

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

**CONDENSED INTERIM FINANCIAL  
INFORMATION AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX MONTH PERIOD ENDED  
JUNE 30, 2022**

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

**CONDENSED INTERIM FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S  
REVIEW REPORT**

For the six-month period ended June 30, 2022

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RN: 189/YM/FY2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors**  
**Mesaieed Petrochemical Holding Company Q.P.S.C.**  
**Doha - Qatar**

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of **Mesaieed Petrochemical Holding Company Q.P.S.C.** (the "Company") as at 30 June 2022, and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

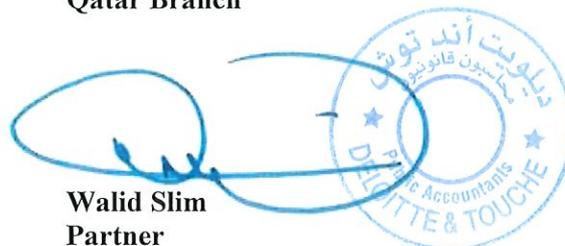
## INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

### *Other Matter*

The interim financial information of the Company for the six month period ended 30 June 2021 and the annual financial statements for the year ended 31 December 2021 were reviewed and audited by another auditor who expressed an unmodified conclusion and unmodified opinion on that financial information and those statements on 05 August 2021 and 21 February 2022 respectively.

**Doha – Qatar**  
**10 August 2022**

**For Deloitte & Touche**  
**Qatar Branch**



**Walid Slim**  
**Partner**  
**License No. 319**  
**QFMA Auditor License No. 120156**

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

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at June 30, 2022

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

	Note	30 June 2022 (Reviewed)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in joint ventures	4 (i)	14,608,048	14,894,115
<b>Current assets</b>			
Prepayment and other receivables	5	16,037	29,358
Advance - PVC Project	6	40,186	--
Deposits and other bank balances	7.1	2,228,729	2,347,248
Cash and cash equivalents	7	229,144	148,996
<b>Total current assets</b>		<b>2,514,097</b>	<b>2,525,602</b>
<b>Total assets</b>		<b>17,122,144</b>	<b>17,419,717</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	12,563,175	12,563,175
Legal reserve	11	69,660	69,660
Retained earnings		4,091,660	4,435,597
<b>Total equity</b>		<b>16,724,495</b>	<b>17,068,432</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	394,894	346,134
Due to a related party	9 (ii)	2,755	5,151
<b>Total liabilities</b>		<b>397,649</b>	<b>351,285</b>
<b>Total equity and liabilities</b>		<b>17,122,144</b>	<b>17,419,717</b>

The financial information on pages 1 to 16 were approved and authorised for issue by the Board of Directors on 10 August 2022 and were signed on its behalf by:



**Ahmad Saif Al-Sulaiti**  
Chairman



**Mohamed Salem Al-Marri**  
Vice Chairman

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



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

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

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

For the six-month period ended 30 June 2022

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

		<b>For the six month periods ended 30 June</b>	
	<b>Note</b>	<b>2022 (Reviewed)</b>	<b>2021 (Reviewed)</b>
Share of results from joint ventures	4 (ii)	1,021,140	902,411
Interest income		25,780	13,491
Other income		--	1,203
		<b>1,046,920</b>	<b>917,105</b>
General and administrative expenses		(8,081)	(7,685)
Other operating loss – Net		(827)	--
<b>Net profit for the period</b>		<b>1,038,012</b>	<b>909,420</b>
Other comprehensive income		--	--
<b>Total comprehensive income for the period</b>		<b>1,038,012</b>	<b>909,420</b>
<b>Basic and diluted earnings per share (in QR)</b>	<b>3</b>	<b>0.083</b>	<b>0.072</b>

