MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C
DOHA - QATAR

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2023

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

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

CONTENTS **PAGES**

Deloitte.

Deloitte & Touche - Qatar Branch
Al Ahli Bank Head Office Building
Suhaim Bin Hamad Street
Al Sadd Area
Doha, P.O. Box 431
Qatar

Tel : +974 44341112
Fax : +974 44422131
www.deloitte.com

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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 31 December 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 31 December 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 Matters	*How the 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. 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.	Our procedures in relation to revenue recognition from revenue recognised by the joint ventures included, but were not limited to, the following: • 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.

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.

Other Information (continued)

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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
11 February 2024

Deloitte &Touche
Qatar Branch

ديلويت أند توش
محاسبون قانونيون
Public Accountants
DELOITTE & TOUCHE

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023
(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	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 on pages 1 to 35 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

DELOITTE & TOUCHE
Doha - Qatar
11 FEB 2024
Signed for Identification Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023
(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	2023	2022
Share of results from joint ventures	4(ii)	**959,235**	1,698,930
Interest income	6	**138,480**	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

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11 FEB 2024
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MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023
(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2022		12,563,175	69,660	4,435,597	17,068,432
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)	--
Transaction with owners in their capacity as owners:					
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**	**76,481**	**4,769,796**	**17,409,452**
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)**	--
Transaction with owners in their capacity as owners:					
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**

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

DELOITTE & TOUCHE
Doha - Qatar
11 FEB 2024
Signed for Identification
Purposes Only

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023
(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**1,082,690**	1,767,148
Adjustments for:			
- Interest income		**(138,480)**	(85,201)
- Other income		--	827
- Share of results from joint ventures	4 (ii)	**(959,235)**	(1,698,930)
		(15,025)	(16,156)
Movement in working capital:			
- Prepayment and other receivables		--	(2,767)
- Accruals and other payables		**160**	72,162
- Due to a related party		**445**	326
Cash flows (used in) /generated from operations		**(14,420)**	53,565
Social and sports fund contribution paid		**(44,179)**	(46,539)
Net cash (used in) /generated from operating activities		**(58,599)**	7,026
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures	4 (iii)	**1,716,780**	2,027,637
Additions to investment in joint ventures	4 (iii)	**(126,585)**	(43,200)
Additions to fixed term deposits		**(2,835,384)**	(1,478,904)
Interest received		**133,041**	82,433
Matured fixed term deposits		**1,478,904**	1,983,795
Net cash generated from investing activities		**366,756**	2,571,761
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders		**(1,334,261)**	(1,307,435)
Movement in unclaimed dividends account		**(47,688)**	(74,514)
Net cash used in financing activities		**(1,381,949)**	(1,381,949)
Net (decrease) / increase in cash and cash equivalents		**(1,073,792)**	1,196,838
Cash and cash equivalents at beginning of the year		**1,345,834**	148,996
Cash and cash equivalents at end of the year	7	**272,042**	1,345,834

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Doha - Qatar
11 FEB 2024
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Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

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

1. INCORPORATION 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, 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 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 registered address of the Company is P.O. Box 3212, Doha, State of Qatar.

The joint ventures of the Company, included in the financial statements are as follows:

Entity Name	Country of incorporation	Relationship	Ownership interest 2023	Ownership interest 2022
Qatar Chemical Company Limited	Qatar	Joint venture	49%	49%
Qatar Chemical Company II Limited	Qatar	Joint venture	49%	49%
Qatar Vinyl Company Limited	Qatar	Joint venture	55.2%	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 Chevrons 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.

The financial statements of the Company for the year ended 31 December 2023 was authorised for issue by the Board of Directors on 11 February 2024.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of January 1, 2023:

2.1 New and amended IFRS Standards and interpretations that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2023, have been adopted in these financial statements.

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies	January 1, 2023

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The IASB has amended IAS 8 to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates (continued)	January 1, 2023

The IASB has retained the concept of changes in accounting estimates in the Standard, even though the definition was deleted, with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

The amendments provide a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)	January 1, 2023

A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

Amendments to IAS 12 Income Taxes —International Tax Reform—Pillar Two Model Rules	January 1, 2023

The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Amendments to IAS 12 Income Taxes	January 1, 2023

The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes

The Company is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

The Company has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current	January 1, 2024. Early application permitted
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services..	
In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent.	
An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	
The 2022 amendments deferred the effective date of the amendments to IAS 1 Classification of Liabilities as Current or Non-current published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.The amendments are applied retrospectively.	
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024. Early application permitted

The amendments requires a seller-lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease

Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate..

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	January 1, 2024. Early application permitted

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement;
- Liquidity risk information.

