

**MESAIEED PETROCHEMICAL HOLDING
COMPANY Q.P.S.C.
DOHA – QATAR**

**CONDENSED INTERIM FINANCIAL
INFORMATION
FOR THE THREE-MONTH PERIOD ENDED
March 31, 2024**

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

For the three-month period ended March 31, 2024

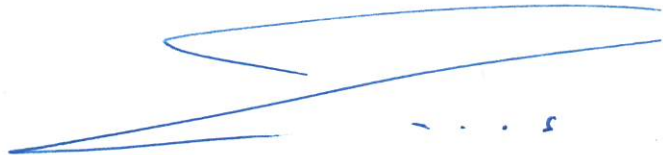
(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

| | Note | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|-------------------------------------|--------|------------------------------|----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in joint ventures | 4 (i) | 13,973,421 | 13,977,648 |
| Current assets | | | |
| Prepayment and other receivables | 5 | 9,312 | 37,564 |
| Deposits and other bank balances | 6.1 | 2,361,401 | 3,250,826 |
| Cash and cash equivalents | 6 | 295,007 | 272,042 |
| Total current assets | | 2,665,720 | 3,560,432 |
| Total assets | | 16,639,141 | 17,538,080 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 9 | 12,563,175 | 12,563,175 |
| Legal reserve | 10 | 88,827 | 88,827 |
| Retained earnings | | 3,544,708 | 4,431,125 |
| Total equity | | 16,196,710 | 17,083,127 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 7 | 440,822 | 449,031 |
| Due to a related party | 8 (ii) | 1,609 | 5,922 |
| Total liabilities | | 442,431 | 454,953 |
| Total equity and liabilities | | 16,639,141 | 17,538,080 |

The financial information on pages 1 to 14 were approved and authorised for issue by the Board of Directors on 30 April 2024 and were signed on its behalf by:



Ahmad Saif Al-Sulaiti
Chairman



Abdulrahman Ahmad Al-Shaibi
Board Member

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month period ended March 31, 2024

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

| | | For the three-month periods ended 31 March | |
|---|-------------|---|--------------------|
| | | 2024 | 2023 |
| | | (Unaudited) | (Unaudited) |
| | Note | | |
| Share of results from joint ventures | 4 (ii) | 155,554 | 242,027 |
| Interest income | | 39,157 | 28,579 |
| Gross Profit | | 194,711 | 270,606 |
| General and administrative expenses | | (3,970) | (4,801) |
| Exchange and other gains | | 3,275 | 2,819 |
| Net profit for the period | | 194,016 | 268,624 |
| Other comprehensive income | | -- | -- |
| Total comprehensive income for the period | | 194,016 | 268,624 |
| Basic and diluted earnings per share (in QR) | 3 | 0.015 | 0.021 |

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three-month period ended March 31, 2024

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

| | Note | Share capital | Legal reserve | Retained earnings | Total |
|---|------|---------------|---------------|-------------------|-------------|
| Balance at 1 January 2023 (Audited) | | 12,563,175 | 76,481 | 4,769,796 | 17,409,452 |
| Profit for the period | | -- | -- | 268,624 | 268,624 |
| Other comprehensive income for the period | | -- | -- | -- | -- |
| Total comprehensive income for the period | | -- | -- | 268,624 | 268,624 |
| <i>Transaction with owners in their capacity as owners:</i> | | | | | |
| Dividends approved | 11 | -- | -- | (1,381,949) | (1,381,949) |
| Balance at 31 March 2023 (Unaudited) | | 12,563,175 | 76,481 | 3,656,471 | 16,296,127 |
| Balance at 1 January 2024 (Audited) | | 12,563,175 | 88,827 | 4,431,125 | 17,083,127 |
| Profit for the period | | -- | -- | 194,016 | 194,016 |
| Other comprehensive income for the period | | -- | -- | -- | -- |
| Total comprehensive income for the period | | -- | -- | 194,016 | 194,016 |
| <i>Transaction with owners in their capacity as owners:</i> | | | | | |
| Dividends approved | 11 | -- | -- | (1,080,433) | (1,080,433) |
| Balance at 31 March 2024 (Unaudited) | | 12,563,175 | 88,827 | 3,544,708 | 16,196,710 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2024

