

**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, 2024**

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, 2024

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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 June 30, 2024, 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 material accounting policy information 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 ("IAS 34"). 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Doha – Qatar
12 August 2024

For Deloitte & Touche
Qatar Branch


Yamen Maddah
Partner
License No. 434
QFMA Auditor License No. 120156



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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

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

	Note	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Investments in joint ventures	4 (i)	14,055,991	13,977,648
Current assets			
Other receivables	5	42,923	37,564
Deposits and other bank balances	6.1	2,571,106	3,250,826
Cash and cash equivalents	6	133,518	272,042
Total current assets		2,747,547	3,560,432
Total assets		16,803,538	17,538,080
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	12,563,175	12,563,175
Legal reserve	10	88,827	88,827
Retained earnings		3,749,072	4,431,125
Total equity		16,401,074	17,083,127
LIABILITIES			
Current liabilities			
Accruals and other payables	7	401,389	449,031
Due to a related party	8 (ii)	1,075	5,922
Total liabilities		402,464	454,953
Total equity and liabilities		16,803,538	17,538,080

The financial information on pages 1 to 15 were approved and authorised for issue by the Board of Directors on 12 August 2024 and were signed on its behalf by:



Ahmad Saif Al-Sulaiti
Chairman



Mohammed 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 June 30, 2024

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

		For the six-month periods ended 30 June	
	Note	2024 (Reviewed)	2023 (Reviewed)
Share of results from joint ventures	4 (ii)	323,819	533,164
Interest income		78,534	58,279
		402,353	591,443
General and administrative expenses		(8,062)	(8,320)
Other operating profit – Net		4,089	1,729
Net profit for the period		398,380	584,852
Other comprehensive income		--	--
Total comprehensive income for the period		398,380	584,852
Basic and diluted earnings per share (in QR)	3	0.032	0.047

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.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended June 30, 2024

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

	Note	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2023 (Audited)		12,563,175	76,481	4,769,796	17,409,452
Profit for the period		--	--	584,852	584,852
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	584,852	584,852
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	11	--	--	(1,381,949)	(1,381,949)
Balance at 30 June 2023 (Reviewed)		12,563,175	76,481	3,972,699	16,612,355
Balance at 1 January 2024 (Audited)		12,563,175	88,827	4,431,125	17,083,127
Profit for the period		--	--	398,380	398,380
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	398,380	398,380
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	11	--	--	(1,080,433)	(1,080,433)
Balance at 30 June 2024 (Reviewed)		12,563,175	88,827	3,749,072	16,401,074

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 CASH FLOWS**

For the six-month period ended June 30, 2024

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

		For the six-month periods ended 30 June	
		2024	2023
		(Reviewed)	(Reviewed)
Note			
	Cash flows from operating activities		
	Net profit for the period	398,380	584,852
	Adjustments for:		
	- Tax received	45,866	195,671
	- Interest income	(78,534)	(58,279)
4 (ii)	- Share of results from joint ventures	(323,819)	(533,164)
		41,893	189,080
	Movement in working capital:		
	- Other receivables	(2,088)	(2,088)
	- Accruals and other payables	(3,159)	(2,641)
	- Due to a related party	(4,847)	(3,001)
	Cash flows generated from operations	31,798	181,350
	Social and sports fund contribution paid	(27,067)	(44,179)
	Interest received	75,263	66,921
	Net cash generated from operating activities	79,994	204,092
	Cash flows from investing activities		
4 (iii)	Dividends received from joint ventures	312,130	552,887
4	Additional investment in joint ventures	(112,520)	(25,116)
	Decrease / (Increase) of fixed term deposits	662,304	(487,526)
	Net cash generated from investing activities	861,914	40,245
	Cash flows from financing activities		
	Dividends paid to shareholders	(1,097,849)	(1,299,173)
	Movement in unclaimed dividends account	17,416	(82,776)
	Cash used in financing activities	(1,080,433)	(1,381,949)
	Net decrease in cash and cash equivalents	(138,524)	(1,137,612)
	Cash and cash equivalents at beginning of the period	272,042	1,345,834
	Cash and cash equivalents at end of the period	133,518	208,222