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	January 1, 2024. Early application permitted
The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.	
Amendments to IAS 1 Presentation of Financial Statements – Non-Current Liabilities with Covenants	January 1, 2024
In January 2020, the IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current (the 2020 Amendments). One of the requirements prescribed by the 2020 Amendments related to the classification of liabilities subject to covenants (e.g. a bank loan where the lender may demand accelerated repayment if financial covenants are not met). The 2020 Amendments provided that if an entity's right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at the end of the reporting period. Several concerns were raised about the outcome of these requirements, therefore, the mandatory effective date was deferred. In order to address these concerns, the IASB has now issued the 2022 Amendments. The 2022 Amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. An entity is required to disclose information about these covenants in the notes to the financial statements. The Amendments address the concerns raised by stakeholders on the effects of the amendments to IAS 1 Classification of Liabilities as Current or Non-current related to classification of liabilities with covenants. Under the 2022 Amendments, a covenant affects whether right to defer settlement exists at the end of the reporting period if compliance with the covenant is required on or before the end of the reporting period. The amendments are applied retrospectively with early application permitted. (To update as appropriate)	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	January 1, 2025. Earlier application is permitted

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the applicable provisions of Qatar Commercial Companies Law and the Company's article of association.

Basis of preparation

The financial statements have been prepared on a historical cost basis.

These financial statements are presented in QAR, which is the Company's functional and presentation currency. All the financial information has been presented in these financial statements has been rounded off to nearest thousands (QAR. '000) except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Investment in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Investment in Joint Ventures (continued)

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. Gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Current versus non-current classification

The Company presents assets and liabilities based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period (or receivable on demand); or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

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

All other assets and liabilities are classified as non-current.

Fair value measurement

For measurement and disclosure purposes, the Company determines the fair value of an asset or liability at initial measurement or at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis as explained above, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Fair value measurement (continued)

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

Classification and measurement

The Company's management has assessed which business models apply to the financial assets held by the Company and ensured its financial instruments were classified into the appropriate IFRS 9 categories. The Company assessed those other receivables and deposits are debt instruments and meet the conditions for classification at amortised cost (AC) under IFRS 9 since they are cash flows solely payments of principal and interest (SPPI) and the Company's business model is to hold and collect the debt instrument. Cash and cash equivalents' definition as per IAS 7 remains unchanged with the application of IFRS 9, short-term investments and time deposits continued to be presented under cash and cash equivalents, being highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. No reclassification resulted from the implementation of IFRS 9.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Company has the following financial assets that are subject to IFRS 9's expected credit loss model:

- Cash and cash equivalents
- Other receivables (excluding non-financial assets)
- Deposits and other bank balances

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

To measure the expected credit losses, other receivables that are measured at amortized cost are grouped based on shared credit risk characteristics and the days past due. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables. While cash and cash equivalents and fixed deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Investment and other financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(a) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Accruals and other payables

Liabilities are recognised for amounts to be paid in the future for goods, assets or services received, whether billed by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Company or counter party.

Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

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

(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:

For the year ended	**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**
Proportion of Company's ownership	**49%**	**49%**	**55.2%**	
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 (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
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	49%	49%	55.2%	
Company's share of net assets	1,287,001	2,171,434	891,646	4,350,081
Tax benefit from joint ventures (Note 14)	315,048	909,282	251,838	1,476,168
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	5,151,452	7,959,427	1,497,279	14,608,608

(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 year ended 31 December 2023			
	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%**	
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%	
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

(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 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.

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Other contingent liabilities

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.

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.

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

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Tax assessment for the years 2012 to 2014 (continued)

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 December 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
As at 31 December		
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.

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

7. CASH AND CASH EQUIVALENTS

As at 31 December	**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 have 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:

For the year ended	**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**	5,477

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

8. RELATED PARTIES (CONTINUED)

iii. Compensation of key management personnel:

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

For the year ended	**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

As at 31 December	**2023**	2022
Dividends payable	**415,442**	367,754
Social and sports fund contribution payable	**27,067**	44,179
Accruals	**6,522**	6,363
	449,031	418,296

10. SHARE CAPITAL

As at 31 December	**2023**	2022
Authorised, issued and fully paid: 12,563,175,000 shares of QR 1 each	**12,563,175**	12,563,175

As at 31 December 2023, QatarEnergy holds 7,268,282,950 shares including 1 special share (2022: 8,220,262,250 shares including 1 special share) comprising 57.85% (2022: 65.43%) of the total shareholding.

11. 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.

12. DIVIDENDS

The Board of Directors has proposed cash dividend distribution of QR 0.086 per share for the year ended 31 December 2023 (2022: QR 0.11 per share). The proposed final dividend for the year ended 31 December 2023 will be submitted for formal approval at the Annual General Meeting.

On 12 March 2023, the shareholders approved to distribute cash dividends of QR 1.38 billion.

13. BASIC AND DILUTED EARNINGS PER SHARE

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

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

	2023	2022
Profit attributable to the equity holders for the year	**1,082,690**	1,767,148
Weighted average number of shares outstanding during the year (“in thousands”)	**12,563,175**	12,563,175
Basic and diluted earnings per share (expressed in QR per share)	**0.086**	0.141

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.

14. 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 1,121 million (2022: QAR 1,476 million) for the year ended December 31, 2023.

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

15. FINANCIAL INSTRUMENTS

Accounting policies

Details of accounting policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements.