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



**MESAJEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2022

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

	Note	Share capital	Legal reserve	Retained earnings	Total
<b>Balance at 1 January 2021</b>		12,563,175	67,606	3,125,167	15,755,948
Profit for the period		--	--	909,420	909,420
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	909,420	909,420
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	12	--	--	(502,527)	(502,527)
<b>Balance at 30 June 2021 (Reviewed)</b>		12,563,175	67,606	3,532,060	16,162,841
<b>Balance at 1 January 2022 (Audited)</b>		12,563,175	69,660	4,435,597	17,068,432
Profit for the period		--	--	1,038,012	1,038,012
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	1,038,012	1,038,012
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	12	--	--	(1,381,949)	(1,381,949)
<b>Balance at 30 June 2022 (Reviewed)</b>		12,563,175	69,660	4,091,660	16,724,495

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

Doha - Qatar

10 AUG 2022

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

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2022

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

	Note	For the six-month periods ended 30 June	
		2022 (Reviewed)	2021 (Reviewed)
<b>Cash flows from operating activities</b>			
Net profit for the period		1,038,012	909,420
- Tax received		746,394	--
- Interest income		(25,780)	(13,491)
- Share of results from joint ventures	4 (ii)	(1,021,140)	(902,411)
		737,486	(6,482)
Movement in working capital:			
- Prepayment and other receivables		(42,275)	(5,830)
- Other assets		--	62,809
- Trade and other payables		(3,166)	(36,561)
- Due to a related party		(2,396)	(2,213)
<b>Cash flows used in operations</b>		<b>689,649</b>	<b>11,723</b>
SFC payable		(46,539)	--
Interest received		41,187	12,916
<b>Net cash generated from operating activities</b>		<b>684,297</b>	<b>24,639</b>
<b>Cash flows from investing activities</b>			
Dividends received from joint ventures	4 (iii)	560,815	656,171
Increase / (decrease) of fixed term deposits		216,985	(112,380)
<b>Net cash generated from investing activities</b>		<b>777,800</b>	<b>543,791</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders		(1,283,483)	(469,451)
Movement in unclaimed dividends account		(98,466)	(33,076)
<b>Cash used in financing activities</b>		<b>(1,381,949)</b>	<b>(502,527)</b>
<b>Net increase in cash and cash equivalents</b>		<b>80,148</b>	<b>65,903</b>
Cash and cash equivalents at beginning of the period	7	148,996	177,486
<b>Cash and cash equivalents at end of the period</b>	<b>7</b>	<b>229,144</b>	<b>243,389</b>

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



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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

### 1. CORPORATE INFORMATION AND ACTIVITIES

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

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

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

<b>Entity Name</b>	<b>Country of incorporation</b>	<b>Relationship</b>	<b>Ownership interest</b>
Qatar Chemical Company Limited	Qatar	Joint venture	49%
Qatar Chemical Company II Limited	Qatar	Joint venture	49%
Qatar Vinyl Company Limited	Qatar	Joint venture	55.2%

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

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

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

These condensed interim financial information of the Company for the six-month period ended 30 June 2022 was authorised for issue on August 10, 2022, by the Board of Directors.

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

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

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## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

The condensed interim financial information for the six-month period ended 30 June 2022 has been prepared in accordance with IAS 34, Interim Financial Reporting under the historical cost convention.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2021. In addition, results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The Company's accounting and risk management policies are consistent with those presented in the annual financial statements for the year ended 31 December 2021.

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

### **Significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021 except for the adoption of new and revised standards effective as of 1 January 2022, where applicable.

#### *(i) New and amended standards and interpretations adopted by the Company*

Effective for annual periods beginning on January 1, 2022

Annual improvements to International Financial Reporting Standards ("IFRS") Standards 2018-2020 including IFRS 1, IFRS 9, IFRS 16, IAS 41

Amendments to International IFRS 3 - Reference to the Conceptual framework

Amendments to IAS 37 - Onerous contracts- Cost of fulfilling a Contract

Amendment to IAS 16 - Property plant and equipment – Proceeds before intended use

The company did not have to change its accounting policies or make retrospective adjustments as these are not applicable to the interim condensed financial information.

