



Notice to the Shareholders of MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

We are pleased to invite you to attend the Company's Ordinary General Assembly Meeting to be held on Tuesday, 5th March 2024 at 3:30 p.m. Doha Time, in Al-Rayan Ballroom, Sheraton Hotel, Doha. In case a quorum is not met, a second meeting will be held on Tuesday, 19th March 2024 at the same location at 10:00PM.

Agenda of the Ordinary General Assembly Meeting

1. Listen to the Chairman's message for the financial year ended 31 December 2023.
2. Approve the Board of Directors' report on MPHC's operations and financial performance for the financial year ended 31 December 2023.
3. Listen and approve the Auditor's Report on MPHC's financial statements for the financial year ended 31 December 2023.
4. Discuss and approve MPHC's financial statements for the financial year ended 31 December 2023.
5. Present and approve 2023 Corporate Governance Report.
6. Approve the Board's recommendation for a dividend payment of QR 0.086 per share for 2023, representing 8.6% of the nominal share value.
7. Absolve the Board of Directors from liability for the year ended 31 December 2023 and fix their remuneration.
8. Appoint the external auditor for the financial year ending 31 December 2024 and approve their fees.

Notes

1. Each shareholder shall have the right to attend the meeting of the General Assembly and shall have a number of votes that equals the number of shares owned thereby. Resolutions shall be passed by an absolute majority of shares duly represented therein, without prejudice to the provisions of the Company's Articles of Association.
2. Minors and the interdicted persons shall be represented by their legal guardians.
3. Any shareholder that is a company may authorize any one person to act as its representative at any meeting of the General Assembly.
4. Attendance by proxy at the General Assembly meeting is permitted, provided that the proxy is a shareholder and that the proxy is specific and in writing. A shareholder may not appoint a Board Director to act as his proxy at the meeting of the General Assembly. Proxy form can be downloaded from the Company's website: www.mphc.com.qa.
5. A shareholder may act as proxy for one or more shareholders of the Company as contemplated under the Company's Articles of Association. In all cases, the number of shares held by the proxy in this capacity shall not exceed (5%) of the Company's share capital.
6. Instruments appointing authorized persons and proxies must be provided to the Company no less than forty-eight (48) hours prior to the commencement of the General Assembly.

Mr. Ahmad Saif Al-Sulaiti
Chairman of the Board of Directors
Mesaieed Petrochemical Holding Company

Board of Directors' Review

The Board of Directors is pleased to present its annual review of the financial and operational performance of MPHC for the year ended 31 December 2023.

Our strategy

MPHC's base case business strategy focuses on market development through productivity and efficiency gains enabled via output optimization, HSE and operational excellence programs. Additionally, on the capital allocation front, MPHC's joint ventures aim to invest in growth projects with an eye on enhancing competitive positioning and creating long-term sustainable value.

Macroeconomic conditions

As we entered 2023, uncertainty persisted, presenting challenges for both consumers and producers. The challenge of oversupply continued to be a significant factor, adding complexity to margin evolution, particularly in the face of softened global demand. Despite these challenges, the global downstream demand displayed fluctuations and began to show signs of stabilization during the year.

At the beginning of the year, there was a deceleration in energy and commodity prices, attributed mainly to the restoration of global supply. Persistent supply chain bottlenecks from the previous year started to fade away, and the availability of feedstock supplies enabled some global producers to restart curtailed capacities. This, in turn, created additional pressures on global markets, influencing price trajectories.

On the other hand, commodity prices experienced a softening trend, influenced by the adoption of hawkish monetary policies by several central banks aimed at combating inflation. The resulting high-interest rate environment had a direct impact on the global GDP, leading to muted consumer spending and significantly affecting the demand for most commodities across our basket of product.

Competitive strengths

All the joint ventures (JV) of MPHC are strategically placed with competitively priced and assured feedstock supplies, a solid liquidity position with an ability to generate strong cash flows. Key relationships with reputable and globally recognized joint venture (JV) partners is providing MPHC with a competitive edge over its peers.

Furthermore, our joint ventures collaborate with Muntajat, a global leader in marketing and distributing chemical products. This partnership enhances our access to global markets, facilitating smooth product sales even in volatile market conditions, ultimately ensuring optimal netback for our products.

These competitive strengths aided MPHC in ensuring operational excellence, while building on geographical footprints, with a robust cash position over the years. Going forward, all the JVs of MPHC will continue to explore already advanced cutting-edge technology to further shape MPHC's positioning not only at the regional level, but also at the global scale.

HSE achievements

During the current year, Health, Safety and Environment (HSE) performance for all the MPHC's joint ventures was again exemplary, reflecting a critical part of MPHC's core values. In 2023, JVs' key HSE achievements included receiving certification to multiple

international standards; further improving process safety; and completing a period of 16 consecutive year without a single recordable incident of heat stress illness at several facilities. As we advance, we will continue to pursue excellence and greater efficiencies in these key areas enhancing our existing HSE standards in line with global values, with a resolve to enhance product quality, while enriching our people, and ensuring reliability of operations.

Cost efficiencies and output optimization: Towards operational excellence

MPHC emphasizes on operational efficiency and cost competitiveness to maintain its position as a leading low-cost operator. All the MPHC group entities are continually working towards an un-wavering target of reducing operating expenditures across its businesses and looking forward in identifying opportunities to curtail expenses which are not critical to the business.

During the optimization exercise carried out during the peak Covid times, the MPHC group companies reviewed their operating and capital expenditure programs to optimize OPEX & CAPEX structures without compromising on HSE standards and ensuring that it remained buoyant.

Such optimization-related measures improved Group's variable and fixed operating cost structures, as we entered a post-pandemic recovery phase, and supported a key vertical of maintaining entities' competitiveness by being one of the lowest cost producers.

On an overall basis, Group's production levels showed slight growth, with a lesser number of shutdowns carried out during the year. The production was also slightly impacted by unplanned shutdowns, where these shutdowns were promptly addressed and provided valuable information to avert future shutdowns and maximize efficiency. Also, a turnaround was carried out at QVC facilities during the year. These periodic turnarounds are mandatory to ensure plant life, asset reliability and safety of operations going forward.

Continuous efforts on account of quality improvement remained eminent to the group companies. During the year, our petrochemical joint ventures, Qatar Chemical Company (Q-Chem), received two CPCHEM President's Operational Excellence Initiative Awards.

Capital expenditure (CAPEX) and business development

Capital expenditure for 2023 amounted to QR 209 million (MPHC share). The primary nature of these capital expenditures was mainly related to turnaround, reliability, health, safety and environmental (HSE) projects, along with initial spending on the new PVC project amounting to QR 127 million (MPHC share).

In line with an intent to expand locally and invest further down the value chain, during last year, MPHC's joint venture Qatar Vinyl Company (QVC) signed and awarded an Engineering, Procurement, Construction (EPC) contract valued at USD 239 million to invest in a new PVC (Polyvinyl Chloride) facility that will have a production capacity of 350,000 metric tons per annum. QVC will convert its existing VCM (Vinyl Chloride Monomer) to PVC. MPHC will be funding the construction of the new PVC plant equivalent to its percentage of shareholding in QVC (i.e. 55.2%) and will continue to remain the largest shareholder in QVC, following the expiry of the current joint venture agreement (JVA).

In 2019, Q-Chem shareholders agreed to support expanding JV's ethylene production

facilities at Mesaieed Industrial City. The Sixth Furnace project will provide sustainable ethylene volumes supporting Q-Chem's existing derivatives production capacity. The sixth furnace project is completed on time and fully operational which ensures sustainable production volumes while ensuring a more consistent consumption feedstock.

Going forward, the Group will continue to consider CAPEX investments to enhance capacity, reliability, efficiency and HSE performance, including MPHC's share in the new PVC project funding, with a total budgeted outlay of QR 2.1 billion (MPHC share) over a period of five years from 2024 till 2028.

Financial performance

MPHC reported a net profit of QR 1.1 billion for the year ended 31 December 2023, down by 39% compared to last year. This decline in profitability was mainly linked to lowered Group revenue, which declined by 21% and reached QR 3.1 billion.

Operations for MPHC's group companies remained robust and resilient, with yearly production reaching 1,137 thousand MTs. Production for year ended 31 December 2023 flat in comparison to last year. Production remains flat despite the maintenance turnaround carried out at QVC facilities during 1Q-23.

At the Group level, the blended selling prices decreased by 19% during 2023, contributing to a decline in Group's net earnings by QR 832 million, compared to last year. Group sales volumes on the other hand inclined by 2% on a year-on-year basis and contributed to a decrease of QR 24 million in Group's earnings.

Group's liquidity remained robust throughout the year. Cash held by MPHC (including proportionate share of cash and bank balances held by joint ventures) at the end of the financial year 2023 amounted to QR 4.3 billion, with total assets of QR 17.5 billion as at 31 December 2023.

Proposed dividend distribution

Since incorporation of MPHC in 2013, a total dividend of QR 9.6 billion has been distributed. This is clear evidence of the Board's commitment to create shareholder value, while maintaining necessary liquidity for future CAPEX investments and any unexpected adversities.

Given these considerations, coupled with a macroeconomic forecast weighing on business outlook, the Board of Directors proposes a total annual dividend distribution for the year ended 31 December 2023 of ~ QR 1.1 billion, equivalent to a payout of QR 0.086 per share, representing a payout ratio of 100% of net earnings. This indicates the Group's ability to generate strong cash flows while ensuring adequate cash is preserved for future precautionary and investing needs.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, for his wise guidance and strategic vision. Our gratitude is also extended to H.E. Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, for his vision and leadership, and to the management and employees of Group companies for their hard work, commitment and dedication. We would also like to thank our esteemed shareholders for their great trust in us.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

The Shareholders of Mesaieed Petrochemical Holding Company Q.P.S.C.

Doha, Qatar

Report on the Audit of the Financial Statements

Our Opinion

We have audited the financial statements of **Mesaieed Petrochemical Holding Company Q.P.S.C.** (the "Company") which comprise the statement of financial position as at December 31, 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the group as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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. 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.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition in Joint Venture	
As disclosed in note 4(ii) to the financial statements, the Company's share of the results of its joint ventures (Q-Chem, Q-Chem II and QVC) of QR 959 million for the year ended 31 December 2023 represents 98% of the total income of the Company.	Our procedures in relation to revenue recognition from revenue recognised by the joint ventures included, but were not limited to, the following: <ul style="list-style-type: none">• Obtaining an understanding of the revenue process and identifying relevant controls over revenue recognition implemented by the joint ventures.• Determining if the controls implemented by the joint ventures had been appropriately designed and implemented and are operating effectively.• Reviewing the contracts between the joint ventures and the customer.• Performing test of details to verify occurrence and accuracy of revenue transactions on a sample basis.• Selecting samples and verifying the cut off of sales from statements received from the joint ventures' major customer.
The joint ventures recognized revenue of QR 6,320 million during the year ended December 31, 2023. The majority of the revenue is earned from a single third party (the "customer").	
Revenue is recognised by Joint Ventures of the Company when control related to the products is transferred to the customer. This is defined in the contracts between the Joint Ventures and the customer.	
We identified revenue recognition by the joint ventures as a key audit matter as any errors in the recording of the volume and value of shipments could lead to a material misstatement in the determination of the share of results presented in the statement of profit or loss and other comprehensive income.	

Other Information

Management is responsible for the other information. The other information comprises the Board of Director's Report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

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

If based on the work we have performed, and on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of 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 IFRSs and applicable provisions of Qatar Commercial Companies Law, 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 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 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations 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 communications.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- The Company has maintained proper books of account and the financial statements are in agreement therewith;
- We obtained all the information and explanations which we considered necessary for our audit; and
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Associations were committed during the year which would materially affect the Group's financial position or its financial performance.

Doha - Qatar
February 11, 2024

Deloitte & Touche
Qatar Branch

Yamen Maddah
Partner
License No. 434
QFMA Auditor's licence No 120156

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

(All amounts expressed in thousands Qatari Riyals unless otherwise stated)

	Notes	For the year ended 31 December 2023	2022
Share of results from joint ventures	4(ii)	959,235	1,698,930
Interest income	6	138,480	1,728 85,201
Other income (Net)		(1,728)	(827)
		1,099,443	1,783,304
General and administrative expenses		(16,753)	(16,156)
Profit for the year		1,082,690	1,767,148
Other comprehensive income		--	--
Total comprehensive income for the year		1,082,690	1,767,148
Basic and diluted earnings per share (in QR)	13	0.086	0.141

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

(All amounts expressed in thousands Qatari Riyals unless otherwise stated)

Notes	As at		
	31 December 2023	31 December 2022	
ASSETS			
Non-current assets			
Investments in joint ventures	4	13,977,648	14,608,608
Current assets			
Other receivables	5	37,564	32,125
Deposits and other bank balances	6	3,250,826	1,846,658
Cash and cash equivalents	7	272,042	1,345,834
Total current assets		3,560,432	3,224,617
Total assets		17,538,080	17,833,225
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	12,563,175	12,563,175
Legal reserve	11	88,827	76,481
Retained earnings		4,431,125	4,769,796
Total equity		17,083,127	17,409,452
LIABILITIES			
Current liabilities			
Due to a related party	8	5,922	5,477
Accruals and other payables	9	449,031	418,296
Total liabilities		454,953	423,773
Total equity and liabilities		17,538,080	17,833,225

The financial statements were approved and authorised for issue by the Board of Directors on 11 February 2024 and were signed on its behalf by:

Ahmad Saif Al-Sulaiti
Chairman

Mohamed Salem Al-Marri
Vice Chairman

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

(All amounts expressed in thousands Qatari Riyals unless otherwise stated)

	Notes	Share Capital	Legal Reserve	Retained earnings	Total
Balance at 1 January 2022		12,563,175	67,606	3,125,167	15,755,948
Profit for the year		--	--	1,767,148	1,767,148
Other comprehensive income for the year		--	--	--	--
Total comprehensive income for the year		--	--	1,767,148	1,767,148
Social and sports fund contribution		--	--	(44,179)	(44,179)
Transfer to legal reserve		--	6,821	(6,821)	--
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	12	--	--	(1,381,949)	(1,381,949)
Balance at 31 December 2022		12,563,175	76,481	4,769,796	17,409,452
Balance at 1 January 2023		12,563,175	69,660	4,435,597	17,068,432
Profit for the year		--	--	1,082,690	1,082,690
Other comprehensive income for the year		--	--	--	--
Total comprehensive income for the year		--	--	1,082,690	1,082,690
Social and sports fund contribution		--	--	(27,067)	(27,067)
Transfer to legal reserve		--	12,346	(12,346)	--
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	12	--	--	(1,381,949)	(1,381,949)
Balance at 31 December 2023		12,563,175	88,827	4,431,125	17,083,127

except as otherwise stated in the Standards.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above as they are considered an integral part of the Company's cash management.

Dividend distributions

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Social and Sports Fund Contribution

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2011, which is applicable for all Qatari listed shareholding companies with publicly traded shares, the Company has made an appropriation of 2.5% of its net profit to a state social fund.

Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

Segment reporting

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Financial information on operating segments is presented in note 4 to the financial statements

Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the financial statements when material.

Non-financial assets

Non-financial assets are initially measured at cost, which equates to fair value at inception, and subsequently measured at amortised cost, less provision for impairment.

Tax

The Company's profits are exempt from income tax given its status as a Qatari listed company. During 2020, QATARENERGY, the Ministry of Finance and the General Tax Authority have reached an agreement through an MOU. According to this MOU and as directed by higher authorities and in accordance with the requirements of the public interest, the Ministry of Finance shall pay MPHPC portion of income tax incurred by the joint ventures attributed to MPHPC's shareholding in these joint ventures.

4. INVESTMENTS IN JOINT VENTURES

The carrying amount of the investments in joint ventures has changed as follows:

	31 December 2023	31 December 2022
Balance at beginning of the year	14,608,608	14,894,115
Additional investment during the year	126,585	43,200
Share of results from joint ventures for the year	959,235	1,698,930
Share of dividends from joint ventures	(1,716,780)	(2,027,637)
Balance at the end of the year	13,977,648	14,608,608

The below financial statements present amounts shown in the financial statements of the joint ventures as at 31 December 2023 which are presented in US\$'000 and are translated using an exchange rate of 3.64 (2021: 3.64).

i. Statement of financial position of joint venture entities

	As at 31 December 2023			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,702,446	1,833,785	988,912	4,525,143
Non-current assets	2,017,019	4,139,198	945,647	7,101,864
Current liabilities	(717,051)	(758,889)	(200,411)	(1,676,351)
Non-current liability	(558,624)	(1,227,874)	(67,253)	(1,853,751)
Equity	2,443,790	3,986,220	1,666,895	8,096,905

	As at 31 December 2022			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,699,716	2,333,985	1,298,692	5,332,393
Non-current assets	2,259,869	4,453,710	892,603	7,606,182
Current liabilities	(705,010)	(1,032,526)	(471,847)	(2,209,383)
Non-current liability	(628,042)	(1,323,671)	(104,146)	(2,055,859)
Equity	2,626,533	4,431,498	1,615,302	8,673,333

	As at 31 December 2022			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,699,716	2,333,985	1,298,692	5,332,393
Non-current assets	2,259,869	4,453,710	892,603	7,606,182
Current liabilities	(705,010)	(1,032,526)	(471,847)	(2,209,383)
Non-current liability	(628,042)	(1,323,671)	(104,146)	(2,055,859)
Equity	2,626,533	4,431,498	1,615,302	8,673,333

Proportion of Company's ownership

Company's share of net assets	49.0%	49.0%	55.2%	4,070,832
Adjustment for additional investment in PVC Project (QVC)	--	--	3,155	3,155
Tax benefit from joint ventures (Note 14)	263,141	775,937	82,224	1,121,302
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	5,010,001	7,607,896	1,359,751	13,977,648

	As at 31 December 2022			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	2,208,334	2,890,084	1,221,595	6,320,013
Cost of sales	(1,452,203)	(1,832,567)	(1,023,825)	(4,308,595)
Other income - Net	(14,367)	(4,241)	(3,416)	(22,024)
Administrative expenses	(50,852)	(22,479)	(78,782)	(152,112)
Finance income	36,447	48,929	18,057	103,433
Profit before tax	727,359	1,079,726	133,630	1,940,715
Deferred income tax	68,489	99,855	35,882	204,226
Current income tax	(323,387)	(478,254)	(83,090)	(884,731)
Profit for the year	472,461	701,326	86,422	1,260,210
Proportion of the Company's ownership	49.0%	49.0%	55.2%	622,861
Company's share of profit/(loss) before tax benefit	231,506	343,650	47,705	622,861
Tax benefit from joint ventures	124,900	185,415	26,059	336,374
Company's share of profit for the year from joint ventures	356,406	529,065	73,764	959,235

	For the year ended 31 December 2022			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	2,341,469	3,430,113	2,193,942	7,965,524
Cost of sales	(1,445,898)	(1,851,217)	(1,226,501)	(4,523,616)
Other income - Net	(8,897)	(6,129)	15,146	120
Administrative expenses	(46,119)	(18,850)	(86,790)	(151,759)
Finance income/(cost)	16,363	26,735	18,189	61,287
Profit before tax	856,918	1,580,653	913,986	3,351,556
Deferred income tax	60,585	96,809	33,856	191,251
Current income tax	(360,829)	(650,533)	(354,477)	(1,365,839)
Profit for the year	556,674	1,026,929	593,365	2,176,968
Proportion of the Company's ownership	49.0%	49.0%	55.2%	1,103,503
Company's share of profit/(loss) before tax benefit	272,771	503,195	327,537	1,103,503
Tax benefit from joint ventures	147,119	271,325	176,983	595,427
Company's share of profit for the year from joint ventures	419,890	774,520	504,520	1,698,930

iii. Additional disclosures of joint venture entities

	As at 31 December 2023			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	136,857	220,320	236,898	594,075
Short term investments	509,600	491,400	36,400	1,037,400
Depreciation and amortisation	345,888	415,846	153,283	915,017
Deferred tax liabilities	213,628	1,105,321	66,099	1,385,048
Tax payable	323,387	478,254	83,091	884,732
Company's share of dividend declared/received	321,048	561,834	142,659	1,025,541
Current financial liabilities (excluding trade and other payables and provisions)	12,696	5,097	823	18,616
Non-current financial liabilities (excluding trade and other payables and provisions)	25,768	121,027	1,152	147,947

	As at 31 December 2022			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	280,859	1,155,165	743,015	2,179,039
Short term investments	400,400	891,800	--	1,292,200
Depreciation and amortisation	293,795	411,080	145,676	850,551
Deferred tax liabilities	282,115	1,205,175	101,982	1,589,272
Tax payable	360,830	650,534	354,489	1,365,853
Company's share of dividend declared/received	285,376	704,522	291,346	1,281,244
Current financial liabilities (excluding trade and other payables and provisions)	12,645	14,185	841	27,671
Non-current financial liabilities (excluding trade and other payables and provisions)	37,517	117,088	2,166	156,771

iv. Capital commitments and contingent liabilities

The Company's share in the joint ventures' commitments and contingent liabilities is as follows:

	As at 31 December 2023			
	Q-Chem	Q-Chem II	QVC	Total
Capital commitments	48,835	62,040	520,325	631,200
Purchase commitments	241,544	286,448	--	527,992
Contingent liabilities	--	--	23,416	23,416

	As at 31 December 2022			
	Q-Chem	Q-Chem II	QVC	Total
Capital commitments	72,915	50,724	515,109	638,748
Purchase commitments	240,586	250,758	--	491,344
Contingent liabilities	--	22,285	22,285	--

The joint ventures have purchase commitments that consist primarily of major agreements to procure gas from QatarEnergy. The joint ventures also have a number of agreements for electricity, industrial gases and manpower.

Other contingent liabilities

As required by IAS 37 - Provisions, Contingent Liabilities and Contingent Assets", the Company assess whether the following criteria is met to recognise provisions:

- whether the Company has a present obligation 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.

Under the lease agreements, the lessor has the right, upon termination or expiration of the lease term, to notify the company that it requires to either:

- transfer all the facilities to the lessor or a transferee nominated by the lessor, against a price acceptable by the company, or;
- remove the facilities and all the other property from the land and restore it to at least the condition in which it was delivered to the company, at the company's cost and expense, unless otherwise is agreed with the lessor.

The incurrence of site restoration costs by the Company is contingent to which option is used by the lessor. Since the lessor has not notified the Company the option to be opted, the criteria to recognize the provision for restoration obligation is not fully met and therefore, the Company has not recognized the decommissioning liability for the year ended 31st December 2023.

Income tax position

- Income tax (Note 14)

- Tax assessments (Note 4 (iv))

Tax indemnity

Based on the Memorandum of Understanding ("MOU") entered into between QATARENERGY, the Ministry of Finance and the General Tax Authority ("GTA") on 4 February 2020, the joint ventures shall pay the income tax amount payable for the ownership interests pertaining to the foreign shareholder to the GTA and the tax pertaining to the public shareholding company directly to the public shareholding company.

Tax assessments

QVC

Tax assessment for the years 2012 to 2014

In 2020, the GTA issued an income tax assessment for the years from 2012 to 2014 requiring the Company to pay additional taxes of USD 79 million. This includes penalties of USD 39.6 million. The Company wrote a detailed response to GTA on 16 September 2020 as per the requirement of tax law, stating that the Company will provide QatarEnergy with the required information, if any, related to these assessments which QVC management believes it's not liable to pay as per Article 2 of the MOU. GTA has yet to respond to this matter.

As per the terms of the MOU, the MoF undertakes to settle the income tax amounts payable by the Company for the previous years. Based on the ongoing advanced discussions between the Company, and the MOF, and the GTA, it is expected that the assessments will be withdrawn and accordingly the Company has not recorded a liability for the assessments received.

Tax assessment for the year 2016

On October 28, 2022, GTA issued an income tax assessment for the year 2016 requiring the Company to pay additional taxes of USD 20.6 million. This includes penalties of USD 10.3 million.

The Company wrote a detailed response to GTA as per the requirement of Tax laws and related interpretations rejecting the full amount levied by GTA. Management is confident that GTA will accept the company's position and accordingly no provision has been recognized in these financial statements.

Tax assessment for the year 2017

On December 24, 2023, GTA issued an income tax assessment for the year 2017 requiring the Company to pay additional taxes of USD 25.5 million. This includes penalties of USD 12.8 million.

The Company is in the process of writing a detailed response to GTA as per the requirement of Tax laws and related interpretations rejecting the full amount levied by GTA. Management is confident that GTA will accept the company's position and accordingly no provision has been recognized in these financial statements.

5. OTHER RECEIVABLES

Other receivables comprise of interest receivable on term deposits made with various banks.

6. DEPOSITS AND OTHER BANK BALANCES

	2023	2022
Fixed deposits maturing after 90 days of initiation	2,835,384	1,478,904
Restricted bank balances - Dividend account	415,442	367,754
	3,250,826	1,846,658

Cash in banks earn interest at fixed rates. Term deposits are made for varying periods of between three months and one year depending on the immediate cash requirements of the Company at average interest rate of 5.01% to 6.65% (31 December 2022: 1.6% to 2.66%).

During the year ended December 31, 2023, fixed deposits generated interest income amounting to QAR 123 million (2022: 77 million) recorded in the statement of profit or loss under Interest income.

7. CASH AND CASH EQUIVALENTS

	2023	2022
Cash and cash equivalents	272,042	1,345,834

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

8. RELATED PARTIES

Related parties, as defined in International Accounting Standard 24, "Related Party Disclosures", include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

i. Transaction with related parties:

Transactions with related parties included in the statement of profit or loss and other comprehensive income for the year ended are as follows:

	Relationship	2023	2022
Dividend income from Q-Chem	Joint Venture	497,854	517,363
Dividend income from Q-Chem II	Joint Venture	880,595	1,033,563
Dividend income from QVC	Joint Venture	338,331	476,712
Annual fee paid to QatarEnergy	Parent Company	(5,642)	(5,373)

QatarEnergy is the ultimate parent company, which is state-owned public corporation established by Emiri Decree No. 10 in 1974.

ii. Balances arising from transactions with the related parties

The following are the balances arising on transactions with related parties:

	Relationship	2023	2022
Payables to related parties:			
Amounts due to QatarEnergy	Parent Company	5,922	5,47

iii. Compensation of key management personnel:

The remuneration of key management personnel during the year was as follows:

	2023	2022
Key management remuneration	200	200
Board of directors' remuneration	5,900	5,900
	6,100	6,100

The Company has established a remuneration policy for its Board of Directors. This policy is comprised of two components: a fixed component and a variable component. The variable component is related to the financial performance of the Company. The total Directors' remuneration is within the limit prescribed by the Qatar Commercial Companies' Law.

9. ACCRUALS AND OTHER PAYABLES

	2023	2022
Dividends payable	415,442	367,754
Social and sports fund contribution payable	27,067	44,179
Accruals	6,522	6,363