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

| | Note | For the three-month periods ended 31 March | |
|---|---------|--|---------------------|
| | | 2024 (Unaudited) | 2023 (Unaudited) |
| Cash flows from operating activities | | | |
| Net profit for the period | | 194,016 | 268,624 |
| Adjustments for: | | | |
| - Interest income | | (39,157) | (28,579) |
| - Share of results from joint ventures | 4 (ii) | (155,554) | (242,027) |
| | | (695) | (1,982) |
| Movement in working capital: | | | |
| - Prepayment and other receivables | | (2,829) | (20,211) |
| - Trade and other payables | | 27,578 | 39,662 |
| - Due to a related party | | (4,312) | (4,051) |
| Cash flows used in operations | | 19,742 | 13,418 |
| Social and sports fund contribution paid | | (27,067) | (44,178) |
| Net cash (used in) / generated from operating activities | | (7,325) | (30,760) |
| Cash flows from investing activities | | | |
| Dividends received from joint ventures | 4 (iii) | 214,032 | 283,476 |
| Additions to investment in joint ventures | | (54,250) | - |
| Interest received | | 70,239 | 60,215 |
| Increase / (decrease) of fixed term deposits | | 880,702 | 749,164 |
| Net cash generated from investing activities | | 1,110,723 | 1,092,855 |
| Cash flows from financing activities | | | |
| Dividends paid to shareholders | | (1,089,154) | (1,266,873) |
| Movement in unclaimed dividends account | | 8,721 | (115,076) |
| Cash used in financing activities | | (1,080,433) | (1,381,949) |
| Net (decrease)/ increase in cash and cash equivalents | | 22,965 | (319,854) |
| Cash and cash equivalents at beginning of the period | 6 | 272,042 | 1,345,834 |
| Cash and cash equivalents at end of the period | 6 | 295,007 | 1,025,980 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

1. CORPORATE INFORMATION AND ACTIVITIES

Mesaieed Petrochemical Holding Company Q.P.S.C (the “Company” or “MPHC”) is registered and incorporated in Qatar under commercial registration number 60843 as a Qatari Public Shareholding Company by its founding shareholder, Qatar Petroleum (“QATARENERGY”). The Company is incorporated under the Qatar Commercial Companies’ Law No. 11 of 2015. The Company was incorporated on 29 May 2013 for an initial period of 99 years, following the decision of H.E. the Minister of Economy and Commerce No. 22 of 2013, issued on 21 May 2013. The registered address of the Company is P.O. Box 3212, Doha, State of Qatar. The Company is listed on the Qatar Exchange and is a subsidiary of QATARENERGY. The Company commenced commercial activities on 1 September 2013.

The principal activity of the Company is to establish, manage, own and/or hold shares, assets and interests in companies (and their subsidiaries and/or associated undertakings) engaged in all manner of processing and/or manufacturing of petrochemical products, together with any other company or undertaking which the Company deems beneficial to its business, diversification or expansion from time to time.

The joint ventures of the Company, included in the condensed interim financial information are as follows:

| Entity Name | Country of incorporation | Relationship | Ownership interest |
|-----------------------------------|---------------------------------|---------------------|---------------------------|
| Qatar Chemical Company Limited | Qatar | Joint venture | 49% |
| Qatar Chemical Company II Limited | Qatar | Joint venture | 49% |
| Qatar Vinyl Company Limited | Qatar | Joint venture | 55.2% |

Qatar Chemical Company Limited (“Q-Chem”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and Chevrans Phillips Chemical International Qatar Holdings L.L.C. (“CPCIQH). Q-Chem is engaged in the production, storage and sale of polyethylene, 1-hexene and other petrochemical products.

Qatar Chemical Company II Limited (“Q-Chem II”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and CPCIQH. Q-Chem II is engaged in the production, storage and sale of polyethylene, normal alpha olefins, other ethylene derivatives and other petrochemical products.

Qatar Vinyl Company Limited (“QVC”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and Qatar Petrochemical Company Limited (“QAPCO”). The company is engaged in the production and sale of petrochemical products such as caustic soda, ethylene dichloride and vinyl chloride monomer.