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Significant accounting policies (continued)

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021 except for the adoption of new and revised standards effective as of 1 January 2022, where applicable.

#### (ii) *New and amended standards and interpretations not yet effective*

Amendments to IFRS 17 - Insurance contracts

Amendments to IAS 8 - Definition of accounting estimates

Amendments to IAS 12 - Income taxes - Deferred tax related to assets and liabilities arising from single transaction

Amendments to IAS 1 - Classification of liabilities as current or non-current and disclosure of accounting policies

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its associate or joint venture

### 3. BASIC AND DILUTED EARNINGS PER SHARE

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

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

<i>For the six-month period ended</i>	<b>30 June 2022 (Reviewed)</b>	30 June 2021 (Reviewed)
Profit for the period attributable to the equity holders of the parent (QR'000)	<b>1,038,012</b>	909,420
Weighted average number of shares outstanding during the period ("in thousands")	<b>12,563,175</b>	12,563,175
Basic and diluted earnings per share (expressed in QR per share)	<b>0.083</b>	0.072

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

*(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 in the six-month period ended 30 June 2022:

<i>For the six month period ended</i>	<b>30 June 2022 (Reviewed)</b>	30 June 2021 (Reviewed)
Balance at beginning of the period	<b>14,894,115</b>	14,277,395
Share of results from joint ventures for the period	<b>1,021,140</b>	902,411
Share of dividends from joint ventures	<b>(1,307,207)</b>	(656,171)
<b>Balance at the end of the period</b>	<b>14,608,048</b>	14,523,635

The summarised interim financial information below presents amounts shown in the financial information of the joint ventures as at 30 June 2022 which are presented in United States Dollars (“USD”) in the financial information of the joint ventures and are translated to QR using an exchange rate of 3.64 in the below tables:

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

	<b>As at 30 June 2022</b>			
	<b>Q-Chem</b>	<b>Q-Chem II</b>	<b>QVC</b>	<b>Total</b>
Current assets	1,535,375	2,086,734	1,408,249	5,030,357
Non-current assets	2,331,905	4,634,444	919,664	7,886,013
Current liabilities	(575,683)	(612,750)	(369,071)	(1,557,504)
Non-current liability	(655,109)	(1,370,429)	(195,130)	(2,220,668)
<b>Equity</b>	<b>2,636,488</b>	<b>4,737,999</b>	<b>1,763,712</b>	<b>9,138,199</b>
<b>Proportion of Company’s ownership</b>	49.00%	49.00%	55.20%	
Company’s share of net assets	1,291,879	2,321,620	973,569	4,587,068
Tax benefit from joint ventures	240,715	797,795	200,111	1,238,621
Goodwill	3,549,403	4,878,711	354,245	8,782,359
<b>Investment in joint ventures</b>	<b>5,081,997</b>	<b>7,998,126</b>	<b>1,527,925</b>	<b>14,608,048</b>
	<b>As at 31 December 2021 (Audited)</b>			
	<b>Q-Chem</b>	<b>Q-Chem II</b>	<b>QVC</b>	<b>Total</b>
Current assets	2,100,338	2,420,000	1,157,851	5,678,189
Non-current assets	2,090,983	4,832,569	926,955	7,850,507
Current liabilities	(834,029)	(991,961)	(474,448)	(2,300,438)
Non-current liability	(705,035)	(1,418,242)	(138,881)	(2,262,158)
<b>Equity</b>	<b>2,652,257</b>	<b>4,842,366</b>	<b>1,471,477</b>	<b>8,966,100</b>
<b>Proportion of Company’s ownership</b>	49.00%	49.00%	55.20%	
Company’s share of net assets	1,299,606	2,372,759	812,255	4,484,620
Tax benefit from joint ventures	399,918	966,998	260,220	1,627,136
Goodwill	3,549,403	4,878,711	354,245	8,782,359
<b>Investment in joint ventures</b>	<b>5,248,927</b>	<b>8,218,468</b>	<b>1,426,720</b>	<b>14,894,115</b>

