

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

---

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

# Mesaieed Petrochemical Holding Company Q.S.C

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at September 30, 2015

	<i>Notes</i>	<i>September 30, 2015 (Unaudited) QR'000</i>	<i>December 31, 2014 (Audited) QR'000</i>
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in Joint Ventures	4	<u>13,315,948</u>	<u>13,152,985</u>
<b>Current assets</b>			
Prepayments and Other Debit Balances		209,092	141,116
Due from Related Parties		-	80,414
Cash and Bank Balances		<u>486,082</u>	<u>1,238,298</u>
<b>Total Current Assets</b>		<u>695,174</u>	<u>1,459,828</u>
<b>TOTAL ASSETS</b>		<u><u>14,011,122</u></u>	<u><u>14,612,813</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		12,563,175	12,563,175
Legal Reserve		25,364	17,444
Retained Earnings		<u>1,324,944</u>	<u>1,920,703</u>
<b>Total Equity</b>		<u>13,913,483</u>	<u>14,501,322</u>
<b>Current Liabilities</b>			
Trade Payables and Accruals		92,253	77,001
Due to Related Party		<u>5,386</u>	<u>34,490</u>
<b>Total Current Liabilities</b>		<u>97,639</u>	<u>111,491</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>14,011,122</u></u>	<u><u>14,612,813</u></u>

.....  
**Ahmad Saif Al-Sulaiti**  
Chairman

.....  
**Mohamed Salem Al-Marri**  
Vice Chairman

## Mesaieed Petrochemical Holding Company Q.S.C

### INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine month period ended September 30, 2015

		<i>Nine Month Period Ended September 30, 2015 (Unaudited)</i>	<i>Nine Month Period Ended September 30, 2014 (Unaudited)</i>
	<i>Notes</i>	<i>QR'000</i>	<i>QR'000</i>
Share of Profit from Joint Ventures	4	721,047	1,287,463
Other Income		5,461	4,237
General and Administrative Expenses		<u>(13,021)</u>	<u>(9,671)</u>
<b>PROFIT FOR THE PERIOD</b>		<u>713,487</u>	<u>1,282,029</u>
Tax Refund		<u>72,703</u>	<u>94,894</u>
<b>Net Income for the Period</b>		<u>786,190</u>	<u>1,376,923</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>786,190</u>	<u>1,376,923</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>			
(Expressed as QR per share)	5	<u>0.63</u>	<u>1.10</u>

# Mesaieed Petrochemical Holding Company Q.S.C

## INTERIM CONDESED STATEMENT OF CASH FLOWS

For the nine month period ended September 30, 2015

	<i>Notes</i>	<i>Nine Month Period Ended September 30, 2015 QR'000</i>	<i>Nine Month Period Ended September 30, 2014 QR'000</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the Period		786,190	1,376,923
Adjustments for :			
Interest Income		(5,236)	(3,986)
Share of Profit From Joint Ventures	4	<u>(721,048)</u>	<u>(1,287,463)</u>
Operating Cash Flows Before Working Capital Changes		59,906	85,474
<b>Working Capital Changes:</b>			
Prepayments and Other Debit Balances		(66,145)	(95,991)
Due from Related Parties		80,414	-
Due to a Related Party		(21,184)	96,960
Trade Payable and Accruals		<u>15,252</u>	<u>(660)</u>
Cash from Operations		68,243	85,783
Interest Received		<u>3,405</u>	<u>921</u>
<b>Net Cash Flows from Operating Activities</b>		<u>71,648</u>	<u>86,704</u>
<b>INVESTING ACTIVITY</b>			
Dividends Received		558,085	1,243,531
Decrease in Term Deposits		<u>761,734</u>	<u>(920,500)</u>
<b>Cash flows from investing activity</b>		<u>1,319,819</u>	<u>323,031</u>
<b>FINANCING ACTIVITY</b>			
Dividends Paid		<u>(1,381,949)</u>	<u>(383,326)</u>
<b>Cash flows from Financing activity</b>		<u>(1,381,949)</u>	<u>(383,326)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		9,518	26,409
Cash and Cash Equivalents at the Beginning of the Year/Period		<u>82,798</u>	<u>10,000</u>
<b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30</b>		<u><u>92,316</u></u>	<u><u>36,409</u></u>

## Mesaieed Petrochemical Holding Company Q.S.C

### INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended September 30, 2015

	<i>Share Capital</i>	<i>Legal Reserve</i>	<i>Retained Earnings</i>	<i>Total</i>
	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>
<b>Balance at January 01, 2014</b>	12,563,175	-	609,576	13,172,751
Dividends paid	-	-	(439,711)	(439,711)
Excess funds over IPO costs	-	17,444	-	17,444
Total comprehensive income for the period	-	-	-	-
			<u>1,376,923</u>	<u>1,376,923</u>
<b>Balance at September 30, 2014</b>	<u>12,563,175</u>	<u>17,444</u>	<u>1,546,788</u>	<u>14,127,407</u>
<b>Balance at January 01, 2015</b>	12,563,175	17,444	1,920,703	14,501,322
Total comprehensive income for the period	-	-	786,190	786,190
Excess funds over IPO costs	-	7,920	-	7,920
Dividends paid	-	-	(1,381,950)	(1,381,950)
<b>Balance at September 30, 2015</b>	<u>12,563,175</u>	<u>25,364</u>	<u>1,324,944</u>	<u>13,913,483</u>

# Mesaieed Petrochemical Holding Company Q.S.C

---

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION AND ACTIVITIES

Mesaieed Petrochemical Holding Company Q.S.C. (the "Company" or "MPHC") is registered and incorporated in Qatar under commercial registration number 60843 as a Qatari Shareholding Company. The Company is an "Article 68 Company", having been incorporated under Article 68 of the Qatar Commercial Companies' Law No. 5 of 2002. The Company was incorporated on May 29, 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 May 21, 2013. The registered address of the parent company is P.O. Box 3212, Doha, State of Qatar. The Company is listed on the Qatar Exchange and is a subsidiary of Qatar Petroleum "QP".

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

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

<i>Entity name</i>	<i>Country of incorporation</i>	<i>Relationship</i>	<i>Ownership Interest September 30, 2015</i>
Qatar Chemical Company Limited (Q-Chem I)	Qatar	Jointly controlled entity	49.0%
Qatar Chemical Company (II) Limited (Q-Chem II)	Qatar	Jointly controlled entity	49.0%
Qatar Vinyl Company Limited (QVC)	Qatar	Jointly controlled entity	55.2%

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed financial statements for the nine-month period ended September 30, 2015 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" under the historical cost convention except for certain financial instruments which have been stated at fair value.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the period ended December 31, 2014. In addition, results for the nine months period ended September 30 2015 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2015.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2014.

## Mesaieed Petrochemical Holding Company Q.S.C

### 3. ACQUISITION OF JOINT VENTURES

On the acquisition date i.e. 1 September 2013, QP transferred its shareholding in the joint venture companies (“transaction”) through a share swap agreement with the Company. The transaction was accounted for as a common control transaction using the acquisition method of accounting considering the substance of the transaction. The total consideration was QR’000 - 12,553,175 which was settled by allotment and issue of swap shares by MPHIC to QP.

	<i>Q-Chem I</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>	<i>Q-Chem II</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>	<i>QVC</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>	<i>Total</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>
Total Consideration	4,600,000	6,600,000	1,353,175	12,553,175
Less: Fair Values of Net Assets Acquired	<u>(1,050,597)</u>	<u>(1,721,289)</u>	<u>(998,930)</u>	<u>(3,770,816)</u>
<b>Goodwill Arising on Acquisition</b>	<b><u>3,549,403</u></b>	<b><u>4,878,711</u></b>	<b><u>354,245</u></b>	<b><u>8,782,359</u></b>

### 4. INVESTMENT IN JOINT VENTURES

The summarised financial information of joint ventures as of September 30, 2015 presented below excludes the amount of interim dividends proposed by joint ventures but still not paid to the company.

#### i. Statement of Financial Position of Joint Venture Entities

	<i>Q-Chem I</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>	<i>Q-Chem II</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>	<i>QVC</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>	<i>Total</i> <i>September</i> <i>30, 2015</i> <i>QR’000</i>
Current Assets	1,828,674	2,384,517	897,992	5,111,183
Non-Current Assets	2,581,587	6,380,557	1,395,423	10,357,567
Current Liabilities	(606,414)	(475,505)	(170,916)	(1,252,835)
Non-Current Liability	(1,194,597)	(953,960)	(300,657)	(2,449,214)
Term Loan	-	<u>(2,744,997)</u>	-	<u>(2,744,997)</u>
<b>Equity</b>	<b><u>2,609,250</u></b>	<b><u>4,590,612</u></b>	<b><u>1,821,842</u></b>	<b><u>9,021,704</u></b>
<b>Proportion of the Company’s ownership</b>	<b><u>49.0%</u></b>	<b><u>49.0%</u></b>	<b><u>55.2%</u></b>	
Company’s Share of Net Assets in the Joint Venture Entities	1,278,533	2,249,400	1,005,657	4,533,589
Goodwill (Note 3)	<u>3,549,403</u>	<u>4,878,711</u>	<u>354,245</u>	<u>8,782,359</u>
<b>Investment in Joint Ventures</b>	<b><u>4,827,936</u></b>	<b><u>7,128,111</u></b>	<b><u>1,359,902</u></b>	<b><u>13,315,948</u></b>

# Mesaieed Petrochemical Holding Company Q.S.C

## 4 INVESTMENT IN JOINT VENTURES (CONTINUED)

### ii. Statement of Comprehensive Income of Joint Venture Entities

	<i>Nine Months Period Ended September 30, 2015</i>			
	<i>Q-Chem I</i>	<i>Q-Chem II</i>	<i>QVC</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Revenue	940,673	1,032,366	533,888	2,506,927
Cost of sales	(477,939)	(548,951)	(441,397)	(1,468,287)
Selling & Administrative expenses	(12,744)	(7,759)	(63,464)	(83,967)
Other Income/(Expense)	(4,866)	(4,967)	11	(9,822)
Finance Expense	-	(10,178)	-	(10,178)
Finance Income	1,657	816	1,631	4,104
<b>Profit before tax</b>	<b>446,781</b>	<b>461,327</b>	<b>30,669</b>	<b>938,777</b>
Deferred income-tax	13,344	(52,699)	(7,330)	(46,685)
Current income-tax	(169,704)	-	(1,340)	(171,044)
<b>Profit for the period</b>	<b>290,421</b>	<b>408,628</b>	<b>21,999</b>	<b>721,048</b>
Unallocated Expense	-	-	-	(13,022)
Unallocated Income	-	-	-	78,164
<b>Profit for the period</b>				<b>786,190</b>

	<i>Nine Months Period Ended September 30, 2014</i>			
	<i>Q-Chem I</i>	<i>Q-Chem II</i>	<i>QVC</i>	<i>Total</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Revenue	1,232,671	1,557,261	591,531	3,381,463
Cost of sales	(524,516)	(628,758)	(471,235)	(1,624,509)
Selling & Administrative expenses	(55,163)	(72,410)	(59,540)	(187,113)
Other Income/(Expense)	(1,896)	7,397	150	5,651
Finance Expense	-	(11,757)	-	(11,757)
Finance Income	1,221	1,127	1,759	4,107
<b>Profit before tax</b>	<b>652,317</b>	<b>852,860</b>	<b>62,665</b>	<b>1,567,842</b>
Deferred income-tax	12,365	(53,009)	(8,161)	(48,806)
Current income-tax	(219,034)	-	(12,541)	(231,575)
<b>Profit for the period</b>	<b>445,648</b>	<b>799,851</b>	<b>41,963</b>	<b>1,287,462</b>
Unallocated Expense	-	-	-	(9,671)
Unallocated Income	-	-	-	99,132
<b>Profit for the period</b>				<b>1,376,923</b>



## Mesaieed Petrochemical Holding Company Q.S.C

---

### iii. Investment in Joint Ventures

The Movements in interest in joint ventures during the period are as Follows:

Balance as on December 31, 2013	13,072,240
Investment during the year ending December 31, 2014	-
Profit for the Period	1,668,554
Dividend Received During the Period	<u>(1,587,809)</u>
<b>Investment Balance as of December 31, 2014</b>	<b>13,152,985</b>
Investment during the period	-
Profit for the period	721,048
Dividend received during the period	<u>(558,085)</u>
<b>Investment balance as of September 30, 2015</b>	<b><u>13,315,948</u></b>

### 5 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Nine Months Ended September 30, 2015</i>
Profit attributable to the equity holders of the parent for the period (QR'000)	<u>786,190</u>
Weighted average number of shares outstanding during the year ("in thousands")	<u>1,256,317</u>
Basic and diluted earnings per share (expressed in QR per share)	<u>0.63</u>