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.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***1. CORPORATE INFORMATION AND ACTIVITIES**

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

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

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

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

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

Qatar Chemical Company II Limited (“Q-Chem II”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and Chevrans Phillips Chemical International Qatar Holdings L.L.C. (“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 2024 was authorised for issue on 12 August 2024, 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, 2024

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

The condensed interim financial information for the six-month period ended 30 June 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting under the historical cost convention.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

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

2.2 Material Accounting policies Information

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2023 except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

2.3 Application of new and revised standards*(i) New and amended standards and interpretations adopted by the Company*

Effective for annual periods beginning on January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements
- Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions

The adoption of above amended standards had no significant impact on the Company's condensed interim financial information.

(ii) New and amended IFRS issued but not yet effective and not early adopted

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 21 – Lack of Exchangeability
- The new standard, IFRS 18 replaces IAS 1 Presentation of Financial Statements

The Company has not adopted any of the forthcoming new or amended standards in preparing 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, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***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>	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Profit for the period attributable to the equity holders of the parent (QR'000)	398,380	584,852
Weighted average number of shares outstanding during the period ("in thousands")	12,563,175	12,563,175
Basic and diluted earnings per share (expressed in QR per share)	0.032	0.047

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.

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 2024:

<i>For the six-month period ended</i>	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Balance at beginning of the period	13,977,648	14,608,608
Additional investment	112,520	25,116
Share of results from joint ventures for the period	323,819	533,164
Share of dividends from joint ventures, including tax received	(357,996)	(748,559)
Balance at the end of the period	14,055,991	14,418,329

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***4. INVESTMENTS IN JOINT VENTURES (CONTINUED)**

The summarised interim financial information below presents amounts shown in the financial information of the joint ventures as at 30 June 2024 which are presented in United States Dollars (“USD”) in the financial information of the joint ventures and are translated to QR using an exchange rate of 3.64 in the below tables:

i. Statement of financial position of joint venture entities

	As at 30 June 2024 (Reviewed)			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,521,389	1,671,488	1,063,047	4,255,924
Non-current assets	1,860,394	3,958,811	1,121,060	6,940,265
Current liabilities	(593,432)	(558,607)	(220,574)	(1,372,613)
Non-current liability	(518,183)	(1,167,007)	(45,507)	(1,730,697)
Equity	2,270,168	3,904,685	1,918,026	8,092,879
Proportion of Company’s ownership	49%	49%	55.2%	
Company’s share of net assets	1,112,383	1,913,296	1,058,750	4,084,429
Tax benefit from joint ventures	313,492	826,642	49,070	1,189,204
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	4,975,278	7,618,648	1,462,065	14,055,991

	As at 31 December 2023 (Audited)			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,702,446	1,833,785	988,912	4,525,143
Non-current assets	2,017,019	4,139,198	945,647	7,101,864
Current liabilities	(717,051)	(758,889)	(200,411)	(1,676,351)
Non-current liability	(558,624)	(1,227,874)	(67,253)	(1,853,751)
Equity	2,443,790	3,986,220	1,666,895	8,096,905
Proportion of Company’s ownership	49%	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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***4. INVESTMENTS IN JOINT VENTURES (CONTINUED)***ii. Statement of profit or loss and other comprehensive income of joint venture entities*

	For the six-month period ended 30 June 2024			
	(Reviewed)			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	1,051,440	1,237,661	693,401	2,982,501
Cost of sales	(748,927)	(949,079)	(596,134)	(2,294,140)
Other income	(6,502)	(3,648)	1,675	(8,474)
Administrative expenses	(17,860)	(6,489)	(43,289)	(67,638)
Finance income / (cost)	14,982	16,491	8,975	40,431
Profit before tax	293,133	294,936	64,611	652,680
Deferred income tax	38,974	50,712	20,897	110,583
Current income tax	(141,732)	(154,188)	(43,924)	(339,843)
Profit for the period	190,376	191,461	41,583	423,420
Company's share of profit/(loss) before tax benefit	93,284	93,816	22,954	210,054
Tax benefit from joint ventures	50,351	50,703	12,711	113,765
Company's share of profit for the period from joint ventures	143,635	144,519	35,665	323,819

	For the six-month period ended 30 June 2023 (Reviewed)			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	1,144,121	1,464,634	530,075	3,138,830
Cost of sales	(696,776)	(885,983)	(449,944)	(2,032,703)
Other income	(5,886)	(612)	(5,096)	(11,594)
Administrative expenses	(25,131)	(10,425)	(32,112)	(67,668)
Finance income / (cost)	16,697	23,978	13,424	54,099
Profit before tax	433,025	591,592	56,347	1,080,964
Deferred income tax	30,278	49,271	17,315	96,864
Current income tax	(181,996)	(256,576)	(37,361)	(475,933)
Profit for the period	281,307	384,287	36,301	701,894
Company's share of profit/(loss) before tax benefit	137,840	188,300	20,037	346,177
Tax benefit from joint ventures	74,342	101,580	11,065	186,987
Company's share of profit for the period from joint ventures	212,182	289,880	31,102	533,164

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***4. INVESTMENTS IN JOINT VENTURES (CONTINUED)***iii. Additional disclosures of joint venture entities*

	As at 30 June 2024 (Reviewed)			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	449,301	620,847	387,012	1,457,160
Depreciation and amortisation	185,402	207,242	80,560	473,204
Deferred tax liabilities	174,654	1,054,610	45,202	1,274,466
Tax payable	300,191	388,532	42,333	731,056
Company's share of dividend declared/received	178,360	133,770	--	312,130
Current financial liabilities (excluding trade and other payables and provisions)	3,708	8,365	69,018	81,091
Non-current financial liabilities (excluding trade and other payables and provisions)	19,710	110,816	302	130,828

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

(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 2024 (Reviewed)			
	Q-Chem	Q-Chem II	QVC	Total
Capital commitments	45,068	26,190	406,692	477,950
Purchase commitments	232,143	268,871	--	501,014
Contingent liabilities	--	--	627	627

	As at 31 December 2023 (Audited)			
	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

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

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

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*

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 30th June 2024.

Tax assessments*Tax assessment for the years 2012 to 2014*

In 2020, the GTA issued an income tax assessment for the years from 2012 to 2014 for QVC requiring the Company to pay additional taxes of USD 79 million. This includes penalties of USD 39.6 million.

The Company wrote a detailed response to GTA on 16 September 2020 as per the requirement of tax law, stating that the Company will provide 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.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***4. INVESTMENTS IN JOINT VENTURES (CONTINUED)****Tax assessments (continued)*****Tax assessment for the year 2016***

On 28 December 2022, GTA issued an income tax assessment for the year 2016 for QVC requiring the Company to pay additional taxes of USD 20.6 million. This includes penalties of USD 10.3 million. A formal objection and appeal have been filed by QVC as per the requirement of Tax laws rejecting the full amount levied by the GTA. Management is confident that QVC's position will be accepted by the tax appeal committee and accordingly no provision has been recognized in these condensed interim financial information.

Tax assessment for the year 2017

On 24 December 2023, GTA issued an income tax assessment for the year 2017 for QVC requiring the Company to pay additional taxes of USD 25.5 million. This includes penalties of USD 12.8 million. A formal objection and appeal have been filed by QVC as per the requirement of Tax laws rejecting the full amount levied by the GTA. Management is confident that QVC's position will be accepted by the tax appeal committee and accordingly no provision has been recognized in these condensed interim financial information.

Tax assessment for the year 2018

On 24 March 2024, GTA issued an income tax assessment for the year 2018 for QVC requiring the Company to pay additional taxes of USD 45.4 million. This includes penalties of USD 22.7 million. A formal objection and appeal have been filed by QVC as per the requirement of Tax laws rejecting the full amount levied by the GTA. Management is confident that QVC's position will be accepted by the tax appeal committee and accordingly no provision has been recognized in these condensed interim financial information.

Management concluded that the above tax 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.

5. OTHER RECEIVABLES

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

6. CASH AND CASH EQUIVALENTS

<i>As at</i>	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Cash and cash equivalents	133,518	272,042

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***6. CASH AND CASH EQUIVALENTS (CONTINUED)****6.1 DEPOSITS AND OTHER BANK BALANCES**

<i>As at</i>	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Fixed deposits maturing after 90 days	2,173,080	2,835,384
Restricted bank balances - Dividends account	398,026	415,442
	2,571,106	3,250,826

Cash in banks earn interest at fixed rates. Term deposits are made for varying periods of between three months and one year depending on the immediate cash requirements of the Company at average interest rate of 5.75% to 6.30% (31 December 2023: 5.01% to 6.65%).

7. ACCRUALS AND OTHER PAYABLES

<i>As at</i>	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Dividends payable	398,026	415,442
Social and sports fund contribution payable	--	27,067
Accruals	3,363	6,522
	401,389	449,031

8. RELATED PARTIES

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

i Transaction with related parties:

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

<i>For the six-month period ended</i>	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Dividend income from Q-Chem	178,360	142,688
Dividend income from Q-Chem II	133,770	267,540
Dividend income from QVC	--	142,659
Half yearly fee paid to QATARENERGY	(2,630)	(2,821)

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***8. RELATED PARTIES (CONTINUED)***ii Related party balances:*

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

<i>As at</i>	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Amounts due to QATARENERGY	1,075	5,922

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>	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Key management remuneration	100	100
Board of directors' remuneration	2,950	2,950
	3,050	3,050

9. SHARE CAPITAL

<i>As at</i>	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Authorised, issued and fully paid: 12,563,175,000 shares of QR 1 each	12,563,175	12,563,175

10. LEGAL RESERVE

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

11. DIVIDENDS

During the year 2023, the Board of Directors had proposed cash dividend distribution of QR 0.086 per share for the year ended 31 December 2023. The final dividend for the year ended 31 December 2023 had been approved at the Annual General Meeting held on 5 March 2024.

MESAIIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

For the six-month period ended June 30, 2024

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)***11. DIVIDENDS (CONTINUED)**

During the year 2023, the Company paid a dividend of QR 1,097 million. Below is the movement in dividends payable balance during the period:

<i>As at</i>	30 June 2024 (Reviewed)	31 Dec 2023 (Audited)
Balance at the beginning of the period/year	415,442	367,754
Dividends approved during the period/year	1,080,433	1,381,949
Dividends paid during the period/year	(1,097,849)	(1,334,261)
Balance at the end of the period/year	398,026	415,442

The Board of directors have approved an interim cash dividend in respect of the six-month period ended 30 June 2024 of QR 0.027 per share, amounting to a total of QR 339.2 million. The Auditor of the Company will be issuing a separate Agreed Upon Procedures report on the Company's compliance with the QFMA requirement in relation to the interim dividend pay-out.

12. INCOME TAX

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

During 2020, QATARENERGY, the Ministry of Finance and the General Tax Authority have reached an agreement through an MOU. According to this MOU and as directed by higher authorities and in accordance with the requirements of the public interest, the Ministry of Finance shall pay MPHC portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures.

The mechanism described under the MOU is the following:

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

Applying the principles of equity accounting under IAS 28 "Investments in Associates and Joint Ventures", the Company accounted for its underlying interests in the joint ventures on a pre-tax basis. This resulted in a tax adjustment amounting to QR 1,189 million for the year ended June 30, 2024.

13. SEGMENT INFORMATION

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

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

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

14. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Classification of the investments as joint ventures

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

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 2024, 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)