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

*(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*

	<b>For the six-month period ended 30 June 2022</b>			
	<b>Q-Chem</b>	<b>Q-Chem II</b>	<b>QVC</b>	<b>Total</b>
Revenue	<b>1,090,948</b>	<b>1,837,996</b>	<b>1,309,556</b>	<b>4,238,500</b>
Cost of sales	<b>(643,436)</b>	<b>(902,229)</b>	<b>(633,007)</b>	<b>(2,178,671)</b>
Other income	<b>(6,588)</b>	<b>(1,762)</b>	<b>4,208</b>	<b>(4,142)</b>
Administrative expenses	<b>(23,638)</b>	<b>(9,551)</b>	<b>(39,207)</b>	<b>(72,516)</b>
Finance income / (cost)	<b>6,687</b>	<b>7,174</b>	<b>5,118</b>	<b>18,979</b>
<b>Profit before tax</b>	<b>423,973</b>	<b>931,629</b>	<b>646,548</b>	<b>2,002,149</b>
Deferred income tax	<b>30,197</b>	<b>47,990</b>	<b>15,718</b>	<b>93,905</b>
Current income tax	<b>(178,749)</b>	<b>(374,188)</b>	<b>(242,631)</b>	<b>(795,569)</b>
<b>Profit for the period</b>	<b>275,421</b>	<b>605,430</b>	<b>419,634</b>	<b>1,300,485</b>
Company's share of profit/(loss) before tax benefit	<b>134,956</b>	<b>296,661</b>	<b>231,638</b>	<b>663,255</b>
Tax benefit from joint ventures	<b>72,790</b>	<b>159,837</b>	<b>125,258</b>	<b>357,885</b>
<b>Company's share of profit for the period from joint ventures</b>	<b>207,747</b>	<b>456,498</b>	<b>356,896</b>	<b>1,021,140</b>

	<b>For the six-month ended 30 June 2021</b>			
	<b>Q-Chem</b>	<b>Q-Chem II</b>	<b>QVC</b>	<b>Total</b>
Revenue	1,312,773	1,645,255	990,735	3,948,763
Cost of sales	(729,056)	(864,460)	(505,592)	(2,099,108)
Other income	(965)	(3,829)	(4,954)	(9,748)
Administrative expenses	(23,380)	(8,874)	(25,655)	(57,909)
Finance income / (cost)	1,110	(2,122)	2,803	1,791
<b>Profit before tax</b>	<b>560,482</b>	<b>765,970</b>	<b>457,337</b>	<b>1,783,789</b>
Deferred income tax	32,549	49,289	18,244	100,082
Current income tax	(228,880)	(340,336)	(177,217)	(746,433)
<b>Profit for the period</b>	<b>364,151</b>	<b>474,923</b>	<b>298,364</b>	<b>1,137,438</b>
Company's share of profit/(loss) before tax benefit	178,434	232,712	164,697	575,843
Tax benefit from joint ventures	96,202	142,613	87,753	326,568
<b>Company's share of profit for the period from joint ventures</b>	<b>274,636</b>	<b>375,325</b>	<b>252,450</b>	<b>902,411</b>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2022

*(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 30 June 2022			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	432,374	798,117	743,091	1,973,583
Depreciation and amortisation	137,701	205,773	70,842	414,316
Deferred tax liabilities	312,505	1,253,995	120,120	1,686,619
Tax payable	178,749	374,188	242,642	795,580
Company's share of dividend declared/received	142,688	347,802	70,325	560,815
Current financial liabilities (excluding trade and other payables and provisions)	13,159	17,406	64,934	95,499
Non-current financial liabilities (excluding trade and other payables and provisions)	202,027	115,170	75,009	392,206

	As at 31 December 2021			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	494,938	1,183,484	661,836	2,340,258
Depreciation and amortisation	270,474	409,074	135,302	814,850
Deferred tax liabilities	342,702	1,301,984	135,838	1,780,524
Tax payable	473,458	665,956	335,808	1,475,222
Company's share of dividend declared/received	299,735	573,915	350,640	1,224,290
Current financial liabilities (excluding trade and other payables and provisions)	15,011	10,239	790	26,040
Non-current financial liabilities (excluding trade and other payables and provisions)	60,373	114,966	3,043	178,382

