURRENT ASSETS	149,537,641	195,442,171	30.70%	254,930,648	30.44%	260,129,118	2.04%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and unaudited interim condensed financial statements for the three-month period ending March 31, 2025.

Non-current assets comprise of property, plant and equipment, capital work in progress, Intangible assets, right-of- use assets and investments in Joint Ventures and Associates. it has increase substantially by 30.70% in FY23 due to a significant addition in capital work in progress and right of use assets. The company shown a growth of 30.44% in FY24 due to significant increase in right of use assets along-with heavy additions in motor vehicles, machineries and capital work in progress. Non-Current assets witnessed a slight increase by 2.04% in the first quarter of 2025.

Non-current assets constitutes 29.95%, 33.33%, 30.41% and 30.20% of the total assets in FY22, FY23, FY24 and March-25 respectively.

6.14.2 Property and Equipment

- Property, plant and equipment includes freehold land, buildings, machinery and equipment, motor vehicle, furniture and fixture, and Capital work in Progress. It has increased by 49.15% in FY23. The major reason for the increase in FY23 is the additions in vehicles, machinery and equipment and capital work in progress. Due to completion of Zuluf Site Project and addition of vehicles for different purposes, the addition of PPE witnessed 58.27% growth in FY24.
- The addition to the property plant and equipment along with Capital work in progress have notably increased by 148.99% compared to the previous year, driven by the acquisition of four heavy-duty cranes, heavy-duty welding machines, and various vehicles, including cars for management employees and pickup trucks for delivery. In the FY24 period, the company added SAR 61.39 million, with significant investments in the Zuluf Site Project, GAS Tower, generators, excavators, and more. The additions to PP&E during the first quarter of 2025 amounted SAR 11.03 million.
- A brief of additions in Capital work in progress of the company during the review period is as follows:
 - Gas Tower will be used up to the 13th floor for rental purposes, with the remaining floors serving as offices for GAS. This project is currently under construction, with SAR 21.63 million capitalized by 31 March 2025. The estimated total cost ranges from SAR 65 million to 75 million.
 - Zuluf Project site facility which is to be used by employees deployed at the "JGC Arabia" client under the Technical Segment. Upon project completion, it can be dismantled and repurposed for future projects. It was completed and capitalized as Project Site Facility on June 30, 2024.
 - A civil work worth SAR 0.90 Mn has been completed in Dammam on land rented from the Dammam Port Land Authority.
 - PMT Project facility – Royal Commission Project was constructed at a cost of SAR 1.05 Mn and completed in early FY2023 and is used in place of older buildings.
 - A building constructed in FY2022 by GAS, costing SAR 11.2 Mn, was transferred to a related party, Future Prospects Company Limited, at cost as per agreement.
 - Furnitures and fixtures represents addition of general office furniture, fixtures such as ACs and other electronic equipment for new buildings and offices structured and renovated recently.
 - Motor vehicles saw a substantive increase in FY23 and FY24 as a huge capex is been made in Cars which are provided to new employees of operation department due to expansion of business. Along with cars company has procured a number of busses and pickups for transportation of workers and for the transportation of different smaller size equipments and items for general usages.

- Machinery and equipment capex pertains to addition heavy duty welding machines, cranes, and excavators which are to be used by the company for completing project by their own resources while during FY24 a significant addition is witnessed for addition of Generators in Zuluf Site.
- Notable disposals during FY23 pertains to disposal of two damaged cars and eight old cars against their salvage values. While during FY24, the company has made disposal of old YUTONG BUSES and some other cars.
- The additions during Q1 2025, in operational capital expenditure by SAR 11 million, driven by vehicle acquisitions by SAR 4.1 million and investments in equipment and machinery by SAR 1 million. Additionally, there was an increase of SAR 6 million related to CWIP/project site facilities.
- The Company have approved planned expansions in property and equipment including right to use assets.

The following schedule details the property, plant, and equipment for the Company for the years FY2022, FY2023, FY2024 and Q12025:

Property and equipment								
	Freehold Land	Buildings	Furniture, fixture and office equipment	Motor Vehicles	Machinery and equipment	Project facilities	Capital work in progress	Total
Cost:								
Balance at 1 January 2022	20,433,725	28,061,966	4,107,400	13,309,742	8,651,729	-	9,579,768	84,144,330
additions	-	-	275,932	753,750	1,832,756	-	10,712,412	13,574,850
Disposals	-	-	-	(77,000)	(23,301)	-	-	(100,301)
Transfer to related party	-	-	-	-	-	-	(11,200,567)	-
Balance at 31 December 2022	20,433,725	28,061,966	4,383,332	13,986,492	10,461,184	-	9,091,613	86,418,312
Additions	-	168,895	458,850	6,885,895	6,996,549	32,000	19,257,674	33,799,863
Transfer	-	900,068	-	-	-	1,049,100	(1,949,168)	-
Disposals	-	(213,006)	-	(841,417)	(66,667)	-	-	(1,121,090)
Balance at 31 December 2023	20,433,725	28,917,923	4,842,182	20,030,970	17,391,066	1,081,100	26,400,119	119,097,085
Additions	-	79,000	892,162	18,856,789	14,789,400	340,906	26,410,336	61,368,593
Disposals	-	-	-	(796,416)	(858,694)	-	-	(1,655,110)
Transfer	-	-	817,740	-	1,627,000	13,355,212	(15,799,952)	-
Balance at 31 December 2024	20,433,725	28,996,923	6,552,084	38,091,343	32,948,772	14,777,218	37,010,503	178,810,568
Additions	-	-	255,613	4,081,660	821,313	-	5,222,819	10,381,405
Reclassification	-	-	-	30,000	-	620,865	-	650,865
Disposals	-	-	-	(97,650)	-	-	-	(97,650)
Transfer	-	-	-	-	475,000	5,138,222	(5,613,222)	-
Balance at 31-Mar-25	20,433,725	28,996,923	6,807,697	42,105,353	34,245,084	20,536,305	36,620,101	189,745,188

Source: Audited financial statements for the years ended December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ended March 31, 2025, and management information.

Property and equipment								
	Freehold Land	Buildings	Furniture, fixture and office equipment	Motor Vehicles	Machinery and equipment	Project facilities	Capital work in progress	Total
Accumulated depreciation								
at the beginning of FY22	-	7,602,180	3,148,930	9,646,716	4,985,289	-	-	25,383,115
Depreciation for the year	-	1,701,224	373,265	648,567	1,196,930	-	-	3,919,986
Disposals	-	-	-	(77,000)	(20,126)	-	-	(97,126)
Balance at 31 December 2022	-	9,303,404	3,522,195	10,218,283	6,162,093	-	-	29,205,975
at the beginning of FY23	-	9,303,404	3,522,195	10,218,283	6,162,093	-	-	29,205,975
Charge for the year	-	1,830,898	374,412	1,216,332	1,696,963	324,851	-	5,443,456
Disposals	-	(65,502)	-	(784,686)	(35,106)	-	-	(885,294)
Balance at the end of FY23	-	11,068,800	3,896,607	10,649,929	7,823,950	324,851	-	33,764,137
at the beginning of FY24	-	11,068,800	3,896,607	10,649,929	7,823,950	324,851	-	33,764,137
Charge for the year	-	2,440,722	493,864	2,024,095	3,138,719	3,415,614	-	11,513,014
Disposals	-	-	-	(692,812)	(831,287)	-	-	(1,524,099)
Balance at the end of FY24	-	13,509,522	4,390,471	11,981,212	10,131,382	3,740,465	-	43,753,052
at the beginning of FY25	-	13,509,522	4,390,471	11,981,212	10,131,379	3,740,465	-	43,753,050
Depreciation charge for the year	-	332,656	166,178	920,330	1,241,610	3,183,459	-	5,844,232
Disposals	-	-	-	(97,650)	-	-	-	(97,650)
Balance at the end of FY25	-	13,842,180	4,556,653	12,803,889	11,372,989	6,923,920	-	49,499,632
Book Value in 31-March-2025	20,433,725	15,154,743	2,251,044	29,301,464	22,872,095	13,612,385	36,620,100	140,245,555
Book Value in 30-Dec-2024	20,433,725	15,487,401	2,161,613	26,110,131	22,817,390	11,036,753	37,010,503	135,057,516
Book Value in 31-Dec-2023	20,433,725	17,849,123	945,575	9,381,041	9,567,116	756,249	26,400,119	85,332,948
Book Value in 31-Dec-2022	20,433,725	18,758,562	861,137	3,768,209	4,299,091	-	9,091,613	57,212,337

Source: Audited financial statements for the years ended December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ended March 31, 2025, and management information.

6.14.3 Right of use assets

Right-of-use assets have significantly increase by 278.44% in FY23 due to increase in leasehold land from Port land Facility of Dammam having a yearly rent of SAR 942,486 for next five years. It has further increased by 61.28% in FY24 due to addition of further properties. However, it has slightly decreased by 5.03% due to the depreciation of SAR 565k as per IFRS 16 during the Q1-2025.

Right of Use							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Cost							
1-Jan	2,632,558	2,632,558	0.00%	6,478,443	146.09%	9,455,310	45.95%
Additions	-	3,845,885	100%	3,967,895	3.17%	257,544	(93.51%)
Deletion	-	-	-	(991,028)	(100%)	-	100.00%
31-Dec	2,632,558	6,478,443	146.09%	9,455,310	45.95%	9,712,854	2.72%
Accumulated amortization							
1-Jan	1,098,497	1,630,273	48.41%	2,685,365	64.72%	3,337,854	24.30%
Charged during the year/period	531,776	1,055,092	98.41%	1,643,517	55.77%	565,225	(65.61%)
Adjustment	-	-	-	(991,028)	(100%)	-	100.00%
Balance at the end of the year/period	1,630,273	2,685,365	64.72%	3,337,854	24.30%	3,903,079	16.93%
Net book value at the end of the year/period							
As 31-Dec	1,002,285	3,793,078	278.44%	6,117,456	61.28%	5,809,775	(5.03%)

Source: Audited financial statements for the years ended December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ended March 31, 2025, and management information.

- The Company includes right-of-use assets in its books at the start of the lease agreement, specifically, when the underlying asset becomes ready for use. These assets are valued at cost, reduced by any accumulated depreciation and impairment losses, and adjusted for any reassessment of lease obligations. The cost of these assets encompasses the recognized amount of lease liabilities, initial direct costs, and lease payments made prior to or on the commencement date, minus any lease incentives received. Amortization of right-of-use assets occurs on a straight-line basis over the estimated useful life.
- The Company engages in leasing warehouses, factory building and office buildings. The lease agreements range in duration from 2 to 10 years. Additionally, the Company leases the land from Dammam Port Land Facility and Royal Commission for Jubail and Yanbu to construct different offices and warehouses there as well. Eleven properties qualify for Right of use asset and all other are classified as short-term leases and needs not to be classified as Right of Use asset.

6.14.4 Intangible Assets

Intangible Assets							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Cost							
Balance at the beginning of the year/period	941,189	971,189	3.19%	1,007,164	3.70%	1,081,787	7.41%
Addition during the year/period	30,000	35,975	19.92%	74,623	107.43%	-	(100.00%)
Balance at the end of the year/period	971,189	1,007,164	3.70%	1,081,787	7.41%	1,081,787	0.00%
Accumulated amortization							
Balance at the beginning of the year/period	691,048	791,238	14.50%	861,953	8.94%	937,808	8.80%
Charged during the year	100,190	70,715	(29.42%)	75,855	7.27%	19,263	(74.61%)
Balance at the end of the year/period	791,238	861,953	8.94%	937,808	8.80%	957,071	2.05%
Net book value							
at the end of the year/period	179,951	145,211	(19.31%)	143,979	(0.85%)	124,716	(13.38%)

Source: Audited financial statements for the years ended December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ended March 31, 2025, and management information.

- Intangible assets primarily consist of computer software programs, acquired individually are measured at cost upon initial recognition. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if applicable.
- It has decreased by 19.31% during the review period in FY23 and during FY24, it further decreases by 0.85% and it further reduces by 13.38% till 31 March 2025. The major reason for decreasing trend during FY23, FY24 and Q1 of FY25 is the amortization charge of intangibles assets. The company has made major addition of Oracle program during FY21 and other additions pertains to some routine software such as windows licenses etc.

6.14.5 Investment in associates and joint ventures

have increased by 15.31% in FY23 and it increases by 4.64% FY24. This is increased by the share of profit from associates and joint ventures adjusted by the dividend received respectively.

The investment amount of FS Elliot Saudi Arabia Limited and Elster Instromet Services Saudi Arabia is negative during the review period and hence classified as non-current liability as obligation against investment in joint-venture due to the fact that shareholders i.e. joint venture partner have agreed to absorb all the losses in their books and to pay off all the liabilities if any on their behalf.

Investment in Associates and Joint Venture							
Name of associates and joint ventures	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Yokogawa Services Saudi Arabia Company	37,184,363	38,041,589	2.31%	45,026,259	18.36%	41,639,406	(7.52%)
Elliott Gas Services Saudi Arabia Limited	38,833,026	50,823,434	30.88%	44,129,451	(13.17%)	46,476,847	5.32%
FS Elliott Services Saudi Arabia Limited	9,437,607	10,451,136	10.74%	10,542,909	0.88%	10,634,443	0.87%
Weidmular Saudi Arabia Factory	3,461,996	3,755,621	8.48%	8,531,901	127.18%	9,554,766	11.99%
Gas Vector Saudi Arabia Company Limited	1,960,832	3,099,154	58.05%	3,586,321	15.72%	4,010,846	11.84%
TubeFit Engineering Arabian Factory	-	-	0.00%	1,794,856	100%	1,632,765	(9.03%)
FS Elliott Saudi Arabia Limited	(6,629,126)	(7,655,577)	15.48%	(8,756,028)	14.37%	(8,954,389)	2.27%
Elster Instromet Services Saudi Arabia	265,244	(1,066,392)	(502.04%)	(2,883,158)	170.37%	(2,870,251)	(0.45%)
Total at the end of the year/period	84,513,942	97,448,965	15.31%	101,972,511	4.64%	102,124,433	0.15%
Total Recorded in Assets	91,143,068	106,170,934	12.87%	113,611,697	7.01%	113,949,073	0.30%
Total Recorded in Liabilities	(6,629,126)	(8,721,969)	19.24%	(11,639,186)	33.45%	(11,824,640)	1.59%

Source: Audited financial statements for the years ended December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ended March 31, 2025, and management information.

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

Movement in the investment in associates and joint ventures				
SAR	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited	Other associates and joint ventures	Total
At 31 December 2021	33,192,475	35,417,327	12,142,225	80,752,027
Share of results	11,581,888	20,290,526	533,454	32,405,868
Additional investment	-	-	2,450,000	2,450,000
Dividend received	(7,590,000)	(16,874,827)	-	(24,464,827)
At December 31 2022	37,184,363	38,833,026	15,125,679	91,143,068
Share of results	6,962,226	30,552,908	2,445,476	39,960,610
Tax adjustment	-	-	(265,244)	(265,244)
Dividend received	(6,105,000)	(18,562,500)	-	(24,667,500)
At December 31 2023	38,041,589	50,823,434	17,305,911	106,170,934
Share of results	14,176,030	11,868,517	4,800,076	30,844,623
Tax adjustment	-	-	2,350,000	2,350,000
Dividend received	(7,191,360)	(18,562,500)	-	(25,753,860)
At December 31 2024	45,026,259	44,129,451	24,455,987	113,611,697

Movement in the investment in associates and joint ventures

SAR	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited	Other associates and joint ventures	Total
Share of results	(3,386,853)	2,347,395	723,857	26,399
Zakat	-	(342,000)	(22,023)	(364,023)
Dividend received	-	-	-	-
Additional investment	-	-	675,000	675,000
At March 31 2025	41,639,406	46,476,847	25,832,821	113,949,073

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Investments in Associates and Joint Ventures

	FY2022		FY2023		FY2024	
SAR	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited
Current assets	252,664,849	73,875,616	197,044,078	100,110,084	216,801,111	69,553,203
Non-current assets	3,308,205	32,611,866	3,336,987	31,701,619	2,832,642	30,754,094
Current liabilities	(148,057,255)	(32,989,338)	(93,478,748)	(39,470,888)	(96,953,378)	(24,432,929)
Non-current liabilities	(8,862,270)	(1,353,959)	(7,023,839)	(1,904,170)	(6,162,966)	(1,862,118)
Net assets	99,053,529	72,144,185	99,878,478	90,436,645	116,517,409	74,012,250
Reconciliation:						
Company's share in %	33.00%	45.00%	33.00%	45.00%	33.00%	45.00%
Company's share	32,687,665	32,464,883	32,959,898	40,696,490	38,450,745	33,305,513
Add: adjustment for income tax	4,496,698	6,368,143	5,081,691	10,126,944	6,575,514	10,823,938
Carrying amount	37,184,363	38,833,026	38,041,589	50,823,434	45,026,259	44,129,451
Revenue	111,984,058	136,580,273	133,618,340	193,984,120	152,498,614	112,403,319
Profit for the year	37,431,079	46,417,398	24,775,764	68,698,640	45,334,524	28,464,528
Reconciliation						
Company's share	12,352,256	20,887,829	8,176,002	31,234,179	14,960,393	12,490,430
Less: adjustment for income tax	(770,368)	(597,303)	(1,213,776)	(681,271)	(784,363)	(621,913)
Company's share in results	11,581,888	20,290,526	6,962,226	30,552,908	14,176,030	11,868,517

6.14.6 Current assets

The following schedule details the current assets for the Company for the years FY2022, FY2023, FY2024 and first quarter of FY2025:

CURRENT ASSETS							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Inventories	27,118,240	61,778,490	127.81%	44,995,854	(27.17%)	40,262,242	(10.52%)
Trade receivables	175,005,194	186,576,454	6.61%	285,913,358	53.24%	398,259,523	39.29%
Prepayments and other receivables	68,564,856	51,553,711	(24.81%)	79,794,405	54.78%	120,877,582	51.49%
Cash and cash equivalents	67,915,356	91,059,388	34.08%	172,692,148	89.65%	41,711,141	(75.85%)
Investment in Fair value through PNL	11,216,264	-	(100.00%)	-	0.00%	-	0.00%
TOTAL CURRENT ASSETS	349,819,910	390,968,043	11.76%	583,395,765	49.22%	601,110,488	3.04%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Current assets comprise of Inventory, financial assets at fair value through profit and loss, Trade receivables, accounts receivable, prepayments and Cash and cash equivalents.

- Current assets increased by 11.76%, 49.22% and 3.04% in FY23, FY24, and March 2025, respectively. In FY23, the increase was driven by higher inventories and cash and cash equivalents. In FY24, there was an increase in trade receivables, Cash and cash equivalents and advances to suppliers under other receivables. Current assets represents 70.05%, 66.67%, 69.59% and 69.80% of the total assets as of FY22, FY23, FY24 and March 25 respectively.

6.14.7 Inventories

The following schedule provides details of the inventory for the Company for the years, FY2022, FY2023, FY2024 and first quarter of FY2025:

Inventory							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Traded goods	24,463,958	41,706,355	70.48%	45,089,955	8.11%	40,372,842	(10.46%)
Work in progress	2,654,282	20,084,266	656.67%	-	(100.00%)	-	0.00%
Allowance for slow moving inventories	-	(12,131)	100.00%	(94,101)	675.71%	(110,600)	17.53%
Total	27,118,240	61,778,490	127.81%	44,995,854	(27.17%)	40,262,242	(10.52%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

- Inventories comprise of two main components i.e. trading inventory and inventory of manufacturing unit. Trading inventory is further managed by the different divisions and is monitored accordingly. Majority of the specialized trading inventory is being imported from different principals around the world to provide it to the clients on demand.
- It has increased by 127.81% in FY23. While during FY24 it decreases by 27.17% majorly due to delivery of WIP / manufactured inventory to ARAMCO.
- Inventories constituted 7.75%, 15.80%, 7.71% and 6.70% of total current assets in FY22, FY23, FY24 and Q1 of 2025 respectively.
- Inventories are valued at cost or net realizable value, whichever is lower. The cost of inventory is determined based on the average method. Weighted price includes costs incurred to acquire materials for finished goods and raw materials, production or conversion costs and other costs Incurred to deliver inventory to the site in its current condition.
- Net realizable value is the estimated selling price in the ordinary course of business after deducting the estimated costs to complete the sale.
- The trading segment of the Company procures material / inventory for the supplies to the customer based on the supply order received from the customer i.e. Just in time basis. The nature of inventories is customized according to the specification and requirements of the customers.

- Since 2018, the Company has started stocking inventories of renowned suppliers like Bartec, Weidmuller, SKF, Elloit, ELGI etc.
- The nature of the inventory of the Company is non-perishable, although nature of goods is specialized in nature. However, the Company has back-to-back agreements for resale of inventory.
- Inventory in transit refers to inventories which were shipped at the year end but not received by the Company.
- Manufacturing Segment deals in manufacturing of specialized Skids for the clients. The amount appearing in Work in progress pertains to manufacturing segment.
- Modular skids are being manufactured for Saudi Aramco. The company incurred SAR 2.60 million in FY22 and spent an additional SAR 17.4 million to produce 20 skids, which are reflected in the WIP balance of FY23. In FY24, the company successfully manufactured and delivered one bigger consignment of Skids to Saudi Aramco of SAR 29 Mn.
- The nature of the inventory of GAS is non-perishable, although nature of goods are specialized in nature which could lead to total loss of these inventory if the technology changes or the machineries for which these inventories pertain no longer exist to operate.
- The Company has recorded a total provision against slow-moving inventories amounting to SAR 0.1 Mn as of 31 March 2025.

6.14.8 Trade Receivables and Contract Asset

Trade receivable comprise the remaining accounts receivable balance after subtracting the allowance for doubtful accounts. It has increased by 6.61% in FY23. While it has significantly increased by 53.24% in FY24 due to induction of new client such as Saudi Power Procurement and Saudi Arabian Oil Company. It has further increase by 39.29% during first quarter of 2025.

Trade Receivables and Unbilled Revenues							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Trade Receivables	145,212,347	149,927,622	3.25%	190,795,144	27.26%	319,275,918	67.34%
Contact Assets	29,792,847	36,648,832	23.01%	95,118,214	159.54%	78,983,604	(16.96%)
Total	175,005,194	186,576,454	6.61%	285,913,358	53.24%	398,259,522	39.29%

Source: Annual Audited, Interim Reviewed Financial Statements.

The details of Trade receivables are as follows:

Trade Receivables							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
From third parties	145,519,182	155,842,254	7.09%	194,179,505	24.60%	324,080,194	66.90%
From related parties	2,920,542	1,338,872	(54.16%)	4,081,448	204.84%	3,687,013.00	(9.66%)
Total	148,439,724	157,181,126	5.89%	198,260,953	26.14%	327,767,207	65.32%
Less: allowance for expected credit losses	(3,227,377)	(7,253,504)	124.75%	(7,465,809)	2.93%	(8,491,288.00)	13.74%
Net Receivable	145,212,347	149,927,622	3.25%	190,795,144	27.26%	319,275,918	67.34%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

- In compliance with IFRS 15, the Company has further classified its revenue. Receivables are divided into Trade receivables for the trading segment and field services billed on a fixed basis. For other technical services, the Company has created a section for contract assets, representing the difference between the value of work done and the invoices raised.
- During the review period, a clear improvement was observed in the aging of receivables. The proportion of past due balances, particularly in the 30-90 and 91-180 day categories, declined steadily. As of March 2025, receivables older than 180 days represented only 1.7% of the total, down from 10.3% in December 2023. However, the sharp increase in total receivables warrants monitoring to ensure the continued quality and recoverability of receivables.
- Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days. Unimpaired Trade receivables are mainly unsecured and are expected on the basis of the past experience, to be fully recoverable.

- The aging of trade receivables is as follows:

Aging Analysis						
SAR	Total	Current	0-30 Days	30-90 Days	91-180 Days	More than 180 Days
31-Dec-22	148,439,724	83,741,305	21,247,918	20,942,552	7,164,072	15,343,877
31-Dec-23	157,181,126	80,327,279	31,018,086	15,337,414	13,881,983	16,616,364
31-Dec-24	198,260,954	111,774,832	39,416,266	18,521,094	17,129,347	11,419,414
31-Mar-25	327,767,206	184,225,163	69,372,210	41,315,764	17,891,862	14,962,208

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Unbilled revenues increased significantly by 23.01% and 159.54% in financial years 2023 and 2024, respectively, while declining by 16.96% during the first quarter of financial year 2025. The details of unbilled revenues are as follows:

Unbilled revenue							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Value of services provided	116,948,541	133,267,936	13.95%	379,857,278	185.03%	155,220,105	(59.14%)
Less: Amounts invoiced within interim invoices	(87,155,694)	(96,451,394)	10.67%	(284,521,397)	194.99%	(76,004,203)	(73.29%)
Less: Allowance for expected credit losses	-	(167,710)	100.00%	(217,667)	29.79%	(232,298)	6.72%
Net receivables	29,792,847	36,648,832	23.01%	95,118,214	159.54%	78,983,604	(16.96%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

- Unbilled revenue is typically invoiced within one month. However, there are a few minor balances in unbilled revenue that have remained unbilled for more than a year, for which a provision has been made.
- The allowance for expected credit losses increased by 129.95% in FY2023, and by 3.353% in FY2024, followed by an increase of 13.54% in the first quarter of FY2025. This rise is attributed to the overall increase in receivables and changes in the aging categories of assets. The movement in the expected credit losses provision is as follows:

Allowance for Expected Credit Losses							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
As at the beginning of the year/period	4,257,520	3,227,377	(24.20%)	7,421,214	129.95%	7,683,476	3.53%
Charged during the year/period	(1,030,143)	4,193,837	(507.11%)	262,262	(93.75%)	1,040,110	296.59%
As at the end of the year/period	3,227,377	7,421,214	129.95%	7,683,476	3.53%	8,723,586	13.54%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.14.9 Prepayments and other receivables

Prepayments and other receivables mainly include, advances to suppliers, retention receivables, other receivables, due from related parties and prepayments. It decreased by 24.81% in FY23, however, increased by 54.78% and 51.49% in FY24 and first quarter of 2025 respectively.

Prepayments and Other Receivables							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Advance to supplier	40,094,179	17,912,941	(55.32%)	40,037,910	123.51%	77,003,892	92.33%
Advances to employees	491,200	904,313	84.10%	985,630	8.99%	1,545,602	56.81%
Retention receivable	16,468,499	18,058,592	9.66%	24,882,065	37.79%	29,345,085	17.94%
Dividend and other receivables	-	6,105,000	100.00%	-	(100.00%)	-	0.00%
Prepaid expenses	4,715,898	5,905,237	25.22%	11,448,178	93.86%	10,950,657	(4.35%)
Refundable deposit	100,529	112,529	11.94%	122,529	8.89%	122,529	0.00%

Prepayments and Other Receivables							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Due from related parties	6,694,551	2,555,099	(61.83%)	2,237,013	(12.45%)	2,266,180	1.30%
Accrued interest	-	-	-	392,976	100.00%	-	(100.00%)
Less: Allowance for expected credit losses on retention	-	-	0.00%	(311,896)	(100.00%)	(356,363)	14.26%
Total prepayments and other receivables	68,564,856	51,553,711	(24.81%)	79,794,405	54.78%	120,877,582	51.49%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

- Advance to suppliers decreased by 55.32% in FY23. However, it has increased by 123.51% and 92.33% in FY24 and Q1 2025 respectively. The company imports heavy-duty machinery items, requiring advances to suppliers before delivery. Additionally, the company has various LC and Bank Guarantee arrangements to procure goods. Nearly half of the amount i.e. SAR 11.04 Mn is outstanding with suppliers for more than 120 days impacting company cash flows and inventory turnover ratio.
- Retention receivables pertain to long-term company contracts where the contracting party requires some security. Consequently, the party contracting with GAS withholds certain amounts, which are returned after project completion. This amount increased by 9.66% in FY23. Due to increase in long term projects in FY24 the amount has increased by 37.79% at the end of financial year 2024. The highest amount in this account pertains to governments sector amounting to SAR 21.06 Mn as at 31 March 2025. An allowance against these retentions is also created for during FY24 as company is doubtful about receipt of these retention amounts.
- Prepaid expenses include prepaid medical insurance expense, prepaid rent expense, prepaid customs duties expenses, and prepaid amounts of VISA and Iqama expenses. It experienced a 25.22% increase in FY23 followed by a 93.86% increase in FY24 majorly due to increase in prepaid iqama expenses paid for hiring expat employee in the third quarter of FY2024. It decreased by 4.35% during March25.
- Due from related parties are the balances from joint venture and associate companies to whom GAS is providing some other services such admin, accounting and tax consultancy along with any other short-term loan.
- The details of related party prepayments and other receivables are as follows:

Related party prepayments and other receivables							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Elster Instrument Services Saudi Arabia Limited	2,240,000	2,240,000	0.00%	2,240,000	0.00%	2,240,000	0.00%
Gas Vector Saudi Arabia Company Limited	1,787,535	-	(100.00%)	-	0.00%	2,000	100.00%
FS Elliot Saudi Arabia Company Limited	1,286,873	1,286,882	0.00%	1,660,704	29.05%	1,660,938	0.01%
TCR Arabia Company Limited	431,911	307,994	(28.69%)	99,262	(67.77%)	79,749	(19.66%)
FS Elliot Services Company Limited	411,125	411,125	0.00%	411,122	(0.00%)	411,125	0.00%
Weidmular Saudi Arabia Factory	471,173	471,173	0.00%	-	(100.00%)	-	0.00%
Magnetrol Gas	65,934	65,925	(0.01%)	65,925	0.00%	65,925	0.00%
TubeFit Engineers Arabia	-	12,000	100.00%	-	(100.00%)	-	0.00%
Yokogawa Services Saudi Arabia Company Limited	-	-	0.00%	-	0.00%	-	0.00%
Other affiliates / associates	-	-	0.00%	-	0.00%	46,443	100.00%
Total	6,694,551	4,795,099	(28.37%)	4,477,013	(6.63%)	4,506,180	0.65%
Less: provision for due from a related party	-	(2,240,000)	(100.00%)	(2,240,000)	0.00%	(2,240,000)	0.00%
Total	6,694,551	2,555,099	(61.83%)	2,237,013	(12.45%)	2,266,180	1.30%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.14.10 Investments at fair value through profit or loss (FVTPL)

- Financial assets at fair value through profit or loss: The value of the investment is represented in the shares of companies traded in the Saudi stock market for the purpose of trading, and the Company maintains this portfolio with the Company's local brokerage licensed in the Kingdom of Saudi Arabia.
- Investments were recorded at fair value at each year-end. However, the entire investment was fully disposed of during FY2023 once returns turned positive, following realized and unrealized losses recorded in FY2022
- Management believed that excess cash should be invested in Sharia-compliant listed shares on the Saudi Stock Exchange to generate dividend returns and capital appreciation. However, during financial year 2023, the Board of Directors decided to completely exit this project to invest in capital expenditures and new joint ventures.

