

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

**CONDENSED INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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<b>INDEX</b>	<b>Page</b>
Independent auditor's review report	2
Condensed interim statement of financial position	3
Condensed interim statement of profit or loss and other comprehensive income	4
Condensed interim statement of changes in equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial statements	7 - 16

## INDEPENDENT AUDITOR'S REVIEW REPORT

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

### Introduction

We have reviewed the accompanying condensed interim financial statements of Gas Arabian Services Company ("the Company") which comprises of condensed interim statement of financial position as of June 30, 2023 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period and summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Gihad M. Al-Amri  
Certified Public Accountant  
Registration No. 362



Dammam, on 29 Muharram 1445 (H)  
Corresponding to: 16 August, 2023 G

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

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**  
(Expressed in Saudi Riyals)

	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	68,729,554	57,212,337
Right-of-use assets		4,420,455	1,002,285
Intangible assets		152,804	179,951
Investment in associates and joint ventures	5	105,133,279	91,143,068
<b>Total non-current assets</b>		<b>178,436,092</b>	<b>149,537,641</b>
<b>Current assets</b>			
Inventories		43,554,970	27,118,240
Accounts receivable and unbilled revenue		214,780,714	175,005,194
Prepayments and other receivables		66,697,337	68,564,856
Investment at fair value through profit or loss ("FVTPL")		12,699,841	11,216,264
Cash at banks		24,205,070	67,915,356
<b>Total current assets</b>		<b>361,937,932</b>	<b>349,819,910</b>
<b>TOTAL ASSETS</b>		<b>540,374,024</b>	<b>499,357,551</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		158,000,000	158,000,000
Treasury shares	11	(2,499,952)	-
Statutory reserve		28,721,025	28,721,025
Retained earnings		130,378,357	130,447,538
<b>Total equity</b>		<b>314,599,430</b>	<b>317,168,563</b>
<b>Non-current liabilities</b>			
Obligation against investment in joint venture	5	7,134,667	6,629,126
Employees' defined benefits liabilities		30,145,284	27,810,098
Lease liabilities		3,713,680	447,100
<b>Total non-current liabilities</b>		<b>40,993,631</b>	<b>34,886,324</b>
<b>Current liabilities</b>			
Current portion of lease liabilities		1,275,140	580,165
Accounts payable		106,965,449	83,054,771
Accruals and other liabilities		70,320,998	58,010,054
Short term loans	6	3,550,930	-
Provision for zakat		2,668,446	5,657,674
<b>Total current liabilities</b>		<b>184,780,963</b>	<b>147,302,664</b>
<b>Total liabilities</b>		<b>225,774,594</b>	<b>182,188,988</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>540,374,024</b>	<b>499,357,551</b>

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



**Chairman**



**Chief Executive Officer**



**Finance Manager**

**GAS ARABIAN SERVICES COMPANY**


(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

	Notes	For the six months period ended June 30	
		2023	2022
		(Unaudited)	(Unaudited)
Revenue		351,217,125	188,986,106
Cost of revenue		(297,388,475)	(153,258,888)
<b>Gross profit</b>		<b>53,828,650</b>	35,727,218
General and administrative expenses		(39,487,634)	(31,455,967)
Depreciation and amortisation		(2,899,128)	(2,286,186)
Share in results of associates and joint ventures		23,609,670	18,972,128
<b>Profit from operations</b>		<b>35,051,558</b>	20,957,193
Other income	8	4,231,507	296,203
Finance costs		(1,197,445)	(1,030,292)
<b>Profit before Zakat</b>		<b>38,085,620</b>	20,223,104
Zakat		(2,604,801)	(2,374,413)
<b>NET PROFIT FOR THE PERIOD</b>		<b>35,480,819</b>	17,848,691
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>35,480,819</b>	17,848,691
<b>EARNINGS PER SHARE</b>			
Basic earnings per share from net profit attributable to the shareholders of the Company	12	0.2247	0.1130
Diluted earnings per share from net profit attributable to the shareholders of the Company	12	0.2245	0.1130

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



Chairman



Chief Executive Officer



Finance Manager

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

	Share capital	Treasury shares	Statutory reserve	Retained earnings	Total equity
At January 01, 2022 (audited)	158,000,000	-	21,982,543	98,183,255	278,165,798
Net profit for the period	-	-	-	17,848,691	17,848,691
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	17,848,691	17,848,691
Dividends (note-13)	-	-	-	(31,600,000)	(31,600,000)
At June 30, 2022 (unaudited)	158,000,000	-	21,982,543	84,431,946	264,414,489
<b>At January 01, 2023 (audited)</b>	<b>158,000,000</b>	<b>-</b>	<b>28,721,025</b>	<b>130,447,538</b>	<b>317,168,563</b>
Net profit for the period	-	-	-	35,480,819	35,480,819
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	35,480,819	35,480,819
Purchase of treasury shares (note-11)	-	(2,499,952)	-	-	(2,499,952)
Dividends (note-13)	-	-	-	(35,550,000)	(35,550,000)
At June 30, 2023 (unaudited)	158,000,000	(2,499,952)	28,721,025	130,378,357	314,599,430

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



Chairman



Chief Executive Officer



Finance Manager

**GAS ARABIAN SERVICES COMPANY**

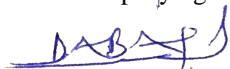
(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Zakat	38,085,620	20,223,104
<i>Adjustments for</i>		
Depreciation of property and equipment	2,436,416	1,955,670
Depreciation of right-of-use-assets	427,715	265,882
Amortization of intangible assets	34,997	64,634
Allowance / (reversal) for expected credit loss	1,735,140	(2,209,937)
Share in results of associates and joint ventures	(23,609,670)	(18,972,128)
Unrealized (gain) / loss on investments at FVTPL	(1,417,559)	2,326,918
Provision for employees' defined benefit liabilities	2,965,115	2,986,025
Gain on disposal of property and equipment	(101,760)	-
Finance costs	1,197,445	1,030,292
	<b>21,753,459</b>	<b>7,670,460</b>
<i>Working capital adjustments</i>		
Inventories	(16,436,730)	762,543
Trade receivables and unbilled revenue	(41,510,660)	53,524,419
Prepayments and other receivables	1,867,519	(42,032,917)
Projects work in progress	-	(3,795,269)
Accounts payable	23,910,678	(14,206,174)
Accruals and other liabilities	12,310,944	30,202,003
<b>Cash generated from operations</b>	<b>1,895,210</b>	<b>32,125,065</b>
Employees' defined benefit liabilities paid including advances	(629,929)	(642,285)
Zakat paid	(5,594,029)	(5,097,681)
Finance costs paid	(1,030,845)	(746,343)
<b>Net cash (used in) / generated from operating activities</b>	<b>(5,359,593)</b>	<b>25,638,756</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(14,004,675)	(7,149,718)
Proceeds from disposal of property and equipment	152,802	-
Purchase of intangible assets	(7,850)	(30,000)
Dividend received from associates and joint ventures	10,125,000	4,218,750
Purchase of investments at FVTPL	(7,760,089)	(18,823,552)
Sale of investments at FVTPL	7,694,071	16,109,224
<b>Net cash used in investing activities</b>	<b>(3,800,741)</b>	<b>(5,675,296)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(35,550,000)	(31,600,000)
Proceeds from short term loans	3,500,000	21,271,088
Repayment of short term loans	-	(9,196,577)
Purchase of treasury shares	(2,499,952)	-
<b>Net cash used in financing activities</b>	<b>(34,549,952)</b>	<b>(19,525,489)</b>
<b>Net change in cash and cash equivalents</b>	<b>(43,710,286)</b>	<b>437,971</b>
Cash at banks and cash equivalents at January 01,	67,915,356	24,205,159
Cash and cash equivalents at June 30,	<b>24,205,070</b>	<b>24,643,130</b>

The accompanying notes from 1 to 15 form an integral part of these 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 (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

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

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

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.

During the period ended June 30, 2023, the Board of Directors recommended to the Extraordinary General Assembly of the Company to split the nominal value of shares from SR 10 per share to SR 1 per share and increase the number of shares from 15.8 million shares to 158 million shares in the meeting held on June 14, 2023 (note 14).

The Company operates through the following branches:

<b><u>Branch</u></b>	<b><u>CR No.</u></b>
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

#### **2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT**

##### **2.1 Statement of compliance**

These condensed interim financial statements for the six months period ended June 30, 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as endorsed in the KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements prepared in accordance with International Financial Reporting Standards that are endorsed in KSA and therefore, should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.

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, 2022.

##### **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. As of June 30, 2023 and December 31, 2022, the carrying values of the financial assets and financial liabilities approximate to their fair values.

##### **2.3 Functional and presentation currency**

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



## **GAS ARABIAN SERVICES COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

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#### **2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT (Continued)**

##### **2.4 New accounting standards, interpretations and amendments**

There are no new standards issued, however, there are amendments to the following standards, which are effective in current period and have no material impact on Company's interim condensed financial statements;

<b>Amendments to standard</b>	<b>Description</b>	<b>Effective for annual years beginning on or after</b>
IAS 8	Amendment- Definition of accounting estimates	January 1, 2023
IAS 1, IFRS practice statement 2	Amendment- Disclosure of Accounting Policies	January 1, 2023
IAS 12	Amendment- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IFRS 17	Insurance Contracts	January 1, 2023

##### **2.5 Impact of accounting standards to be applied in future periods**

There are a number of standards and interpretations which have been issued by the International Accounting standards Board that are effective for periods beginning subsequent to December 31, 2023 (the date of the Company's next annual financial statements) that the Company has decided not to adopt early. The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

**3. SEGMENT INFORMATION****Operating segments**

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

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

All of the Company's operations are located in the Kingdom of Saudi Arabia. The selected information for each operating segment for the period ended June 30, 2023 and June 30, 2022 is as follows:

<b>Period ended June 30, 2023 (unaudited)</b>	<b>Technical services</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Unallocated</b>	<b>Total</b>
<b>Revenue</b>	<b>89,146,996</b>	<b>256,570,713</b>	<b>5,499,416</b>	-	<b>351,217,125</b>
<b>Cost of revenue</b>	<b>(83,136,188)</b>	<b>(209,691,277)</b>	<b>(4,561,010)</b>	-	<b>(297,388,475)</b>
<b>Gross profit</b>	<b>6,010,808</b>	<b>46,879,436</b>	<b>938,406</b>	-	<b>53,828,650</b>
<b>General and administrative expenses</b>	-	-	-	<b>(39,487,634)</b>	<b>(39,487,634)</b>
<b>Depreciation and amortization</b>	-	-	-	<b>(2,899,128)</b>	<b>(2,899,128)</b>
<b>Other income</b>	-	-	-	<b>4,231,507</b>	<b>4,231,507</b>
<b>Finance costs</b>	-	-	-	<b>(1,197,445)</b>	<b>(1,197,445)</b>
<b>Share in results of associates and joint ventures</b>	-	-	-	<b>23,609,670</b>	<b>23,609,670</b>
<b>Profit before Zakat</b>					<b>38,085,620</b>
<b>Total assets</b>	<b>57,024,906</b>	<b>121,559,714</b>	<b>9,302,478</b>	<b>352,486,926</b>	<b>540,374,024</b>
<b>Total liabilities</b>	-	-	-	<b>225,774,594</b>	<b>225,774,594</b>
<b>Period ended June 30, 2022 (unaudited)</b>	<b>Technical services</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Unallocated</b>	<b>Total</b>
<b>Revenue</b>	<b>76,216,473</b>	<b>109,718,066</b>	<b>3,051,567</b>	-	<b>188,986,106</b>
<b>Cost of revenue</b>	<b>(68,632,903)</b>	<b>(83,349,934)</b>	<b>(1,276,051)</b>	-	<b>(153,258,888)</b>
<b>Gross profit</b>	<b>7,583,570</b>	<b>26,368,132</b>	<b>1,775,516</b>	-	<b>35,727,218</b>
<b>General and administrative expenses</b>	-	-	-	<b>(31,455,967)</b>	<b>(31,455,967)</b>
<b>Depreciation and amortization</b>	-	-	-	<b>(2,286,186)</b>	<b>(2,286,186)</b>
<b>Other income</b>	-	-	-	<b>296,203</b>	<b>296,203</b>
<b>Finance costs</b>	-	-	-	<b>(1,030,292)</b>	<b>(1,030,292)</b>
<b>Share in results of associates and joint ventures</b>	-	-	-	<b>18,972,128</b>	<b>18,972,128</b>
<b>Profit before Zakat</b>					<b>20,223,104</b>
<b>Total assets</b>	<b>80,140,771</b>	<b>64,440,888</b>	<b>4,553,139</b>	<b>320,257,493</b>	<b>469,392,291</b>
<b>Total liabilities</b>	-	-	-	<b>204,977,802</b>	<b>204,977,802</b>

## GAS ARABIAN SERVICES COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

(Expressed in Saudi Riyals)

#### 4. PROPERTY AND EQUIPMENT

During the six months period ended June 30, 2023, the Company purchased property and equipment with a cost of SR 14,004,675 (June 30, 2022: SR 7,149,718) including additions to capital work in progress amounted to SR 8,315,638 (June 30, 2022: SR 5,840,985) and disposed-off assets with a cost of SR 685,252 (June 30, 2022: SR 2,400). The depreciation charge for the six months period ended June 30, 2023 was amounted to SR 2,436,417 (June 30, 2022: SR 1,955,664 million).

#### 5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

	<b>Period ended June 30, 2023 (unaudited)</b>	As at December 31, 2022 (audited)
At the beginning	<b>91,143,068</b>	80,752,027
Provision created for the losses	<b>505,541</b>	1,069,442
Share in results	<b>23,609,670</b>	31,336,426
Additional investment	-	2,450,000
Dividend received	<b>(10,125,000)</b>	(24,464,827)
<b>At the end of the period/ year</b>	<b>105,133,279</b>	91,143,068

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

Investment in associates and joint ventures under non-current assets	<b>105,133,279</b>	91,143,068
Obligations against investment in associates and joint ventures under non-current liabilities	<b>(7,134,667)</b>	(6,629,126)
<b>Net investment in associates and joint ventures</b>	<b>97,998,612</b>	84,513,942

#### 6. SHORT TERM LOANS

The Company had availed short term loan from a commercial bank for working capital purposes. The loan carries financial charges at commercial rates and is secured by personal guarantee from one of the shareholders of the Company. The loan is repayable within one year from the end of the financial year and are accordingly classified under current liabilities.

The movement in the short term loans is as follows;

	<b>Period ended June 30, 2023 (unaudited)</b>	As at December 31, 2022 (audited)
At the beginning of the period/ year	-	9,164,276
Additions during the period/ year	<b>3,500,000</b>	21,271,088
Payments during the period/ year	-	(30,716,995)
Interest accrued for the period/ year	<b>50,930</b>	281,631
<b>At the end of the period/ year</b>	<b>3,550,930</b>	-

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

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

The significant transactions with related parties have been disclosed below:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amounts of transaction for six months period ended June 30,</i>	
			<b>2023</b> <b>(Unaudited)</b>	2022 (Unaudited)
TCR Arabia Company Limited	Affiliate	Rental Income	<b>377,099</b>	377,099
		Payment made on behalf of affiliate	<b>34,943</b>	49,421
Yokogawa Services Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	<b>358,806</b>	739,063
		Purchase of goods and services	<b>(926,164)</b>	(1,384,588)
Elliot Gas Services Saudi Arabia Company Limited	Joint venture	Sale of goods and providing technical services	<b>602,657</b>	1,308,618
Elster Instromet Saudi Arabia Company Limited	Associate	Sale of goods and providing technical services	<b>522,667</b>	69,000
		Purchase of goods and services	<b>(2,787,367)</b>	(272,446)
		Rental income	<b>972,900</b>	970,313
		Payment made on behalf of associate	-	13,745
Eagle Burgmann Saudi Arabia Company Limited	Affiliate	Sale of goods and technical services	<b>118,566</b>	-
		Purchase of goods and services	-	(9,646)
Prudent Saudi Arabia Limited *(ceased to be an affiliate)	Affiliate	Sale of goods and providing technical services	-	18,494
		Purchase of goods and services	-	(52,158)

**GAS ARABIAN SERVICES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

**7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amounts of transaction for six months period ended June 30,</i>	
			<b>2023</b> <b>(Unaudited)</b>	2022 <b>(Unaudited)</b>
FS Elliot Services Company Limited	Joint venture	Sale of goods and technical services	<b>51,750</b>	130,636
		Rental income	<b>137,828</b>	137,461
		Purchase of goods and services	<b>(52,250)</b>	(1,083,270)
Weidmuller Company Limited	Joint venture	Sale of goods and technical services	<b>189,236</b>	70,694
		Purchase of goods and services	<b>(758,678)</b>	(930,606)
Gas Vector Saudi Arabia Company Limited	Associate	Sale of goods and technical services	<b>304,071</b>	141,780
		Purchase of goods and services	<b>(39,058)</b>	(2,651,117)
		Rental income	-	37,375
		Payment made on behalf of associate	<b>2,475,721</b>	7,231
SGB Al-Dabal Company Limited	Affiliate	Purchase of goods	<b>(120,934)</b>	-
FS Elliot Saudi Arabia Company Limited	Joint venture	Sale of goods and technical Services	<b>51,543</b>	51,750
		Rent Income	<b>275,655</b>	274,904
Mr. Abdulrahman Khalid Aldabal	Key management personnel	Rental expenses	<b>(223,750)</b>	(223,750)
Mr. Khalid Abdulrahman Aldabal & Ms. Hind Abdulrahman Aldabal	Key management relative	Rental expenses	<b>(175,764)</b>	(175,762)
Ms. Nora Abdulrahman Aldabal & Ms. Kholoud Abdulrahman Aldabal	Key management relative	Rental expenses	<b>(22,500)</b>	(22,500)
Mr. Aref Khalid Aldabal	Key management personnel	Rental expenses	<b>(242,500)</b>	(242,500)

**GAS ARABIAN SERVICES COMPANY**

A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

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

	<b>Balances as at</b>	
	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Related parties</b>		
Elliot Gas Services Saudi Arabia Company Limited	74,721	142,039
Gas Vector Saudi Arabia Company Limited	324,389	253,592
TCR Arabia Company Limited	819,001	754,197
Elster Instromet Saudi Arabia Company Limited	439,090	824,191
Yokogawa Services Saudi Arabia Company Limited	718,231	927,389
Eagle Burgmann Saudi Arabia Company Limited	118,566	-
Other affiliates / associates	201,419	19,134
	<b>2,695,417</b>	<b>2,920,542</b>

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

	<b>Balances as at</b>	
	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Related parties</b>		
Elster Instromet Saudi Arabia Company Limited	2,240,000	2,240,000
Gas Vector Saudi Arabia Company Limited	1,753,263	1,787,535
FS Elliot Saudi Arabia Company Limited	1,286,873	1,286,873
TCR Arabia Company Limited	439,714	431,911
FS Elliot Services Company Limited	411,125	411,125
Other affiliates / associates	537,107	537,107
	<b>6,668,082</b>	<b>6,694,551</b>

**Amounts due to related parties presented under trade payables:**

	<b>Balances as at</b>	
	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Related parties</b>		
FS Elliot Services Company Limited	56,250	8,600
Yokogawa Services Saudi Arabia Company Limited	806,666	406,301
Gas Vector Saudi Arabia Company Limited	55,921	43,521
Weidmuller Company Limited	126,693	59,675
Elster Instromet Saudi Arabia Company Limited	2,613,573	42,694
Eagle Burgmann Saudi Arabia Company Limited	735	2,320
Other Affiliates	26,606	10,797
	<b>3,686,444</b>	<b>573,908</b>

## GAS ARABIAN SERVICES COMPANY

A Saudi Joint Stock Company)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

(Expressed in Saudi Riyals)

#### 7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	Balances as at	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Related parties</b>		
Mr. Abdulrahman Khalid Aldabal	223,750	-
Mr. Aref Khalid Aldabal	242,500	-
Mr. Khalid Abdulrahman Aldabal and Ms. Hind Abdulrahman Aldabal	175,764	-
Ms. Nora Abdulrahman Aldabal and Ms. Kholoud Abdulrahman Aldabal	22,500	-
	<b>664,514</b>	<b>-</b>

The compensation for key executives for the period ended on June 30, 2023 is SR 4.94 million (June 30, 2022: SR 4.61 million).

#### 8. OTHER INCOME

	Six months period ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)
Foreign currency exchange loss	(54,774)	(406,117)
Rental income	1,530,148	1,562,755
Changes in investments at FVTPL – net	1,417,557	(1,687,636)
Gain on disposal of property and equipment	101,760	-
Others	1,236,816	827,201
	<b>4,231,507</b>	<b>296,203</b>

#### 9. ZAKAT

##### 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 Secretariate of Tax Committees (GSTC) for the balance claim of SR 359,872. GSTC has requested ZATCA to file their response against the Company's appeal. The management is expecting a favorable outcome in this regard. The declarations / returns for the years from 2017 to 2022 have been submitted to ZATCA. The assessment for the year 2017 through 2022 is currently under review by the ZATCA. The management is not expecting any additional claims from ZATCA.

#### 10. CONTINGENCIES AND COMMITMENTS

The Company has issued outstanding letters of guarantee amounting to SR 147.64 million (December 31, 2022: SR 200 million) and letters of credit amounting to SR 0.628 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 12.72 million (December 31, 2022: SR 17.60 million) on account of construction of Company's new office building.

## GAS ARABIAN SERVICES COMPANY

A Saudi Joint Stock Company)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

(Expressed in Saudi Riyals)

#### 11. TREASURY SHARES

During the period; on various dates, the management has repurchased 31,484 shares with total amounting to SR 2,499,952 of the Company shares as buy back shares and is keeping those shares as treasury shares. The buy back of shares were approved by the shareholders of the Company in the Extraordinary General Assembly 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 to be allocated to employee stock incentive plan (note 14). The resolution is being favorably voted in the Extraordinary General Meeting held on August 08, 2023.

#### 12. EARNINGS PER SHARE

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

	<b>Six months period ended June 30,</b>	
	<b>2023</b>	<b>2022 (restated -</b>
	<b>(Unaudited)</b>	<b>unaudited)</b>
Net profit attributable to the shareholders of the Company	<b>35,480,819</b>	17,848,691
<b>Number of shares</b>		
Weighted average number of shares for basic earnings per share (note 12.1 and note 12.2)	<b>157,901,190</b>	158,000,000
Weighted average number of shares of repurchased shares (note 11)	<b>98,810</b>	-
Weighted average number of shares for diluted earnings per share	<b>158,000,000</b>	158,000,000
Earnings per share:		
Basic	<b>0.2247</b>	0,1130
Diluted	<b>0.2245</b>	0.1130

12.1 The weighted average number of shares outstanding during the period has been adjusted due to repurchase of Company shares (note 11).

12.2 The weighted average number of shares outstanding during the period and the comparative periods have been adjusted retroactively 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 (note 14).

#### 13. DIVIDENDS PAID

During the six months ended June 30, 2023, the shareholders approved the dividend amounted to SR 35.55 million and it was also paid to the shareholders (six months ended June 30, 2022: SR 31.6 million).



## **GAS ARABIAN SERVICES COMPANY**

A Saudi Joint Stock Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

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#### **14. SUBSEQUENT EVENT**

Subsequent to the period end, in the Extraordinary General Assembly Meeting held on August 08, 2023, the shareholders have approved to split the nominal value of shares from SR 10 per share to SR 1 per share and increase the number of shares from 15.8 million shares to 158 million shares. The Company is committed to complete the necessary procedures.

Further, the shareholders have also approved, in the Extraordinary General Meeting, to repurchase a number of shares of the Company with a maximum of 100,000 to be allocated to employee stock incentive plan.

In the opinion of the management, there have been no other significant events since the period end that would have material impact on the financial position of the Company as reflected in these condensed interim financial statements.

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

These condensed interim financial statements were approved by the Board of Directors on 27 Muharram 1445 H (corresponding August 14, 2023 G).