*(iv) Capital commitments and contingent liabilities*

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

	As at 30 June 2022			
	Q-Chem	Q-Chem II	QVC	Total
<b>Capital commitments</b>	<b>84,232</b>	<b>67,131</b>	<b>532,495</b>	<b>683,859</b>
<b>Purchase commitments</b>	<b>213,418</b>	<b>305,631</b>	<b>--</b>	<b>519,049</b>
<b>Contingent liabilities</b>	<b>--</b>	<b>--</b>	<b>22,287</b>	<b>22,287</b>

	As at 31 December 2021			
	Q-Chem	Q-Chem II	QVC	Total
Capital commitments	224,120	18,221	149,601	391,942
Purchase commitments	174,693	206,873	20	381,586
Contingent liabilities	--	--	21,700	21,700

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

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

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#### 4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

*(iv) Capital commitments and contingent liabilities (continued)*

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

##### **Other contingent liabilities**

*Site restoration obligations*

Ras Laffan Olefins Company Limited Q.P.J.S.C. (a joint venture of Q-Chem II) has entered into a land lease agreement with the Government of Qatar represented by QATARENERGY for the purpose of construction of the plant facilities.

Under the original and revised lease agreement, the lessor has the right, upon termination or expiration of the lease term, to notify the joint venture 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 joint venture, 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 joint venture, at the joint venture's cost and expense, unless otherwise is agreed with the lessor.

The condensed interim financial information of Q-Chem II is prepared based on an assumption that QATARENERGY is unlikely to opt for the second option, that is to impose site restoration on the joint venture. Therefore, no provision has been provided for such obligation.

##### **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. In relation to this, MPHC has agreed to indemnify to Q-Chem and Q-Chem II in case of any tax exposure in the future as a result of the two joint ventures not paying the full tax liability to the GTA.

##### **Tax assessments**

During 2020, the GTA issued income tax assessments for the years from 2012 to 2014 for QVC. The joint venture assessed the likely outcome of the assessments based on the status of latest discussions with the GTA and concluded that no provision is required.

Management concluded that the assessments will not impact the Company as its investments in joint ventures are equity accounted for on a pre-tax basis, in accordance with the provisions of the MOU agreed between the relevant stakeholders.

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

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

#### 5. PREPAYMENTS AND OTHER RECEIVABLES

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

#### 6. ADVANCE - PVC PROJECT

The Board of Directors of Mesaieed Petrochemical Holding Company (the Company) has approved the award of an Engineering, Procurement, Construction (EPC) contract for a new Polyvinyl Chloride (PVC) plant by its joint venture; Qatar Vinyl Company (QVC), with a total contract value of USD 239 million.

#### 7. CASH AND CASH EQUIVALENTS

	<b>30 June 2022 (Reviewed)</b>	31 December 2021 (Audited)
<i>As at</i>		
Cash and cash equivalents	<b>229,144</b>	148,996

##### 7.1 DEPOSITS AND OTHER BANK BALANCES

	<b>30 June 2022 (Reviewed)</b>	31 December 2021 (Audited)
<i>As at</i>		
Fixed deposits maturing after 90 days	<b>1,837,023</b>	2,054,008
Restricted bank balances - Dividends account	<b>391,706</b>	293,240
	<b>2,228,729</b>	2,347,248

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 2.20% to 3.80% (31 December 2021: 1.6% to 2.66%).

#### 8. TRADE AND OTHER PAYABLES

	<b>30 June 2022 (Reviewed)</b>	31 December 2021 (Audited)
<i>As at</i>		
Dividends payable	<b>391,706</b>	293,240
Social and sports fund contribution payable	<b>--</b>	46,539
Accruals	<b>3,188</b>	6,355
	<b>394,894</b>	346,134

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

### 9. RELATED PARTIES

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

#### *i Transaction with related parties:*

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

<i>For the six-month period ended</i>	<b>30 June 2022 (Reviewed)</b>	30 June 2021 (Reviewed)
Dividend income from Q-Chem	<b>142,688</b>	201,637
Dividend income from Q-Chem II	<b>347,802</b>	326,924
Dividend income from QVC	<b>70,325</b>	127,610
Half yearly fee paid to QATARENERGY	<b>(2,676)</b>	(2,388)

#### *ii Related party balances:*

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

<i>As at</i>	<b>30 June 2022 (Reviewed)</b>	31 December 2021 (Audited)
Amounts due to QATARENERGY	<b>2,755</b>	5,151

#### *iii Compensation of key management personnel:*

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

<i>For the six-month period ended</i>	<b>30 June 2022 (Reviewed)</b>	30 June 2021 (Reviewed)
Key management remuneration	<b>96</b>	102
Board of directors’ remuneration	<b>2,946</b>	2,952
	<b>3,042</b>	3,054

### 10. SHARE CAPITAL

<i>As at</i>	<b>30 June 2022 (Reviewed)</b>	31 December 2021 (Audited)
Authorised, issued and fully paid: 12,563,175,000 shares of QR 1 each	<b>12,563,175</b>	12,563,175

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

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

#### 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 had proposed cash dividend distribution of QR 0.11 per share for the year ended 31 December 2021. The final dividend for the year ended 31 December 2021 had been approved at the Annual General Meeting held on 15 March 2022.

During the period, the Company paid a dividend of QR 1,283 million. Below is the movement in dividends payable balance during the period:

<i>As at</i>	<b>30 June 2022 (Reviewed)</b>	31 Dec 2021 (Audited)
Balance at the beginning of the period/year	293,240	279,382
Dividends approved during the period/year	1,381,949	502,527
Dividends paid during the period/year	(1,283,483)	(488,669)
Balance at the end of the period/year	<b>391,706</b>	293,240

#### 13. 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 which gives the Company a right to a refund on its portion of tax incurred by the joint ventures.

As such, the Company is entitled to the pre-tax profits from the underlying joint ventures, therefore, 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 1,239 million as of the period ended 30 June 2022.

The Ministry of Finance will then pay MPHIC's share of tax to the General Tax Authority.

#### 14. SEGMENT INFORMATION

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

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

For the six-month period ended June 30, 2022

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

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## **15. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

### **Classification of the investments as joint ventures**

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

### **Site restoration obligations**

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

- whether the Company has a present obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and;
- a reliable estimate can be made of the amount of the obligation.

As explained in Note 4 (iv), the Company may be required under a lease agreement entered into by its joint venture Q-Chem-II, to make payments for site restoration at the option of the ultimate parent (QATARENERGY). It has been assessed that the optionality given to QATARENERGY makes it more likely to acquire the plant from the joint venture rather than restoring the site at the cost of the joint venture. Therefore, the criteria to recognise provision for restoration obligation is not fully met and no provision has been recognised in this condensed interim financial information.

### **Impairment of investment in joint ventures**

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

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

Based on the assessment performed as of 30 June 2022, no impairment indicators were identified, and therefore a detailed impairment test was not performed.

### **Income tax position**

- Tax assessment (Note 4)
- Income tax (Note 12)

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

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2022

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

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#### 16. COVID 19 IMPACT

The outbreak of Novel Coronavirus continues to disrupt business operations and economic activity globally. The extent and duration of the impacts depend highly on future events that cannot be accurately predicted. The impact on the Company's activities and operations are assessed to be minimal.

##### ➤ **Commitments and contingent liabilities**

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

##### ➤ **Going concern**

The Company has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Company has sufficient resources to continue in operational existence and its assumption on going concern remains largely unaffected and unchanged from 31 December 2021. As a result, these interim condensed financial information have been appropriately prepared on a going concern basis.

The Company will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption on its operations and financial performance in 2022.