Financial assets at fair value through profit and loss					
SAR	FY22	FY23	↑↓	FY24	Q24
As at the beginning of the year/period	12,771,710	11,216,264	(12.18%)		-
Additions during the year/period	37,815,656	23,729,044	(37.25%)		-
Disposals during the year/period	(37,190,954)	(37,125,456)	(0.18%)		-
Revaluation Loss/Gains	(2,180,148)	2,180,148	200.00%		-
As at the end of the year/period	11,216,264	-	(100.00%)	-	-

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.14.11 Cash at Banks

Cash at Bank							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Cash at Bank	67,915,356	91,059,388	34.08%	40,192,148	(55.86%)	41,711,141	3.78%
Short term deposit	-	-	0.00%	132,500,000	100.00%	-	(100.00%)
Total	67,915,356	91,059,388	34.08%	172,692,148	89.65%	41,711,141	(75.85%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Cash at Bank increased during the review sustainably as it increases by 34.08% in FY23. While it decreased by 55.86% in FY24 while it transfers surplus cash to short term deposit during this period. During FY25, it raises by 3.78% while the short-term deposit was utilized in making up the working capital of the company.

6.15 Equity

The following schedule details the equity for the Company for the years FY2022, FY2023, FY2024 and the three-month period ending March 2025.

EQUITY							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Share capital	158,000,000	158,000,000	0.00%	158,000,000	0.00%	158,000,000	0.00%
Treasury shares	-	(3,224,947)	(100.00%)	(3,279,789)	1.70%	(3,279,789)	0.00%
Statutory reserve	28,721,026	36,867,936	28.37%	-	(100.00%)	-	0.00%
Other reserve	-	410,025	100.00%	410,025	0.00%	410,025	0.00%
Retained earnings	130,447,538	168,637,211	29.28%	249,333,805	47.85%	244,399,508	(1.98%)
TOTAL EQUITY	317,168,564	360,690,225	13.72%	404,464,041	12.14%	399,529,744	(1.22%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Equity includes share capital, statutory reserve, treasury shares, other reserves and retained earnings.

- Equity has Increased during FY23 by 13.72% due to the increase in retained earnings. By the end of 2024 the company has maintained the growth by 12.14% due to additional profits even after distribution of dividend. While maintaining the level of Equity without noticeable change till the end of March 2025.
- Share capital is divided into 158,000,000 shares of SR 1 each (2022: 15,800,000 shares of SR 10 each). During the year, in the Extraordinary General Meeting held on August 08, 2023, the shareholders have approved to reduce the nominal value of shares from SR 10 per share to SR 1 per share and increased the number of shares from 15.8 Mn shares to 158 Mn shares. The effect of reducing the nominal value of shares is being reflected on Tadawul for trading.
- With the implementation of the new Saudi Companies Law, which came into effect on January 19, 2023, the requirement to maintain the statutory reserve, as stipulated in the previous legislation, has been abolished. On 08 August 2024, 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.
- During the year 2023; on various dates, the management has repurchased 31,484 shares amounting to SAR 2.50 Mn of the Company as buy back of shares and is keeping those shares as treasury shares. The buyback of shares was approved by the shareholders of the Company in Extraordinary General Meeting held on April 10, 2023, by authorizing the Board of Directors to repurchase 200,000 shares and keep them as treasury shares since the management believes the share price being less than its fair value in the market. The repurchase is to be completed within one year of the approval and to be kept no longer than five years from the date of the approval.
- 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 Share Option Scheme ("ESOP").
- From 2023-2024, the Company repurchased all 100,000 shares for SAR 779,837 and created a reserve of SAR 410,025 for the share issuance in future.
- On August 8, 2023, the EoGM approved shares split by reducing the nominal value from SAR 10 to SAR 1 per share. On May 14, 2024, the EoGM approved to change the purpose of treasury shares to the ESOP.
- Retained earnings has increased by 29.28% in FY23 and 47.85% in FY24, with the fluctuation primarily driven by profits and dividend payouts, as detailed in the Business Overview. The company generated SAR 81 million in profits while distributing significant dividends, including SAR 47.2 million as the final dividend for FY23 and SAR 23.6 million as the interim dividend for FY24, covering a substantial portion of the profits earned to date.
- The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average of the outstanding shares.

Earnings per share				
	FY22	FY23	FY24	March 25
Net profit after zakat	67,384,817	81,469,112	113,955,737	31,310,290
Weighted average number of shares for basic EPS calculation	158,000,000	157,773,377	157,587,812	158,000,000
Weighted average number of shares - ESOP	-	18,911	409,276	-
Weighted average number of shares of repurchased shares	-	207,712	2,912	-
Weighted average number of shares for calculation for diluted earnings per share	158,000,000	158,000,000	158,000,000	158,000,000
Earnings per share (EPS):				
Basic	0.43	0.52	0.72	0.2
Diluted	0.43	0.52	0.72	0.2

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.15.1 Contingencies and Commitments

As of March 31, 2025, the Company had outstanding letters of guarantee amounting to SAR 384.5 million (December 31, 2024: SAR 374.8 million), issued by local banks on behalf of the Company in the ordinary course of business. In addition, the Company had capital commitments of SAR 3.7 million (December 31, 2024: SAR 9.2 million) related to the construction of its new office building.

6.15.2 Non-Current liabilities

The following schedule details the non-current liabilities for the Company for the years FY2022, FY2023, FY2024 and March 25:

NON-CURRENT LIABILITIES							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Employee benefits obligations	27,810,098	30,528,688	9.78%	33,735,813	10.51%	35,048,387	3.89%
Lease liabilities	447,100	2,476,538	453.91%	3,391,849	36.96%	3,245,633	(4.31%)
Obligation against investment in associates	6,629,126	8,721,969	31.57%	11,639,186	33.45%	11,824,640	1.59%
TOTAL NON-CURRENT LIABILITIES	34,886,324	41,727,195	19.61%	48,766,848	16.87%	50,118,660	2.77%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Non current liabilities comprise of Employees' benefits obligations, lease liabilities and Obligation against investment in associates, it has Increased by 19.61% and 16.87% in FY23 and FY24 respectively. It furthers increases by 2.77% till 31 March 2025.

6.15.2.1 Obligation against investment in joint venture

- The obligation against investment in joint venture increased by 31.57% during FY2023, and by 33.45% in 2024, with a slight further increase of 1.59% by the end of March 2025.
- This obligation relates to the investment in associates, specifically two companies in which the Company holds a share with negative equity. Due to commitments towards creditors and other stakeholders, the Company recognized the obligation to absorb all losses of the two companies, in agreement with the other joint venture partner.
- FS-Elliott Saudi Ltd. has continued to incur losses, resulting in a significant reduction in its carrying value in the Company's books during the review period. The value decreased from negative SAR 8.77 million to negative 8.95 million by the end of March 2025, thereby increasing the obligation.
- Elster Instromet Saudi Arabia for Services Ltd. incurred significant losses during the review period, leading to the erosion of its equity. As of the end of March 2025, the company reported negative equity of SAR 2.87 million, which is reflected as an obligation in the financial statements of GAS.

Movement in the obligation against investment in associates and joint ventures is as follows:

Obligation against investment in joint venture							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
As of beginning of year / period	5,559,684	6,629,126	19.24%	8,721,969	31.57%	11,639,186	33.45%
Tax settlements	-	(265,244)	0.00%	-	0.00%	-	0.00%
Portion of the obligation during the year/period	1,069,442	2,358,087	120.50%	2,917,217	23.71%	185,454	-93.64%
Balance at the end of the year / period	6,629,126	8,721,969	31.57%	11,639,186	33.45%	11,824,640	1.59%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.15.2.2 Employees' defined benefit liabilities

In accordance with the provisions of IAS 19 – Employee Benefits, the management engaged an independent actuary to carry out a valuation of the present value of its defined benefit obligations relating to employee benefits due under local regulations and relevant contractual arrangements. The provision is recognized based on the actuarial valuation report.

Movement in Employees Benefits commitment (Expense for the Year)					
SAR	FY22	FY23	↑↓	FY24	↑↓
Balance at beginning of year	32,319,739	32,681,568	1.12%	35,565,158	8.82%
Current service cost	3,478,495	3,489,261	0.31%	4,978,860	42.69%
Interest cost	1,238,298	1,340,523	8.26%	1,659,733	23.81%
Benefits paid	(1,137,016)	(1,528,722)	34.45%	(1,974,789)	29.18%
Re-measurement (Gain) / Loss	(3,217,948)	(417,472)	(87.03%)	(787,912)	88.73%
Ending liability (as per Calculation)	32,681,568	35,565,158	8.82%	39,441,050	10.90%
Less: Advances against employees' defined benefit liabilities	(4,871,470)	(5,036,470)	3.39%	(5,705,237)	13.28%
Balance at ending of year	27,810,098	30,528,688	9.78%	33,735,813	10.51%

Source: Audited financial statements for the years ending December 31, 2023 and 2024

- The benefit provided by this plan is a lump sum based on the employees' final salaries and allowances and their cumulative years of service at the date of termination of employment.
- These obligations relate to employee benefits as stipulated in local regulations and contractual agreements. The defined benefit obligations increased by 9.78% and 10.51% in FY2023 and FY2024, respectively.
- Net benefit expense recognized in profit or loss is as follows:

Net benefit expense recognized in profit or loss					
SAR	FY22	FY23	↑↓	FY24	↑↓
Current service cost	3,478,495	3,489,261	0.31%	4,978,860	42.69%
Interest cost	1,238,298	1,340,523	8.26%	1,659,733	23.81%
Net benefit expense	4,716,793	4,829,784	2.40%	6,638,593	37.45%

Source: Audited financial statements for the years ending December 31, 2023 and 2024.

Net remeasurement (gain) / loss recognized in other comprehensive income is as follows:

Remeasurement (gain) / loss recognized in other comprehensive income					
SAR	FY2022	FY2023	↑↓	FY2024	↑↓
Gain due to change in financial assumptions	(4,020,838)	(1,922,037)	(%52.20)	(6,179,420)	%221.50
Loss due to change in demographic assumptions	802,890	1,504,565	87.39%	5,391,508	258.34%
Net benefit expense	(3,217,948)	(417,472)	(87.03%)	(787,912)	88.73%

Source: Audited financial statements for the years ending December 31, 2023 and 2024.

6.15.2.3 Lease liabilities non-current portion

Lease liabilities non-current portion represent expected payments to be made under lease agreements for branches. These liabilities are recognized in accordance with IFRS 16: Leases, which requires all leases to be recognized as finance lease (except for low value leases and short-term leases).

Movement of lease liabilities							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
As of beginning of year / period	1,468,964	1,027,265	(30.07%)	3,615,822	251.99%	5,245,665	45.08%
Additions	-	3,845,885	100.00%	3,967,895	3.17%	257,544	(93.51%)
Interest accrual	74,396	272,503	266.29%	417,604	53.25%	125,100	(70.04%)
Paid during the year / period	(516,095)	(1,529,831)	196.42%	(2,755,656)	80.13%	-	(100.00%)
Balance at ending of year/ period	1,027,265	3,615,822	251.99%	5,245,665	45.08%	5,628,309	7.29%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

The Company has contracts for leasehold land (leasehold land contract includes office building, workshop facility etc.). These leases generally have term between 2 to 10 years. Lease liabilities increased by 251.99% in FY2023 due to the addition of lease obligations amounting to SAR 3.8 million. In FY2024, the obligations increased by an additional SAR 3.9 million, while the Company settled SAR 2.7 million of these liabilities, resulting in a net increase of 45.08%, mainly due to the addition of three properties. During the first quarter of FY2025, an obligation of SAR 257,544 was added. They further increased by 3.89% as of March 2025. The Company follows the practice of conducting an actuarial valuation on an annual basis.

Lease liabilities as at year end are as follows:

Lease Maturity				
SAR	FY22	FY23	FY24	March 25
Current portion	580,165	1,139,284	1,853,816	2,382,676
Non-current portion	447,100	2,476,538	3,391,849	3,245,633
	1,027,265	3,615,822	5,245,665	5,628,309

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and management information.

6.16 Current liabilities

The following schedule details the current liabilities for the Company for the years FY2022, FY2023, FY2024 and Q2025:

CURRENT LIABILITIES							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Lease liabilities - Current portion	580,165	1,139,284	96.37%	1,853,816	62.72%	2,382,676	28.53%
Trade payables	83,054,771	96,709,699	16.44%	189,841,770	96.30%	183,654,418	(3.26%)
Accruals and other liabilities	23,684,212	49,019,253	106.97%	113,221,691	130.97%	168,014,960	48.39%
Advance from customers	34,325,842	30,273,448	(11.81%)	74,643,243	146.56%	55,439,147	(25.73%)
Zakat Payable	5,657,674	6,851,110	21.09%	5,535,004	(19.21%)	2,100,001	(62.06%)
TOTAL CURRENT LIABILITIES	147,302,664	183,992,794	24.91%	385,095,524	109.30%	411,591,202	6.88%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

- Current liabilities mainly include short-term borrowings, lease liabilities – current portion, trade payables, other payables and accruals, and Zakat provision. Current liabilities increased by 24.91% in FY2023, primarily driven by a rise in trade payables and accruals. In FY2024, current liabilities surged by 109.30%, mainly due to a significant 146.56% increase in contract liabilities. Previously, these advances were classified under “Trade payables and accruals,” but their substantial growth in FY2024 prompted the Company to present them as a separate line item in the financial statements to enhance clarity and presentation. For consistent comparison over the review period, this classification has been applied retrospectively.
- Current liabilities further increased by 6.88% in the first quarter of 2025, mainly due to an increase in other payables and accruals.
- The company is subject to Zakat at a rate of 2.5% of the zakat base or the adjusted net profit, whichever is greater. According to zakat regulations, the primary elements of the zakat base include equity and provisions at the start of the year, as well as the adjusted net profit minus the net book value for non-current assets.
- The current portion of lease liabilities relates to contracts with a term of 12 months or less. It increased by 96.37% in FY2023, followed by further increases of 62.72% in FY2024 and 28.53% as of March 31, 2025.

6.16.1 Accounts Payables

- Account payables includes the amount payable to suppliers including invoiced and un-invoiced along with payable to related party such as Joint ventures, affiliate and associates. It has increased by 16.44% in FY23. It further increases by 96.30% in FY24. however, it decreased slightly by 3.26% in 31 of march 2025.

Account Payables							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Third party payable	82,480,863	95,408,573	15.67%	186,449,803	95.42%	179,316,332	(3.83%)
Related party payable	573,908	1,301,126	126.71%	3,391,967	160.69%	4,338,086	27.89%
Total	83,054,771	96,709,699	16.44%	189,841,770	96.30%	183,654,418	(3.26%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

The Company has to pay in advance to some of the key supplier to import the goods from international supplier. The details of related party accounts payables are as follows:

Accounts Payable- Related Party Transactions							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
FS Elliot Services Company Limited	8,600	108,123	1157.24%	-	(100.00%)	-	0.00%
Yokogawa Services Saudi Arabia Company Limited	406,301	887,071	118.33%	2,277,938	156.79%	3,081,422	35.27%
Gas Vector Saudi Arabia Company Limited	43,521	12,613	(71.02%)	146,972	1065.24%	182,569	24.22%
Wedmular Company Limited	59,675	189,839	218.12%	451,914	138.05%	232,565	(48.54%)
Elster Instromet Saudi Arabia Company Limited	42,694	-	100.00%	-	0.00%	-	0.00%
Eagle Burgmann Saudi Arabia Company Limited	2,320	735	(68.32%)	-	(100.00%)	-	0.00%
TCR Arabia Company Limited	10,797	13,636	26.29%	45,675	234.96%	107,991	136.43%
First Insurance & Reinsurance Broker Company	-	12,757	100.00%	24,627	93.05%	-	(100.00%)
Other affiliates/associates	-	-	0.00%	-	0.00%	-	0.00%
SGB Al-Dabal Company Limited	-	76,352	100.00%	444,841	482.62%	733,539	64.90%
Total accrued expenses and other liabilities	573,908	1,301,126	126.71%	3,391,967	160.69%	4,338,086	27.89%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.16.2 Accruals and other liabilities

- Accruals and other liabilities primarily include accrued expenses, customer advance payments, employee-related accruals, other payables, VAT, and amounts owed to related parties. These liabilities experienced substantial growth of 106.97%, 130.97% and 48.39% during financial years 2023, 2024 and March 2025, respectively. This increase is largely driven by accrued expenses, which reflect costs incurred for completed work not yet invoiced by vendors due to procedural requirements such as inspections and testing.

Accruals and other liabilities							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Accrued expenses	12,317,286	28,763,856	133.52%	91,860,895	219.36%	135,254,038	47.24%
Employee's related accruals	4,761,511	11,423,462	139.91%	17,382,222	52.16%	10,336,772	(40.53%)
Other payables	7,098	3,760,000	52872.67%	3,801,594	1.11%	3,865,627	1.68%
Vat payables net	6,598,317	5,071,935	(23.13%)	176,980	(96.51%)	18,558,523	10386.23%
Total accrued expenses and other liabilities	23,684,212	49,019,253	106.97%	113,221,691	130.97%	168,014,960	48.39%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

Contract Liabilities							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
Contract liabilities	34,325,842	30,273,448	(11.81%)	74,643,243	146.56%	55,439,147	(25.73%)

- Advance payment from customers decreased by 11.81% in FY2023. However, they rose sharply by 146.56% in FY2024. Currently, approximately SAR 35 million of the balance relates to Aramco for services to be delivered under technical service agreements. The Company follows strict customer management policies, requiring all new customers to make advance payments due to the specialized nature of its goods and services.
- Employee payables represent provisions for bonuses and accrued social insurance contributions at year-end. These provisions increased by 139.91% and 52.16% in FY2023 and FY2024, respectively. However, it decreased by 40.53% as of March 2025. The main component relates to bonuses, as detailed below:
 - December 2024: Total SAR 17.38 million (Bonus: SAR 12.29 million, GOSI: SAR 0.6 million)
 - December 2023: Total SAR 11.42 million (Bonus: SAR 10.88 million, GOSI: SAR 0.5 million)
 - December 2022: Total SAR 4.76 million (Bonus: SAR 4.4 million, GOSI: SAR 0.3 million)
- Other payables witnessed a significant increase in FY2023, rising by SAR 3.76 million, followed by a slight increase of 1.11% in FY2024 and 1.68% by the end of March 2025. The SAR 3.76 million mainly represents a provision for expected losses from the joint venture, Elster Instromet Saudi Arabia for Services Ltd., related to two years of unpaid rent (USD 450,000 per year). GAS leased office space to Elster Instromet Saudi Arabia for Services Ltd., and under the agreement, the joint venture is obligated to pay rent for the next two years. However, due to the joint venture's financial position, it is unlikely that they will be able to fulfill this obligation, prompting management to recognize a provision for unpaid rent.
- GAS has leased office space to Elster Instrument, and under the contract, the JV is obligated to pay rent for the next two years. However, due to the JV's financial situation, it is unlikely they will be able to meet this obligation, leading management to create a provision for the unpaid rent.
- VAT payable represents the difference between input and output taxes owed to the government. This figure decreased by 23.13% and 96.51% in financial years 2023 and 2024 respectively. While during March 25 VAT payable amounted SAR 18.55 million. These amounts fluctuate based on the filing of VAT returns and payments made to the government.
- Accrued expenses mainly represent the payable to different general vendors i.e. project teams and outsourcing partners as to match the unbilled revenue an accrual is made for expenses incurred on assumption basis. It increased by and by 133.52% in FY23. This is due to increase in overall operations and unbilled revenues. It increases significantly during FY24 by 219.36% as a significant increase in accruals for payment to suppliers of services against technical service contracts. It has further increase by 47.24% in 31 March 2025.

6.16.3 Short term loans

- During FY22, the company acquired significant short-term borrowings in comparison to FY24, primarily attributed to the COVID-19 pandemic to fulfill its working capital needs, the company seeks short-term loans. Nonetheless, the company successfully repaid all loans within a year, as demonstrated by the movement of short-term loans outlined in the table below:

Short Term Loans							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
At beginning of the year	9,164,276	-	(100.00%)	-	0.00%	-	0.00%
Additions during the year	21,271,088	3,500,000	(83.55%)	-	0.00%	13,250,000	100.00%
Paid during the year	(30,716,995)	(3,602,314)	(88.27%)	-	0.00%	(13,250,000)	100.00%
Interest accrued during the year	281,631	102,314	(63.67%)	-	0.00%	-	0.00%
Total	-	-	0.00%	-	0.00%	-	0.00%

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.16.4 Provision for Zakat

The Company is subject to Zakat at a rate of 2.5% of the zakat base or the adjusted net profit, whichever is greater. According to zakat regulations, the primary elements of the zakat base include equity and provisions at the start of the year, as well as the adjusted net profit minus the net book value for non-current assets. Movement in the Zakat provision is as follows,

Movement Zakat Provision							
SAR	FY22	FY23	↑↓	FY24	↑↓	March 25	↑↓
At the beginning year	4,620,642	5,657,674	22.44%	6,851,110	%21.09	5,535,004	(19.21%)
Charged during the year	5,657,674	6,772,735	19.71%	5,535,003	(%18.28)	2,100,000	(62.06%)
Paid during the year	(5,097,681)	(5,594,028)	9.74%	(6,064,309)	%8.41	(5,366,884)	(11.50%)
Paid for prior years	-	78,375	100.00%	47,131	(%39.86)	-	(100.00%)
Adjustments to prior year provision	477,039	(63,645)	(113.34%)	833,931	1210.29%	(168,118)	(79.84%)
At the end of year	5,657,674	6,851,111	21.09%	5,535,004	(%19.21)	2,100,001	(62.06%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and management information.

6.17 Statement of Cash Flow

The following schedule illustrates the cash flow statement of the Company for the years FY2022, FY2023, FY2024, Q1 2024 and Q1 2025:

Statement of Cash Flow								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Cash flow from operating activities:								
Net profit before zakat	73,519,530	88,256,576	20.05%	118,625,567	34.41%	23,407,886	33,242,172	42.01%
Adjustments for:								
Depreciation of property and equipment	3,919,986	5,443,456	38.86%	11,513,014	111.50%	2,040,100	5,844,232	186.47%
Depreciation of right-of-use assets	531,776	1,055,092	98.41%	1,643,517	55.77%	310,533	565,226	82.02%
Amortisation of intangible assets	100,190	70,715	(29.42%)	75,855	7.27%	17,487	19,263	10.16%
Gain on disposal of property and equipment	(19,812)	(152,285)	668.65%	(123,959)	(18.60%)	(13,992)	(33,150)	136.92%
Finance costs	1,999,672	1,818,322	(9.07%)	1,030,088	(43.35%)	801,824	523,118	(34.76%)
Share in results of associates and joint ventures	(31,336,426)	(37,602,523)	20.00%	(27,927,406)	(25.73%)	(4,853,447)	523,078	(110.78%)
(Reversal) / allowance for expected credit loss	-	6,433,837	100.00%	574,157	(91.08%)	-	1,084,577	100.00%
Share to be issued under ESOP	-	410,025	100.00%	-	(100.00%)	-	-	0.00%
Provision for employees' defined benefit liabilities	4,716,793	4,829,784	2.40%	6,638,593	37.45%	2,418,036	1,684,785	(30.32%)
Realised gain on sale of investments at FVTPL- net	-	1,004,712	100.00%	-	(100.00%)	-	-	0.00%
Unrealized loss on investments at FVTPL	1,618,624	(2,180,148)	(234.69%)	-	(100.00%)	-	-	0.00%
	55,050,333	69,387,563	26.04%	112,049,426	61.48%	24,128,427	43,453,301	80.09%
Changes in:								
Accounts receivable and unbilled revenue	37,402,651	(18,005,097)	(148.14%)	(99,911,061)	454.90%	(22,442,299)	(113,430,742)	405.43%
Prepayments and other receivables	(28,073,286)	17,011,145	(160.60%)	(28,240,694)	(266.01%)	(4,444,282)	(41,083,177)	824.41%
Inventories	(3,695,562)	(34,660,250)	837.89%	16,782,636	(148.42%)	641,977	4,733,612	637.35%
Accounts payable	(12,316,930)	13,654,928	(210.86%)	93,132,071	582.04%	18,239,991	(6,187,352)	(133.92%)
Contract Liabilities	-	(4,052,394)	(100%)	44,369,795	(1194.90%)	6,395,336	(19,204,096)	(400.28%)
Accruals and other liabilities	25,254,942	25,335,041	0.32%	64,202,438	153.41%	9,502,708	54,793,269	476.61%
Cash flows generated from/ (used in) operations	73,622,148	68,670,936	(6.73%)	202,384,611	194.72%	32,021,858	(76,925,185)	(340.23%)
Finance costs paid	(1,643,645)	(1,545,819)	(5.95%)	(612,484)	(60.38%)	(724,681)	(398,018)	(45.08%)
Zakat paid	(5,097,681)	(5,594,028)	9.74%	(5,985,936)	7.01%	-	(5,366,885)	(100.00%)
Employees' defined benefit liabilities paid including advances	(1,179,008)	(1,693,722)	43.66%	(2,643,556)	56.08%	(829,010)	(372,211)	(55.10%)
Net cash flows generated from operating activities	65,701,814	59,837,367	(8.93%)	193,142,635	222.78%	30,468,167	(83,062,299)	(372.62%)
Cash flows from investing activities:								
Purchase of property and equipment	(2,374,283)	(33,799,863)	1323.58%	(61,368,593)	81.56%	(7,300,000)	(11,032,271)	51.13%
Purchases of intangibles	(30,000)	(35,975)	19.92%	(74,623)	107.43%	-	-	0.00%
Proceeds from disposal of property and equipment	22,987	388,081	1588.26%	254,970	(34.30%)	79,990	33,150	(58.56%)
Purchase of investments at FVTPL	(37,815,656)	(23,729,044)	(37.25%)	-	(100.00%)	-	-	0.00%
Sale of investments at FVTPL	37,752,510	36,120,744	(4.32%)	-	(100.00%)	-	-	0.00%
Additional investment in existing associate	(2,450,000)	-	(100%)	(2,350,000)	100.00%	(2,350,000)	(675,000)	(71.28%)
Dividends received from associates and joint ventures	24,464,827	24,667,500	0.83%	25,753,860	4.40%	8,437,500	-	(100.00%)

Statement of Cash Flow								
SAR	FY2022	FY2023	↑↓	FY2024	↑↓	March 2024	March 2025	↑↓
Net cash used in investing activities	19,570,385	3,611,443	(81.55%)	(37,784,386)	(1146.24%)	(1,132,510)	(11,674,121)	930.82%
Cash flows from financing activities:								
Purchase of treasury shares	-	(3,224,947)	(100.00%)	(54,842)	(98.30%)	-	-	0.00%
Proceeds from short term loans	21,271,088	3,500,000	(83.55%)	-	(100.00%)	-	-	0.00%
Repayments of short-term loans including interest	(30,716,995)	(3,500,000)	(88.61%)	-	(100.00%)	-	-	0.00%
Payment of principal portion of lease liabilities	(516,095)	(1,529,831)	196.42%	(2,755,656)	80.13%	-	-	0.00%
Dividends paid to shareholders	(31,600,000)	(35,550,000)	12.50%	(70,914,991)	99.48%	-	(36,244,587)	(100.00%)
Net cash used in financing activities	(41,562,002)	(40,304,778)	(3.02%)	(73,725,489)	82.92%	-	(36,244,587)	(100.00%)
Net change in cash and cash equivalents	43,710,197	23,144,032	(47.05%)	81,632,760	252.72%	29,335,657	(130,981,007)	(546.49%)
Cash and cash equivalents at the beginning	24,205,159	67,915,356	180.58%	91,059,388	34.08%	91,059,388	172,692,148	89.65%
Cash and cash equivalents at end of the year	67,915,356	91,059,388	34.08%	172,692,148	89.65%	120,395,045	41,711,141	(65.35%)

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

6.18 Cash from operating activities

Cash generated from operating activities decreased by 8.93% in FY23 compared to FY22, then increased significantly by 222.78% in FY24 due to improved performance and higher collections. However, they sharply declined by 372.62% in Mar-25 compared to Mar-24, mainly due to a substantial increase in accounts receivable and unbilled revenue, which negatively impacted operating cash flows.

6.19 Cash from investing activities

Cash used in investing activities has decreased significantly over the period. In FY22, the company generated positive cash flows of SAR 19.57 million from investing activities, which dropped by 81.55% to SAR 3.61 million in FY23. In FY24, cash outflows surged to SAR 37.78 million, a decrease of 1146.24% compared to the previous year, mainly due to higher capital expenditures and investments. In Mar-25, cash outflows further increased by 930.82% compared to Mar-24, reflecting continued growth in investments and additions to property, plant, and equipment.