These condensed interim financial information of the Company for the three-month period ended 31 March 2024 was authorised for issue on 30 April 2024, by the Board of Directors

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The condensed interim financial information for the three-month period ended 31 March 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting under the historical cost convention.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023. In addition, results for the three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The Company's accounting and risk management policies are consistent with those presented in the annual financial statements for the year ended 31 December 2023.

The condensed interim financial information is presented in Qatari Riyal ("QR"), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (QR '000'), except otherwise indicated.

3. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) is calculated by dividing the profit for the period attributable to equity holders of the parent by weighted average number of shares outstanding during the period.

The following reflects the income and share data used in basic and diluted earnings per share computation:

| <i>For the three-month period ended</i> | 31 March 2024 (Unaudited) | 31 March 2023 (Unaudited) |
|--|--------------------------------------|------------------------------|
| Profit for the period attributable to the equity holders of the parent (QR'000) | 194,016 | 268,624 |
| Weighted average number of shares outstanding during the period ("in thousands") | 12,563,175 | 12,563,175 |
| Basic and diluted earnings per share (expressed in QR per share) | 0.015 | 0.021 |

The figures for basic and diluted earnings per share are the same, as the Company has not issued any instruments that would impact the earnings per share when exercised.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

4. INVESTMENTS IN JOINT VENTURES

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

| <i>For the period ended</i> | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--------------------------------------|-------------------------------|
| Balance at beginning of the period | 13,977,648 | 14,608,608 |
| Additional investment during the year | 54,250 | 126,585 |
| Share of results from joint ventures for the period | 155,554 | 959,235 |
| Share of dividends received from joint ventures | (214,031) | (1,716,780) |
| Balance at the end of the period | 13,973,421 | 13,977,648 |

The summarised interim financial information below presents amounts shown in the financial information of the joint ventures as at 31 March 2024 which are presented in United States Dollars (“USD”) in the financial information of the joint ventures and are translated to QR using an exchange rate of 3.64 in the below tables:

i. *Statement of financial position of joint venture entities*

| | As at 31 March 2024 (Unaudited) | | | |
|--|--|------------------|------------------|-------------------|
| | Q-Chem | Q-Chem II | QVC | Total |
| Current assets | 1,471,132 | 1,804,081 | 1,053,192 | 4,328,405 |
| Non-current assets | 1,936,539 | 4,051,246 | 1,035,785 | 7,023,570 |
| Current liabilities | (585,282) | (775,020) | (240,644) | (1,600,946) |
| Non-current liability | (535,385) | (1,191,714) | (55,118) | (1,782,217) |
| Equity | 2,287,004 | 3,888,593 | 1,793,215 | 7,968,812 |
| Proportion of Company’s ownership | 49.00% | 49.00% | 55.20% | |
| Company’s share of net assets | 1,120,632 | 1,905,411 | 989,855 | 4,015,898 |
| Tax benefit from joint ventures | 279,456 | 807,894 | 87,814 | 1,175,164 |
| Goodwill | 3,549,403 | 4,878,711 | 354,245 | 8,782,359 |
| Investment in joint ventures | 4,949,491 | 7,592,016 | 1,431,914 | 13,973,421 |

| | As at 31 December 2023 (Audited) | | | |
|---|---|------------------|------------------|-------------------|
| | 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 |
| Proportion of Company’s ownership | 49.00% | 49.00% | 55.20% | |
| Company’s share of net assets | 1,197,457 | 1,953,248 | 920,127 | 4,070,832 |
| Adjustment for additional investment in PVC Project (QVC) | -- | -- | 3,155 | 3,155 |
| Tax benefit from joint ventures | 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 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

ii. Statement of profit or loss and other comprehensive income of joint venture entities