(a) Categories of financial instruments

December 31, 2023

	Financial assets			**Financial liabilities**			**Hierarchy levels**			
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**Amortised cost**	**Total**	**1**	**2**	**3**	**Total**
Deposits and bank balances	--	--	**3,250,826**	--	--	**3,250,826**	--	**3,250,826**	--	**3,250,826**
Cash and cash equivalents	--	--	**272,042**	--	--	**272,042**		**272,042**	--	**272,042**
Other receivables	--	--	**37,564**	--	--	**37,564**	--	**37,564**	--	**37,564**
Accruals and other payables	--	--	--	--	**449,031**	**449,031**	--	**449,031**	--	**449,031**
Due to related party	--	--	--	--	**5,922**	**5,922**	--	**5,922**	--	**5,922**

December 31, 2022

	Financial assets			Financial liabilities			Hierarchy levels			
	FVTPL	FVTOCI	Amortised cost	FVTPL	Amortised cost	Total	1	2	3	Total
Deposits and bank balances	--	--	1,846,658	--	--	1,846,658	--	1,846,658	--	1,846,658
Cash and cash equivalents	--	--	1,345,834	--	--	1,345,834		1,345,8341	--	1,345,834
Other receivables	--	--	32,125	--	--	32,125	--	32,125	--	32,125
Accruals and other payables	--	--	--	--	418,296	418,296	--	418,296	--	418,296
Due to related party	--	--	--	--	5,477	5,477	--	5,477	--	5,477

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

15. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The below table details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	At January 1, 2023	**Financing cash flows**	**Non-cash changes**	**At December 31, 2023**
	QR	**QR**	**QR**	**QR**
Dividend payable	367,754	(1,334,261)	1,381,949	415,442

	At January 1, 2022	Financing cash flows	Non-cash changes	At December 31, 2022
	QR	QR	QR	QR
Dividend payable	293,240	(1,307,435)	1,381,949	367,754

16. FINANCIAL RISK MANAGEMENT

Financial risk management objective

The Company's principal financial liabilities comprise accruals and other payables and due to a related party. The Company has various financial assets, namely, interest receivable and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

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

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk management

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		**Assets**	
	2023	2022	**2023**	2022
	QAR	QAR	**QAR**	QAR
USD	**--**	--	**3,065,244**	2,290,688

The Company is mainly exposed to USD.

The following paragraph details the Company's sensitivity to a 10% increase and decrease in the QAR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

At December 31, 2023, if the QAR had weakened/strengthened by 10% against the USD with all other variables held constant, profit for the year would have been QAR 278 million (2022: 229 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated receivables, due from/to related parties and foreign exchange losses/gains on translation of USD denominated assets and liabilities.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

At December 31, 2023, if interest rates on QAR denominated deposits had been 50 basis point higher/lower with all other variables held constant, profit for the year would have been QAR 10.3 million (2022: 10 million) lower/higher, mainly as a result of higher/lower interest income on floating rate fixed term deposits and call deposits.

Credit risk

The Company's exposure to credit risk is as indicated by the carrying amount of its financial assets which consist principally of interest receivable and bank balances, as follows:

As at 31 December	**2023**	2022
Other receivable	**37,564**	32,125
Deposits and other bank balances	**3,250,826**	1,846,658
Cash and cash equivalents	**272,042**	1,345,834
	3,560,432	3,224,617

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

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk management (continued)

The tables below show the distribution of bank balances at the date on which the financial statements are issued:

Rating as at 31 December	**2023**	2022
A1	**870,312**	742,684
A2	**849,226**	400,090
A3	**612,632**	841,775
Aa3	**1,190,698**	1,207,943
	3,522,868	3,192,492

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation and is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. All financial liabilities will mature within 12 months from the end of the reporting period.

At December 31, 2023	**Weighted average effective interest rate**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	%					
Accruals and other payables	**--**	**449,031**	**--**	**--**	**--**	**449,031**
Due to a related party	**--**	**5,922**	**--**	**--**	**--**	**5,922**

At December 31, 2022	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	%					
Accruals and other payables	--	418,296	--	--	--	418,296
Due to a related party	--	5,477	--	--	--	5,477

Capital management

The Company manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. Capital comprises share capital and retained earnings and is measured at QR 17.1 billion (2022: QR 17.41 billion).

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Bank balances, interest receivable, accruals and other payables, and amount due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

18. 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.

The following are the critical judgments, apart from those involving estimations, that management has made in process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

18. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue a going concern. Therefore, the financial statements are prepared on a going concern basis.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Company uses estimates for the computation of loss rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages qualified external valuers to perform the valuation. The management/valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

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.

19. SOCIAL AND SPORTS FUND CONTRIBUTION

In accordance with Law No. 13 of 2008, the Company made an appropriation of profit of QR 27 million (2022: QR 44 million) equivalent to 2.5% of the net profit for the year for the support of sport, cultural, social and charitable activities.

20. FEES TO THE STATUTORY AUDITOR

Audit and Assurance fee pertaining to the Company and its Joint Ventures amounted to QR 631,000 (2022: QR. 631,000).

21. 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.