6.20 Cash from financing activities

Cash used in financing activities decreased slightly by 3.02% from FY22 to FY23. However, it increased significantly by 82.92% in FY24, mainly due to higher dividend payments compared to previous years. No cash flows were recorded in Mar-24, while in Mar-25, cash outflows amounted to SAR 36.24 million, reflecting Dividend paid to shareholders.

Due to the above-mentioned reasons cash and cash equivalents at the end of the year increased by 43.71 million in FY22 but then declined by 47.05% to 23.14 million in FY23. In FY24, the

cash position improved significantly, increasing by 252.72% to 81.63 million. However, in Mar-25, cash and cash equivalents decreased sharply by 546.49% compared to Mar-24, mainly due to payments made to suppliers and dividend payments.

6.21 Key performance indicators

The following schedule illustrates the key performance indicators for the Company for the years FY2022, FY2023, FY2024 and March-2025:

Key performance indicators				
SAR	FY2022	FY2023	FY2024	March 25
Revenue	496,039,689	721,511,577	1,093,034,698	321,718,403
Net profit	67,384,817	81,469,112	113,955,737	31,310,290
Net profit margin *	13.58%	11.29%	10.43%	9.73%
Gross profit	115,140,926	123,129,941	172,408,445	55,390,959
Gross margin **	23.21%	17.07%	15.78%	17.22%
Total Assets	499,357,551	586,410,214	838,326,413	861,239,606
Return on assets ***	13.49%	13.89%	13.59%	14.54%
Total Equity	317,168,563	360,690,225	404,464,041	399,529,744
Return on equity ****	21.25%	22.59%	28.17%	31.35%
Current assets	349,819,910	390,968,043	583,395,765	601,110,488
Current liabilities	147,302,664	183,992,794	385,095,524	411,591,202
Current ratio *****	2.37	2.12	1.51	1.46

Source: Audited financial statements for the years ending December 31, 2023 and 2024, and management information.

The current ratio decreased from 2.37:1 in the financial year 2022 to 2.12:1 in the financial year 2023. In 2024, it showed a decline reaching 1.51:1 due to higher liabilities towards projects and increase in trade payable. It continued to decline to 1.46:1 in the first quarter of 2025.

* Net profit/sales

** Gross profit/sales

*** Net profit/Total Assets (annualized)

**** Net profit/Total equity (annualized)

***** Current assets/Current liabilities

6.22 Funding structure

The following schedule provides details for the funding structure for the Company for the years FY2022, FY2023, FY2024 and Q12025:

Capital structure				
SAR	FY2022	FY2023	FY2024	Mar-25
Total liabilities	182,188,988	225,719,989	433,862,372	461,709,862
Total debt*	-	-	-	-
Loans and borrowings-non-current portion	-	-	-	-
Loans and borrowings-current portion	-	-	-	-
Cash and cash equivalents	67,915,356	91,059,388	172,692,148	41,711,141
Retained earnings	130,447,538	168,637,211	249,333,805	244,399,508
Total equity	317,168,563	360,690,225	404,464,041	399,529,744
Capital structure **	317,168,563	360,690,225	404,464,041	399,529,744
Borrowing rate ***	-	-	-	-

Source: Audited financial statements for the years ending December 31, 2023 and 2024, unaudited interim condensed financial statements for the three-month period ending March 31, 2025, and management information.

* Loans and borrowings non-current portion + current portion

** Total debt + Total equity

*** Total debt/capital structure

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

GAS

جاز العربية للخدمات
GAS ARABIAN SERVICES

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

GAS Arabian Services Company
(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of GAS Arabian Services Company (the "Company") which comprise the statement of financial position as at December 31, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements section" of our report. We are independent of the Company in accordance with the professional code of conduct endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*Independent Auditors' Report for the audit of GAS Arabian Services Company
Financial Statements for the year ended December 31, 2022 (Continued)*

Revenue recognition	
Refer to note 3 for the accounting policy and note 23 for related disclosures,	
Key audit matter	How the matter was addressed in our audit
<p>During the year ended December 31, 2022, the Company has recognized a total revenue amounted to SR 496.04 million.</p> <p>Management recognises revenue in either at a point in time or over time according to the principals of IFRS 15, Revenue from Contracts with Customers.</p> <p>We considered this as a key audit matter due to the presumption of the fraud risk related to the revenue recognition and the risk that the management may record revenue before the satisfaction of the performance obligation. In addition the Company's focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the control has been transferred.</p>	<p>Our audit procedures on revenue recognition of the Company included the following:</p> <ul style="list-style-type: none"> - Assessed Company's revenue recognition policy and its compliance in terms of relevant IFRS; - Obtained and tested on sample basis the customer contracts for technical services provided recognized over time and re-calculated revenue based on percentage of completion, compared it with calculation performed by management, assessed the revenue recognition as per contractual obligation and the adequacy of over time revenue recognition; - Traced unbilled revenue portion to the subsequent billing in future period; - Tested on sample basis individual revenue transactions from technical services recorded at a point in time and traced them to the sales invoices, customer approval and other related documents; - Tested on sample basis revenue from sale of traded goods at a point in time and traced them to invoices, delivery note and other related documents; - Performed the cut-off test to ensure that the revenue is recorded in the appropriate accounting period; - Assessed the adequacy of the disclosure in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Company, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

**Independent Auditors' Report for the audit of GAS Arabian Services Company
Financial Statements for the year ended December 31, 2022 (Continued)**

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Company's management and Those Charged with Governance for the financial statements

The Company's management is responsible for the preparation and fair presentation of the financial statements in conformity with the International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Regulations for Companies and the Company's Article of Association with respect to the preparation and presentation of financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance in particular the audit committee are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

**Independent Auditors' Report for the audit of GAS Arabian Services Company
Financial Statements for the year ended December 31, 2022 (Continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company's management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.



Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362
Dammam, on 24 Sha'aban 1444 (H)
Corresponding to: 16 March 2023 G



GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(Expressed in Saudi Riyals)

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Property and equipment	7	57,212,337	58,761,215
Right-of-use assets	8	1,002,285	1,534,061
Intangible assets	9	179,951	250,141
Investment in associates and joint ventures	10	91,143,068	80,752,027
Total non-current assets		149,537,641	141,297,444
Current assets			
Inventories	11	27,118,240	23,422,678
Accounts receivable and unbilled revenue	12	175,005,194	212,407,845
Prepayments and other receivables	13	68,564,856	40,491,570
Investments at fair value through profit or loss ("FVTPL")	14	11,216,264	12,771,710
Cash at banks	15	67,915,356	24,205,159
Total current assets		349,819,910	313,298,962
TOTAL ASSETS		499,357,551	454,596,406
EQUITY AND LIABILITIES			
Equity			
Share capital	16	158,000,000	158,000,000
Statutory reserve	16	28,721,025	21,982,543
Retained earnings		130,447,538	98,183,255
Total equity		317,168,563	278,165,798
Non-current liabilities			
Obligation against investment in joint venture	10	6,629,126	5,559,684
Employees' defined benefit liabilities	17	27,810,098	27,490,261
Lease liabilities	18	447,100	942,877
Total non-current liabilities		34,886,324	33,992,822
Current liabilities			
Current portion of lease liabilities	18	580,165	526,087
Accounts payable	19	83,054,771	95,371,701
Accruals other liabilities	20	58,010,054	32,755,080
Short term loans	21	-	9,164,276
Provision for zakat	22	5,657,674	4,620,642
Total current liabilities		147,302,664	142,437,786
Total liabilities		182,188,988	176,430,608
TOTAL EQUITY AND LIABILITIES		499,357,551	454,596,406

The accompanying notes from 1 to 36 form an integral part of these financial statements.




Chairman Chief Executive Officer Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022**

(Expressed in Saudi Riyals)

	Notes	December 31, 2022	December 31, 2021
Revenue	23	496,039,689	386,463,808
Cost of revenue	24	(378,678,351)	(281,760,883)
Gross profit		117,361,338	104,702,925
General and administrative expenses	25	(70,190,960)	(63,411,459)
Depreciation and amortisation		(4,551,952)	(3,926,784)
Share in results of associates and joint ventures	10	31,336,426	22,073,534
Profit from operations		73,954,852	59,438,216
Other income	26	1,564,350	7,738,517
Finance costs	27	(1,999,672)	(2,490,963)
Profit before Zakat		73,519,530	64,685,770
Zakat	22	(6,134,713)	(4,625,616)
NET PROFIT FOR THE YEAR		67,384,817	60,060,154
Other comprehensive income/(loss)			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Remeasurement gain/ (loss) on employees' defined benefits	17	3,217,948	(253,168)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		70,602,765	59,806,986

EARNING PER SHARE

Basic and diluted earnings per share from income attributable to the shareholders of the Company	28	4.26	3.88
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The accompanying notes from 1 to 36 form an integral part of these financial statements.


Chairman
 
Chief Executive Officer
 
Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Total
At January 01, 2021	150,000,000	15,976,528	74,382,284	240,358,812
Profit for the year	-	-	60,060,154	60,060,154
Other comprehensive loss	-	-	(253,168)	(253,168)
Total comprehensive income	-	-	59,806,986	59,806,986
Transfer to statutory reserve	-	6,006,015	(6,006,015)	-
Issue of share capital	8,000,000	-	-	8,000,000
Dividends (note-33)	-	-	(30,000,000)	(30,000,000)
At December 31, 2021	158,000,000	21,982,543	98,183,255	278,165,798
Profit for the year	-	-	67,384,817	67,384,817
Other comprehensive income	-	-	3,217,948	3,217,948
Total comprehensive income	-	-	70,602,765	70,602,765
Transfer to statutory reserve	-	6,738,482	(6,738,482)	-
Dividends (note- 33)	-	-	(31,600,000)	(31,600,000)
At December 31, 2022	158,000,000	28,721,025	130,447,538	317,168,563

The accompanying notes from 1 to 36 form an integral part of these financial statements.

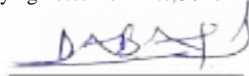
		
Chairman	Chief Executive Officer	Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

	<u>Notes</u>	December 31, 2022	December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		73,519,530	64,685,770
<i>Adjustments for</i>			
Depreciation on property and equipment		3,919,986	3,233,552
Depreciation on right-of-use assets		531,776	531,782
Amortisation of intangible assets		100,190	161,453
Gain on disposal of property and equipment		(19,812)	(950)
Finance costs		1,999,672	2,490,963
Share in results of associates and joint ventures		(31,336,426)	(22,073,534)
Provision for employees' defined benefit liabilities		4,716,793	4,945,028
Unrealized loss on investments at FVTPL		1,618,624	561,524
		55,050,333	54,535,588
<i>Working capital adjustments</i>			
Accounts receivable and unbilled revenue		37,402,651	(56,567,329)
Prepayments and other receivables		(28,073,286)	(17,485,833)
Inventories		(3,695,562)	(11,798,206)
Projects work in progress		-	5,979,322
Accounts payable		(12,316,930)	27,768,982
Accruals and other liabilities		25,254,942	(3,664,123)
Cash flows generated from/ (used in) operations		73,622,148	(1,231,599))
Finance costs paid		(1,643,645)	(1,307,858)
Zakat paid		(5,097,681)	(3,930,077)
Employees' defined benefit liabilities paid including advances		(1,179,008)	(1,370,363)
Net cash flows generated from/ (used in) operating activities		65,701,814	(7,839,897)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(2,374,283)	(9,494,229)
Purchases of intangibles		(30,000)	(200,796)
Proceeds from disposal of property and equipment		22,987	63,452
Purchase of investments at FVTPL		(37,815,656)	(26,030,425)
Sale of investments at FVTPL		37,752,510	12,697,191
Additional investment in existing associate		(2,450,000)	-
Dividends received from associates and joint ventures		24,464,827	17,763,122
Net cash flows generated from/ (used in) investing activities		19,570,385	(5,201,685)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of share capital		-	8,000,000
Proceeds from short term loans		21,271,088	21,000,000
Repayments of short-term loans including interest		(30,716,995)	(39,827,093)
Payment of principal portion of lease liabilities		(516,095)	(591,095)
Dividends paid to shareholders		(31,600,000)	(30,000,000)
Net cash used in financing activities		(41,562,002)	(41,418,188)
Net change in cash and cash equivalents		43,710,197	(54,459,770)
Cash and cash equivalents at beginning of the year		24,205,159	78,664,929
Cash and cash equivalents at end of the year	15	67,915,356	24,205,159

The accompanying notes from 1 to 36 form an integral part of these financial statements.


Chairman

9


Chief Executive Officer


Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Saudi Riyals)

1 CORPORATE INFORMATION

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.

On Rajab 06, 1443H (corresponding to February 07, 2022) the Company got their shares listed on the parallel Saudi Stock Exchange ("NOMU").

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 operates through the following branches:

Branch	CR No.
Gas Arabian Services Company - Jubail	2055004723
Gas Arabian Services Company - Dammam	2050099200
Gas Arabian Services Company - Yanbu	4700106468
Gas Arabian Services Company - Jubail	2055011867
Gas Arabian Services Company - Dammam	2050113651

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis using the accrual basis of accounting except otherwise as disclosed in note 3 below.

2.3 Functional and presentation currency

The financial statements are presented in Saudi Riyals (SR), which is the functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

3.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Revenue from contracts with customers

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. Operational, Maintenance and technical engineering services. Manufacturing of piping spools, structural steel fabrication, pressure reducing stations and other industry essential products.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Technical services

Revenue from technical services is recognised at a point in time when the services are rendered to customer.

In case of fixed price contracts, the Company recognises revenue from technical services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

Sales commission

The Company acts as a sales representative for products sold by its principals'. Commission is recognised at a point in time usually when the relevant terms and conditions are satisfied by the Company as per the agreement with its principals.

3.3.1 Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from technical services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets are reclassified to trade receivables. The Company contract assets include unbilled revenue, retention receivable and advance to suppliers.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). The Company contract liabilities include advance from customers.

3.4 Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue. All other expenses, except for finance costs, depreciation and amortisation are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

3.5 Cash dividend distribution to equity holders

The Company recognises a liability to pay a dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per provisions of Companies' Law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in statement of changes in equity.

3.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

3.7 Zakat and indirect tax

3.7.1 Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations and charged to the statement of profit or loss. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

3.7.2 Value added tax (VAT)

Sales, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Property and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are initially recorded at cost and stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company recognise such parts as individual assets and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation is calculated from the date the item of property and equipment is available for its intended use or in respect of self-constructed assets, from the date such assets are completed and ready for the intended use. The cost of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	20 years
Machinery and equipment	2 to 5 years
Motor vehicles	5 to 8 years
Furniture, fixture and office equipment	4 to 5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset is written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Leases

The Company assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful lives of the assets, as follows:

<i>Leasehold land</i>	5 to 10 years
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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "Impairment of non-financial assets".

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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(Expressed in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.11 Investment in associates and joint arrangements

Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's Investment in associates are accounted for using the equity method.

Joint arrangements

Under IFRS 11 Joint Arrangements, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining whether joint control exists or not are similar to those necessary to determine control over subsidiaries.

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint ventures:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS
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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investment in associates and joint arrangements (continued)

Joint operations:

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and liabilities of the joint operation.

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. After the share in the investee is reduced to zero, a liability is recognised only to the extent that there is an obligation to fund the investee's operations or any payments have been made on behalf of the investee. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Company.

When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

GAS ARABIAN SERVICES COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial instruments – initial recognition, subsequent measurement and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3.3 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to four categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - not applicable to the Company
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - not applicable to the Company
- (iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include accounts receivables and amounts due from related parties.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

GAS ARABIAN SERVICES COMPANY

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(Expressed in Saudi Riyals)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial instruments – initial recognition, subsequent measurement and derecognition (continued) **Financial assets (continued)**

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

-	Disclosures for significant assumptions	Note 4
-	Accounts receivable and unbilled revenue	Note 12

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts and other payables, amounts due to related parties, lease liabilities and short-term loans.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Impairment of non-financial assets (continued)

In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For assets, an assessment is made at each financial year-end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Goods for resale: purchase cost on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value

3.16 Bank deposits

Bank deposits include placements with banks with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk.

Interest income from time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

3.17 Statutory reserve

In accordance with Saudi Arabian Regulations for Companies, the Company must set aside 10% of its profit for the year to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of their share capital. The reserve is not available for distribution.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employees' benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, airfare, child education allowance, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position under accruals and other current liabilities.

Employees' defined contribution obligations

The Company has defined contribution plan with General Organisation for Social Insurance ("GOSI") where the Company contributes fixed percentage of the employee's salary towards the retirement of its employees, which qualify as defined contribution plan. Contribution payable to the defined contribution plan is recognised as an expense in the statement of profit or loss.

The Company operates a non-funded employee end-of-service benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. A defined benefit plan is a plan which is not a defined contribution plan. The liability recognised in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high quality corporate bonds that have terms to maturity approximating to the estimated term of the post-employment benefit obligations. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through other comprehensive income in the period in which they arise.

3.19 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as an asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's relevant Business Heads' which in the Company's case is to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's relevant Business Heads' include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Company's operating segments are analysed and aggregated based on the nature of activity.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management	Note 32
- Financial instruments risk management and policies	Note 32
- Sensitivity analysis disclosures	Note 17

4.1 Judgements

In the process of applying the Company' accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) Satisfaction of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the agreements entered with the customers and the provisions of relevant laws and regulations, where contracts are entered into to undertake long term fixed price contracts with the customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. Further, the technical services provided under the contract are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Company. Based on this, the Company recognises revenue over time. Where this is not the case, revenue is recognized at a point in time.

The Company has elected to apply the output method in allocating the transaction price to performance obligation where revenue is recognized over time. The Company considers that the use of the output method, which requires revenue recognition based on the Company's output against the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the output method, the Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

(ii) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

4.1 Judgements (contd.)

(ii) Determining the lease term of contracts with renewal and termination options – Company as lessee (contd.)

The Company has the option to renew the lease term for some of its leases. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in a business strategy).

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent of the use of a specific asset or assets or the arrangement conveys the right to use the asset.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Contract costs to complete estimates

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

(ii) Valuation of defined benefit obligations

The present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and other assumptions. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about employees' defined benefit liabilities are provided in note 17.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

4.2 Estimates and assumptions (contd.)

(iii) Useful lives of property and equipment

Management determines the estimated useful lives of its equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, duration of contract with the customer and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(iv) Provision for expected credit losses of trade receivables and contract assets

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables and contract assets are disclosed in note 12.

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company has applied for the first-time certain standards amendments, which are effective for annual periods beginning on or after January 01, 2022 but they have no material impact on these financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

6 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments are effective for the period beginning January 01, 2023:

- Definition of accounting estimates. (IAS 8);
- Disclosure of Accounting Policies (IAS 1, IFRS practice statement 2); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (IAS 12)

The following amendments are effective for the period beginning January 01, 2024:

- Amendment – Liability in a Sale and Leaseback (IFRS 16);
- Amendment – Classification of Liabilities as Current or Non-current (IAS 1); and
- Amendment – Non-current Liabilities with Covenants (IAS 1)

The Company does not expect these to have a material impact on its financial statements upon their adoption.

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7. PROPERTY AND EQUIPMENT

	Freehold land	Buildings (note 7.1)	Furniture, fixture and office equipment	Motor vehicles	Machinery and equipment
<i>Cost:</i>					
At 1 January 2021	20,433,725	26,046,966	3,732,088	12,887,285	5,854,312
Additions	-	2,015,000	375,312	564,657	2,805,100
Disposals	-	-	-	(117,000)	(7,750)
Reclassification	-	-	-	(25,200)	-
At 31 December 2021	20,433,725	28,061,966	4,107,400	13,309,742	8,651,762
Additions	-	-	275,932	753,750	1,832,710
Disposals	-	-	-	(77,000)	(23,300)
Transferred to related party	-	-	-	-	-
At 31 December 2022	20,433,725	28,061,966	4,383,332	13,986,492	10,461,172
<i>Accumulated depreciation:</i>					
At 1 January 2021	-	6,302,852	2,799,749	9,059,858	4,049,312
Charge for the year	-	1,299,328	349,181	641,356	943,600
Disposals	-	-	-	(54,498)	(7,750)
At 31 December 2021	-	7,602,180	3,148,930	9,646,716	4,985,262
Charge for the year	-	1,701,224	373,265	648,567	1,196,900
Disposals	-	-	-	(77,000)	(20,120)
At 31 December 2022	-	9,303,404	3,522,195	10,218,283	6,162,042
<i>Net book amounts:</i>					
At 31 December 2022	20,433,725	18,758,562	861,137	3,768,209	4,299,030
At 31 December 2021	20,433,725	20,459,786	958,470	3,663,026	3,666,450

7.1 Buildings are constructed on a land rented from Royal Commission for Jubail & Yanbu with a standard rent for ten years starting from 3 Nov of the lease term.

7.2 Capital work in progress represents mainly the construction of GAS Tower.

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8. RIGHT OF USE ASSETS

The Company has contracts for leasehold land (leasehold land contract includes office building, workshop facility etc.). These leases generally have term between 5 to 10 years. Below are the carrying amounts of right of use assets recognised and the movement during the year:

	December 31, 2022	December 31, 2021
Cost:		
At January 01,	2,632,558	2,632,558
At December 31,	2,632,558	2,632,558
Accumulated depreciation:		
At January 01,	1,098,497	566,715
Charge for the year	531,776	531,782
At December 31,	1,630,273	1,098,497
Net carrying amount		
At December 31,	1,002,285	1,534,061

9. INTANGIBLE ASSETS

December 31, 2022	Software
Cost:	
At the beginning of the year	941,189
Additions	30,000
At the end of the year	971,189
Accumulated amortisation:	
At the beginning of the year	691,048
Charge for the year	100,190
At the end of the year	791,238
Net carrying amount	
At December 31, 2022	179,951

December 31, 2021	Software
Cost:	
At the beginning of the year	740,393
Additions	200,796
At the end of the year	941,189
Accumulated amortisation:	
At the beginning of the year	529,595
Charge for the year	161,453
At the end of the year	691,048
Net carrying amounts	
At December 31, 2021	250,141

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The table below outlines the Company's investment in associates and joint ventures:

<u>Name of associates and joint ventures</u>	<u>Ownership %</u>		<u>Country of incorporation</u>	<u>Nature of activities</u>
	<u>2022</u>	<u>2021</u>		
Yokogawa Services Saudi Arabia Company	33%	33%	Saudi Arabia	Providing industrial technical services
Elliott Gas Services Saudi Arabia Limited	45%	45%	Saudi Arabia	Providing industrial technical services
FS Elliott Services Saudi Arabia Limited	50%	50%	Saudi Arabia	Providing industrial technical services
Elster Instromet Services Saudi Arabia Company Limited	40%	40%	Saudi Arabia	Providing industrial technical services
Weidmular Saudi Arabia Factory	49%	49%	Saudi Arabia	Manufacturing of industrial electrical components
Gas Vector Saudi Arabia Company Limited	45%	45%	Saudi Arabia	Providing industrial technical services
FS Elliott Saudi Arabia Limited	50%	50%	Saudi Arabia	Trading of industrial equipment

Disclosed in the statement of financial position as follows:

Investments in associates and joint ventures under non-current assets

Obligation against investment in joint venture under non-current liabilities (Note 10.1)

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

Movement in the investment in associates and joint ventures is as follows:

	<i>Yokogawa Services Saudi Arabia Company</i>	<i>Elliott Gas Services Saudi Arabia Limited</i>	<i>Oth</i>
December 31, 2022			
At January 01	33,192,475	35,417,327	
Share of results (note 10.2)	11,581,888	20,290,526	
Additional investment	-	-	
Dividend received	(7,590,000)	(16,874,827)	
At December 31	<u>37,184,363</u>	<u>38,833,026</u>	
December 31, 2021			
At January 01	34,709,177	28,305,673	
Share of results (note 10.2)	4,423,298	18,909,406	
Dividend received	(5,940,000)	(11,797,752)	
At December 31	<u>33,192,475</u>	<u>35,417,327</u>	

10.1 Movement in the obligation against investment in associates and joint ventures is as follows:

At January 01	
Share of obligation during the year	
At December 31	

10.2 Share of results in associates and joint ventures is as follows:

Share of results during the year	
Share of obligation during the year	
At December 31	

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The table below provide summarised financial information of material associates and joint ventures of the Company. The information disclosed reflects the financial statements of the relevant investee and not Company's share of those amounts.

Investment in associates and joint ventures	Total	December 31, 2022	
		Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited
12,142,225	80,752,027		
533,454	32,405,868		
2,450,000	2,450,000		
-	(24,464,827)	252,664,849	73,875,616
15,125,679	91,143,068	3,308,205	32,611,866
	Current liabilities	(148,057,255)	(32,989,338)
	Non-current liabilities	(8,862,270)	(1,353,959)
12,444,204	75,459,054	99,053,529	72,144,185
(276,609)	23,056,095		
(25,370)	(17,763,122)		
12,142,225	80,752,027		
	Reconciliation:		
	Company's share in %	33%	45%
	Company's share	32,687,665	32,464,883
	Add: adjustment for income tax	4,496,698	6,368,143
December 31, 2022	December 31, 2021	37,184,363	38,833,026
5,559,684	4,577,123		
1,069,442	982,561	111,984,058	136,580,273
6,629,126	5,559,684	37,431,079	46,417,398
	Reconciliation:		
	Company's share	12,352,256	20,887,829
December 31, 2022	December 31, 2021	(770,368)	(597,303)
32,405,868	23,056,095	11,581,888	20,290,526
(1,069,442)	(982,561)		
31,336,426	22,073,534		

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11. INVENTORIES

	December 31, 2022	December 31, 2021
Goods for resale	24,463,958	19,072,841
Work in progress	2,654,282	-
Goods in transit	-	4,349,837
	27,118,240	23,422,678

During 2022, SR 240 million (2021: SR 166 million) was recognised as an expense for inventories carried at net realisable value. This is recognised in the cost of revenue.

12. ACCOUNTS RECEIVABLE AND UNBILLED REVENUE

	December 31, 2022	December 31, 2021
Accounts receivables (note 12.1)	145,212,347	181,713,726
Unbilled revenue (note 12.2)	29,792,847	30,694,119
	175,005,194	212,407,845

12.1 ACCOUNTS RECEIVABLE

	December 31, 2022	December 31, 2021
Accounts receivables		
- From third parties	145,519,182	184,527,690
- From related parties (note 29)	2,920,542	1,443,556
Accounts receivable	148,439,724	185,971,246
Less: allowance for expected credit losses	(3,227,377)	(4,257,520)
	145,212,347	181,713,726

Five major customers' balances represent 38% (2021: 58%) of gross accounts receivables.

Accounts receivables are non-interest bearing and are generally on terms of 60 to 90 days. Unimpaired accounts receivables are mainly unsecured and are expected on the basis of the past experience, to be fully recoverable. For the terms and conditions with the related parties, please refer note 29.

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

	December 31, 2022	December 31, 2021
At the beginning of the year	4,257,520	2,377,689
(Reversal)/ charge for the year	(1,030,143)	2,068,616
Amounts written off	-	(188,785)
At the end of the year	3,227,377	4,257,520

An aged analysis of trade receivables is as follows:

	Total	Current	0-30 days	30 - 90 days	91 - 180 days	> 180 days
December 31, 2022	148,439,724	83,741,305	21,247,918	20,942,552	7,164,072	15,343,877
December 31, 2021	185,971,246	98,591,599	27,259,638	25,302,838	8,238,023	26,579,148

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12. ACCOUNTS RECEIVABLE AND UNBILLED REVENUE (continued)

12.2 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.

	December 31, 2022	December 31, 2021
Value of services performed	116,948,541	107,214,571
Less: amounts billed under progress billings	(87,155,694)	(76,520,452)
	29,792,847	30,694,119

13. PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Retention receivable	16,468,499	14,570,786
Amounts due from related parties (note 29)	6,694,551	6,736,059
Advances to suppliers	40,094,179	12,930,388
Prepaid expenses	4,715,898	3,920,783
Refundable deposits	100,529	100,529
Staff advances	491,200	846,120
Others	-	1,386,905
	68,564,856	40,491,570

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	December 31, 2022	December 31, 2021
14.1 FVTPL - Current Assets		
At January 01	12,771,710	-
Additions during the year	37,815,656	26,030,425
Disposal during the year	(37,190,954)	(12,697,191)
Changes in fair value – unrealized loss (note 14.2)	(2,180,148)	(561,524)
At December 31	11,216,264	12,771,710

	December 31, 2022	December 31, 2021
14.2 FVTPL - Profit and Loss		
Realized (loss)/ gain during the year	(2,138,840)	408,412
Unrealized losses during the year	(1,618,624)	(561,524)
Dividend received	236,188	20,000
Net loss charged to profit and loss for the year (Note 26)	(3,521,276)	(133,112)

14.3 All these investments are in equity securities quoted in Tadawal managed through portfolio management Company.

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15. CASH AT BANKS

	December 31, 2022	December 31, 2021
Cash at banks	67,915,356	24,205,159

16. EQUITY

16.1 SHARE CAPITAL

Share capital is divided into 15,800,000 shares of SR 10 each (2021: 15,800,000 shares of SR 10 each).

On November 07, 2022, the Company announced on Tadawul its Board of Director's resolution to recommend to the Extraordinary General Assembly to approve the purchase of its shares for the purpose of keeping them as treasury shares, with a maximum number of 200,000 shares. The purchase of shares will be financed by the company's own resources using its cash or credit facilities. As of the date of the issuance of the financial statements the Extraordinary General Assembly did not approve this transaction.

16.2 STATUTORY RESERVE

In accordance with the Saudi Arabian Regulations for Companies, 10% of the profit for the year is required to be transferred to statutory reserve until the balance in the reserve equals 30% of share capital. The reserve is not available for distribution.

17. EMPLOYEES' DEFINED BENEFIT LIABILITIES

17.1 Post-employment benefits plan

In accordance with the provisions of IAS 19 - Employee Benefits, management has appointed an independent actuary to carry out an exercise to assess the present value of its defined benefit obligations as at December 31, 2022 and December 31, 2021 in respect of employees' benefits payable under relevant local regulations and contractual arrangements.

	December 31, 2022	December 31, 2021
Post-employment benefits plan	27,810,098	27,490,261

The following table summarizes the components of the net benefit expense recognized in statement of profit or loss, OCI and amounts recognized in the statement of financial position.

17.2 Net benefit expense recognised in profit or loss	December 31, 2022	December 31, 2021
Current service cost	3,478,495	3,866,329
Interest cost on benefit obligations	1,238,298	1,078,699
Net benefit expense	4,716,793	4,945,028
17.3 Net remeasurement loss recognised in other comprehensive income	December 31, 2022	December 31, 2021
Gain due to change in financial assumptions	(4,020,838)	(310,355)
Loss due to change in demographic assumptions	802,890	563,523
Net remeasurement (gain)/ loss	(3,217,948)	253,168

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17.EMPLOYEES' DEFINED BENEFIT LIABILITIES (continued)

17.4 Movement in the present value of defined benefit obligations

	December 31, 2022	December 31, 2021
Defined benefit obligations at the beginning of the year	32,319,739	28,196,363
Interest cost	3,478,495	3,866,329
Current service cost	1,238,298	1,078,699
Benefits paid	(1,137,016)	(1,074,820)
Re-measurement (gain)/ loss on obligations	(3,217,948)	253,168
Defined benefit obligations at the end of the year	32,681,568	32,319,739
Less: Advances against employees' defined benefit liabilities	(4,871,470)	(4,829,478)
	27,810,098	27,490,261

Significant assumptions used in determining the post-employment defined benefit obligations includes the following:

	December 31, 2022 % per annum	December 31, 2021 % per annum
Discount rate	4.2%	3.00%
Future salary increases	4.0%	4.00%

A quantitative sensitivity analysis for discount rate assumption on the defined benefit obligations as at December 31, are shown below:

Assumptions

	Discount rate per annum 1%	Discount rate per annum 1%
Sensitivity level	Increase	Decrease
Defined benefit obligations as at December 31, 2022	30,181,250	35,389,803
Defined benefit obligations as at December 31, 2021	29,551,587	35,347,970

Assumptions

	Salary increase rate per annum 1%	Salary increase rate per annum 1%
Sensitivity level	Increase	Decrease
Defined benefit obligations as at December 31, 2022	35,389,020	30,180,880
Defined benefit obligations as at December 31, 2021	35,347,188	29,551,224

The sensitivity analysis mentioned above have been determined based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

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18. LEASE LIABILITY

The following are the amounts recognised in the statement of profit or loss and other comprehensive income:

	December 31, 2022	December 31, 2021
As at January 01	1,468,964	1,971,075
Interest	74,396	88,984
Payments	(516,095)	(591,095)
As at December 31	1,027,265	1,468,964

Lease liabilities are allocated into current and non-current as of December 31, 2022 based on the maturity as follows.

	December 31, 2022	December 31, 2021
Current portion	580,165	526,087
Non –current portion	447,100	942,877
Total	1,027,265	1,468,964

19. ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Accounts payable		
- To third parties	82,480,863	90,623,915
- To related parties (note 29)	573,908	4,747,786
	83,054,771	95,371,701

20. ACCRUALS AND OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Accrued expenses	12,317,286	10,533,647
Employee's related accruals	4,761,511	2,974,820
Vat payable, net	6,598,317	8,214,658
Advances from customers	34,325,842	10,977,963
Other payables	7,098	53,992
	58,010,054	32,755,080

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21. SHORT TERM LOANS

The Company had availed short term loans from commercial banks for working capital purposes. The loans carried financial charges at commercial rates and were secured by personnel guarantee from one of the shareholders of the Company. The loans was repayable within one year from the end of last financial year and are accordingly fully settled during the year.

The movement of short-term loans is as follows:

	December 31, 2022	December 31, 2021
At beginning of the year	9,164,276	26,897,248
Additions during the year	21,271,088	21,000,000
Paid during the year	(30,716,995)	(39,827,093)
Interest accrued during the year	281,631	1,094,121
At end of the year	-	9,164,276

22. PROVISION FOR ZAKAT

22.1 Movement of provision for Zakat

The movement of provision for Zakat is as follows:

	December 31, 2022	December 31, 2021
At the beginning of the year	4,620,642	3,925,103
Charged during the year	5,657,674	4,620,642
Paid during the year	(5,097,681)	(3,930,077)
Under provision for previous year	477,039	4,974
At the end of the year	5,657,674	4,620,642

22.2 Charge for the year

	December 31, 2022	December 31, 2021
Current year charge	5,657,674	4,620,642
Under provision for previous year	477,039	4,974
Total charge for the year	6,134,713	4,625,616

Status of assessments

The Company has finalized and agreed its Zakat assessments up to 2016 except for the year 2015 with the Zakat, Tax and Customs Authority (ZATCA). During 2021, ZATCA issued assessment for the year 2015 with an additional zakat liability of SR 605,186. The company has paid SR 245,314 and filed an appeal with General Secretariat of Tax Committees (GSTC) for the balance claim of SR 359,873. GSTC has requested ZATCA to file their response against GAS appeal. The management is expecting a favourable outcome in this regard. The declarations / returns for the years from 2017 to 2021 have been submitted to ZATCA. The assessment for the year 2017 through 2021 is currently under review by the ZATCA. The management is not expecting any additional claims from ZATCA.

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23. REVENUE

Type of goods or services and timing of revenue recognition

	December 31, 2022	December 31, 2021
<i>Revenue transferred at a point in time</i>		
Sale of traded goods (note 23.1)	303,122,995	212,110,120
Technical services	57,516,008	54,725,474
Sales commission	2,944,193	4,314,362
Others	15,507,583	8,102,603
<i>Revenue transferred over the time</i>		
Technical services	116,948,910	107,211,249
Total revenue	496,039,689	386,463,808

23.1 Disaggregation of revenue

The revenue includes export to a single customer amounted to SR 6,098,319 (2021: Nil). All other revenues are generated within Kingdom of Saudi Arabia during the year.

24. COST OF REVENUE

	December 31, 2022	December 31, 2021
Cost of materials consumed	240,342,311	166,489,226
Sub-contracting and project material costs	100,547,066	76,083,781
Employees' costs	34,590,384	32,077,118
Others	3,198,590	7,110,758
	378,678,351	281,760,883

25. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2022	December 31, 2021
Employees' costs	53,237,605	45,470,429
Rent	2,254,106	2,574,825
Repairs and maintenance	1,851,510	1,344,973
Information technology expenses	1,324,699	877,169
Electricity and water	836,781	956,565
Travel	2,349,931	1,416,330
Professional fees	478,098	646,419
Communication	529,218	443,683
Insurance	475,938	516,871
(Reversal)/ allowance for expected credit losses (note 12)	(1,030,143)	2,068,616
Others	7,883,217	7,095,579
	70,190,960	63,411,459

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26. OTHER INCOME

	December 31, 2022	December 31, 2021
Rent	3,125,512	2,950,830
Gain on disposal of property and equipment	19,812	950
Loss on investment at FVTPL (note 14.2)	(3,757,464)	(133,112)
Others	2,176,490	4,919,849
	1,564,350	7,738,517

27. FINANCE COSTS

	December 31, 2022	December 31, 2021
Interest on short term loans	281,631	1,094,121
Interest on lease liabilities	74,396	88,984
Others	1,643,645	1,307,858
	1,999,672	2,490,963

28. 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 during the year:

	December 31, 2022	December 31, 2021
Net profit after zakat	67,384,817	60,060,154
Weighted average number of ordinary shares outstanding during the year	15,800,000	15,482,192
Basic and diluted earnings per share	4.26	3.88

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29. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company, and 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 IAS 24 Related Party Disclosures. Following is the list of the major related parties of the Company:

<u>Names of related parties</u>	<u>Nature of relationship</u>
Gas Gulf for Trading & Contracting Company	Shareholder
Gas Asia for Trading & Contracting Company	Shareholder
Future Cooperation Company Limited	Shareholder
Future Generation Company Limited	Shareholder
Future Prospects Company Limited	Shareholder
FS Elliot Services Company Limited	Joint venture
Yokogawa Services Saudi Arabia Company Limited	Associate
Gas Vector Saudi Arabia Company Limited	Associate
Elliot Gas Services Saudi Arabia Company Limited	Joint venture
Elster Instromet Saudi Arabia Company	Associate
FS Elliot Saudi Arabia Company Limited	Joint venture
Weidmular Saudi Arabia Factory	Joint venture
Eagle Burgmann Saudi Arabia Company Limited	Affiliate
TCR Arabia Company Limited	Affiliate
Prudent Saudi Arabia Limited (refer below)	Affiliate
Mr. Abdulrahman Khalid Aldabal	Key management personnel
Mr. Faisal Khalid Aldabal	Key management personnel
Mr. Aref Khalid Aldabal	Key management personnel

*During the year, Prudent Saudi Arabia Limited ceased to be an affiliate.

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29. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Following are the major transactions and balances with related parties:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<i>December 31, 2022</i>	<i>December 31, 2021</i>
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and technical services provided	1,714,044	2,625,637
Eagle Burgmann Saudi Arabia Company Limited	Affiliate	Sale of goods and technical services provided	-	4,630,721
		Purchase of goods	(18,784)	(168,122)
Elster Instromet Saudi Arabia Company	Associate	Sale of goods and technical services provided	962,191	337,171
		Rental income	1,940,626	1,938,202
		Purchase of goods	(315,140)	(332,764)
		Financial support	-	2,240,000
FS Elliot Saudi Arabia Company Limited	Joint venture	Rental income	549,844	549,157
		Technical services provided	116,979	103,500
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and technical services provided	777,861	716,120
		Purchase of goods	(2,330,704)	(4,701,691)
		Technical services received	659,396	676,780
FS Elliot Services Company Limited	Joint venture	Rental income	274,992	274,579
		Sale of goods and technical services provided	234,139	189,498
		Technical services received	(1,148,915)	(1,319,593)
Gas Vector Saudi Arabia Company Limited	Associate	Sale of goods and technical services provided	349,101	172,143
		Purchase of goods	(3,498,110)	(472,918)
Wedmular Saudi Arabia Factory	Joint venture	Financial support	-	490,000
		Additional investment	(2,450,000)	-
		Purchase of goods and services	(1,535,596)	(536,016)
		Sale of goods and services	213,476	-
TCR Arabia Company Limited	Affiliate	Rental income	754,197	718,283
Prudent Saudi Arabia Limited	Affiliate	Sale of goods and technical services provided	-	304,722
Future Prospects Company limited	Shareholder	Transfer cost of capital work in progress	11,200,567	-

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29. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<u>December 31, 2022</u>	<u>December 31, 2021</u>
Mr. Aref Khalid Aldabal	Key management personnel	Rent payment	(487,500)	(1,108,846)
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rent payment	(481,513)	(521,372)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management personnel	Rent payment	(348,210)	(309,946)
Ms. Nora Abdulrahman Albabal & Ms. Kholoud Abdulrahman Aldabal	Key management personnel	Rent payment	(45,000)	(45,000)

Pricing policies and terms of payments of the above transactions with related parties have been approved by the Company's management.

In addition to the above the Company incurred the following compensation of key management personnel of the Company:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Short-term employee benefits	6,477,752	5,014,716
Employees' defined benefit liabilities	1,810,591	1,667,827
Total compensation	8,288,343	6,682,543

The breakdown of amounts due from/to related parties is as follows:

29.1 Accounts receivable (note 12):

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Elliot Gas Services Saudi Arabia Company Limited	142,039	64,932
Gas Vector Saudi Arabia Company Limited	253,592	50,873
TCR Arabia Company Limited	754,197	-
Elster Instromet Saudi Arabia Company Limited	824,191	212,421
Yokogawa Services Saudi Arabia Company Limited	927,389	100,873
Prudent Saudi Arabia Limited	-	63,324
Other affiliates/associates	19,134	951,133
	2,920,542	1,443,556

29.2 Prepayments and other receivables (note 13):

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Elster Instromet Saudi Arabia Company Limited	2,240,000	2,245,504
Gas Vector Saudi Arabia Company Limited	1,787,535	1,755,637
FS Elliot Saudi Arabia Company Limited	1,286,873	1,289,256
TCR Arabia Company Limited	431,911	490,905
FS Elliot Services Company Limited	411,125	413,499
Yokogawa Services Saudi Arabia Company Limited	-	1,786
Other affiliates/associates	537,107	539,472
	6,694,551	6,736,059

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29. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

29.3 Accounts payable (note 19):

	December 31, 2022	December 31, 2021
FS Elliot Services Company Limited	8,600	2,199,321
Yokogawa Services Saudi Arabia Company Limited	406,301	2,127,738
Gas Vector Saudi Arabia Company Limited	43,521	172,200
Wedmular Company Limited	59,675	96,128
Prudent Saudi Arabia Limited	-	51,400
Eagle Burgmann Saudi Arabia Company Limited	2,320	17,531
Other affiliates/associates	53,491	83,468
	573,908	4,747,786

30. 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 segment- 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 year ended December 31, 2022 and December 31, 2021 are as follows:

For the year ended December 31, 2022	Technical services	Trading	Manufacturing	Unallocated	Total
Revenue	174,464,918	306,067,188	15,507,583	-	496,039,689
Cost of revenue	(127,696,208)	(245,848,910)	(5,133,233)	-	(378,678,351)
Gross profit	46,768,710	60,218,278	10,374,350	-	117,361,338
General and administrative expenses	-	-	-	(70,190,960)	(70,190,960)
Depreciation and amortization	-	-	-	(4,551,952)	(4,551,952)
Other income	-	-	-	1,564,350	1,564,350
Finance costs	-	-	-	(1,999,672)	(1,999,672)
Share in results of associates and joint ventures	-	-	-	31,336,426	31,336,426
Profit before zakat	-	-	-	73,519,530	73,519,530
Total assets	136,509,911	78,613,020	5,529,526	278,705,094	499,357,551
Total liabilities	-	-	-	182,188,988	182,188,988

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30. SEGMENT INFORMATION (Continued)

For the year ended December 31, 2021	Technical services	Trading	Manufacturing	Unallocated	Total
Revenue	158,565,607	216,424,482	11,473,719	-	386,463,808
Cost of revenue	(103,059,708)	(171,590,417)	(7,110,758)	-	(281,760,883)
Gross profit	55,505,899	44,834,065	4,362,961	-	104,702,925
General and administrative expenses	-	-	-	(63,411,459)	(63,411,459)
Depreciation and amortization	-	-	-	(3,926,784)	(3,926,784)
Other income	-	-	-	7,738,517	7,738,517
Finance costs	-	-	-	(2,490,963)	(2,490,963)
Share in results of associates and joint ventures	-	-	-	22,073,534	22,073,534
Profit before zakat	-	-	-	64,685,770	64,685,770
Total assets	136,509,911	78,613,020	5,529,526	233,943,949	454,596,406
Total liabilities	-	-	-	176,430,608	176,430,608

31. FINANCIAL INSTRUMENTS BY CATEGORY

	December 31, 2022		
	Total	At amortised cost	at FVTPL
<i>Financial assets</i>			
Investments at fair value through profit or loss ("FVTPL")	11,216,264	-	11,216,264
Trade receivables	145,212,347	145,212,347	-
Prepayment and other receivables - Due from related parties	6,694,551	6,694,551	-
Cash at banks	67,915,356	67,915,356	-
Total	231,038,518	219,822,254	11,216,264

	December 31, 2022		
	Total	at amortised cost	at FVTPL
<i>Financial liabilities</i>			
Accounts payables	83,054,771	83,054,771	-
Accruals and other liabilities	58,010,054	58,010,054	-
Lease liabilities	1,027,265	1,027,265	-
Total	142,092,090	142,092,090	-

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31. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

	December 31, 2021		
	Total	At amortised cost	At FVTPL
<i>Financial assets</i>			
Investments at fair value through profit or loss ("FVTPL")	12,771,710	-	12,771,710
Trade receivables	181,713,726	181,713,726	-
Prepayment and other receivables - Due from related parties	6,736,059	6,736,059	-
Cash at banks	24,205,159	24,205,159	-
Total	225,426,654	212,654,944	12,771,710

	December 31, 2021		
	Total	At amortised cost	at FVTPL
<i>Financial liabilities</i>			
Accounts payables	95,371,701	95,371,701	-
Accruals and other liabilities	32,755,080	32,755,080	-
Lease liabilities	1,468,964	1,468,964	-
Short term loans	9,164,276	9,164,276	-
Total	138,760,021	138,760,021	-

The Company's exposure to various risks associated with the financial instruments is discussed in Note 32. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

32. FINANCIAL INSTRUMENTS

The Company's principal financial liabilities comprise payables, short term facilities and term loans. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents, investments at FVTPL and receivables.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

32.1 Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company is exposed to credit risk on its bank balances and trade receivables as follows:

Financial assets	December 31, 2022	December 31, 2021
Cash at banks	67,915,356	24,205,159
Trade receivables	145,212,347	181,713,726
	213,127,703	205,918,885

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32. FINANCIAL INSTRUMENTS (Continued)

32.1 Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on bank balances, trade receivables and other receivables is limited as cash balances are held with banks with sound credit ratings and the trade receivables and other receivables are shown net of allowance for impairment.

The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Before accepting any new credit customer, the Company has its own credit policy to assess the potential customer's credit quality and defines the credit limits for the new customer. These policies are reviewed and updated regularly. Moreover, the Company seeks to manage its credit risk by monitoring outstanding receivables on an ongoing basis.

32.1.1 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial and non-financial liabilities:

<u>December 31, 2022</u>	<u>Within one year</u>	<u>2-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payables	83,054,771	-	-	83,054,771
Accruals and other liabilities	58,010,054	-	-	58,010,054
Lease liabilities	580,165	447,100	-	1,027,265
	141,644,990	447,100	-	142,092,090

<u>December 31, 2021</u>	<u>Within one year</u>	<u>2-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payables	95,371,701	-	-	95,371,701
Accruals and other liabilities	32,755,080	-	-	32,755,080
Lease liabilities	526,087	942,877	-	1,468,964
Short term loans	9,164,276	-	-	9,164,276
	137,817,144	942,877	-	138,760,021

The maturity analysis of lease liabilities is disclosed under note 18.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments. The Company's terms of sales require amounts to be paid mostly on cash on delivery.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Financial instruments affected by market risk include investment at FVTPL.

Management believes that Company's exposure to price risk is limited because the amounts of the underlying balances and transactions are marginal. The Company is exposed to interest rate risk on its investment at FVTPL.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Saudi Riyals)

32. FINANCIAL INSTRUMENTS (Continued)

ii. Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows and short-term loans amounted to SR Nil (2021: SR 9,164,276) bear variable finance costs at prevailing market rate.

iii. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyal (SR) and United States Dollar (USD). The Company's management believes that their exposure to currency risk associated with the USD is limited as the Saudi Riyal is pegged to the USD.

32.1.2 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Investment at FVTPL is determined at level 1 of the fair value hierarchy. As of December 31, 2022, the carrying amount of financial assets and financial liabilities of the Company approximate their fair value.

32.1.3 Capital management

For the purpose of the Company's capital management, capital includes issued capital, statutory reserve and retained earnings the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

33. DISTRIBUTIONS MADE TO SHAREHOLDERS

During the year December 31, 2022, the shareholders approved the dividend amounted to SR 31.6 million and it was also paid to the shareholders (for the year ended December 31, 2021: SR 30 million).

34. CONTINGENCIES AND COMMITMENTS

As at December 31, 2022, the Company has issued outstanding letters of guarantee amounting to SR 200 million (December 31, 2021: SR 126.57 million) and letters of credit amounting to SR 8.26 million (December 31, 2021: SR 5.34 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 17.60 million (December 31, 2021: SR 23 million) on account of construction of Company's new office building.

35. SUBSEQUENT EVENTS

On March 12, 2023, the Board of Directors has recommended a dividend of SR 35.55 million to the General Assembly of the Company.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue and approved by the Board of Directors of the Company on March 12, 2023 G.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
GAS Arabian Services Company
[A Saudi Joint Stock Company]

Origin

We have audited the financial statements of G&S Arabian Services Company (the "Company") which comprise the statement of financial position as at December 31, 2022 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Notes for Chapter

We conducted our audit in accordance with International Standards on Auditing (ISAs) endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section" of our report. We are independent of the Company in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards) endorsed in the Kingdom of Saudi Arabia ("the Code") that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report to the Shareholders of GAS Arabian Services Company (Continued)

Revenue recognition	
Refer to note 5 for the accounting policy and note 24 for related disclosures.	
Key audit matter	How the matter was addressed in our audit
<p>During the year ended December 31, 2021, the Company has recognized a total revenue amounted to SR 321.41 million.</p> <p>Management recognizes revenue in either at a point in time or over time according to the principles of IFRS 15, Revenue from Contracts with Customers.</p> <p>We considered this as a key audit matter due to the presumption of the initial risk related to the revenue recognition and the risk that the management may record revenue before the satisfaction of the performance obligation. In addition the Company's focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the control has been transferred.</p>	<p>Our audit procedures on revenue recognition of the Company included the following:</p> <ul style="list-style-type: none"> - Assessed Company's revenue recognition policy and its compliance in terms of relevant IFRS Accounting Standards; - Obtained and tested, on sample basis, the customer contracts for technical services provided which was recognized over time and re-calculated revenue based on percentage of completion, compared it with calculation performed by management, assessed the revenue recognition as per contractual obligation and the adequacy of over time revenue recognition; - Traced unbilled revenue portion to the subsequent billing in future period; - Tested on sample basis individual revenue transactions from technical services recorded at a point in time and traced them to the sales invoices, customer approval and other related documents; - Tested on sample basis revenue recorded at a point in time and traced them to invoices, delivery note and other related documents; - Performed the cut-off test to ensure that the revenue is recorded in the appropriate accounting period; - Assessed the adequacy of the disclosure in the financial statements.

Independent Auditors' Report to the Shareholders of GAS Arbitration Services Company (Continued)

Allowance for expected credit losses	
Refer to note 3 for the accounting policy and note 12 for related disclosures.	
Key audit matter	How the matter was addressed in our audit
<p>At December 31, 2023, the Company's accounts receivable and unbilled revenue amounted to SR 191.96 million, against which an allowance for expected credit losses of SR 14 million is maintained.</p> <p>The Company assesses at each reporting date whether the accounts receivables are impaired. Management applies an expected credit loss ("ECL") model to determine the appropriate allowance for expected credit losses.</p> <p>The determination of allowance for expected credit losses is based on certain assumptions that relate mainly to risk of default and expected loss rates. The Company applies judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the past history, market conditions, as well as forward looking estimates.</p> <p>We considered this as a key audit matter due to the level of judgement applied and estimates made in application of the ECL.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the process used by the management in determining the allowance for expected credit losses. - We assessed the significant assumptions used in the ECL model's calculation such as; forward-looking factors and macro economic variables and for certain customers' categories determination that are used to determine the allowance for expected credit losses. - We tested the mathematical accuracy of the ECL model; - Involved our specialist in assessing the methodology applied by the management in the ECL model in accordance with the requirements of IFRS 9, tested the key assumptions used by management and assessed the reasonableness of the estimates used to arrive the allowance for expected credit losses; and - Assessed the adequacy and appropriateness of disclosures included in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Company, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditors' Report to the Shareholders of GAS Arabian Services Company (Continued)

Responsibilities of the Company's management and Those Charged with Governance for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Regulations for Companies and the Company's bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance to represent the Company's Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company's management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

Auditor's responsibilities for the audit of the financial statements (continued)

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, an extremely rare circumstance, we determine that a matter shouldn't be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed AL-Amri & Co

Gilad M. Al-Amr
Certified Public Accountant
Registration No. 362

Correspondence to: J. Munk, Ni24 G



GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

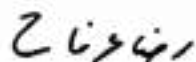
(Expressed in Saudi Riyals)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property and equipment	7	85,332,948	57,212,337
Right-of-use assets	8	3,793,078	1,002,285
Intangible assets	9	145,211	179,951
Investment in associates and joint ventures	10	106,170,934	91,143,068
Total non-current assets		195,442,171	149,537,641
Current assets			
Inventories	11	61,778,490	27,118,240
Accounts receivable and unbilled revenue	12	186,576,454	175,005,194
Prepayments and other receivables	13	51,553,711	68,564,856
Investments at fair value through profit or loss ("FVTPL")	14	-	11,216,264
Cash at banks	15	91,059,388	67,915,356
Total current assets		390,968,043	349,819,910
TOTAL ASSETS		586,410,214	499,357,551
EQUITY AND LIABILITIES			
Equity			
Share capital	16	158,000,000	158,000,000
Statutory reserve	16	36,867,936	28,721,025
Treasury shares	17	(3,224,947)	-
Other reserve	17	410,025	-
Retained earnings		168,637,211	130,447,538
Total equity		360,690,225	317,168,563
Liabilities			
Non-current liabilities			
Obligation against investment in joint venture	10	8,721,969	6,629,126
Employees' defined benefit liabilities	18	30,528,688	27,810,098
Lease liabilities	19	2,476,538	447,100
Total non-current liabilities		41,727,195	34,886,324
Current liabilities			
Current portion of lease liabilities	19	1,139,284	580,165
Accounts payable	20	96,709,699	83,054,771
Accruals other liabilities	21	79,292,701	58,010,054
Short term loans	22	-	-
Provision for Zakat	23	6,851,110	5,657,674
Total current liabilities		183,992,794	147,302,664
Total liabilities		225,719,989	182,188,988
TOTAL EQUITY AND LIABILITIES		586,410,214	499,357,551

The accompanying notes from 1 to 38 form an integral part of these financial statements.




7



Chairman

Chief Executive Officer

Finance Manager

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

	Notes	December 31, 2023	December 31, 2022
Revenue	24	721,511,577	496,039,689
Cost of revenue	25	(586,759,917)	(380,898,763)
Gross profit		134,751,660	115,140,926
General and administrative expenses	26	(83,206,119)	(73,552,643)
(Allowance)/reversal for expected credit losses		(6,433,837)	1,030,143
Share in results of associates and joint ventures	10	37,602,523	31,336,426
Profit from operations		82,714,227	73,954,852
Other income	27	7,360,671	1,564,350
Finance costs	28	(1,818,322)	(1,999,672)
Profit before Zakat		88,256,576	73,519,530
Zakat	23	(6,787,464)	(6,134,713)
NET PROFIT FOR THE YEAR		81,469,112	67,384,817
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Remeasurement gain on employees' defined benefits	18	417,472	3,217,948
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		81,886,584	70,602,765

EARNINGS PER SHARE

Restated (note 29)

Basic earnings per share from net profit attributable to the shareholders of the Company	29	0.5164	0.4265
Diluted earnings per share from net profit attributable to the shareholders of the Company	29	0.5156	0.4265

The accompanying notes from 1 to 38 form an integral part of these financial statements.



Chairman Chief Executive Officer Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Treasury shares	Other reserve	Retained earnings	Total
At January 01, 2022	158,000,000	21,982,543	-	-	98,183,255	278,165,798
Profit for the year	-	-	-	-	67,384,817	67,384,817
Other comprehensive Income	-	-	-	-	3,217,948	3,217,948
Total comprehensive income	-	-	-	-	70,602,765	70,602,765
Transfer to statutory reserve	-	6,738,482	-	-	(6,738,482)	-
Dividends (note- 34)	-	-	-	-	(31,600,000)	(31,600,000)
At December 31, 2022	158,000,000	28,721,025	-	-	130,447,538	317,168,563
Profit for the year	-	-	-	-	81,469,112	81,469,112
Other comprehensive income	-	-	-	-	417,472	417,472
Total comprehensive income	-	-	-	-	81,886,584	81,886,584
Transfer to statutory reserve	-	8,146,911	-	-	(8,146,911)	-
Shares to be issued under Employee Stock Ownership Plan (ESOP) (note- 17)	-	-	-	410,025	-	410,025
Purchase of treasury shares (note- 17)	-	-	(3,224,947)	-	-	(3,224,947)
Dividends (note- 34)	-	-	-	-	(35,550,000)	(35,550,000)
At December 31, 2023	158,000,000	36,867,936	(3,224,947)	410,025	168,637,211	360,690,225

The accompanying notes from 1 to 38 form an integral part of these financial statements.

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Chairman Chief Executive Officer Finance Manager

GAS ARABIAN SERVICES COMPANY

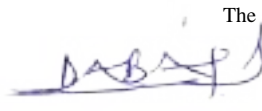

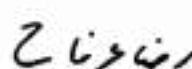
(A Saudi Joint Stock Company)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

	<u>Notes</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Zakat		88,256,576	73,519,530
<i>Adjustments for:</i>			
Depreciation on property and equipment	7	5,443,456	3,919,986
Depreciation on right-of-use assets	8	1,055,092	531,776
Amortization of intangible assets	9	70,715	100,190
Gain on disposal of property and equipment	27	(152,285)	(19,812)
Finance costs	28	1,818,322	1,999,672
Share in results of associates and joint ventures	10	(37,602,523)	(31,336,426)
Share to be issued under ESOP	17	410,025	-
Provision for employees' defined benefit liabilities	18	4,829,784	4,716,793
Realized loss on investments at FVTPL	14	1,004,712	-
Unrealized (gain) / loss on investments at FVTPL	14	(2,180,148)	1,618,624
		62,953,726	55,050,333
<i>Changes in:</i>			
Accounts receivable and unbilled revenue	12	(11,571,260)	37,402,651
Prepayments and other receivables	13	17,011,145	(28,073,286)
Inventories	11	(34,660,250)	(3,695,562)
Accounts payable	20	13,654,928	(12,316,930)
Accruals and other liabilities	21	21,282,647	25,254,942
Cash flows generated from operations		68,670,936	73,622,148
Finance costs paid		(1,545,819)	(1,643,645)
Zakat paid	23	(5,594,028)	(5,097,681)
Employees' defined benefit liabilities paid including advances	18	(1,693,722)	(1,179,008)
Net cash flows generated from operating activities		59,837,367	65,701,814
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	7	(33,799,863)	(2,374,283)
Purchases of intangibles	9	(35,975)	(30,000)
Proceeds from disposal of property and equipment		388,081	22,987
Purchase of investments at FVTPL	14	(23,729,044)	(37,815,656)
Sale of investments at FVTPL	14	36,120,744	37,752,510
Additional investment in existing associate	10	-	(2,450,000)
Dividends received from associates and joint ventures	10	24,667,500	24,464,827
Net cash flows generated from investing activities		3,611,443	19,570,385
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of treasury shares	17	(3,224,947)	-
Proceeds from short term loans	22	3,500,000	21,271,088
Repayments of short-term loans	22	(3,500,000)	(30,716,995)
Payment of principal portion of lease liabilities	19	(1,529,831)	(516,095)
Dividends paid	34	(35,550,000)	(31,600,000)
Net cash used in financing activities		(40,304,778)	(41,562,002)
Net change in cash and cash equivalents		23,144,032	43,710,197
Cash and cash equivalents at beginning of the year		67,915,356	24,205,159
Cash and cash equivalents at end of the year	15	91,059,388	67,915,356

The accompanying notes from 1 to 38 form an integral part of these financial statements.

Chairman **Chief Executive Officer** **Finance Manager**

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

1 CORPORATE INFORMATION

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 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 operates through the following branches:

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

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with IFRS accounting standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis using the accrual basis of accounting except otherwise as disclosed in note 3 below.

2.3 Functional and presentation currency

The financial statements are presented in Saudi Riyals (SR), which is the functional currency of the Company.

3 MATERIAL ACCOUNTING POLICIES

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Current versus non-current classification (Continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

3.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue from contracts with customers

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. Operational, Maintenance and technical engineering services. Manufacturing of piping spools, structural steel fabrication, pressure reducing stations and other industry essential products.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Technical services

Revenue from technical services is recognised at a point in time when the services are rendered to customer.

In case of fixed price contracts, the Company recognises revenue from technical services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

Sales commission

The Company acts as a sales representative for products sold by its principals'. Commission is recognised at a point in time usually when the relevant terms and conditions are satisfied by the Company as per the agreement with its principals.

3.3.1 Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from technical services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets are reclassified to accounts receivables. The Company contract assets include unbilled revenue, retention receivable and advance to suppliers.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). The Company contract liabilities include advance from customers.

3.4 Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue. All other expenses, except for finance costs, depreciation and amortisation are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

3.5 Cash dividend distribution to equity holders

The Company recognises a liability to pay a dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per provisions of Companies' Law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in statement of changes in equity.

3.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

3.7 Zakat and indirect tax

3.7.1 Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations and charged to the statement of profit or loss. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

3.7.2 Value added tax (VAT)

Sales, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Property and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are initially recorded at cost and stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company recognise such parts as individual assets and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation is calculated from the date the item of property and equipment is available for its intended use or in respect of self-constructed assets, from the date such assets are completed and ready for the intended use. The cost of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	20 years
Machinery and equipment	2 to 5 years
Motor vehicles	5 to 8 years
Furniture, fixture and office equipment	4 to 5 years
Project facilities	3 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset is written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

3.9 The Employee Stock Ownership Plan (ESOP)

The ESOP is an employee stock incentive plan that designates a specific number of shares in order to distribute them among the Company's employees who are in service. The Company maintains treasury shares to support this program. This employee stock incentive plan is divided into two main types namely; Company funded plans and employee share purchase plans. The Company recognizes a corresponding increase in equity when shares are actually transferred to employees.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Leases

The Company assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful lives of the assets, as follows:

Leasehold land

5 to 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "Impairment of non-financial assets".

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.12 Investment in associates and joint arrangements

Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's Investment in associates are accounted for using the equity method.

Joint arrangements

Under IFRS 11 Joint Arrangements, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining whether joint control exists or not are similar to those necessary to determine control over subsidiaries.

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint ventures:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the statement of financial position.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Investment in associates and joint arrangements (Continued)

Joint operations:

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and liabilities of the joint operation.

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. After the share in the investee is reduced to zero, a liability is recognised only to the extent that there is an obligation to fund the investee's operations or any payments have been made on behalf of the investee. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Company.

When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3.3 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition (Continued)

Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to four categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - not applicable to the Company
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - not applicable to the Company
- (iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include accounts receivables and amounts due from related parties.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition (Continued) **Financial assets (Continued)**

Derecognition (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

-	Disclosures for significant assumptions	Note 4
-	Accounts receivable and unbilled revenue	Note 12

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts and other payables, amounts due to related parties, lease liabilities and short-term loans.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.14 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Impairment of non-financial assets (Continued)

In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For assets, an assessment is made at each financial year-end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.15 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Goods for resale: purchase cost on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value

3.17 Bank deposits

Bank deposits include placements with banks with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk.

Interest income from time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

3.18 Statutory reserve

In accordance with Saudi Arabian Regulations for Companies, the Company must set aside 10% of its profit for the year to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of their share capital. The reserve is not available for distribution.

3.19 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the shares. Any difference between the carrying amount of the shares and the consideration, if reissued, is recognized in other reserves within equity.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Employees' benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, airfare, child education allowance, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position under accruals and other current liabilities.

Employees' defined contribution obligations

The Company has defined contribution plan with General Organisation for Social Insurance ("GOSI") where the Company contributes fixed percentage of the employee's salary towards the retirement of its employees, which qualify as defined contribution plan. Contribution payable to the defined contribution plan is recognised as an expense in the statement of profit or loss.

The Company operates a non-funded employee end-of-service benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. A defined benefit plan is a plan which is not a defined contribution plan. The liability recognised in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high quality corporate bonds that have terms to maturity approximating to the estimated term of the post-employment benefit obligations. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through other comprehensive income in the period in which they arise.

3.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as an asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.22 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's relevant Business Heads' which in the Company's case is to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's relevant Business Heads' include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Company's operating segments are analysed and aggregated based on the nature of activity.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.23 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

-	Sensitivity analysis disclosures	Note 18
-	Financial instruments risk management and policies	Note 32
-	Capital management	Note 33

4.1 Judgements

In the process of applying the Company' accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) *Satisfaction of performance obligations*

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the agreements entered with the customers and the provisions of relevant laws and regulations, where contracts are entered into to undertake long term fixed price contracts with the customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. Further, the technical services provided under the contract are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Company. Based on this, the Company recognises revenue over time. Where this is not the case, revenue is recognized at a point in time.

The Company has elected to apply the output method in allocating the transaction price to performance obligation where revenue is recognized over time. The Company considers that the use of the output method, which requires revenue recognition based on the Company's output against the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the output method, the Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

(ii) *Determining the lease term of contracts with renewal and termination options – Company as lessee*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.1 Judgements (Continued)

(ii) *Determining the lease term of contracts with renewal and termination options – Company as lessee (contd.)*

The Company has the option to renew the lease term for some of its leases. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in a business strategy).

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent of the use of a specific asset or assets or the arrangement conveys the right to use the asset.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) *Contract costs to complete estimates*

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

(ii) *Valuation of defined benefit obligations*

The present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and other assumptions. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about employees' defined benefit liabilities are provided in note 18.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Estimates and assumptions (Continued)

(iii) Useful lives of property and equipment

Management determines the estimated useful lives of its equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, duration of contract with the customer and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(iv) Provision for expected credit losses of accounts receivables and contract assets

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's accounts receivables and contract assets are disclosed in note 12.

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company has applied for the first-time certain standards amendments, which are effective for annual periods beginning on or after January 01, 2023 but they have no material impact on these financial statements.

- Definition of accounting estimates. (IAS 8);
- Disclosure of Accounting Policies (IAS 1, IFRS practice statement 2); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (IAS 12)

6 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments are effective for the period beginning January 01, 2024:

- Amendment – Liability in a Sale and Leaseback (IFRS 16);
- Amendment –Classification of Liabilities as Current or Non-current (IAS 1);
- Amendment –Non-current Liabilities with Covenants (IAS 1); and
- Supplier Finance Arrangements (IAS 7 and IFRS 7)

The following amendments are effective for the period beginning January 01, 2025:

- Lack of Exchangeability – Effect of changes in foreign exchange rates (IAS 21)

The Company does not expect these to have a material impact on its financial statements upon their adoption.

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7. PROPERTY AND EQUIPMENT

Cost:	Freehold land	Buildings (note 7.1)	Furniture, fixture and office equipment	Motor vehicles	Machinery and equipment	Project facilities	Capital work in progress (note 7.2)	Total
At 1 January 2022	20,433,725	28,061,966	4,107,400	13,309,742	8,651,729	-	9,579,768	84,144,330
Additions	-	-	275,932	753,750	1,832,756	-	10,712,412	13,574,850
Disposals	-	-	-	(77,000)	(23,301)	-	-	(100,301)
Transferred to related party	-	-	-	-	-	-	(11,200,567)	(11,200,567)
At 31 December 2022	20,433,725	28,061,966	4,383,332	13,986,492	10,461,184	-	9,091,613	86,418,312
Additions	-	168,895	458,850	6,885,895	6,996,549	32,000	19,257,674	33,799,863
Disposals / write offs	-	(213,006)	-	(841,417)	(66,667)	-	-	(1,121,090)
Transfer	-	900,068	-	-	-	1,049,100	(1,949,168)	-
At 31 December 2023	20,433,725	28,917,923	4,842,182	20,030,970	17,391,066	1,081,100	26,400,119	119,097,085
Accumulated depreciation:								
At 1 January 2022	-	7,602,180	3,148,930	9,646,716	4,985,289	-	-	25,383,115
Charge for the year	-	1,701,224	373,265	648,567	1,196,930	-	-	3,919,986
Disposals	-	-	-	(77,000)	(20,126)	-	-	(97,126)
At 31 December 2022	-	9,303,404	3,522,195	10,218,283	6,162,093	-	-	29,205,975
Charge for the year	-	1,830,898	374,412	1,216,332	1,696,963	324,851	-	5,443,456
Disposals / write offs	-	(65,502)	-	(784,686)	(35,106)	-	-	(885,294)
At 31 December 2023	-	11,068,800	3,896,607	10,649,929	7,823,950	324,851	-	33,764,137
Net book amounts:								
At 31 December 2022	20,433,725	17,849,123	945,575	9,381,041	9,567,116	756,249	26,400,119	85,332,948
At 31 December 2023	20,433,725	18,758,562	861,137	3,768,209	4,299,091	-	9,091,613	57,212,337

7.1 Buildings are constructed on a land rented from Royal Commission for Jubail & Yanbu with a standard rent for ten years starting from November 03, 2014 with option to renew on expiry of the lease term.

7.2 Capital work in progress represents mainly the construction of GAS Tower and Zuluf project. The construction work is expected to be completed in the years 2024 and 2025 respectively.

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8. RIGHT-OF-USE ASSETS

The Company has contracts for leasehold land (leasehold land contract includes office building, workshop facility etc.). These leases generally have term between 5 to 10 years. Below are the carrying amounts of right of use assets recognised and the movement during the year:

	December 31, 2023	December 31, 2022
Cost:		
At January 01,	2,632,558	2,632,558
Addition	3,845,885	-
At December 31,	6,478,443	2,632,558
Accumulated depreciation:		
At January 01,	1,630,273	1,098,497
Charge for the year	1,055,092	531,776
At December 31,	2,685,365	1,630,273
Net carrying amount:		
At December 31,	3,793,078	1,002,285

9. INTANGIBLE ASSETS

December 31, 2023	Software
Cost:	
At the beginning of the year	971,189
Additions	35,975
At the end of the year	1,007,164
Accumulated amortization:	
At the beginning of the year	791,238
Charge for the year	70,715
At the end of the year	861,953
Net carrying amount:	
At December 31, 2023	145,211

December 31, 2022	Software
Cost:	
At the beginning of the year	941,189
Additions	30,000
At the end of the year	971,189
Accumulated amortization:	
At the beginning of the year	691,048
Charge for the year	100,190
At the end of the year	791,238
Net carrying amounts	
At December 31, 2022	179,951

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The table below outlines the Company's investment in associates and joint ventures:

<u>Name of associates and joint ventures</u>	<u>Ownership %</u>		<u>Country of incorporation</u>	<u>Nature of activities</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>			<u>2023</u>	<u>2022</u>
Yokogawa Services Saudi Arabia Company	33%	33%	Saudi Arabia	Providing industrial technical services	38,041,589	37,184,363
Elliott Gas Services Saudi Arabia Limited	45%	45%	Saudi Arabia	Providing industrial technical services	50,823,434	38,833,026
FS Elliott Services Saudi Arabia Limited	50%	50%	Saudi Arabia	Providing industrial technical services	10,451,136	9,437,607
Weidmular Saudi Arabia Factory	49%	49%	Saudi Arabia	Manufacturing of industrial electrical components	3,755,621	3,461,996
Gas Vector Saudi Arabia Company Limited	45%	45%	Saudi Arabia	Providing industrial technical services	3,099,154	1,960,832
TubeFit Engineering Arabian Factory*	47%	-	Saudi Arabia	Manufacturing and assembling instrumentation	-	-
FS Elliott Saudi Arabia Limited	50%	50%	Saudi Arabia	Trading of industrial equipment	(7,655,577)	(6,629,126)
Elster Instronet Services Saudi Arabia Company Limited	40%	40%	Saudi Arabia	Providing industrial technical services	(1,066,392)	265,244
<i>Disclosed in the statement of financial position as follows:</i>						
Investments in associates and joint ventures under non-current assets					106,170,934	91,143,068
Obligation against investment in joint venture under non-current liabilities (Note 10.1)					(8,721,969)	(6,629,126)

*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 subsequent to the year ended December 31, 2023 by both partners, accordingly, the investment was recorded subsequently.

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

Movement in the investment in associates and joint ventures is as follows:

	<i>Yokogawa Services Saudi Arabia Company</i>	<i>Elliott Gas Services Saudi Arabia Limited</i>	<i>Other associates and joint ventures</i>	<i>Total</i>
<i>December 31, 2023</i>				
At January 01	37,184,363	38,833,026	15,125,679	91,143,068
Share of results (note 10.2)	6,962,226	30,552,908	2,445,476	39,960,610
Adjustment	-	-	(265,244)	(265,244)
Dividend received	(6,105,000)	(18,562,500)	-	(24,667,500)
At December 31	38,041,589	50,823,434	17,305,911	106,170,934
<i>December 31, 2022</i>				
At January 01	33,192,475	35,417,327	12,142,225	80,752,027
Share of results (note 10.2)	11,581,888	20,290,526	533,454	32,405,868
Additional investment	-	-	2,450,000	2,450,000
Dividend received	(7,590,000)	(16,874,827)	-	(24,464,827)
At December 31	37,184,363	38,833,026	15,125,679	91,143,068

10.1 Movement in the obligation against investment in associates and joint ventures is as follows:

	<i>December 31, 2023</i>	<i>December 31, 2022</i>
At January 01	6,629,126	5,559,684
Adjustment	(265,244)	-
Share of obligation during the year	2,358,087	1,069,442
At December 31	8,721,969	6,629,126

10.2 Share of results in associates and joint ventures is as follows:

	<i>December 31, 2023</i>	<i>December 31, 2022</i>
Share of results during the year	39,960,610	32,405,868
Share of obligation during the year	(2,358,087)	(1,069,442)
At December 31	37,602,523	31,336,426

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The table below provide summarised financial information of material associates and joint ventures of the Company. The information disclosed reflects the amounts presented in the available financial statements of the relevant investee and not Company's share of those amounts.

	December 31, 2023		December 31, 2022	
	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited
Current assets	197,044,078	100,110,084	252,664,849	73,875,616
Non-current assets	3,336,987	31,701,619	3,308,205	32,611,866
Current liabilities	(93,478,748)	(39,470,888)	(148,057,255)	(32,989,338)
Non-current liabilities	(7,023,839)	(1,904,170)	(8,862,270)	(1,353,959)
Net assets	<u>99,878,478</u>	<u>90,436,645</u>	<u>99,053,529</u>	<u>72,144,185</u>
Reconciliation:				
Company's share in %	33%	45%	33%	45%
Company's share	32,959,898	40,696,490	32,687,665	32,464,883
Add: adjustment for income tax	5,081,691	10,126,944	4,496,698	6,368,143
Carrying amount	<u>38,041,589</u>	<u>50,823,434</u>	<u>37,184,363</u>	<u>38,833,026</u>
Revenue	133,618,340	193,984,120	111,984,058	136,580,273
Profit for the year	24,775,764	68,698,640	37,431,079	46,417,398
Reconciliation:				
Company's share	8,176,002	31,234,179	12,352,256	20,887,829
Less: adjustment for income tax	(1,213,776)	(681,271)	(770,368)	(597,303)
Company's share in results	<u>6,962,226</u>	<u>30,552,908</u>	<u>11,581,888</u>	<u>20,290,526</u>

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11. INVENTORIES

	December 31, 2023	December 31, 2022
Goods for resale	41,706,355	24,463,958
Work in progress	20,084,266	2,654,282
Allowance for slow moving inventories (note 11.1)	(12,131)	-
	61,778,490	27,118,240

11.1 The nature of inventory is non perishable due to which allowance for slow moving inventories was not recorded in previous years. However, during the year the Company has decided to be prudent and approved a policy to assess normal wear and tear and record allowance for slow moving inventories for inventory items which are aged above five years ultimately resulting in allowance.

During 2023, SR 378 million (2022: SR 240 million) was recognised as an expense for the inventory consumed in the cost of revenue.

12. ACCOUNTS RECEIVABLE AND UNBILLED REVENUE

	December 31, 2023	December 31, 2022
Accounts receivables (note 12.1)	149,927,622	145,212,347
Unbilled revenue (note 12.2)	36,648,832	29,792,847
	186,576,454	175,005,194

12.1 ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022
Accounts receivables		
- From third parties	155,842,254	145,519,182
- From related parties (note 30)	1,338,872	2,920,542
Accounts receivable	157,181,126	148,439,724
Less: allowance for expected credit losses	(7,253,504)	(3,227,377)
	149,927,622	145,212,347

Five major customers' balances represent 29% (2022: 38%) of gross accounts receivables.

Accounts receivables are non-interest bearing and are generally on terms of 60 to 90 days. Unimpaired accounts receivables are mainly unsecured and are expected on the basis of the past experience, to be fully recoverable. For the terms and conditions with the related parties, please refer note 30.

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

	December 31, 2023	December 31, 2022
At the beginning of the year	3,227,377	4,257,520
Charge /(reversal) for the year	4,026,127	(1,030,143)
At the end of the year	7,253,504	3,227,377

An aged analysis of accounts receivables is as follows:

	Total	Current	0-30 days	31-90 days	91 -180 days	> 180 days
December 31, 2023	157,181,126	80,327,279	31,018,086	15,337,414	13,881,983	16,616,364
December 31, 2022	148,439,724	83,741,305	21,247,918	20,942,552	7,164,072	15,343,877

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12. ACCOUNTS RECEIVABLE AND UNBILLED REVENUE (CONTINUED)

12.2 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.

	December 31, 2023	December 31, 2022
Value of services performed	133,267,936	116,948,541
Less: amounts billed under progress billings	(96,451,394)	(87,155,694)
Less: allowance for expected credit losses	(167,710)	-
	<u>36,648,832</u>	<u>29,792,847</u>

13. PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Retention receivable	18,058,592	16,468,499
Amounts due from related parties (note 30)	2,555,099	6,694,551
Advances to suppliers	17,912,941	40,094,179
Prepaid expenses	5,905,237	4,715,898
Refundable deposits	112,529	100,529
Staff advances	904,313	491,200
Dividend receivable	6,105,000	-
	<u>51,553,711</u>	<u>68,564,856</u>

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	December 31, 2023	December 31, 2022
14.1 FVTPL - Current Assets		
At January 01,	11,216,264	12,771,710
Additions during the year	23,729,044	37,815,656
Disposal during the year (note 14.3)	(37,125,456)	(37,190,954)
Changes in fair value – unrealized gain/ (loss) (note 14.2)	2,180,148	(2,180,148)
At December 31	<u>-</u>	<u>11,216,264</u>
	December 31, 2023	December 31, 2022
14.2 FVTPL - Profit and Loss		
Realized loss during the year	(1,004,712)	(2,138,840)
Unrealized gain/ (loss) during the year	2,180,148	(1,618,624)
Dividend received	224,030	236,188
Net gain/ (loss) charged to profit and loss for the year	<u>1,399,466</u>	<u>(3,521,276)</u>

14.3 All these investments in equity securities were quoted in Tadawul managed through portfolio management Company. During the year, the Company has disposed-off all these investments.

15. CASH AT BANKS

	December 31, 2023	December 31, 2022
Cash at banks	<u>91,059,388</u>	<u>67,915,356</u>

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16. EQUITY

16.1 SHARE CAPITAL

Share capital is divided into 158,000,000 shares of SR 1 each (2022: 15,800,000 shares of SR 10 each).

During the year, in the Extraordinary General Meeting held on August 08, 2023, the shareholders have approved to reduce the nominal value of shares from SR 10 per share to SR 1 per share and increased the number of shares from 15.8 million shares to 158 million shares. The effect of reducing the nominal value of shares is being reflected on Tadawul for trading.

16.2 STATUTORY RESERVE

In accordance with the Saudi Arabian Regulations for Companies, 10% of the profit for the year is required to be transferred to statutory reserve until the balance in the reserve equals 30% of share capital. The reserve is not available for distribution.

17. TREASURY SHARES

During the year; on various dates, the management has repurchased 31,484 shares amounting to SR 2,499,952 of the Company as buy back of shares and is keeping those shares as treasury shares. The buyback of shares was approved by the shareholders of the Company in Extraordinary General Meeting held on April 10, 2023 by authorizing the Board of Directors to repurchase 200,000 shares and keep them as treasury shares since the management believes the share price being less than its fair value in the market. The repurchase is to be completed within one year of the approval and to be kept no longer than five years from the date of the approval.

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 shares to be allocated to employee stock incentive plan. The resolution is being favourably voted in the Extraordinary General Meeting held on August 08, 2023. During the year; on various dates, the management has repurchased 94,436 shares of the Company amounting to SR 724,995 as buy back of shares and is keeping those shares as employee stock incentive plan. This employee stock incentive plan is divided into two main types namely; Company funded plans and employee share purchase plans. During the year 2023, the Company has not granted shares to the employees. 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.

18. EMPLOYEES' DEFINED BENEFIT LIABILITIES

18.1 Post-employment benefits plan

In accordance with the provisions of IAS 19 - Employee Benefits, management has appointed an independent actuary to carry out an exercise to assess the present value of its defined benefit obligations as at December 31, 2023 and December 31, 2022 in respect of employees' benefits payable under relevant local regulations and contractual arrangements.

	December 31, 2023	December 31, 2022
Post-employment benefits plan	30,528,688	27,810,098

The following table summarizes the components of the net benefit expense recognized in statement of profit or loss, OCI and amounts recognized in the statement of financial position.

18.2 Net benefit expense recognised in profit or loss	December 31, 2023	December 31, 2022
Current service cost	3,489,261	3,478,495
Interest cost	1,340,523	1,238,298
Net benefit expense	4,829,784	4,716,793

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18. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

18.3 Net remeasurement loss recognised in other comprehensive income	December 31, 2023	December 31, 2022
Gain due to change in financial assumptions	(1,922,037)	(4,020,838)
Loss due to change in demographic assumptions	1,504,565	802,890
Net remeasurement gain	(417,472)	(3,217,948)

18.4 Movement in the present value of defined benefit obligations

	December 31, 2023	December 31, 2022
Defined benefit obligations at the beginning of the year	32,681,568	32,319,739
Current service cost	3,489,261	3,478,495
Interest cost	1,340,523	1,238,298
Benefits paid	(1,528,722)	(1,137,016)
Re-measurement gain on obligations	(417,472)	(3,217,948)
Defined benefit obligations at the end of the year	35,565,158	32,681,568
Less: Advances against employees' defined benefit liabilities	(5,036,470)	(4,871,470)
	30,528,688	27,810,098

Significant assumptions used in determining the post-employment defined benefit obligations includes the following:

	December 31, 2023	December 31, 2022
	% Per annum	% Per annum
Discount rate	4.8%	4.2%
Future growth rate	4.0%	4.0%

A quantitative sensitivity analysis for discount rate assumption on the defined benefit obligations as at December 31, are shown below:

Assumptions	Discount rate per annum	
	1%	1%
Sensitivity level	Increase	Decrease
Defined benefit obligations as at December 31, 2023	32,844,230	38,512,348
Defined benefit obligations as at December 31, 2022	30,181,250	35,389,803

Assumptions	Salary increase rate per annum	
	1%	1%
Sensitivity level	Increase	Decrease
Defined benefit obligations as at December 31, 2023	38,511,497	32,843,827
Defined benefit obligations as at December 31, 2022	35,389,020	30,180,880

The sensitivity analysis mentioned above have been determined based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

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19. LEASE LIABILITY

The following are the amounts recognised in the statement of profit or loss and other comprehensive income:

	December 31, 2023	December 31, 2022
As at January 01	1,027,265	1,468,964
Addition	3,845,885	-
Interest	272,503	74,396
Payments	(1,529,831)	(516,095)
As at December 31	3,615,822	1,027,265

Lease liabilities are allocated into current and non-current as of December 31, 2023 based on the maturity as follows.

	December 31, 2023	December 31, 2022
Current portion	1,139,284	580,165
Non –current portion	2,476,538	447,100
Total	3,615,822	1,027,265

The contractual maturity of lease liabilities (undiscounted) is as follows:

	December 31, 2023	December 31, 2022
Within one year	1,248,581	1,473,581
1-5 years	2,846,783	4,095,364
Total	4,095,364	5,568,945

20. ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Accounts payable		
- To third parties	95,408,573	82,480,863
- To related parties (note 30)	1,301,126	573,908
	96,709,699	83,054,771

21. ACCRUALS AND OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Accrued expenses	28,763,856	12,317,286
Employee's related accruals	11,423,462	4,761,511
Vat payable, net	5,071,935	6,598,317
Advances from customers	30,273,448	34,325,842
Other provisions	3,760,000	7,098
	79,292,701	58,010,054

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22. SHORT TERM LOANS

The Company had availed short term loans from commercial banks for working capital purposes. The loans carried financial charges at commercial rates and were secured by personnel guarantee from one of the shareholders of the Company. The loans was repayable within one year from the end of last financial year and are accordingly fully settled during the year.

The movement of short-term loans is as follows:

	December 31, 2023	December 31, 2022
At beginning of the year	-	9,164,276
Additions during the year	3,500,000	21,271,088
Paid during the year	(3,602,314)	(30,716,995)
Interest accrued during the year	102,314	281,631
At end of the year	-	-

23. PROVISION FOR ZAKAT

23.1 Movement of provision for Zakat

The movement of provision for Zakat is as follows:

	December 31, 2023	December 31, 2022
At the beginning of the year	5,657,674	4,620,642
Charged during the year	6,772,735	5,657,674
Paid during the year	(5,594,028)	(5,097,681)
Charge for previous years	78,375	-
(Over) / under provision for previous year	(63,645)	477,039
At the end of the year	6,851,110	5,657,674

23.2 Charge for the year

	December 31, 2023	December 31, 2022
Current year charge	6,772,735	5,657,674
Under provision for previous year	14,729	477,039
Total charge for the year	6,787,464	6,134,713

Status of assessments

The Company has submitted its Zakat returns/declarations for the years upto December 31, 2022. During the year, the Company has finalized and agreed its Zakat assessments for the years 2017 and 2018 with the Zakat, Tax and Customs Authority (ZATCA) amounted to SR 2,108,516 and same amount was reimbursed by the shareholders.

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 78,374 for which the Company has agreed. Assessments for the years 2019 to 2022 is currently under study by ZATCA.

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24. REVENUE

Type of goods or services and timing of revenue recognition

	December 31, 2023	December 31, 2022
<i>Revenue transferred at a point in time</i>		
Sale of traded goods (note 24.1)	459,542,086	303,122,995
Technical services	103,025,852	57,516,008
Sales commission	4,723,103	2,944,193
Manufacturing	20,952,601	15,507,583
<i>Revenue transferred over the time</i>		
Technical services	133,267,935	116,948,910
Total revenue	721,511,577	496,039,689

24.1 Disaggregation of revenue

The revenue includes export to a single customer amounted to SR 2,591,883 (2022: SR 6,098,319). All other revenues are generated within Kingdom of Saudi Arabia during the year.

25. COST OF REVENUE

	December 31, 2023	December 31, 2022
Cost of materials consumed	378,457,324	240,342,311
Sub-contracting and project material costs	121,446,704	100,547,066
Employees' costs	69,696,365	34,590,384
Depreciation and amortization	3,686,917	2,220,412
Others	13,472,607	3,198,590
	586,759,917	380,898,763

26. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2023	December 31, 2022
Employees' costs	56,144,544	53,237,605
Rent	2,189,006	2,254,106
Repairs and maintenance	2,568,160	1,851,510
Depreciation and amortization	2,882,346	2,331,540
Information technology expenses	1,772,382	1,324,699
Electricity and water	1,040,256	836,781
Travel	3,041,860	2,349,931
Professional fees	553,050	478,098
Communication	717,422	529,218
Insurance	731,274	475,938
Allowance for other provisions	3,760,000	-
Others	7,805,819	7,883,217
	83,206,119	73,552,643

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27. OTHER INCOME

	December 31, 2023	December 31, 2022
Rent	3,102,610	3,125,512
Gain on disposal of property and equipment	152,285	19,812
Net gain/ (loss) on investment at FVTPL (note 14.2)	1,175,436	(3,757,464)
Others	2,930,340	2,176,490
	7,360,671	1,564,350

28. FINANCE COSTS

	December 31, 2023	December 31, 2022
Interest on short term loans	102,314	281,631
Interest on lease liabilities	272,503	74,396
Others	1,443,505	1,643,645
	1,818,322	1,999,672

29. 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 during the year:

	December 31, 2023	December 31, 2022 (Restated)
Net profit after zakat	81,469,112	67,384,817
Weighted average number of shares for calculation for basic earnings per share (note 29.1 and note 29.2)	157,773,377	158,000,000
Weighted average number of shares - ESOP (note 17)	18,911	-
Weighted average number of shares of repurchased shares (note 17)	207,712	-
Weighted average number of shares for calculation for diluted earnings per share	158,000,000	158,000,000
Earnings per share:		
Basic	0.5164	0.4265
Diluted	0.5156	0.4265

29.1 The weighted average number of shares outstanding during the year has been adjusted due to repurchase of Company shares (note 17).

29.2 The weighted average number of shares outstanding during the year and the comparative year have been adjusted retrospectively as a result of the Extraordinary General Assembly approval on August 08, 2023 and before the approval of these financial statements to split the nominal value of the shares from SR 10 per share to SR 1 per share and the increase in the number of shares from 15.8 million shares to 158 million shares.

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30. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company, and 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 IAS 24 Related Party Disclosures. Following is the list of the major related parties of the Company:

<u>Names of related parties</u>	<u>Nature of relationship</u>
Gas Gulf for Trading & Contracting Company	Shareholder
Gas Asia for Trading & Contracting Company	Shareholder
Future Cooperation Company Limited	Shareholder
Future Generation Company Limited	Shareholder
Future Prospects Company Limited	Shareholder
FS Elliot Services Company Limited	Joint venture
Yokogawa Services Saudi Arabia Company Limited	Associate
Gas Vector Saudi Arabia Company Limited	Associate
Elliot Gas Services Saudi Arabia Company Limited	Joint venture
Elster Instromet Saudi Arabia Company	Associate
FS Elliot Saudi Arabia Company Limited	Joint venture
Weidmular Saudi Arabia Factory	Joint venture
TubeFit Engineers Arabia (note 10)	Joint venture
Eagle Burgmann Saudi Arabia Company Limited	Affiliate
TCR Arabia Company Limited	Affiliate
Magnetrol Gas	Affiliate
Mr. Abdulrahman Khalid Aldabal	Key management personnel
Mr. Faisal Khalid Aldabal	Key management personnel
Mr. Aref Khalid Aldabal	Key management personnel

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30. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Following are the major transactions and balances with related parties:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<u>December 31, 2023</u>	<u>December 31, 2022</u>
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and technical services provided	763,966	1,714,044
Eagle Burgmann Saudi Arabia Company Limited	Affiliate	Sale of goods and technical services provided	118,566	-
Elster Instromet Saudi Arabia Company	Associate	Sale of goods and technical services provided	1,286,964	962,191
		Rental income	1,943,213	1,940,626
		Purchase of goods	(3,294,818)	(315,140)
FS Elliot Saudi Arabia Company Limited	Joint venture	Rental income	551,310	549,844
		Technical services provided	103,500	116,979
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and technical services provided	86,807	777,861
		Purchase of goods	(1,977,190)	(2,330,704)
		Technical services received	697,312	659,396
FS Elliot Services Company Limited	Joint venture	Rental income	275,655	274,992
		Sale of goods and technical services provided	105,268	234,139
		Technical services received	(168,811)	(1,148,915)
Gas Vector Saudi Arabia Company Limited	Associate	Sale of goods and technical services provided	1,064,441	349,101
		Purchase of goods	(398,493)	(3,498,110)
Wedmular Saudi Arabia Factory	Joint venture	Additional investment	-	(2,450,000)
		Purchase of goods and services	(996,907)	(1,535,596)
		Sale of goods and services	444,744	213,476
TCR Arabia Company Limited	Affiliate	Rental income	754,197	754,197
SGB Al-Dabal Company Limited	Affiliate	Purchase of goods and services	(1,402,937)	-
Future Prospects Company limited	Shareholder	Transfer cost of capital work in progress	-	11,200,567

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30. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<u>December 31, 2023</u>	<u>December 31, 2022</u>
Mr. Aref Khalid Aldabal	Key management personnel	Rent payment	(487,500)	(487,500)
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rent payment	(386,991)	(481,513)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management personnel	Rent payment	(514,443)	(348,210)
Ms. Nora Abdulrahman Albabal & Ms. Kholoud Abdulrahman Aldabal	Key management personnel	Rent payment	(45,000)	(45,000)

Pricing policies and terms of payments of the above transactions with related parties have been approved by the Company's management.

In addition to the above the Company incurred the following compensation of key management personnel of the Company:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Short-term employee benefits	7,284,007	6,477,752
Employees' defined benefit liabilities	2,093,331	1,810,591
Total compensation	9,377,338	8,288,343

The breakdown of amounts due from/to related parties is as follows:

30.1 Accounts receivable (note 12):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Elliot Gas Services Saudi Arabia Company Limited	-	142,039
Gas Vector Saudi Arabia Company Limited	314,865	253,592
TCR Arabia Company Limited	341,904	754,197
Elster Instromet Saudi Arabia Company Limited	148,985	824,191
Yokogawa Services Saudi Arabia Company Limited	140,664	927,389
FS Elliot Services Company Limited	1,768	-
Eagle Burgmann Saudi Arabia Company Limited	118,566	-
Wedmular Company Limited	272,120	2,459
Other affiliates/associates	-	16,675
	<u>1,338,872</u>	<u>2,920,542</u>

30.2 Prepayments and other receivables (note 13):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Elster Instromet Saudi Arabia Company Limited	2,240,000	2,240,000
Gas Vector Saudi Arabia Company Limited	-	1,787,535
FS Elliot Saudi Arabia Company Limited	1,286,882	1,286,873
TCR Arabia Company Limited	307,994	431,911
FS Elliot Services Company Limited	411,125	411,125
Wedmular Company Limited	471,173	471,173
Magnetrol Gas	65,925	65,934
TubeFit Engineers Arabia	12,000	-
	<u>4,795,099</u>	<u>6,694,551</u>
Less: provision for due from a related party	(2,240,000)	-
	<u>2,555,099</u>	<u>6,694,551</u>

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30. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

30.3 Accounts payable (note 20):

	December 31, 2023	December 31, 2022
FS Elliot Services Company Limited	108,123	8,600
Yokogawa Services Saudi Arabia Company Limited	887,071	406,301
Gas Vector Saudi Arabia Company Limited	12,613	43,521
Wedmular Company Limited	189,839	59,675
Elster Instromet Saudi Arabia Company Limited	-	42,694
Eagle Burgmann Saudi Arabia Company Limited	735	2,320
TCR Arabia Company Limited	13,636	10,797
First Insurance & Reinsurance Broker Company	12,757	-
SGB Al-Dabal Company Limited	76,352	-
	1,301,126	573,908

31. 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 segment- 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 year ended December 31, 2023 and December 31, 2022 are as follows:

For the year ended December 31, 2023	Technical services	Trading	Manufacturing	Unallocated	Total
Revenue	236,293,788	464,265,188	20,952,601	-	721,511,577
Cost of revenue	(187,912,157)	(385,122,148)	(13,725,612)	-	(586,759,917)
Gross profit	48,381,631	79,143,040	7,226,989	-	134,751,660
General and administrative expenses	-	-	-	(83,206,119)	(83,206,119)
Allowance for expected credit losses	-	-	-	(6,433,837)	(6,433,837)
Other income	-	-	-	7,360,671	7,360,671
Finance costs	-	-	-	(1,818,322)	(1,818,322)
Share in results of associates and joint ventures	-	-	-	37,602,523	37,602,523
Profit before Zakat	-	-	-	88,256,576	88,256,576
Total assets	60,731,723	93,318,933	7,854,168	424,505,390	586,410,214
Total liabilities	-	-	-	225,719,989	225,719,989

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31. SEGMENT INFORMATION (CONTINUED)

For the year ended December 31, 2022	Technical services	Trading	Manufacturing	Unallocated	Total
Revenue	174,464,918	306,067,188	15,507,583	-	496,039,689
Cost of revenue	(129,572,596)	(245,981,984)	(5,344,182)	-	(380,898,763)
Gross profit	44,892,322	60,085,204	10,163,400	-	115,140,926
General and administrative expenses	-	-	-	(73,552,643)	(73,552,643)
Reversal for expected credit losses	-	-	-	1,030,143	1,030,143
Other income	-	-	-	1,564,350	1,564,350
Finance costs	-	-	-	(1,999,672)	(1,999,672)
Share in results of associates and joint ventures	-	-	-	31,336,426	31,336,426
Profit before Zakat	-	-	-	73,519,530	73,519,530
Total assets	49,270,435	85,388,384	12,284,645	352,414,087	499,357,551
Total liabilities	-	-	-	182,188,988	182,188,988

32. FINANCIAL INSTRUMENTS BY CATEGORY

	December 31, 2023		
	Total	At amortized cost	at FVTPL
<i>Financial assets</i>			
Accounts receivables	149,927,622	149,927,622	-
Prepayment and other receivables - Due from related parties	2,555,099	2,555,099	-
Cash at banks	91,059,388	91,059,388	-
Total	243,542,109	243,542,109	-
	December 31, 2023		
	Total	at amortised cost	at FVTPL
<i>Financial liabilities</i>			
Accounts payables	96,709,699	96,709,699	-
Accruals and other liabilities	79,292,701	79,292,701	-
Lease liabilities	3,615,822	3,615,822	-
Total	179,618,222	179,618,222	-

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32. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	December 31, 2022		
	Total	At amortised cost	at FVTPL
<i>Financial assets</i>			
Investments at fair value through profit or loss ("FVTPL")	11,216,264	-	11,216,264
Accounts receivables	145,212,347	145,212,347	-
Prepayment and other receivables - Due from related parties	6,694,551	6,694,551	-
Cash at banks	67,915,356	67,915,356	-
Total	231,038,518	219,822,254	11,216,264
	December 31, 2022		
	Total	At amortised cost	at FVTPL
<i>Financial liabilities</i>			
Accounts payables	83,054,771	83,054,771	-
Accruals and other liabilities	58,010,054	58,010,054	-
Lease liabilities	1,027,265	1,027,265	-
Total	142,092,090	142,092,090	-

The Company's exposure to various risks associated with the financial instruments is discussed in Note 33. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

33. FINANCIAL INSTRUMENTS

The Company's principal financial liabilities comprise payables, short term facilities and term loans. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents, investments at FVTPL and receivables.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

33.1 Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company is exposed to credit risk on its bank balances and accounts receivables as follows:

	December 31, 2023	December 31, 2022
Financial assets		
Cash at banks	91,059,388	67,915,356
Accounts receivables	149,927,622	145,212,347
	240,987,010	213,127,703

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33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Credit risk (Continued)

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on bank balances, accounts receivables and other receivables is limited as cash balances are held with banks with sound credit ratings and the accounts receivables and other receivables are shown net of allowance for impairment.

The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Before accepting any new credit customer, the Company has its own credit policy to assess the potential customer's credit quality and defines the credit limits for the new customer. These policies are reviewed and updated regularly. Moreover, the Company seeks to manage its credit risk by monitoring outstanding receivables on an ongoing basis.

33.1.1 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial and non-financial liabilities:

<u>December 31, 2023</u>	<u>Within one year</u>	<u>2-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payables	96,709,699	-	-	96,709,699
Accruals and other liabilities	79,292,701	-	-	79,292,701
Lease liabilities	1,248,581	2,846,783	-	4,095,364
	177,250,981	2,846,783	-	180,097,764

<u>December 31, 2022</u>	<u>Within one year</u>	<u>2-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payables	83,054,771	-	-	83,054,771
Accruals and other liabilities	58,010,054	-	-	58,010,054
Lease liabilities	1,473,581	4,095,364	-	5,568,945
	142,538,406	4,095,364	-	146,633,770

The maturity analysis of lease liabilities is disclosed under note 19.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments. The Company's terms of sales require amounts to be paid mostly on cash on delivery.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Financial instruments affected by market risk include investment at FVTPL.

Management believes that Company's exposure to price risk is limited because the amounts of the underlying balances and transactions are marginal. The Company is exposed to interest rate risk on its investment at FVTPL.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Saudi Riyals)

33. FINANCIAL INSTRUMENTS (CONTINUED)

ii. Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows and short-term loans bear variable finance costs at prevailing market rate.

iii. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyal (SR) and United States Dollar (USD). The Company's management believe that their exposure to currency risk associated with the USD is limited as the Saudi Riyal is pegged to the USD.

33.1.2 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Investment at FVTPL is determined at level 1 of the fair value hierarchy. As of December 31, 2023, the carrying amount of financial assets and financial liabilities of the Company approximate their fair value.

33.1.3 Capital management

For the purpose of the Company's capital management, capital includes issued capital, statutory reserve and retained earnings the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

33.1.4 Changes in liabilities arising from financing activities are as follows:

	As at January 01, 2023	Movement during the year	Interest during the year	Cash outflows	As at December 31, 2023
Short term loans	-	3,500,000	102,314	(3,602,314)	-
Lease liability	1,027,265	3,845,885	272,503	(1,529,831)	3,615,822
	1,027,265	7,345,885	374,817	(5,132,145)	3,615,822

	As at January 01, 2022	Movement during the year	Interest during the year	Cash outflows	As at December 31, 2022
Short term loans	9,164,276	21,271,088	281,631	(30,716,995)	-
Lease liability	1,468,964	-	74,396	(516,095)	1,027,265
	10,633,240	21,271,088	356,027	(31,233,090)	1,027,265

GAS ARABIAN SERVICES COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Expressed in Saudi Riyals)

34. DISTRIBUTIONS MADE TO SHAREHOLDERS

During the year December 31, 2023, the shareholders approved the dividend amounted to SR 35.55 million and it was also paid to the shareholders (for the year ended December 31, 2022: SR 31.6 million).

35. CONTINGENCIES AND COMMITMENTS

As at December 31, 2023, the Company has issued outstanding letters of guarantee amounting to SR 147 million (December 31, 2022: SR 200 million) and letters of credit amounting to SR 6.8 million (December 31, 2022: SR 8.26 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 9.58 million (December 31, 2022: SR 17.60 million) on account of construction of Company's new office building.

36. 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.

- Depreciation and amortization amounted to SR 4,551,922 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 2,220,412 and SR 2,331,540 respectively.

- Reversal for expected credit losses amounted to SR 1,030,143 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.

37. SUBSEQUENT EVENTS

On March 06, 2024, the Board of Directors has recommended a dividend of SR 47,277,217 to the Ordinary General Assembly of the Company.

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue and approved by the Board of Directors of the Company on March 06, 2024 G.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of GAS Arabian Services Company (the "Company") which comprise the statement of financial position as at December 31, 2024 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report to the Shareholders of GAS Arabian Services Company (Continued)

Revenue recognition	
Refer to note 3 for the accounting policy and note 22 for related disclosures.	
Key audit matter	How the matter was addressed in our audit
<p>During the year ended December 31, 2024, the Company has recognized a total revenue amounted to SR 1,093 million.</p> <p>Management recognises revenue in either at a point in time or over time according to the principals of IFRS 15, Revenue from Contracts with Customers.</p> <p>We considered this as a key audit matter due to the presumption of the fraud risk related to the revenue recognition and the risk that the management may record revenue before the satisfaction of the performance obligation. In addition, the Company's focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the control has been transferred.</p>	<p>Our audit procedures on revenue recognition of the Company included the following:</p> <ul style="list-style-type: none"> - Assessed the appropriateness of Company's revenue recognition and measurement policy in line with the requirements of IFRS-15 "Revenue from contracts with customers". - Assessed the design and implementation of relevant key controls over revenue cycle; - Obtained and tested, on sample basis, the customer contracts for technical services provided which was recognized over time and re-calculated revenue based on performance completed, compared it with calculation performed by management, assessed the revenue recognition as per contractual obligation and the adequacy of over time revenue recognition; - Traced contract assets portion to the subsequent billing in future period; - Tested on sample basis revenue recorded at a point in time and traced them to invoices, proof of delivery and other related documents; - Performed the cut-off test to ensure that the revenue is recorded in the appropriate accounting period; - Assessed the adequacy of the disclosure in the financial statements.

Independent Auditors' Report to the Shareholders of GAS Arabian Services Company (Continued)

Allowance for expected credit losses	
Refer to note 3 for the accounting policy and note 12 for related disclosures.	
Key audit matter	How the matter was addressed in our audit
<p>At December 31, 2024, the Company's trade receivables and contract assets and retention receivables amounted to SR 318.48 million, against which an allowance for expected credit losses of SR 7.99 million is maintained.</p> <p>The Company assesses at each reporting date whether the trade receivables are impaired. Management applies an expected credit loss ("ECL") model to determine the appropriate allowance expected credit losses.</p> <p>The determination of allowance for expected credit losses is based on certain assumptions that relate mainly to risk of default and expected loss rates. The Company applies judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the past history, market conditions, as well as forward looking estimates.</p> <p>We considered this as a key audit matter due to the level of judgement applied and estimates made in application of the ECL.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the process used by the management in determining the allowance for expected credit losses; - Assessed the significant assumptions used in the ECL model's calculation such as; forward-looking factors and macro-economic variables and for certain customers categories determination that are used to determine the allowance for expected credit losses; - Tested the mathematical accuracy of the ECL model; - Involved our specialist in assessing the methodology applied by the management in the ECL model in accordance with the requirements of IFRS 9, tested the key assumptions used by management and assessed the reasonableness of the estimates used to record the allowance for expected credit losses; and - Assessed the adequacy and appropriateness of disclosures included in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Company, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditors' Report to the Shareholders of GAS Arabian Services Company (Continued)

Responsibilities of the Company's management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Company's Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company's management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditors' Report to the Shareholders of GAS Arabian Services Company (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)


- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.



Ahmed Al Jumah
Certified Public Accountant
Registration No. 621



Dammam, on 10 Ramadan 1446 (H)
Corresponding to: 10 March, 2025 G

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(Expressed in Saudi Riyals)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Property and equipment	7	135,057,516	85,332,948
Right-of-use assets	8	6,117,456	3,793,078
Intangible assets	9	143,979	145,211
Investment in associates and joint ventures	10	113,611,697	106,170,934
Total non-current assets		254,930,648	195,442,171
Current assets			
Inventories	11	44,995,854	61,778,490
Trade receivables and contract assets	12	285,913,358	186,576,454
Prepayments and other receivables	13	79,794,405	51,553,711
Cash and cash equivalents	14	172,692,148	91,059,388
Total current assets		583,395,765	390,968,043
TOTAL ASSETS		838,326,413	586,410,214
EQUITY AND LIABILITIES			
Equity			
Share capital	15	158,000,000	158,000,000
Statutory reserve	15	-	36,867,936
Treasury shares	16	(3,279,789)	(3,224,947)
Other reserve	16	410,025	410,025
Retained earnings		249,333,805	168,637,211
Total equity		404,464,041	360,690,225
Liabilities			
Non-current liabilities			
Obligation against investment in joint ventures	10	11,639,186	8,721,969
Employees end of service benefits	17	33,735,813	30,528,688
Lease liabilities	18	3,391,849	2,476,538
Total non-current liabilities		48,766,848	41,727,195
Current liabilities			
Lease liabilities – current portion	18	1,853,816	1,139,284
Accounts payable	19	189,841,770	96,709,699
Accrued and other liabilities	20	113,221,691	49,019,253
Contract liabilities		74,643,243	30,273,448
Provision for Zakat	21	5,535,004	6,851,110
Total current liabilities		385,095,524	183,992,794
Total liabilities		433,862,372	225,719,989
TOTAL EQUITY AND LIABILITIES		838,326,413	586,410,214

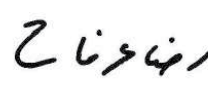
The accompanying notes from 1 to 36 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Saudi Riyals)

	Notes	December 31, 2024	December 31, 2023
Revenue	22	1,093,034,698	721,511,577
Cost of revenue	23	(920,626,253)	(598,381,636)
Gross profit		172,408,445	123,129,941
General and administrative expenses	24	(88,998,617)	(71,584,400)
Allowance for expected credit losses		(574,157)	(6,433,837)
Share in results of associates and joint ventures	10	27,927,406	37,602,523
Profit from operations		110,763,077	82,714,227
Other income	25	8,892,578	7,360,671
Finance costs	26	(1,030,088)	(1,818,322)
Profit before Zakat		118,625,567	88,256,576
Zakat	21	(4,669,830)	(6,787,464)
NET PROFIT FOR THE YEAR		113,955,737	81,469,112
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Remeasurement gain on employees' defined benefits	17	787,912	417,472
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		114,743,649	81,886,584
EARNINGS PER SHARE			Restated (note 27)
Basic earnings per share from net profit attributable to the shareholders of the Company	27	0.7231	0.5164
Diluted earnings per share from net profit attributable to the shareholders of the Company	27	0.7212	0.5156

The accompanying notes from 1 to 36 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Treasury shares	Other reserve	Retained earnings	Total
At January 01, 2023	158,000,000	28,721,025	-	-	130,447,538	317,168,563
Net profit for the year	-	-	-	-	81,469,112	81,469,112
Other comprehensive income	-	-	-	-	417,472	417,472
Total comprehensive income for the year	-	-	-	-	81,886,584	81,886,584
Transfer to statutory reserve	-	8,146,911	-	-	(8,146,911)	-
Shares to be issued under Employee Stock Ownership Plan (ESOP) (note- 16)	-	-	-	410,025	-	410,025
Purchase of treasury shares (note- 16)	-	-	(3,224,947)	-	-	(3,224,947)
Dividends (note-32)	-	-	-	-	(35,550,000)	(35,550,000)
At December 31, 2023	158,000,000	36,867,936	(3,224,947)	410,025	168,637,211	360,690,225
Net profit for the year	-	-	-	-	113,955,737	113,955,737
Other comprehensive income	-	-	-	-	787,912	787,912
Total comprehensive income for the year	-	-	-	-	114,743,649	114,743,649
Transfer to retained earnings (note - 15)	-	(36,867,936)	-	-	36,867,936	-
Purchase of treasury shares (note- 16)	-	-	(54,842)	-	-	(54,842)
Dividends (note- 32)	-	-	-	-	(70,914,991)	(70,914,991)
At December 31, 2024	158,000,000	-	(3,279,789)	410,025	249,333,805	404,464,041

The accompanying notes from 1 to 36 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Saudi Riyals)

	Notes	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Zakat		118,625,567	88,256,576
<i>Adjustments for:</i>			
Depreciation on property and equipment	7	11,513,014	5,443,456
Depreciation on right-of-use assets	8	1,643,517	1,055,092
Amortization of intangible assets	9	75,855	70,715
Share in results of associates and joint ventures	10	(27,927,406)	(37,602,523)
Allowance for expected credit losses		574,157	6,433,837
Shares to be issued under ESOP	16	-	410,025
Provision for employees end of service benefits	17	6,638,593	4,829,784
Gain on disposal of property and equipment	25	(123,959)	(152,285)
Finance costs	26	1,030,088	1,818,322
Realized gain on investments at FVTPL - net		-	(1,175,436)
		112,049,426	69,387,563
<i>Changes in:</i>			
Inventories	11	16,782,636	(34,660,250)
Trade receivables and contract assets	12	(99,911,061)	(18,005,097)
Prepayments and other receivables	13	(28,240,694)	17,011,145
Accounts payable	19	93,132,071	13,654,928
Accrued and other liabilities	20	64,202,438	25,335,041
Contract liabilities		44,369,795	(4,052,394)
Cash flows generated from operations		202,384,611	68,670,936
Finance costs paid		(612,484)	(1,545,819)
Zakat paid	17	(5,985,936)	(5,594,028)
Employees end of service benefits paid including advances	19	(2,643,556)	(1,693,722)
Net cash flows generated from operating activities		193,142,635	59,837,367
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	7	(61,368,593)	(33,799,863)
Purchases of intangibles	9	(74,623)	(35,975)
Proceeds from disposal of property and equipment		254,970	388,081
Dividends received from associates and joint ventures	10	25,753,860	24,667,500
Purchase of investments at FVTPL		-	(23,729,044)
Sale of investments at FVTPL		-	36,120,744
Investment in associates and joint ventures	10	(2,350,000)	-
Net cash flows (used in)/ generated from investing activities		(37,784,386)	3,611,443
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of treasury shares	16	(54,842)	(3,224,947)
Proceeds from short term loans		-	3,500,000
Repayments of short-term loans		-	(3,500,000)
Payments of lease liabilities	18	(2,755,656)	(1,529,831)
Dividends paid	32	(70,914,991)	(35,550,000)
Net cash used in financing activities		(73,725,489)	(40,304,778)
Net change in cash and cash equivalents		81,632,760	23,144,032
Cash and cash equivalents at beginning of the year		91,059,388	67,915,356
Cash and cash equivalents at end of the year	14	172,692,148	91,059,388

The accompanying notes from 1 to 36 form an integral part of these financial statements.



Chairman



Chief Executive Officer₁₀



Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Saudi Riyals)

1 CORPORATE INFORMATION

Gas Arabian Services Company ("the Company") is a Saudi Joint Stock Company registered in Saudi Arabia under Commercial Registration No. 2050022617 dated Sha'ban 7, 1412H (corresponding to February 11, 1992) issued in the City of Dammam, Kingdom of Saudi Arabia. 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 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 operates through the following branches:

Branches	CR No.
Gas Arabian Services Company – Jubail	2055004723
Gas Arabian Services Company – Dammam	2050099200
Gas Arabian Services Company – Yanbu	4700106468
Gas Arabian Services Company – Jubail	2055011867
Gas Arabian Services Company – Dammam	2050113651
Gas Arabian Services Company – Dammam	2050180839

2 BASIS OF PREPARATION AND BASIS OF MEASSUREMENT

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Basis of measurement

These financial statements have been prepared on historical cost convention except for employees benefits which are measured at present value.

2.3 Functional and presentation currency

The financial statements are presented in Saudi Riyals (SR), which is the functional currency of the Company.

3 MATERIAL ACCOUNTING POLICIES

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Current versus non-current classification (Continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

3.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue from contracts with customers

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. Operational, Maintenance and technical engineering services. Manufacturing of piping spools, structural steel fabrication, pressure reducing stations and other industry essential products.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Technical services

Revenue from technical services is recognised at a point in time when the services are rendered to the customer.

In case of fixed price contracts, the Company recognises revenue from technical services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on progress reports.

Sales commission

The Company acts as a sales representative for products sold by its principals'. Commission is recognised at a point in time usually when the relevant terms and conditions are satisfied by the Company as per the agreement with its principals.

3.3.1 Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from technical services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets are reclassified to trade receivables. The Company contract assets include contract assets, retention receivable and advance to suppliers.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). The Company contract liabilities include advance from customers.

3.4 Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue. All other expenses, except for finance costs, depreciation and amortisation are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

3.5 Cash dividend distribution to equity holders

The Company recognises a liability to pay a dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per provisions of Companies' Law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in statement of changes in equity.

3.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

3.7 Zakat and indirect tax

3.7.1 Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations and charged to the statement of profit or loss. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

3.7.2 Value added tax (VAT)

Sales, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Property and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are initially recorded at cost and stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company recognise such parts as individual assets and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation is calculated from the date the item of property and equipment is available for its intended use or in respect of self-constructed assets, from the date such assets are completed and ready for the intended use. The cost of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	20 years
Machinery and equipment	2 to 5 years
Motor vehicles	5 to 8 years
Furniture, fixture and office equipment	4 to 5 years
Project facilities	3 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset is written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

3.9 The Employee Stock Ownership Plan (ESOP)

The ESOP is an employee stock incentive plan that designates a specific number of shares in order to distribute them among the Company's employees who are in service. The Company maintains treasury shares to support this program. This employee stock incentive plan is divided into two main types namely; Company funded plans and employee share purchase plans. The Company will recognize a corresponding increase in equity when shares are actually transferred to employees.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Leases

The Company assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful lives of the assets, as follows:

Leasehold land - 5 to 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "Impairment of non-financial assets".

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.12 Investment in associates and joint arrangements

Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's Investment in associates are accounted for using the equity method.

Joint arrangements

Under IFRS 11 Joint Arrangements, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining whether joint control exists or not are similar to those necessary to determine control over subsidiaries.

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint ventures:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the statement of financial position.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Investment in associates and joint arrangements (Continued)

Joint operations:

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and liabilities of the joint operation.

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. After the share in the investee is reduced to zero, a liability is recognised only to the extent that there is an obligation to fund the investee's operations or any payments have been made on behalf of the investee. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Company.

When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3.3 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition (Continued)
Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to four categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - not applicable to the Company
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - not applicable to the Company
- (iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include trade receivables and amounts due from related parties.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition (Continued)
Financial assets (Continued)

Derecognition (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- | | |
|---|---------|
| - Disclosures for significant assumptions | Note 4 |
| - Trade receivables and contract assets | Note 12 |

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts and other payables, amounts due to related parties, lease liabilities and short-term loans.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition, subsequent measurement and derecognition (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.14 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Impairment of non-financial assets (Continued)

In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For assets, an assessment is made at each financial year-end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.15 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Goods for resale: purchase cost on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value

3.17 Short term investments

Short term investments include time deposits placements with banks with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk.

Interest income from time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

3.18 Statutory reserve

According to the latest update in the Regulations for Companies in the Kingdom of Saudi Arabia, the mandatory statutory reserve requirement has been abolished. In accordance with the bylaws, the Company transferred the statutory reserve to retained earnings. This reserve is currently available for distribution.

3.19 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the shares. Any difference between the carrying amount of the shares and the consideration, if reissued, is recognized in other reserves within equity.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Employees' benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, airfare, child education allowance, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position under accruals and other current liabilities.

Employees' defined contribution obligations

The Company has defined contribution plan with General Organisation for Social Insurance ("GOSI") where the Company contributes fixed percentage of the employee's salary towards the retirement of its employees, which qualify as defined contribution plan. Contribution payable to the defined contribution plan is recognised as an expense in the statement of profit or loss.

The Company operates a non-funded employee end-of-service benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. A defined benefit plan is a plan which is not a defined contribution plan. The liability recognised in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high quality corporate bonds that have terms to maturity approximating to the estimated term of the post-employment benefit obligations. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through other comprehensive income in the period in which they arise.

3.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as an asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.22 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's relevant Business Heads' which in the Company's case is to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's relevant Business Heads' include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Company's operating segments are analysed and aggregated based on the nature of activity.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.23 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- | | |
|--------------------------------------|-------------|
| - Sensitivity analysis disclosures | Note 17 |
| - Financial instruments by category | Note 30 |
| - Financial risk management policies | Note 31 |
| - Capital management | Note 31.1.3 |

4.1 Judgements

In the process of applying the Company' accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) *Satisfaction of performance obligations*

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the agreements entered with the customers and the provisions of relevant laws and regulations, where contracts are entered into to undertake long term fixed price contracts with the customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. Further, the technical services provided under the contract are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Company. Based on this, the Company recognises revenue over time. Where this is not the case, revenue is recognized at a point in time.

The Company has elected to apply the output method in allocating the transaction price to performance obligation where revenue is recognized over time. The Company considers that the use of the output method, which requires revenue recognition based on the Company's output against the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the output method, the Company tracks the progress toward completion of the contract by measuring overall output to date relative to total estimated output needed to satisfy the performance obligation based on monthly progress reports.

(ii) *Determining the lease term of contracts with renewal and termination options – Company as lessee*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.1 Judgements (Continued)

(ii) *Determining the lease term of contracts with renewal and termination options – Company as lessee (contd.)*

The Company has the option to renew the lease term for some of its leases. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in a business strategy).

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent of the use of a specific asset or assets or the arrangement conveys the right to use the asset.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) *Contract costs to complete estimates*

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

(ii) *Valuation of defined benefit obligations*

The present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and other assumptions. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about employees end of service benefits are provided in note 17.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Estimates and assumptions (Continued)

(iii) *Provision for Zakat*

Provision for zakat and is determined by the Company in accordance with the requirements of the Zakat, Tax and Custom Authority ("ZATCA") and is subject to change based on final assessments received from the ZATCA. The Company recognizes liabilities for any anticipated Zakat based on management's best estimates of whether additional Zakat will be due. The final outcome of any additional amount assessed by the ZATCA related to Zakat, VAT or excise tax is dependent on the eventual outcome of the appeal process which the Company is entitled to. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences could impact the statement of profit or loss in the period in which such final determination is made.

(iv) *Provision for expected credit losses of trade receivables and contract assets*

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables and contract assets are disclosed in note 12.

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company has applied for the first-time certain standards amendments, which are effective for annual periods beginning on or after January 01, 2024 but they have no material impact on these financial statements.

- Amendment – Liability in a Sale and Leaseback (IFRS 16);
- Amendment –Classification of Liabilities as Current or Non-current (IAS 1);
- Amendment –Non-current Liabilities with Covenants (IAS 1); and
- Supplier Finance Arrangements (IAS 7 and IFRS 7)

6 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The Company has not early adopted the following new and revised IFRSs Accounting Standards and amendments that have been issued but are not yet effective.

The following amendments are effective for the period beginning January 01, 2025:

- Lack of Exchangeability – Effect of changes in foreign exchange rates (IAS 21)
- Classification and Measurement of Financial Instruments (IFRS 9 & IFRS 7)
- Presentation and Disclosure in Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability: Disclosures (IFRS 19)

The Company does not expect these to have a material impact on its financial statements upon their adoption.

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7. PROPERTY AND EQUIPMENT

	Land	Buildings (note 7.1)	Furniture, fixture and office equipment	Motor vehicles	Machinery and equipment	Project facilities	Capital work in progress (note 7.2)	Total
Cost:								
At January 01, 2023	20,433,725	28,061,966	4,383,332	13,986,492	10,461,184	-	9,091,613	86,418,312
Additions	-	168,895	458,850	6,885,895	6,996,549	32,000	19,257,674	33,799,863
Disposals / write offs	-	(213,006)	-	(841,417)	(66,667)	-	-	(1,121,090)
Transfer	-	900,068	-	-	-	1,049,100	(1,949,168)	-
At December 31, 2023	20,433,725	28,917,923	4,842,182	20,030,970	17,391,066	1,081,100	26,400,119	119,097,085
Additions	-	79,000	892,162	18,856,789	14,789,400	340,906	26,410,336	61,368,593
Disposals / write offs	-	-	-	(796,416)	(858,694)	-	-	(1,655,110)
Transfer	-	-	817,740	-	1,627,000	13,355,212	(15,799,952)	-
At December 31, 2024	20,433,725	28,996,923	6,552,084	38,091,343	32,948,772	14,777,218	37,010,503	178,810,568
ACCUMULATED DEPRECIATION:								
At January 01, 2023	-	9,303,404	3,522,195	10,218,283	6,162,093	-	-	29,205,975
Charge for the year	-	1,830,898	374,412	1,216,332	1,696,963	324,851	-	5,443,456
Disposals / write offs	-	(65,502)	-	(784,686)	(35,106)	-	-	(885,294)
At December 31, 2023	-	11,068,800	3,896,607	10,649,929	7,823,950	324,851	-	33,764,137
Charge for the year	-	2,440,722	493,864	2,024,095	3,138,719	3,415,614	-	11,513,014
Disposals / write offs	-	-	-	(692,812)	(831,287)	-	-	(1,524,099)
At December 31, 2024	-	13,509,522	4,390,471	11,981,212	10,131,382	3,740,465	-	43,753,052
NET BOOK VALUE:								
At December 31, 2024	20,433,725	15,487,401	2,161,613	26,110,131	22,817,390	11,036,753	37,010,503	135,057,516
At December 31, 2023	20,433,725	17,849,123	945,575	9,381,041	9,567,116	756,249	26,400,119	85,332,948

7.1 Buildings are constructed on a land rented from Royal Commission for Jubail & Yanbu with a standard rent for ten years starting from November 03, 2014 with option to renew on expiry of the lease term. During 2024, the lease was renewed for an additional 10 years.

7.2 Capital work in progress represents mainly the construction of GAS Tower and Project Site Facilities. Management is expecting the construction works to be completed till the year 2026.

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8. RIGHT-OF-USE ASSETS

Right of use consist of leasehold land (leasehold land contract includes land, office building, workshop facility etc.) depreciated over 2 to 10 years:

	December 31, 2024	December 31, 2023
Cost:		
At January 01,	6,478,443	2,632,558
Addition	3,967,895	3,845,885
Retirements	(991,028)	-
At December 31,	9,455,310	6,478,443
Accumulated depreciation:		
At January 01,	2,685,365	1,630,273
Retirements	(991,028)	-
Charge for the year	1,643,517	1,055,092
At December 31,	3,337,854	2,685,365
Net carrying amount:		
At December 31,	6,117,456	3,793,078

9. INTANGIBLE ASSETS

December 31, 2024	Software
Cost:	
At the beginning of the year	1,007,164
Additions	74,623
At the end of the year	1,081,787
Accumulated amortization:	
At the beginning of the year	861,953
Charge for the year	75,855
At the end of the year	937,808
Net carrying amount:	
At December 31, 2024	143,979

December 31, 2023	Software
Cost:	
At the beginning of the year	971,189
Additions	35,975
At the end of the year	1,007,164
Accumulated amortization:	
At the beginning of the year	791,238
Charge for the year	70,715
At the end of the year	861,953
Net carrying amounts	
At December 31, 2023	145,211

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The table below outlines the Company's investment in associates and joint ventures:

<i>Name of associates and joint ventures</i>	<i>Ownership %</i>		<i>Country of incorporation</i>	<i>Nature of activities</i>	<i>December 31,</i>	
	<i>2024</i>	<i>2023</i>			<i>2024</i>	<i>2023</i>
Yokogawa Services Saudi Arabia Company	33%	33%	Saudi Arabia	Providing industrial technical services	45,026,259	38,041,589
Elliott Gas Services Saudi Arabia Limited	45%	45%	Saudi Arabia	Providing industrial technical services	44,129,451	50,823,434
FS Elliott Services Saudi Arabia Limited	50%	50%	Saudi Arabia	Providing industrial technical services	10,542,909	10,451,136
Weidmular Saudi Arabia Factory	49%	49%	Saudi Arabia	Manufacturing of industrial electrical components	8,531,901	3,755,621
Gas Vector Saudi Arabia Company Limited	45%	45%	Saudi Arabia	Providing industrial technical services	3,586,321	3,099,154
TubeFit Engineering Arabian Factory LLC	47%	47%	Saudi Arabia	Manufacturing and assembling instrumentation	1,794,856	-
FS Elliott Saudi Arabia Limited	50%	50%	Saudi Arabia	Trading of industrial equipment	(8,756,028)	(7,655,577)
Elster Instrumet Services Saudi Arabia Company Limited	40%	40%	Saudi Arabia	Providing industrial technical services	(2,883,158)	(1,066,392)
<i>Disclosed in the statement of financial position as follows:</i>						
Investments in associates and joint ventures under non-current assets					113,611,697	106,170,934
Obligation against investment in joint venture under non-current liabilities (note 10.1)					(11,639,186)	(8,721,969)

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

Movement in the investment in associates and joint ventures is as follows:

	<i>Yokogawa Services Saudi Arabia Company</i>	<i>Elliott Gas Services Saudi Arabia Limited</i>	<i>Other associates and joint ventures</i>	<i>Total</i>
December 31, 2024				
At January 01	38,041,589	50,823,434	17,305,911	106,170,934
Share of results	14,176,030	11,868,517	4,800,076	30,844,623
Additional investment	-	-	2,350,000	2,350,000
Dividend received	(7,191,360)	(18,562,500)	-	(25,753,860)
At December 31	45,026,259	44,129,451	24,455,987	113,611,697
December 31, 2023				
At January 01	37,184,363	38,833,026	15,125,679	91,143,068
Share of results	6,962,226	30,552,908	2,445,476	39,960,610
Additional investment	-	-	(265,244)	(265,244)
Dividend received	(6,105,000)	(18,562,500)	-	(24,667,500)
At December 31	38,041,589	50,823,434	17,305,911	106,170,934

10.1 Movement in the obligation against investment in associates and joint ventures is as follows:

	December 31, 2024	December 31, 2023
At January 01	8,721,969	6,629,126
Adjustment	-	(265,244)
Share of obligation during the year	2,917,217	2,358,087
At December 31	11,639,186	8,721,969

10.2 Share of results in associates and joint ventures is as follows:

	December 31, 2024	December 31, 2023
Share of results during the year	30,844,623	39,960,610
Share of obligation during the year	(2,917,217)	(2,358,087)
At December 31	27,927,406	37,602,523

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10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

10.3 The table below provide summarised financial information of material associates and joint ventures of the Company. The information disclosed reflects the amounts presented in the available financial statements of the relevant investee and not Company's share of those amounts.

	December 31, 2024		December 31, 2023	
	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited	Yokogawa Services Saudi Arabia Company	Elliott Gas Services Saudi Arabia Limited
Current assets	216,801,111	69,553,203	197,044,078	100,110,084
Non-current assets	2,832,642	30,754,094	3,336,987	31,701,619
Current liabilities	(96,953,378)	(24,432,929)	(93,478,748)	(39,470,888)
Non-current liabilities	(6,162,966)	(1,862,118)	(7,023,839)	(1,904,170)
Net assets	116,517,409	74,012,250	99,878,478	90,436,645
<i>Reconciliation:</i>				
Company's share in %	33%	45%	33%	45%
Company's share	38,450,745	33,305,513	32,959,898	40,696,490
Add: adjustment for income tax	6,575,514	10,823,938	5,081,691	10,126,944
Carrying amount	45,026,259	44,129,451	38,041,589	50,823,434
Revenue	152,498,614	112,403,319	133,618,340	193,984,120
Profit for the year	45,334,524	28,464,528	24,775,764	68,698,640
<i>Reconciliation:</i>				
Company's share	14,960,393	12,490,430	8,176,002	31,234,179
Less: adjustment for income tax	(784,363)	(621,913)	(1,213,776)	(681,271)
Company's share in results	14,176,030	11,868,517	6,962,226	30,552,908

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11. INVENTORIES

	December 31, 2024	December 31, 2023
Goods for resale	45,089,955	41,706,355
Work in progress	-	20,084,266
Allowance for obsolete/ slow moving inventories (note 11.1)	(94,101)	(12,131)
	<u>44,995,854</u>	<u>61,778,490</u>

11.1 The nature of inventory is non-perishable in nature; however, the Company has approved policy to assess normal wear and tear and record allowance for slow moving inventories for inventory items which are aged above five years ultimately resulting in allowance.

12. TRADE RECEIVABLES AND CONTRACT ASSETS

	December 31, 2024	December 31, 2023
Trade receivables (note 12.1)	190,795,144	149,927,622
Contract assets (note 12.2)	95,118,214	36,648,832
	<u>285,913,358</u>	<u>186,576,454</u>

12.1 TRADE RECEIVABLES

	December 31, 2024	December 31, 2023
Trade receivables		
- From third parties	194,179,505	155,842,254
- From related parties (note 28)	4,081,448	1,338,872
Trade receivables	198,260,953	157,181,126
Less: allowance for expected credit losses	(7,465,809)	(7,253,504)
	<u>190,795,144</u>	<u>149,927,622</u>

Five major customers' balances represent 32% (2023: 29%) of gross trade receivables.

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days. Unimpaired trade receivables are mainly unsecured and are expected on the basis of the past experience, to be fully recoverable. For the terms and conditions with the related parties, please refer note 28.

The allowance for expected credit loss on trade receivables is as follows:

December 31, 2024	Expected loss rate	Gross carrying amount	Allowance For ECL
0-90 days	0.45%	169,712,192	763,705
91-180 days	4.38%	17,129,347	750,265
181-270 days	14.35%	3,971,130	569,857
271-365 days	45.45%	3,241,064	1,473,064
Above 365 days	92.75%	4,207,220	3,908,918
Closing		<u>198,260,953</u>	<u>7,465,809</u>
December 31, 2023	Expected loss rate	Gross carrying amount	Allowance For ECL
0-90 days	1.34%	126,682,781	1,699,222
91-180 days	2.82%	13,881,976	391,122
181-270 days	6.17%	5,334,817	329,334
271-365 days	9.91%	2,212,977	219,204
Above 365 days	50.89%	9,068,575	4,614,622
Closing		<u>157,181,126</u>	<u>7,253,504</u>

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12. TRADE RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

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

	December 31, 2024	December 31, 2023
At the beginning of the year	7,253,504	3,227,377
Charge for the year	212,305	4,026,127
At the end of the year	<u>7,465,809</u>	<u>7,253,504</u>

12.2 CONTRACT ASSETS

Contract assets 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 trade receivables.

	December 31, 2024	December 31, 2023
Value of services performed (note - 22)	379,857,278	133,267,936
Less: Amounts billed under progress billings	(284,521,397)	(96,451,394)
Less: Allowance for expected credit losses	(217,667)	(167,710)
	<u>95,118,214</u>	<u>36,648,832</u>

13. PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2024	December 31, 2023
Retention receivable	24,882,065	18,058,592
Due from related parties (note 28)	2,237,013	2,555,099
Advances to suppliers	40,037,910	17,912,941
Prepaid expenses	11,448,178	5,905,237
Refundable deposits	122,529	112,529
Staff advances	985,630	904,313
Dividend receivable	-	6,105,000
Accrued interest	392,976	-
Less: Allowance for expected credit losses on retention	(311,896)	-
	<u>79,794,405</u>	<u>51,553,711</u>

14. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash at banks	40,192,148	91,059,388
Short term deposits (note 14.1)	132,500,000	-
	<u>172,692,148</u>	<u>91,059,388</u>

14.1 During the year, the Company invested in short term investments ("Term Deposits") at an average profit rate of 5.24% per annum having average maturity and roll forward of 30 to 120 days. These investments have yielded total interest income amounted to SR 3,241,530 charged to other income out of which SR 392,976 is recorded as an accrued income.

14.1 Significant non-cash transactions:

	December 31, 2024	December 31, 2023
Transfer from capital work in progress to property and equipment (note-7)	15,799,952	1,949,168
Additions to right of use assets (note-8)	3,967,895	3,845,885
	<u>19,767,847</u>	<u>5,795,053</u>

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15. EQUITY

15.1 SHARE CAPITAL

Share capital is divided into 158,000,000 shares of SR 1 each (2023: 158,000,000 shares of SR 1 each).

15.2 STATUTORY RESERVE

On May 14, 2024, in an Extraordinary General Meeting (EoGM), the Shareholders decided to amend the Company's By-Laws by removing the relevant clause pertaining to creating statutory reserve after the requirement to create the reserve was abolished in the new Companies regulations in the Kingdom of Saudi Arabia. The By-Laws of the Company has been amended accordingly.

Further, on December 10, 2024 in an EoGM, the Shareholders approved the transfer of SAR 36,867,936 from the statutory reserve to retained earnings. The transfer from the statutory reserve has been completed.

16. TREASURY SHARES

On April 10, 2023, the EoGM authorized the Board of Directors (BOD) to repurchase 200,000 shares for the purpose of keeping them as treasury shares, believing the nominal value was below market price. The Company, repurchased 31,484 shares (before split) amounted to SR 2,499,952, with a repurchase deadline of one year and a holding period of up to five years.

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 Ownership Plan ("ESOP"). From 2023-2024, the Company repurchased all 100,000 shares for SR 779,837 and created a reserve of SR 410,025 for the share issuance in future.

On August 8, 2023, the EoGM approved shares split by reducing the nominal value from SR 10 to SR 1 per share.

On May 14, 2024, the EoGM approved to change the purpose of treasury shares to the ESOP.

17. EMPLOYEES END OF SERVICE BENEFITS

17.1 Post-employment benefits plan

In accordance with the provisions of IAS 19 - Employee Benefits, management has appointed an independent actuary to carry out an exercise to assess the present value of its defined benefit obligations as at December 31, 2024 and December 31, 2023.

	December 31, 2024	December 31, 2023
Post-employment benefits plan	<u>33,735,813</u>	<u>30,528,688</u>

The following table summarizes the components of the net benefit expense recognized in statement of profit or loss, OCI and amounts recognized in the statement of financial position.

17.2 Net benefit expense recognised in profit or loss	December 31, 2024	December 31, 2023
Current service cost	<u>4,978,860</u>	3,489,261
Interest cost	<u>1,659,733</u>	1,340,523
Net benefit expense	<u>6,638,593</u>	<u>4,829,784</u>

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17. EMPLOYEES END OF SERVICE BENEFITS (CONTINUED)

17.3 Net remeasurement gain recognised in other comprehensive income	December 31, 2024	December 31, 2023
Gain due to change in financial assumptions	(6,179,420)	(1,922,037)
Loss due to change in demographic assumptions	5,391,508	1,504,565
Net remeasurement gain	(787,912)	(417,472)

17.4 Movement in the present value of defined benefit obligations

	December 31, 2024	December 31, 2023
Defined benefit obligations at the beginning of the year	35,565,158	32,681,568
Current service cost	4,978,860	3,489,261
Interest cost	1,659,733	1,340,523
Benefits paid	(1,974,789)	(1,528,722)
Re-measurement gain on obligations	(787,912)	(417,472)
Defined benefit obligations at the end of the year	39,441,050	35,565,158
Less: Advances against employees end of service benefits	(5,705,237)	(5,036,470)
Defined benefit obligations at the end of the year	33,735,813	30,528,688

Significant assumptions used in determining the post-employment defined benefit obligations includes the following:

	December 31, 2024	December 31, 2023
	% Per annum	% Per annum
Discount rate	5.5%	4.8%
Future growth rate	4.0%	4.0%

A quantitative sensitivity analysis for discount rate assumption on the defined benefit obligations as at December 31, are shown below:

Assumptions	Discount rate per annum	
Sensitivity level	1% Increase	1% Decrease
Defined benefit obligations as at December 31, 2024	36,787,831	42,286,560
Defined benefit obligations as at December 31, 2023	32,844,230	38,512,348

Assumptions	Salary increase rate per annum	
Sensitivity level	1% Increase	1% Decrease
Defined benefit obligations as at December 31, 2024	42,285,625	36,787,379
Defined benefit obligations as at December 31, 2023	38,511,497	32,843,827

The sensitivity analysis mentioned above have been determined based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

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18. LEASE LIABILITY

The following are the amounts recognised in the statement of profit or loss and other comprehensive income:

	December 31, 2024	December 31, 2023
As at January 01	3,615,822	1,027,265
Addition	3,967,895	3,845,885
Interest	417,604	272,503
Payments	(2,755,656)	(1,529,831)
As at December 31	5,245,665	3,615,822

Lease liabilities are allocated into current and non-current as of December 31, 2024 based on the maturity as follows.

	December 31, 2024	December 31, 2023
Current portion	1,853,816	1,139,284
Non – current portion	3,391,849	2,476,538
Total	5,245,665	3,615,822

The contractual maturity of lease liabilities (undiscounted) is as follows:

	December 31, 2024	December 31, 2023
Within one year	2,269,487	1,248,581
1-5 years	3,433,974	2,846,783
Above 5 years	675,000	-
Total	6,378,461	4,095,364

19. ACCOUNTS PAYABLE

	December 31, 2024	December 31, 2023
Accounts payable		
- To third parties	186,449,803	95,408,573
- To related parties (note 28)	3,391,967	1,301,126
	189,841,770	96,709,699

20. ACCRUED AND OTHER LIABILITIES

	December 31, 2024	December 31, 2023
Project accruals	91,860,895	28,763,856
Employee's related accruals	17,382,222	11,423,462
VAT payable	176,980	5,071,935
Other provisions	3,801,594	3,760,000
	113,221,691	49,019,253

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21. PROVISION FOR ZAKAT

21.1 Movement of provision for Zakat

The movement of provision for Zakat is as follows:

	December 31, 2024	December 31, 2023
At the beginning of the year	6,851,110	5,657,674
Charged during the year	5,535,003	6,772,735
Paid during the year	(6,064,309)	(5,594,028)
Charge for previous years	47,131	78,375
Over provision for previous year	(833,931)	(63,646)
At the end of the year	5,535,004	6,851,110

21.2 Charge for the year

	December 31, 2024	December 31, 2023
Current year charge	5,535,003	6,772,735
(Over)/ under provision for previous year	(865,173)	14,729
Total charge for the year	4,669,830	6,787,464

21.3 Status of assessments

The Company has submitted its Zakat returns to Zakat, Tax and Customs Authority (ZATCA) up to the year 2023 and have obtained the required certificates. During 2024, with respect to the year 2015, the Company received final order amounted to SR 78,375 from General Secretariat of Tax Committee (GSTC). The same has been paid and reimbursed by the shareholders. Further during 2024, the Company received final assessment order for the year 2023 amounted to SR 47,131 and the same has been paid.

22. REVENUE

Type of goods or services and timing of revenue recognition

	December 31, 2024	December 31, 2023
<i>Revenue generated at a point in time</i>		
Sale of traded goods (22.1)	523,475,997	459,542,086
Technical services	134,050,012	103,025,852
Manufacturing	53,833,255	20,952,601
Sales commission	1,818,156	4,723,103
	713,177,420	588,243,642
<i>Revenue generated over the time</i>		
Technical services	379,857,278	133,267,935
Total revenue	1,093,034,698	721,511,577

22.1 Disaggregation of revenue

During 2024, all revenues are generated from within the Kingdom of Saudi Arabia (2023: SR 2,591,883 exports to a single customer).

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23. COST OF REVENUE

	December 31, 2024	December 31, 2023
Cost of materials consumed	425,165,444	378,457,324
Sub-contracting and project material costs	330,397,280	121,446,704
Employees' costs	119,983,315	81,318,084
Depreciation and amortization	9,611,979	3,686,917
Others	35,468,235	13,472,607
	920,626,253	598,381,636

24. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2024	December 31, 2023
Employees' costs	58,644,144	44,522,825
Rent	2,321,783	2,189,006
Repairs and maintenance	3,521,375	2,568,160
Depreciation and amortization	3,620,411	2,882,346
Information technology expenses	2,132,614	1,772,382
Electricity and water	1,263,561	1,040,256
Travel	4,618,723	3,041,860
Professional fees	1,452,887	553,050
Communication	942,725	717,422
Insurance	1,200,742	731,274
Allowance for other provisions	-	3,760,000
Others	9,279,652	7,805,819
	88,998,617	71,584,400

25. OTHER INCOME

	December 31, 2024	December 31, 2023
Rent	3,079,214	3,102,610
Interest income on short term investments	3,241,530	-
Gain on disposal of property and equipment	123,959	152,285
Realised gain on sale of investments at FVTPL- net	-	1,175,436
Others	2,447,875	2,930,340
	8,892,578	7,360,671

26. FINANCE COSTS

	December 31, 2024	December 31, 2023
Interest on lease liabilities	417,604	272,503
Interest on short term loans	-	102,314
Others	612,484	1,443,505
	1,030,088	1,818,322

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27. 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 during the year:

	December 31, 2024	December 31, 2023 (Restated)
Net profit after Zakat	113,955,737	81,469,112
Weighted average number of shares for calculation for basic earnings per share (note 27.1)	157,587,812	157,773,377
Weighted average number of shares - ESOP (note 16)	409,276	18,911
Weighted average number of shares of repurchased shares (note 16)	2,912	207,712
Weighted average number of shares for calculation for diluted earnings per share	158,000,000	158,000,000
Earnings per share:		
Basic	0.7231	0.5164
Diluted	0.7212	0.5156

27.1 The weighted average number of shares outstanding during the year has been adjusted due to repurchase of treasury shares (note 16).

28. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company, and 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 IAS 24 Related Party Disclosures. Following is the list of the major related parties of the Company:

<u>Names of related parties</u>	<u>Nature of relationship</u>
Gas Gulf for Trading & Contracting Company	Shareholder
Gas Asia for Trading & Contracting Company	Shareholder
Future Cooperation Company Limited	Shareholder
Future Generation Company Limited	Shareholder
Future Prospects Company Limited	Shareholder
FS Elliot Services Company Limited	Joint venture
Elliot Gas Services Saudi Arabia Company Limited	Joint venture
FS Elliot Saudi Arabia Company Limited	Joint venture
Weidmuller Saudi Arabia Factory Company	Joint venture
TubeFit Engineering Arabian Factory LLC (note 10)	Joint venture
Yokogawa Services Saudi Arabia Company Limited	Associate
Gas Vector Saudi Arabia Company Limited	Associate
Elster Instromet Saudi Arabia Company	Associate
SGB Al-Dabal Company Limited	Affiliate
Eagle Burgmann Saudi Arabia Company Limited	Affiliate
TCR Arabia Company Limited	Affiliate
Magnetrol Gas	Affiliate
Mr. Abdulrahman Khalid Aldabal	Key management personnel
Mr. Faisal Khalid Aldabal	Key management personnel
Mr. Aref Khalid Aldabal	Key management personnel

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28. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Following are the significant transactions and balances with related parties:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<u>December 31, 2024</u>	<u>December 31, 2023</u>
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and technical services provided	323,431	664,318
		Payment made on behalf of associate	(15,150)	-
Eagle Burgmann Saudi Arabia Company Limited	Affiliate	Sale of goods and technical services provided	-	103,101
		Purchase of goods	(36,440)	-
Elster Instromet Saudi Arabia Company	Associate	Sale of goods and technical services provided	2,691,817	1,119,099
		Rental income	1,687,500	1,689,750
		Purchase of goods	(465,147)	(2,865,059)
FS Elliot Saudi Arabia Company Limited	Joint venture	Rental income	478,125	479,400
		Technical services provided	90,000	90,000
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and technical services provided	-	75,484
		Purchase of goods	(5,448,496)	(1,823,649)
		Technical services received	628,799	606,358
FS Elliot Services Company Limited	Joint venture	Rental income	239,063	239,700
		Sale of goods and technical services provided	106,088	91,537
		Purchase of goods & Services	-	(146,270)
		Sale of goods and technical services provided	252,311	925,601
Gas Vector Saudi Arabia Company Limited	Associate	Payment made on behalf of associate	2,721,804	-
		Purchase of goods	(704,000)	(345,943)
Weidmuller Saudi Arabia Factory Company	Joint venture	Rent Income	18,514	-
		Purchase of goods and services	(755,056)	(881,422)
		Sale of goods and services	4,692,430	386,734
TCR Arabia Company Limited	Affiliate	Rental income	655,824	655,824
		Payment made on behalf of associate	131,016	105,243
		Purchase of goods & Services	(322,923)	(202,110)
		Purchase of goods and services	(9,791,935)	(1,219,945)
TubeFit Engineering Arabian Factory LLC	Joint venture	Investment	2,350,000	-

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28. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<u>December 31, 2024</u>	<u>December 31, 2023</u>
Mr. Aref Khalid Aldabal	Key management personnel	Rent payment	(487,500)	(487,500)
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rent payment	(552,500)	(386,991)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management personnel	Rent payment	(351,525)	(351,525)
Ms. Nora Abdulrahman Albabal & Ms. Kholoud Abdulrahman Aldabal	Key management personnel	Rent payment	(45,000)	(45,000)
Khalid Abdulrahman Khalid Aldabal	Key management personnel	Rent payment	(202,500)	(162,918)

Pricing policies and terms of payments of the above transactions with related parties have been approved by the Company's management.

In addition to the above the Company incurred the following compensation of key management personnel of the Company:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short-term employee benefits	8,655,704	7,284,007
Employees end of service benefits	2,086,818	2,093,331
Total compensation	10,742,522	9,377,338

The breakdown of amounts due from/to related parties is as follows:

28.1 Trade receivables (note 12):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Weidmuller Saudi Arabia Factory Company	2,500,193	272,120
Elster Instromet Saudi Arabia Company Limited	1,251,664	148,985
TCR Arabia Company Limited	196,102	341,904
Yokogawa Services Saudi Arabia Company Limited	102,626	140,664
Gas Vector Saudi Arabia Company Limited	30,863	314,865
FS Elliot Services Company Limited	-	1,768
Eagle Burgmann Saudi Arabia Company Limited	-	118,566
	4,081,448	1,338,872

28.2 Prepayments and other receivables (note 13):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Elster Instromet Saudi Arabia Company Limited	2,240,000	2,240,000
FS Elliot Saudi Arabia Company Limited	1,660,704	1,286,882
FS Elliot Services Company Limited	411,122	411,125
TCR Arabia Company Limited	99,262	307,994
Magnetrol Gas	65,925	65,925
Weidmuller Saudi Arabia Factory Company	-	471,173
TubeFit Engineering Arabian Factory LLC	-	12,000
	4,477,013	4,795,099
Less: Allowance for due from a related party	(2,240,000)	(2,240,000)
	2,237,013	2,555,099

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28. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

28.3 Accounts payable (note 19):

	December 31, 2024	December 31, 2023
Yokogawa Services Saudi Arabia Company Limited	2,277,938	887,071
Wedmular Company Limited	451,914	189,839
SGB Al-Dabal Company Limited	444,841	76,352
Gas Vector Saudi Arabia Company Limited	146,972	12,613
TCR Arabia Company Limited	45,675	13,636
First Insurance & Reinsurance Broker Company	24,627	12,757
Eagle Burgmann Saudi Arabia Company Limited	-	735
FS Elliot Services Company Limited	-	108,123
	3,391,967	1,301,126

29. 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 segment- 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 year ended December 31, 2024 and December 31, 2023 are as follows:

For the year ended December 31, 2024	Technical services	Trading and commission	Manufacturing	Unallocated	Total
Revenue	513,907,289	525,294,153	53,833,256	-	1,093,034,698
Cost of revenue	(439,771,660)	(440,514,395)	(40,340,198)	-	(920,626,253)
Gross profit	74,135,629	84,779,758	13,493,058	-	172,408,445
General and administrative expenses	-	-	-	(88,998,617)	(88,998,617)
Allowance for expected credit losses	-	-	-	(574,157)	(574,157)
Other income	-	-	-	8,892,578	8,892,578
Finance costs	-	-	-	(1,030,088)	(1,030,088)
Share in results of associates and joint ventures	-	-	-	27,927,406	27,927,406
Profit before Zakat	-	-	-	-	118,625,567
Total assets	65,486,286	135,102,168	7,789,633	629,948,326	838,326,413
Total liabilities	-	-	-	433,862,372	433,862,372

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29. SEGMENT INFORMATION (CONTINUED)

For the year ended December 31, 2023	Technical services	Trading and commission	Manufacturing	Unallocated	Total
Revenue	236,293,788	464,265,188	20,952,601	-	721,511,577
Cost of revenue	(187,549,374)	(392,380,101)	(18,452,161)	-	(598,381,636)
Gross profit	48,744,414	71,885,087	2,500,440	-	123,129,941
General and administrative expenses	-	-	-	(71,584,400)	(71,584,400)
Reversal for expected credit losses	-	-	-	(6,433,837)	(6,433,837)
Other income	-	-	-	7,360,671	7,360,671
Finance costs	-	-	-	(1,818,322)	(1,818,322)
Share in results of associates and joint ventures	-	-	-	37,602,523	37,602,523
Profit before Zakat	-	-	-	88,256,576	88,256,576
Total assets	60,731,723	93,318,933	7,854,168	424,505,390	586,410,214
Total liabilities	-	-	-	225,719,989	225,719,989

30. FINANCIAL INSTRUMENTS BY CATEGORY

	December 31, 2024		
	Total	At amortized cost	at FVTPL
<i>Financial assets</i>			
Trade receivables and contract assets	285,913,358	285,913,358	-
Prepayment and other receivables	27,119,078	27,119,078	-
Cash and cash equivalents	172,692,148	172,692,148	-
Total	485,724,584	485,724,584	-
	December 31, 2024		
	Total	at amortised cost	at FVTPL
<i>Financial liabilities</i>			
Accounts payables	189,841,770	189,841,770	-
Accrued and other liabilities	113,044,711	113,044,711	-
Contract liabilities	74,643,243	74,643,243	-
Lease liabilities	5,245,665	5,245,665	-
Total	382,775,389	382,775,389	-

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30. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	December 31, 2023		
	Total	At amortised cost	at FVTPL
<i>Financial assets</i>			
Trade receivables and contract assets	149,927,622	149,927,622	-
Prepayment and other receivables	20,613,691	20,613,691	-
Cash and cash equivalents	91,059,388	91,059,388	-
Total	243,542,109	243,542,109	-
	December 31, 2023		
	Total	At amortised cost	at FVTPL
<i>Financial liabilities</i>			
Accounts payables	96,709,699	96,709,699	-
Accrued and other liabilities	43,947,318	43,947,318	-
Contract liabilities	30,273,448	30,273,448	-
Lease liabilities	3,615,822	3,615,822	-
Total	174,546,287	174,546,287	-

The Company's exposure to various risks associated with the financial instruments is discussed in Note 32. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

The Company's principal financial liabilities comprise payables, contract liabilities and accruals. The main purpose of these financial liabilities is for the Company's operations. The Company's principal financial assets include cash at banks, short term investments and trade receivables and contract assets.

31. FINANCIAL RISK MANAGEMENT POLICIES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

31.1 Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company is exposed to credit risk on its bank balances, short term investments and trade receivable and contract assets as follows:

	December 31, 2024	December 31, 2023
Financial assets	172,692,148	91,059,388
Cash and cash equivalents	285,913,358	186,576,454
Trade receivables and contract assets	24,570,169	18,058,592
Prepayments and other receivables – retention receivable	483,175,675	295,694,434

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Saudi Riyals)

31. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

31.1 Credit risk (Continued)

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on bank balances, short term investments, trade receivables and contract assets and retention receivable are limited as cash balances and short term investments (time deposits) are held with banks with sound credit ratings and the trade receivables and contract assets and retention receivable are shown net of allowance for expected credit losses.

The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Before accepting any new credit customer, the Company has its own credit policy to assess the potential customer's credit quality and defines the credit limits for the new customer. These policies are reviewed and updated regularly. Moreover, the Company seeks to manage its credit risk by monitoring outstanding receivables on an ongoing basis. Further, a good portion of trade receivables and contract assets and retention receivable are from Government which have good credit rating.

31.1.1 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial and non-financial liabilities:

December 31, 2024	Within one year	2-5 years	More than 5 years	Total
Accounts payables	189,841,770	-	-	189,841,770
Accrued and other liabilities	113,044,711	-	-	113,044,711
Contract liabilities	74,643,243	-	-	74,643,243
Lease liabilities	2,269,487	3,433,974	675,000	6,378,461
	379,799,211	3,433,974	675,000	383,908,185

December 31, 2023	Within one year	2-5 years	More than 5 years	Total
Accounts payables	96,709,699	-	-	96,709,699
Accrued and other liabilities	49,019,253	-	-	49,019,253
Contract liabilities	30,273,448	-	-	30,273,448
Lease liabilities	1,248,581	2,846,783	-	4,095,364
	177,250,981	2,846,783	-	180,097,764

The maturity analysis of lease liabilities is disclosed under note 19.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments. The Company's terms of sales require minimal credit period.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Management believes that Company's exposure to price risk is limited because the amounts of the underlying balances and transactions are marginal.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Saudi Riyals)

31. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

ii. Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows.

iii. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyal (SR) and United States Dollar (USD). The Company's management believes that their exposure to currency risk associated with the USD is limited as the Saudi Riyal is pegged to the USD.

31.1.2 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred (in case there are equity investments), currently the Company has no investments in equity securities. As of December 31, 2024, the carrying amount of financial assets and financial liabilities of the Company approximate their fair value.

31.1.3 Capital management

For the purpose of the Company's capital management, capital includes issued capital and retained earnings of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

31.1.4 Changes in liabilities arising from financing activities are as follows:

	As at January 01, 2024	Movement during the year	Interest during the year	Cash outflows	As at December 31, 2024
Lease liability	3,615,822	3,967,895	417,604	(2,755,656)	5,245,665
	3,615,822	3,967,895	417,604	(2,755,656)	5,245,665

	As at January 01, 2023	Movement during the year	Interest during the year	Cash outflows	As at December 31, 2023
Short term loans	-	3,500,000	102,314	(3,602,314)	-
Lease liability	1,027,265	3,845,885	272,503	(1,529,831)	3,615,822
	1,027,265	7,345,885	374,817	(5,132,145)	3,615,822

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Saudi Riyals)

32. DIVIDENDS PAID

During the year December 31, 2024, the shareholders approved the dividend amounted to SR 70.91 million and it was also paid to the shareholders (December 31, 2023: SR 35.55 million).

33. CONTINGENCIES AND COMMITMENTS

As at December 31, 2024, the Company has issued outstanding letters of guarantee amounting to SR 374.8 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 9.2 million (December 31, 2023: SR 9.6 million) on account of construction of Company's new office building.

34. 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.

- The employee costs amounted to SR 11,621,719, which were previously under general and administrative expenses in the statement of profit or loss and other comprehensive income, are now included in the cost of revenue.
- Contract liabilities (advances from customers) amounted to SR 30,273,448 previously presented under accrued and other liabilities is now presented as a separate line item in the statement of financial position.

35. SUBSEQUENT EVENTS

On March 04, 2025, the Board of Directors has recommended a dividend of SR 36,244,587 to the Extraordinary General Assembly of the Company.

36. AUTHORIZATION TO ISSUE FINANCIAL STATEMENTS

These financial statements have been authorized to issue by the Board of Directors of the Company on March 04, 2025 G.

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 PERIOD ENDED
MARCH 31, 2025**

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 PERIOD ENDED MARCH 31, 2025**

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Condensed interim statement of changes in equity	5
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Notes to the condensed interim financial statements	7 - 17

To the Shareholders of
Uas Arabian Services Company
P.A. Saudi Joint Stock Company

We have reviewed the accompanying interim condensed statement of financial position of Gas Arabian Services Company (the "Company") as of March 31, 2025 and the related interim condensed statement of profit or loss and other comprehensive income for the three-month period then ended, and the interim condensed statements of changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed 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 interim condensed financial statements based on our 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", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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.

The accompanying interim condensed financial statements prepared by the management represents first quarterly unaudited financial statements issued by the Company for three months period ended March 31, 2023, therefore no audit opinion or review conclusion was raised for the interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for three monthly period ended March 31, 2023 and related disclosures.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying, inter-financial condensed financial statements are not prepared, in all material respects, in accordance with IAS 14 that is endorsed in the Kingdom of Saudi Arabia.

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Correspondence to: 12 May, 2025 G

[illegible]

¹ This work is based on the author's research, which is supported by the "Fondazione di Ricerca" of the University of Turin, Italy.

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(Expressed in Saudi Riyals)

	Notes	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	140,245,555	135,057,516
Right-of-use assets		5,809,774	6,117,456
Intangible assets		124,716	143,979
Investment in associates and joint ventures	5	113,949,073	113,611,697
Total non-current assets		260,129,118	254,930,648
Current assets			
Inventories		40,262,242	44,995,854
Accounts receivable and unbilled revenue	6	398,259,523	285,913,358
Prepayments and other receivables		120,877,582	79,794,405
Cash and cash equivalents	7	41,711,141	172,692,148
Total current assets		601,110,488	583,395,765
TOTAL ASSETS		861,239,606	838,326,413
EQUITY AND LIABILITIES			
Equity			
Share capital	8	158,000,000	158,000,000
Statutory reserve	8	-	-
Treasury shares		(3,279,789)	(3,279,789)
Other reserve		410,025	410,025
Retained earnings		244,399,508	249,333,805
Total equity		399,529,744	404,464,041
Non-current liabilities			
Obligation against investment in joint venture	5	11,824,640	11,639,186
Employees' defined benefits liabilities		35,048,387	33,735,813
Lease liabilities		3,245,633	3,391,849
Total non-current liabilities		50,118,660	48,766,848
Current liabilities			
Current portion of lease liabilities		2,382,676	1,853,816
Accounts payable	9	183,654,418	189,841,770
Accruals and other liabilities	10	168,014,960	113,221,691
Contract liabilities		55,439,147	74,643,243
Provision for Zakat		2,100,001	5,535,004
Total current liabilities		411,591,202	385,095,524
Total liabilities		461,709,862	433,862,372
TOTAL EQUITY AND LIABILITIES		861,239,606	838,326,413

The accompanying notes from 1 to 17 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 PERIOD ENDED MARCH 31, 2025**
(Expressed in Saudi Riyals)

		March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited and un-reviewed)
	Notes		
Revenue	11	321,718,403	213,127,375
Cost of revenue		(266,327,444)	(177,310,281)
Gross profit		55,390,959	35,817,094
General and administrative expenses		(22,143,473)	(17,423,887)
Share in results of associates and joint ventures	5	(523,078)	4,853,447
Allowance for expected credit losses		(1,084,577)	-
Profit from operations		31,639,831	23,246,654
Other income - net		2,125,459	963,056
Finance costs		(523,118)	(801,824)
Profit before Zakat		33,242,172	23,407,886
Zakat		(1,931,882)	(2,100,000)
NET PROFIT FOR THE PERIOD		31,310,290	21,307,886
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		31,310,290	21,307,886
EARNINGS PER SHARE			
Basic earnings per share from net profit attributable to the shareholders of the Company	15	0.200	0.135
Diluted earnings per share from net profit attributable to the shareholders of the Company	15	0.200	0.135

The accompanying notes from 1 to 17 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 THREE MONTHS PERIOD ENDED MARCH 31, 2025**
(Expressed in Saudi Riyals)

	Share capital	Treasury shares	Statutory reserve	Other reserve	Retained earnings	Total equity
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	-	-	-	-	21,307,886	21,307,886
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,307,886	21,307,886
At March 31, 2024 (un-audited and un-reviewed)	158,000,000	(3,224,947)	36,867,936	410,025	189,945,097	381,998,111
At January 01, 2025 (audited)	158,000,000	(3,279,789)	-	410,025	249,333,805	404,464,041
Net profit for the period	-	-	-	-	31,310,290	31,310,290
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	31,310,290	31,310,290
Dividends (note-16)	-	-	-	-	(36,244,587)	(36,244,587)
At March 31, 2025 (un-audited)	158,000,000	(3,279,789)	-	410,025	244,399,508	399,529,744

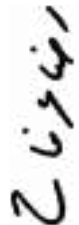
The accompanying notes from 1 to 17 form an integral part of these unaudited condensed interim financial statements.



Chairman



Chief Executive Officer



Finance Manager

GAS ARABIAN SERVICES COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(Expressed in Saudi Riyals)

	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited and un-reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Zakat	33,242,172	23,407,886
<i>Adjustments for:</i>		
Depreciation of property and equipment	5,844,232	2,040,100
Depreciation of right-of-use-assets	565,226	310,533
Amortization of intangible assets	19,263	17,487
Allowance for expected credit losses	1,084,577	-
Share in results of associates and joint ventures	523,078	(4,853,447)
Provision for employees' defined benefit liabilities	1,684,785	2,418,036
Gain on disposal of property and equipment	(33,150)	(13,992)
Finance costs	523,118	801,824
	43,453,301	24,128,427
<i>Changes in:</i>		
Inventories	4,733,612	641,977
Trade receivables and unbilled revenue	(113,430,742)	(22,442,299)
Prepayments and other receivables	(41,083,177)	(4,444,282)
Accounts payable	(6,187,352)	18,239,991
Accruals and other liabilities	54,793,269	9,502,708
Contract liabilities	(19,204,096)	6,395,336
Cash flows (used in) /generated from operation	(76,925,185)	32,021,858
Employees' defined benefit liabilities paid including advances	(372,211)	(829,010)
Zakat paid	(5,366,885)	-
Finance costs paid	(398,018)	(724,681)
Net cash flows (used in) /generated from operating activities	(83,062,299)	30,468,167
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(11,032,271)	(7,300,000)
Proceeds from disposal of property and equipment	33,150	79,990
Dividend received from associates and joint ventures	-	8,437,500
Investment in associates and joint ventures	(675,000)	(2,350,000)
Net cash flows used in investing activities	(11,674,121)	(1,132,510)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(36,244,587)	-
Net cash flows used in financing activities	(36,244,587)	-
Net change in cash and cash equivalents	(130,981,007)	29,335,657
Cash at banks and cash equivalents at beginning of the period	172,692,148	91,059,388
Cash and cash equivalents at end of the period	41,711,141	120,395,045

The accompanying notes from 1 to 17 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 THREE MONTHS PERIOD ENDED MARCH 31, 2025

(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.

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 three months period ended March 31, 2025 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 three months period ended March 31, 2025 in accordance with IAS 34 endorsed in KSA. There are no interim condensed financial statements for the three months period ended March 31, 2024 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 three months period ended March 31, 2024 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, 2024. 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, 2024.

The results for the three-months period ended March 31, 2025 are not necessarily indicative of the results that can be expected for the year ending December 31, 2025.

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

(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 March 31, 2025 and December 31, 2024, 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 (ﷲ) 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, 2025 and onwards and have been explained in Company's annual financial statements for the year ended December 31, 2024, but these do not have a material effect on the Company's condensed interim financial statements for the period ended March 31, 2025. 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 THREE MONTHS PERIOD ENDED MARCH 31, 2025

(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 except 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 March 31, 2025 and March 31, 2024 is as follows:

Period ended March 31, 2025 (Un-audited)	Technical services	Trading and commission	Manufacturing	Unallocated	Total
Revenue	195,571,540	119,031,057	7,115,806	-	321,718,403
Third party revenue	195,468,415	118,751,105	7,115,806	-	321,335,326
Gross profit	31,251,968	21,893,815	2,245,176	-	55,390,959
Depreciation and amortization	(5,094,728)	(145,366)	(103,527)	(1,085,100)	(6,428,721)
Share in results of associates and joint ventures	-	-	-	(523,078)	(523,078)
Finance costs	-	-	-	(523,118)	(523,118)
Profit before Zakat	-	-	-	33,242,172	33,242,172
Total assets	198,400,020	137,678,176	7,101,822	518,059,588	861,239,606
Total liabilities	-	-	-	461,709,862	461,709,862

Period ended March 31, 2024
(Un-audited and un-reviewed)

	Technical services	Trading and commission	Manufacturing	Unallocated	Total
Revenue	63,012,849	143,146,636	6,967,890	-	213,127,375
Third party revenue	62,898,324	141,444,035	6,967,890	-	211,310,249
Gross profit	8,880,219	24,881,144	2,055,731	-	35,817,094
Depreciation and amortization	(1,375,277)	(133,034)	(74,972)	(784,837)	(2,368,120)
Share in results of associates and joint ventures	-	-	-	4,853,447	4,853,447
Finance costs	-	-	-	(801,824)	(801,824)
Profit before Zakat	-	-	-	23,407,886	23,407,886
Total assets	69,245,656	105,132,082	6,811,459	464,958,527	646,147,724
Total liabilities	-	-	-	264,149,613	264,149,613

GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

(Expressed in Saudi Riyals)

4. PROPERTY AND EQUIPMENT

During the three months period ended March 31, 2025, the Company purchased property and equipment with a cost of 11,032,271 (March 31, 2024: 7,300,000) including additions to capital work in progress amounted to 5,222,819 (March 31, 2024: 3,836,955) and disposed-off assets with a cost of 97,650 (March 31, 2024: 471,000). The depreciation charge for the three months period ended March 31, 2025 was amounted to 5,844,232 (March 31, 2024: 2,040,100).

5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
At the beginning	113,611,697	106,170,934
Provision created for losses	185,454	2,917,217
Share in results	(523,078)	27,927,406
Additional investment (note 5.1)	675,000	2,350,000
Dividend received	-	(25,753,860)
At the end of the period / year	113,949,073	113,611,697

5.1 During 2025, the shareholders of Gas Vector Saudi Arabia Company Limited ("Associate") resolved to increase the share capital of the associate by 3,500,000. The Company having 45% share, made additional cash contribution amounted to 675,000 and 900,000 was transferred from retained earnings of the associate to their share capital.

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

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Investment in associates and joint ventures under non-current assets	113,949,073	113,611,697
Obligations against investment in associates and joint ventures under non-current liabilities	(11,824,640)	(11,639,186)
Net investment in associates and joint ventures	102,124,433	101,972,511

6. ACCOUNTS RECEIVABLE AND UNBILLED REVENUE

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Accounts receivables (note 6.1)	319,275,919	190,795,144
Unbilled revenue (note 6.2)	78,983,604	95,118,214
	398,259,523	285,913,358

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(Expressed in Saudi Riyals)

6.1 ACCOUNTS RECEIVABLE

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Accounts receivables		
- From third parties	324,080,194	194,179,505
- From related parties (note 12)	3,687,013	4,081,448
Accounts receivable	327,767,207	198,260,953
Less: Allowance for expected credit losses	(8,491,288)	(7,465,809)
	319,275,919	190,795,144

Five major customers' balances represent 62% (2024: 32%) of gross accounts receivables.

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

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
At the beginning of the period/ year	7,465,809	7,253,504
Charge for the period / year	1,025,479	212,305
At the end of the period / year	8,491,288	7,465,809

The aging of the gross trade receivables is as follows:

	March 31, 2024 (Un-audited)	December 31, 2024 (Audited)
0-90 days	294,913,137	169,712,192
91-180 days	17,891,862	17,129,347
181-270 days	6,952,277	3,971,130
271-365 days	2,189,078	3,241,064
Above 365 days	5,820,853	4,207,220
Total	327,767,207	198,260,953

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.

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Value of services performed	155,220,105	379,857,278
Less: Amounts billed under progress billings	(76,004,203)	(284,521,397)
Less: Allowance for expected credit losses	(232,298)	(217,667)
	78,983,604	95,118,214

7. CASH AND CASH EQUIVALENTS

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Cash at banks	41,711,141	40,192,148
Short term deposit	-	132,500,000
	41,711,141	172,692,148

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8. EQUITY

8.1 SHARE CAPITAL

Share capital is divided into 158,000,000 shares of ﷲ 1 each (2024: 158,000,000 shares of ﷲ 1 each).

8.2 STATUTORY RESERVE

The statutory reserve included in the condensed interim financial statements was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended December 31, 2024, the requirement to set aside a statutory reserve has been removed. Accordingly, on December 10, 2024, the Shareholders approved the transfer of ﷲ 36,867,936 from the statutory reserve to retained earnings.

9. ACCOUNTS PAYABLE

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Accounts payable		
- To third parties	179,316,332	186,449,803
- To related parties (note 12)	4,338,086	3,391,967
	<u>183,654,418</u>	<u>189,841,770</u>

10. ACCRUALS AND OTHER LIABILITIES

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Projects accruals	135,254,038	91,860,895
Employee's related accruals	10,336,772	17,382,222
VAT payable	18,558,523	176,980
Other provisions	3,865,627	3,801,594
	<u>168,014,960</u>	<u>113,221,691</u>

11. REVENUE

Type of goods or services and timing of revenue recognition

	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited and un-reviewed)
<i>Revenue transferred at a point in time</i>		
Sale of traded goods	119,031,057	143,104,343
Technical services	40,351,435	23,393,923
Sales commission	-	42,293
Manufacturing	7,115,806	6,967,889
	<u>166,498,298</u>	<u>173,508,448</u>
<i>Revenue transferred over the time</i>		
Technical services	155,220,105	39,618,927
Total revenue	<u>321,718,403</u>	<u>213,127,375</u>

11.1 Disaggregation of revenue

All revenue is generated within Kingdom of Saudi Arabia during the three months period.

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12. 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:

Related parties	Relationship	Nature of transactions	Amounts of transaction for three months period ended March 31,	
			2025 (Un-audited)	2024 (Un-audited and un-reviewed)
TCR Arabia Company Limited	Affiliate	Rental Income	172,154	163,957
		Purchase of goods and services	(88,885)	(36,465)
		Payment made on behalf of affiliate	14,125	23,235
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	-	876
		Technical services provided	133,860	128,933
		Purchase of goods and services	(1,922,690)	(1,097,257)
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and providing technical services	90,252	120,359
Elster Instromet Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	30,000	30,000
		Purchase of goods and services	(699,845)	-
		Rental income	140,625	421,875
TubeFit Engineering Arabian Factory	Joint venture	Investment	-	2,350,000
FS Elliot Services Company Limited	Joint venture	Sale of goods and technical services	22,500	33,900
		Rental income	59,766	59,766
Weidmuller Company Limited	Joint venture	Sale of goods and technical services	189,701	1,581,365
		Rental income	15,069	-
		Purchase of goods and services	(156,590)	(121,513)

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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Related parties	Relationship	Nature of transactions	Amounts of transaction for three months period ended March 31, 2024	
			2025 (Un-audited)	(Un-audited and un-reviewed)
Gas Vector Saudi Arabia Company Limited	Associate	Sale of goods and technical services	28,125	28,125
		Purchase of goods and services	(35,597)	(303,379)
		Payment made on behalf of associate	2,000	2,721,804
		Investment (5.1)	675,000	-
SGB Al-Dabal Company Limited	Affiliate	Purchase of goods	(1,082,884)	(1,597,660)
FS Elliot Saudi Arabia Company Limited	Joint venture	Sale of goods and technical Services	22,500	22,500
		Rental income	119,531	119,531
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rental expenses	(138,125)	(138,125)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management relative	Rental expenses	(87,881)	(87,881)
Ms. Nora Abdulrahman Aldabal & Ms. Kholoud Abdulrahman Aldabal	Key management relative	Rental expenses	(11,250)	(11,250)
Mr. Aref Khalid Aldabal	Key management personnel	Rental expenses	(121,875)	(121,875)
Mr. Khalid Abdulrahman Aldabal	Key management relative	Rental expenses	(50,625)	(50,625)

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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Amounts due from related parties presented under trade receivables:

Related parties	Balances as at	
	March 31, 2025	December 31, 2024
	(Un-audited)	(Audited)
Wedmular Company Limited	2,300,322	2,500,193
Elster Instromet Saudi Arabia Company Limited	449,680	1,251,664
TCR Arabia Company Limited	791,907	196,102
Gas Vector Saudi Arabia Company Limited	30,863	30,863
Yokogawa Services Saudi Arabia Company Limited	102,626	102,626
Elliot Gas Services Company Limited	11,615	-
	3,687,013	4,081,448

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

Related parties	Balances as at	
	March 31, 2025	December 31, 2024
	(Un-audited)	(Audited)
Elster Instromet Saudi Arabia Company Limited	2,240,000	2,240,000
FS Elliot Saudi Arabia Company Limited	1,660,938	1,660,704
TCR Arabia Company Limited	79,749	99,262
FS Elliot Services Company Limited	411,125	411,122
First Insurance & Reinsurance Broker Company	46,443	-
Gas Vector Saudi Arabia Company Limited	2,000	-
Magnetrol Gas	65,925	65,925
	4,506,180	4,477,013
Less: Allowance for due from a related party	(2,240,000)	(2,240,000)
	2,266,180	2,237,013

Amounts due to related parties presented under trade payables:

Related parties	Balances as at	
	March 31, 2025	December 31, 2024
	(Un-audited)	(Audited)
Yokogawa Services Saudi Arabia Company Limited	3,081,422	2,277,938
SGB Al-Dabal Company Limited	733,539	444,841
Weidmuller Company Limited	232,565	451,914
First Insurance & Reinsurance Broker Company	-	24,627
TCR Arabia Company Limited	107,991	45,675
Gas Vector Saudi Arabia Company Limited	182,569	146,972
	4,338,086	3,391,967

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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Related parties	Balances as at	
	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Mr. Abdulrahman Khalid Aldabal	138,125	-
Mr. Aref Khalid Aldabal	121,875	-
Mr. Khalid Abdulrahman Aldabal and Ms. Hind Abdulrahman Aldabal	87,881	-
Ms. Nora Abdulrahman Aldabal and Ms. Kholoud Abdulrahman Aldabal	11,250	-
Mr. Khalid Abdulrahman Aldabal	50,625	-
	409,756	-

Remuneration of key management personnel:

	For the three months period ended	
	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited and un-reviewed)
Short term benefits	2,069,878	1,980,173
End of service benefits	14,745,929	12,346,889
Board of Directors' remuneration	81,000	81,000
	16,896,807	14,408,062

13. ZAKAT

Status of assessments

The Company has submitted its Zakat returns to Zakat, Tax and Customs Authority (ZATCA) up to the year 2024 and have obtained the required certificates. During 2024, with respect to the year 2015, the Company received final order amounted to ٢ 78,375 from General Secretariat of Tax Committee (GSTC). The same has been paid and reimbursed by the shareholders. Further during 2024, the Company received final assessment order for the year 2023 amounted to ٢ 47,131 and the same has been paid.

14. CONTINGENCIES AND COMMITMENTS

The Company has issued outstanding letters of guarantee amounting to ٢ 384.5 million (December 31, 2024: ٢ 374.8 million) issued by the local banks on behalf of Company in the ordinary course of business. Further, the Company has Capital commitments amounting to ٢ 3.7 million (December 31, 2024: ٢ 9.2 million).

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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 March 31,	
	2025	2024
	(Un-audited)	(Un-audited and un-reviewed)
Net profit attributable to the shareholders of the Company	31,310,290	21,307,886
Number of shares		
Weighted average number of shares for basic earnings per share	158,000,000	158,000,000
Weighted average number of shares for diluted earnings per share	158,000,000	158,000,000
Earnings per share:		
Basic	0.200	0.135
Diluted	0.200	0.135

16. DIVIDENDS PAID

On March 4, 2025, the Board of Directors approved interim cash dividend of ﷲ 36.24 million (ﷲ 0.23 per share) for the year ended December 31, 2024 and the same was paid to the shareholders. (Three months ended March 31, 2024: ﷲ Nil).

17. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Board of Directors on behalf of the Shareholders on May 7, 2025.



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