| | For the three-month period ended 31 March 2024 | | | |
|---|---|------------------|---------------|----------------|
| | (Unaudited) | | | |
| | Q-Chem | Q-Chem II | QVC | Total |
| Revenue | 489,493 | 612,563 | 345,868 | 1,447,924 |
| Cost of sales | (382,597) | (428,051) | (294,875) | (1,105,523) |
| Administrative expenses | (13,799) | (5,949) | (24,406) | (44,154) |
| Other Income/Expenses | (6,849) | (2,543) | 1,535 | (7,857) |
| Finance income / (cost) | 8,656 | 9,968 | 4,335 | 22,959 |
| Profit before tax | 94,904 | 185,988 | 32,457 | 313,349 |
| Deferred income tax | 21,156 | 25,505 | 11,273 | 57,934 |
| Current income tax | (54,453) | (90,725) | (21,398) | (166,577) |
| Profit for the period | 61,607 | 120,768 | 22,332 | 204,707 |
| Proportion of the Company's ownership | 49.00% | 49.00% | 55.20% | |
| Company's share of profit/(loss) before tax benefit | 31,188 | 59,176 | 12,327 | 101,691 |
| Tax benefit from joint ventures | 16,316 | 31,958 | 5,589 | 53,863 |
| Company's share of profit for the period from joint ventures | 46,504 | 91,134 | 17,916 | 155,554 |

| | For the three months period ended 31 March 2023 | | | |
|---|--|------------------|---------------|----------------|
| | (Unaudited) | | | |
| | Q-Chem | Q-Chem II | QVC | Total |
| Revenue | 521,489 | 701,026 | 244,650 | 1,467,165 |
| Cost of sales | (326,106) | (435,085) | (201,211) | (962,402) |
| Administrative expenses | (13,531) | (5,549) | (17,731) | (36,811) |
| Other Income/Expenses | 1,617 | (459) | (3,407) | (2,249) |
| Net finance income/(cost) | (451) | 15,004 | 9,637 | 24,190 |
| Profit before tax | 183,018 | 274,937 | 31,938 | 489,893 |
| Deferred income tax | 18,623 | 24,673 | 8,555 | 51,851 |
| Current income tax | (82,760) | (121,024) | (19,995) | (223,779) |
| Profit for the period | 118,881 | 178,586 | 20,498 | 317,965 |
| Proportion of the Company's ownership | 49.00% | 49.00% | 55.20% | |
| Company's share of profit before tax benefit | 58,252 | 87,507 | 11,315 | 157,074 |
| Tax benefit from joint ventures | 31,427 | 47,211 | 6,315 | 84,953 |
| Company's share of profit for the period from joint ventures | 89,679 | 134,718 | 17,630 | 242,027 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION

MESAIIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

iii. Additional disclosures of joint venture entities

| | As at 31 March 2024 (Unaudited) | | | |
|---|---|------------------|----------------|------------------|
| | Q-Chem | Q-Chem II | QVC | Total |
| Cash and cash equivalents | 509,294 | 679,563 | 386,930 | 1,575,787 |
| Depreciation and amortisation | 92,877 | 103,566 | 40,245 | 236,688 |
| Deferred tax liabilities | 192,472 | 1,079,816 | 54,827 | 1,327,115 |
| Tax payable | 377,840 | 568,979 | 104,489 | 1,051,308 |
| Company's share of dividend declared/received | 107,016 | 107,016 | - | 214,032 |
| Current financial liabilities (excluding trade and other payables and provisions) | 12,496 | 9,023 | 823 | 22,342 |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 19,243 | 110,345 | 291 | 129,879 |
| | As at 31 December 2023 (Audited) | | | |
| | 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 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

5. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables comprise of interest receivable on term deposits made with various banks and prepayments.

6. CASH AND CASH EQUIVALENTS

| <i>As at</i> | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|---------------------------|--------------------------------------|----------------------------------|
| Cash and cash equivalents | 295,007 | 272,042 |

6.1 DEPOSITS AND OTHER BANK BALANCES

| <i>As at</i> | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|--------------------------------------|----------------------------------|
| Fixed deposits maturing after 90 days | 1,954,680 | 2,835,384 |
| Restricted bank balances - Dividends account | 406,721 | 415,442 |
| | 2,361,401 | 3,250,826 |

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 6.00% to 6.32% (31 December 2023: 5.01% to 6.65%).

7. TRADE AND OTHER PAYABLES

| <i>As at</i> | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--------------------------------------|----------------------------------|
| Dividends payable | 406,721 | 415,442 |
| Social and sports fund contribution payable | 27,067 | 27,067 |
| Accruals and other payable | 7,034 | 6,522 |
| | 440,822 | 449,031 |

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

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 condensed interim statement of profit or loss and other comprehensive income for the period ended are as follows:

| <i>For the three-month period ended</i> | 31 March 2024 (Unaudited) | 31 March 2023 (Unaudited) |
|---|--------------------------------------|------------------------------|
| Dividend income from Q-Chem | 107,016 | 71,344 |
| Dividend income from Q-Chem II | 107,016 | 133,770 |
| Dividend income from QVC | - | 78,362 |
| | 214,032 | 283,476 |
| Service Fee payable to QATARENERGY | (1,315) | (1,410) |

ii Related party balances:

Balances with related parties included in the condensed interim statement of financial position are as follows:

| <i>As at</i> | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|----------------------------|--------------------------------------|----------------------------------|
| Amounts due to QATARENERGY | 1,315 | 5,922 |

iii Compensation of key management personnel:

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

| <i>For the three-month period ended</i> | 31 March 2024 (Unaudited) | 31 March 2023 (Unaudited) |
|---|--------------------------------------|------------------------------|
| Key management remuneration | 50 | 50 |
| Board of directors’ remuneration | 1,475 | 1,475 |
| | 1,525 | 1,525 |

9. SHARE CAPITAL

| <i>As at</i> | 31 March 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|--------------------------------------|----------------------------------|
| Authorised, issued and fully paid: 12,563,175,000 shares of QR 1 each | 12,563,175 | 12,563,175 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

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

10. LEGAL RESERVE

The Articles of Association of the Company states that prior to recommending any dividend for distribution to the Shareholders, the Board shall ensure proper reserves are established in respect of voluntary and statutory reserves considered by the Board to be necessary or appropriate. Such reserves as resolved by the Board, shall be the only reserves the Company is required to have.

11. DIVIDENDS

The Board of Directors had proposed cash dividend distribution of QR 0.086 per share for the year ended 31 December 2023. The final dividend for the year ended 31 December 2023 had been approved at the Annual General Meeting held on 05 March 2024.

During the period, the Company paid a dividend of QR 1,089 million.

12. INCOME TAX

The Company's profits are exempt from income tax in accordance with the provisions of Qatar's Income Tax Law No. 24. of 2018. However, the Company's joint ventures' profits are subject to income tax in accordance with the applicable law in Qatar for QVC and in accordance with the Joint Venture Agreements of Q-Chem and Q-Chem II as endorsed by an Emiree Decree and Council of Ministers Decision respectively.

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 MPHC portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures.

The mechanism described under the MOU is the following:

1. The joint ventures pay the portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures directly to MPHC for the Ministry of Finance; and
2. The Ministry of Finance pays the portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures directly to the GTA for the joint ventures.

Applying the principles of equity accounting under IAS 28 "Investments in Associates and Joint Ventures", the Company accounted for its underlying interests in the joint ventures on a pre-tax basis. This resulted in a tax adjustment amounting to QR 1,175 million for the year ended March 31, 2024.

13. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on their products and services and has one reportable operating segment which is the petrochemical segment from its interest in the joint ventures, which produces and sells polyethylene, 1-hexene, normal alpha olefins, other ethylene derivatives, caustic soda, ethylene dichloride, vinyl chloride monomer and other petrochemical products.

Geographically, the Company only operates in the State of Qatar.

For the three-month period ended March 31, 2024

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

14. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Classification of the investments as joint ventures

Management evaluated the Company's interest in Q-Chem, Q-Chem II and QVC (together "the Entities"), and concluded that the joint arrangements are joint ventures where the Entities are jointly controlled. Hence, the management accounted for these investments under the equity method.

Site restoration obligations

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.

Impairment of investment in joint ventures

The Company assesses the impairment of non-financial assets, particularly its investment in joint ventures, whenever events or changes in circumstances indicate that the carrying amount of the non-financial asset may not be recoverable.

Factors which could trigger an impairment review include evidence from internal and external sources related to the changes in technological, market, economic or legal environment in which the Company operates and economic performance of the assets.

Based on the assessment performed as of 31 March 2024, no impairment indicators were identified, and therefore a detailed impairment test was not performed.

Income tax position

- Income tax (Note 12)

Commitments and contingent liabilities

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the related entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments.