



ANNUAL REPORT 2016

MESAIEED PETROCHEMICAL HOLDING COMPANY

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



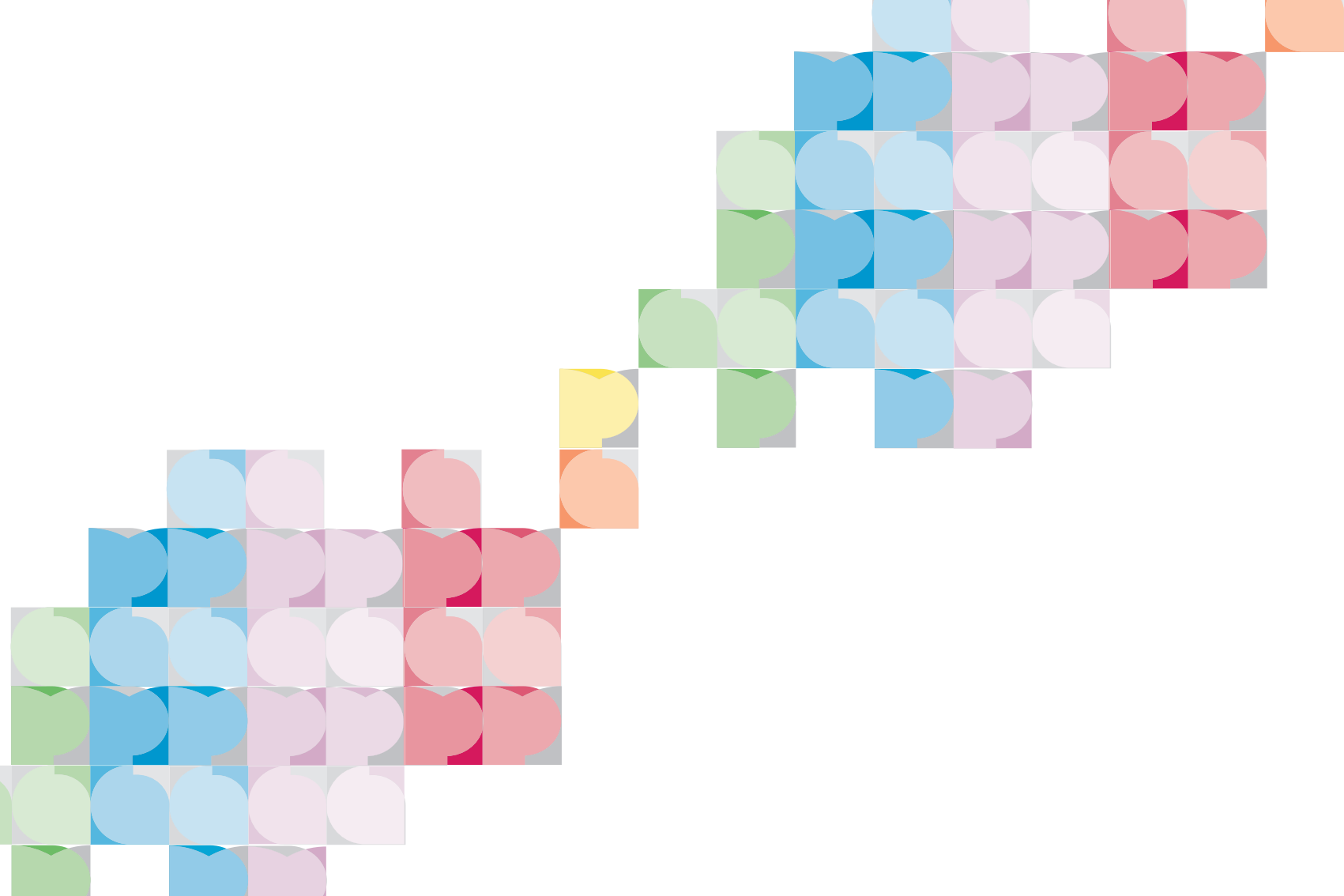
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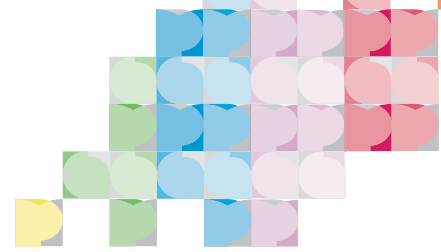
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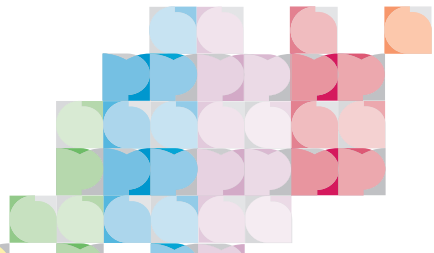
His Highness
Sheikh Tamim bin Hamad Al-Thani
The Emir of the State of Qatar



His Highness
Sheikh Hamad bin Khalifa Al-Thani
The Father Emir



ABOUT MESAIEED PETROCHEMICAL HOLDING COMPANY





ABOUT MESAIEED PETROCHEMICAL HOLDING COMPANY

Mesaieed Petrochemical Holding Company Q.S.C. (“MPHC”) was incorporated as a Qatari joint stock company on May 29, 2013. The registered address is P.O. Box 3212, Doha, State of Qatar. The main activity of MPHC is to act as a holding company. MPHC holds 49% of the issued share capital of each of Qatar Chemical Company Limited (“Q-Chem”) and Qatar Chemical Company II Limited (“Q-Chem II”), and 55.2% of the issued share capital of Qatar Vinyl Company Limited Q.S.C. (“QVC”).

Head Office Functions & Management Structure

Qatar Petroleum, the founder and special shareholder, provides all of the head office functions for MPHC through a comprehensive services level agreement. The operations of the joint ventures remain independently managed by their respective Boards of Directors and senior management teams.

QATAR CHEMICAL COMPANY LIMITED (“Q-CHEM”)

Established in 1998 as a joint venture company, Q-Chem is owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. (“CPCIQH”) (49%) and Qatar Petroleum (QP) (2%).

Key Products

Olefin: Ethylene

Ethylene is used as a feedstock for a wide range of chemicals. However, a significant portion of ethylene produced is used by Q-Chem for captive consumption for the production of polyolefins.

Polyolefins: Medium Density Polyethylene (“MDPE”), High Density Polyethylene (“HDPE”)

MDPE and HDPE are linear polymers produced from ethylene through a catalytic production process, and are used primarily in moulding applications to produce bottles, drums, toys and containers. MDPE and HDPE can also be extruded into pipes and films.

Normal Alpha Olefin (“NAO”): 1-Hexene

1-Hexene is an NAO produced via on-purpose technology. The primary use of 1-Hexene is as a co-monomer in the production of polyethylene.

Pyrolysis Gasoline

Limited quantities of pyrolysis gasoline are produced and sold locally.

QATAR CHEMICAL COMPANY II LIMITED (“Q-CHEM II”)

Established in 2005 as a joint venture company, Q-Chem II is owned by MPHIC (49%), CPCIQH (49%) and QP (2%). Q-Chem II has an effective ownership interest of 53.85% in the capacity rights to the ethylene cracker and pipeline owned by Ras Laffan Olefins Company Limited (RLOC), a joint venture company, which supplies ethylene to Q-Chem II. RLOC is owned by Q-Chem II (53.31%), Qatofin Company Ltd. (45.69%, and QP (1%).

Key Products

Olefin: Ethylene

Ethylene is used as a feedstock for a wide range of chemicals. However, a significant portion of ethylene produced for Q-Chem II is used for captive consumption for the production of polyolefins.

Polyolefins: Medium Density Polyethylene (“MDPE”), High Density Polyethylene (“HDPE”)

MDPE and HDPE are linear polymers produced from ethylene through a catalytic production process, and are used primarily in moulding applications to produce bottles, drums, toys and containers. MDPE and HDPE can also be extruded into pipes and films.

Normal Alpha Olefins (“NAO”): 11 Fractions

Q-Chem II produces NAO in 11 fractions, ranging from C4, C6 (“1-Hexene”), C8, C10, C12, C14, C16, C18, C20 to 24, C24 to 28, and C30+. NAOs or their derivatives are used extensively as polyethylene co-monomers, plasticisers, synthetic motor oils, lubricants, automotive additives, surfactants, paper sizing and in a wide range of specialty applications.

Pyrolysis Gasoline, C3 / C4

Limited quantities of pyrolysis gasoline are produced and exported, while C3 / C4 are sold locally.

QATAR VINYL COMPANY LIMITED (“QVC”) Q.S.C.

Incorporated in 1997 as a joint venture, it is currently owned by MPHIC (55.2%), Qapco (31.9%) and Qatar Petroleum (12.9%).

Key Products

Caustic Soda

Caustic soda is a colourless, viscous, corrosive liquid with a neutral odour. It is used in numerous industries including paper-making, water treatment, soaps and detergents, textiles and in the production of alumina.

Ethylene Dichloride (“EDC”)

EDC is a colourless to yellowish liquid with a faint chloroform-type odour. It is used primarily in the production of vinyl chloride monomer (“VCM”). The majority of EDC produced is used for captive consumption for the production of VCM, with the remainder exported.

Vinyl Chloride Monomer (“VCM”)

VCM is a colourless gas with a faint odour. VCM is used primarily in the production of polyvinyl chloride (“PVC”) - a versatile plastic with a wide range of end-uses. Over 80% of global demand for PVC is in long-term durable applications for infrastructure development, such as pipes for water and sewer distribution to wire and cable, home siding, windows, doors and flooring.

Hydrochloric Acid (“HCl 32% solution”)

Hydrochloric Acid is a colourless to yellowish-green, clear corrosive liquid with a pungent, irritating odour. It is used in oilfield chemicals, household cleaning products, the pickling of steel, and water treatment.

Our Marketing Agency:
QATAR CHEMICAL AND PETROCHEMICAL
MARKETING AND DISTRIBUTION COMPANY (MUNTAJAT)
Qatar's gateway to the exports of
chemicals, petrochemicals, fuel additive and fertiliser products

About Muntajat

Muntajat, (Qatar Chemical and Petrochemical Marketing and Distribution Company) Q.J.S.C. is a state-owned company established in 2012 to serve as the gateway to Qatar's exports of over 11 million metric tons per year of chemicals and petrochemicals products. With a global marketing network of 17 offices around the world, a diversified portfolio of high quality Polymers, Chemicals and Fertilisers products from renowned producers in the industry and a network of storage facilities that service customers in more than 120 countries, the Company is rapidly driving the growth of the State of Qatar's downstream industry, contributing to the diversification of the economy and expanding the reach of its "Made in Qatar" trusted brand globally.

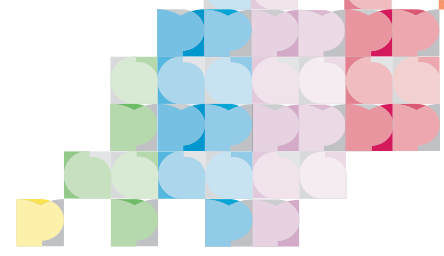
Building on more than 40 years of excellence and experience by Qatar's producing entities, Muntajat's marketing and sales strategy brings together the learnings and winning techniques acquired over these years to guarantee world class customer service and maximize value for its stakeholders by capturing new opportunities, capitalising on Qatar's unique competitive advantages, and economies of scale.

The company is expanding its international reach through our global network, Muntajat B.V., established in 2013 and headquartered in The Hague, Netherlands. Our multinational team, acknowledge experts in the markets in which they operate, are committed to continuously monitoring local conditions and trends to better serve customers' requirements and future needs.

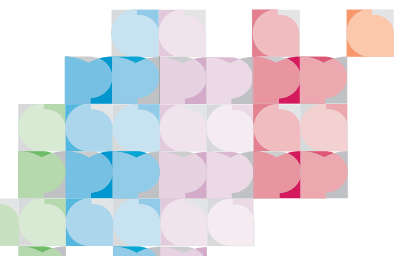
Muntajat's operational strength emanates from its ability to cut lead-times, decentralize distribution and leverage economies of scale. Intensely committed to Health, Safety, Security, and the Environment, the Company was granted the Responsible Care RC 14001 and ISO 14001 certification and is actively adopting initiatives to further minimise its environmental footprint, and ensure business continuity.

Within four years of operation, Muntajat has rapidly accumulated a number of key milestones on its extraordinary journey towards recognition today as a global leader within the chemical and petrochemical industry. The Company's business development and key partnering strategy combined with a strong commitment to excellence in customer service will continue to deliver successful expansion of its global market share.

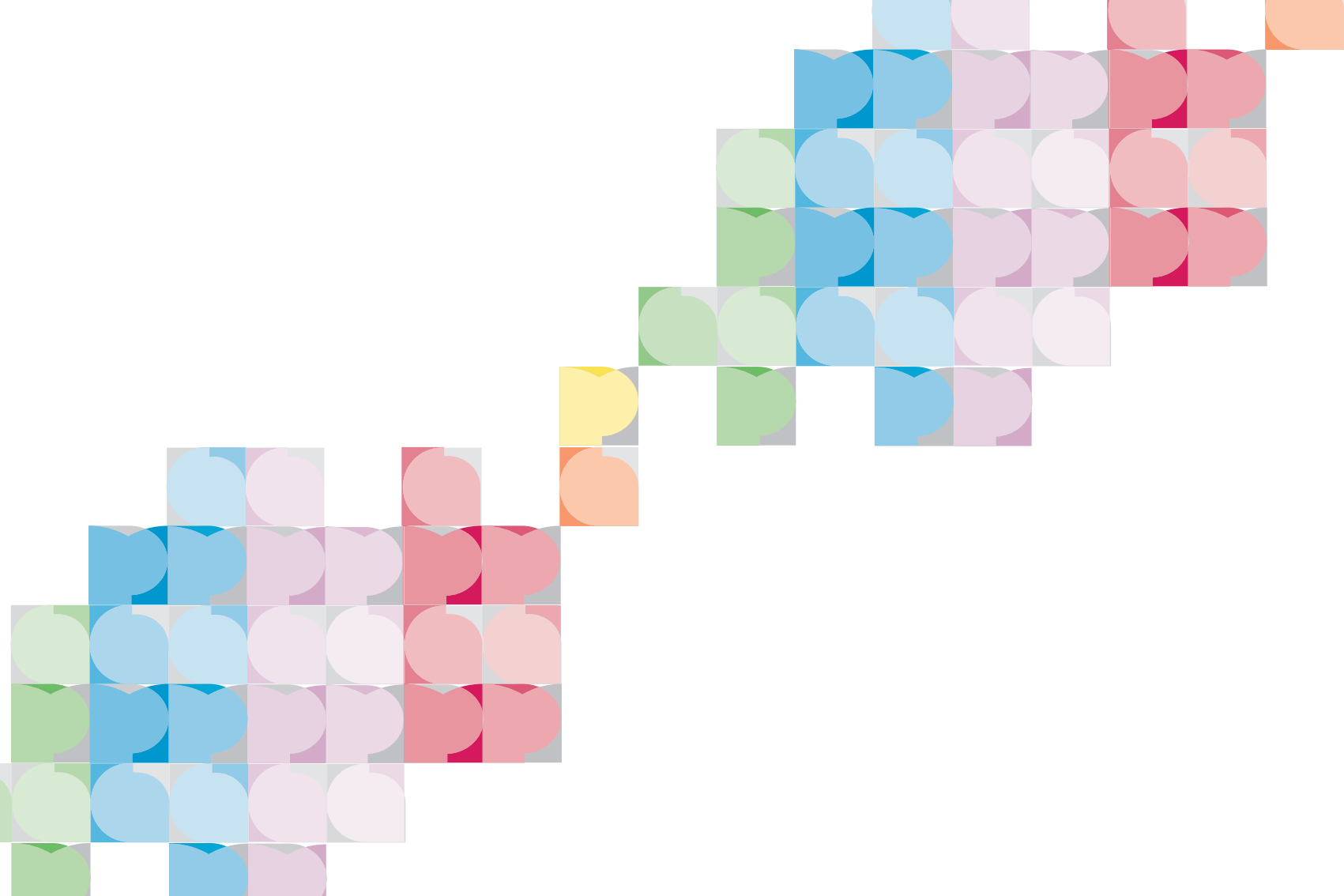
To know more about Muntajat, please visit www.muntajat.qa.



BOARD OF DIRECTORS









Mr. Ahmad Saif Al-Sulaiti
Chairman



Mr. Mohamed Salem Al-Marri
Vice Chairman



Mr. Khalid Turki Al-Subaey
Managing Director



Mr. Abdulaziz Mohammed Al-Mannai
Member



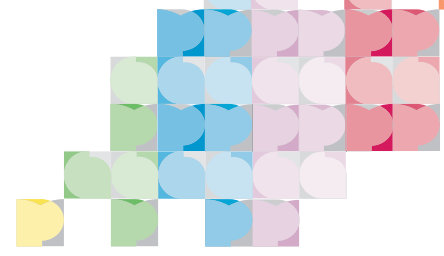
Mr. Abdulrahman Ahmad Al-Shaibi
Member



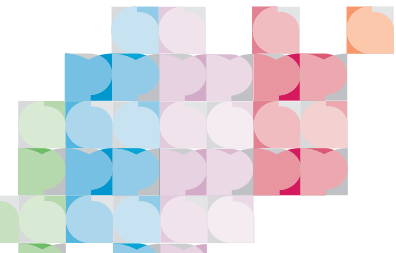
Mr. Abdulaziz Jassim Al-Muftah
Member



Mr. Nabeel Mohammed Al-Buenain
Member



CHAIRMAN'S MESSAGE





Mr. Ahmad Saif Al-Sulaiti
Chairman

Introduction

It gives me immense pleasure to welcome you to the 4th Annual General Assembly Meeting of Mesaieed Petrochemical Holding Company (MPHC), one of the region's premier diversified petrochemical conglomerates. The company was able to withstand the pressures posed by the prevailing unfavourable market conditions on the product price front and post commendable financial and operational results for the year under review. The production and sales volumes surged on account of the successful completion of the major periodic turnaround in Q-Chem II plants during the previous year.

Financial Results

The financial year ended 31 December, 2016 was challenging for the group following the plunge in global crude oil prices. Despite this, MPHC closed the year ended 31 December, 2016 with a commendable net profit of QR 994.6 million, equivalent to an EPS of QR 0.79 per share with profit exceeding budgeted expectations by 18%. Total assets closed at QR 14.4 billion, with cash held by the company at QR 1,082 million as of 31 December, 2016.

Cost Optimization

MPHC is focusing on maximizing the value of its Shareholders through immense initiatives. As you are aware, MPHC embarked on a number of cost optimization programs in the previous year. MPHC continued to reinforce these initiatives and was thus able to achieve operational excellence without compromising the quality, and HSE of its group companies. During the year, reassessment of the business operations coupled with reassessment of CAPEX, OPEX and human capital requirements were carried out and costs were rationalized. These efforts have resulted in improvement in many operating areas and we achieved an overall cost savings of 6% from 2016 budget, and I am confident that the management team will continue to achieve greater cost optimization in the forthcoming year.

I believe that these measures are essential to ensure that the group maximizes its cost efficiency and deliver value to its shareholders.

Capital Expenditure and Business Development

Despite the current economic environment, MPHC is embarking on a selective capital expenditure program together with suitable business development opportunities. We believe that continued investment in operating assets are essential to remain competitive in the market and we will continue to invest when the right opportunity becomes available. These investments will further strengthen the group's competitive position in the region.

Competitive advantages

MPHC possesses several competitive advantages, most notably that being an excellent cost positioning largely due to competitively priced feedstock. The group benefits from access to competitively priced feedstock under long-term supply agreements. Besides some of the tangible competitive advantages such as robust liquidity position and a strong asset base; qualified and highly trained workforce and a professional senior management team are the intangible competitive advantages that MPHC has built its success around. The company also enjoys a number of synergies through integrated production and export operations. Through its marketing agent, Muntajat, MPHC has gained access to a diverse base of worldwide clients. In addition, the group companies have established themselves as premier petrochemical producers, with the companies being established between 1997 and 2005, with recognized operational track records and the proven ability to continue to generate strong operating cash flows. The group has set a primary strategy of maximizing shareholder value by capitalizing on its three group companies' numerous competitive strengths across its value chain.

MPHC thus is well poised to weather any downturn in crude oil prices. The Board of Directors of Mesaieed Petrochemical Holding Company are confident that the group can build on these core strengths to mitigate the risks and challenges posed by the current economic situation.

Proposed Dividend Distribution

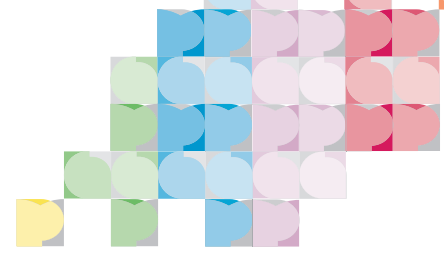
Keeping in view the necessity of maintaining adequate liquidity for the group's working capital requirements, debt repayment and capital expenditure and the principles of financial prudence, the Board of Directors are pleased to recommend a total annual dividend distribution for the year ended 31 December, 2016 of QR 754 million, equivalent to a payout of QR 0.6 per share representing 76% of the group's profit.

Conclusion

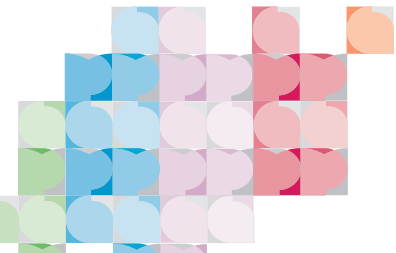
In conclusion, I would like to express my gratitude to His Highness Sheikh Tamim bin Hamad Al-Thani, the Emir of the State of Qatar, for his vision and wise leadership. Gratitude is also extended to our shareholders for their tremendous confidence and support, and my fellow members of the Board of Directors, the senior management team and to the staff of our group companies for their hard work and commitment.

Ahmad Saif Al-Sulaiti,

Chairman, Board of Directors



BOARD OF DIRECTORS' REPORT





Introduction

The Board of Directors takes pleasure in presenting its 4th Annual Report on the operational and financial performance of Mesaieed Petrochemical Holding Company, one of the region's premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products.

Financial Results

MPHC reported a commendable net profit of QR 994.6 million for the year ended 31 December, 2016 with an earnings per share of QR 0.79, posting a decline in profits of QR 92.5 million or 8% compared to a net profit of QR 1,087.1 million with an earnings per share of QR 0.87 during the previous year. The year-on-year decrease was due to the decline in selling prices by 7% despite improved sales volumes in the midst of a challenging market. This reduction was partially offset by the cost savings arising from the cost optimization initiatives undertaken by the group. These initiatives have resulted in improvement in many operating areas and the achievement of an overall cost savings of 6% from 2016 budget.

The group's profit was also aided by a tax refund of approximately QR 89.8 million booked during the year. The group continued to benefit from the supply of competitively priced ethane feedstock and fuel gas under long-term supply agreements. These contractual arrangements are an important value driver for the group's profitability in the current challenging market conditions.

The closing cash position as at 31 December, 2016 after distribution of the previous years' dividend of QR 854 million, was a robust QR 1,082 million. The total assets as at 31 December, 2016 was QR 14.4 billion, compared to QR 14.3 billion as at 31 December, 2015.

Performance Versus Budget

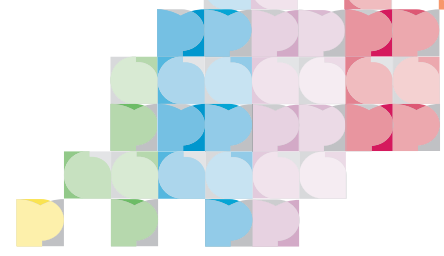
The group closed the year with a net profit that was 18% more than the budgeted expectations. A favorable product price variance of 8% from the budget aided the variance.

Proposed Dividend Distribution

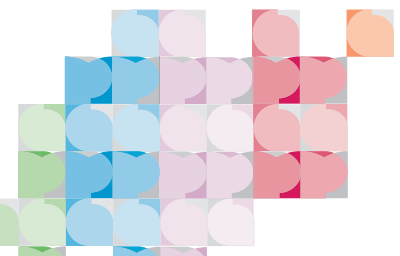
The Board of Directors, in its meeting held on February 5, 2017, recommended a total annual dividend distribution for the year ended 31 December, 2016 of QR 754 million, equivalent to a payout of QR 0.6 per share representing 76% of the group's profit.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al-Thani, the Emir of the State of Qatar, for his wise leadership and guidance. Our gratitude is also extended to the Chairman of the Board of Directors, Mr. Ahmad Saif Al-Sulaiti, for his vision and leadership. We also extend our appreciation to the senior management and staff of the group companies.

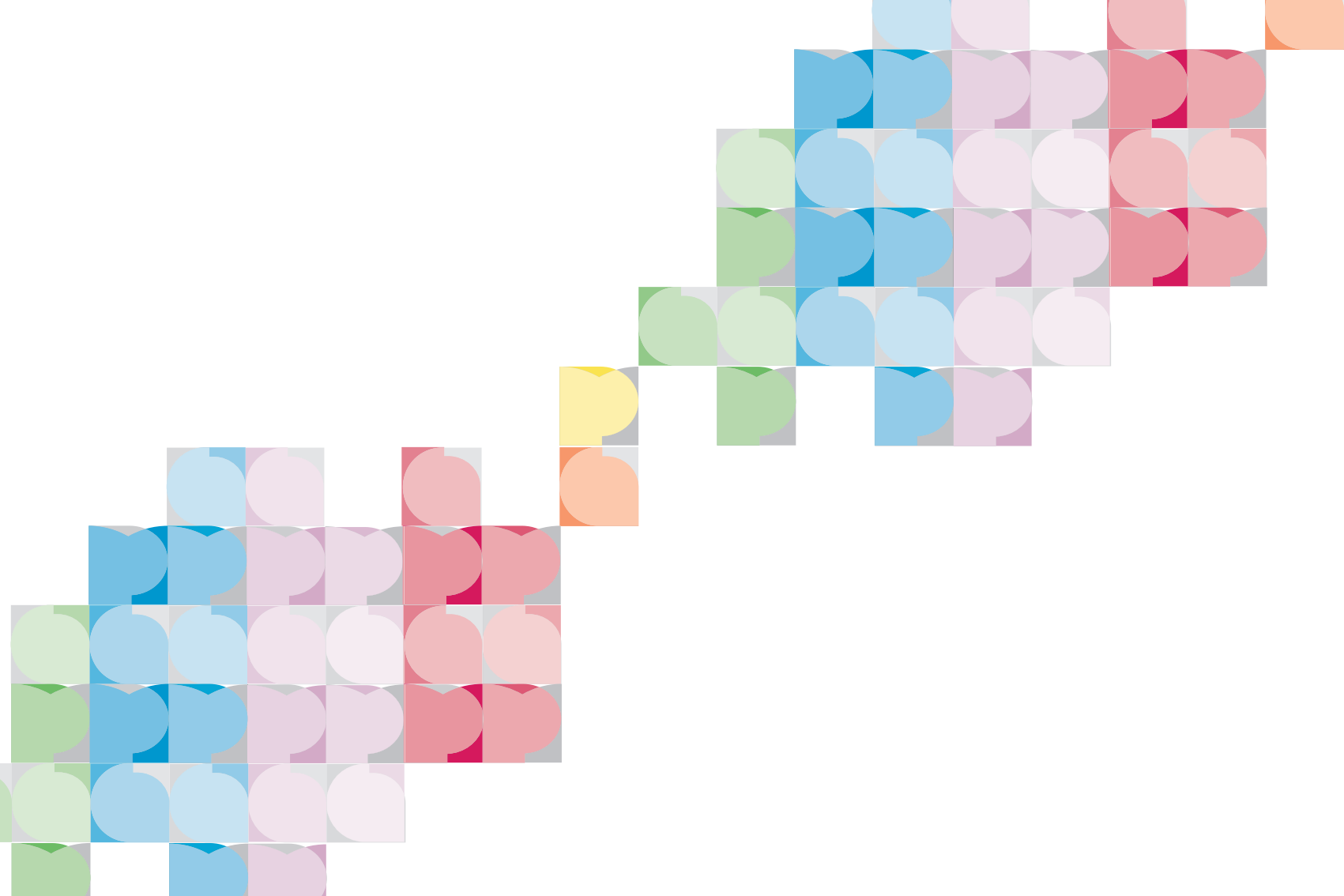


MANAGING DIRECTOR'S STATEMENT





Mr. Khalid Turki Al-Subaey
Managing Director



It is my pleasure to present this brief statement to our esteemed shareholders.

2016 continued to be a challenging year for MPHC as the plunge in global crude oil prices impacted the results of the group for the year. Following the decline in crude oil prices from 2015, the product prices of the company declined during the year. MPHC sailed through this turbulence and posted a commendable profit during 2016. In order to ensure that the results for the year were not severely affected by factors beyond our control, the cost optimization initiatives undertaken in the previous year were further reinforced in 2016. With the continuous co-ordination and co-operation from the group companies, these initiatives helped to overcome the debacle created by the tough economic conditions. MPHC was able to achieve cost optimization on the people, processes, operations and assets and post notable results for 2016. Moreover, with the successful completion of the cyclical turnaround in Q-Chem II in 2015, the sales volumes improved from last year.

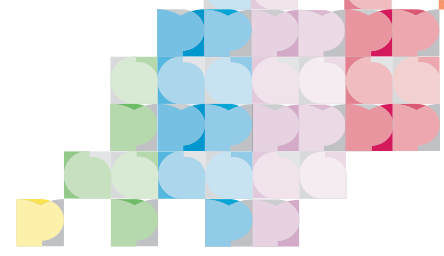
We remain transparent to our shareholders and will continue to explore opportunities that will add value to our esteemed shareholders.

Conclusion

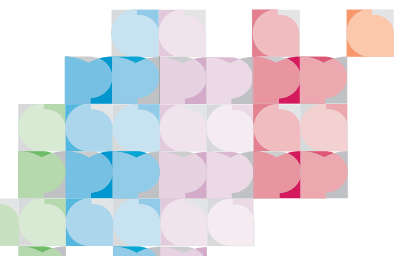
In closing, I would like to extend my sincere gratitude to Mr. Ahmad Saif Al-Sulaiti, Chairman of MPHC, the Board of Directors, the senior management and the staff of our group companies for their support.

Khalid Turki Al-Subaey,

Managing Director



INDEPENDENT AUDITOR'S REPORT





INDEPENDENT AUDITOR'S REPORT

The Shareholders

Mesaieed Petrochemical Holding Company Q.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.S.C. (the "Company") which comprise the statement of financial position as at December 31, 2016 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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 the audit of the Company's financial statements in Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current year. 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 matter	How our audit addressed the key audit matter
<p>The Company has investments in joint ventures with carrying amount of QR. 13,149 million as of December 31, 2016. Embedded in these investments is goodwill amounting to QR. 8,782 million, which was recognised at acquisition (Note 4).</p> <p>As per International Accounting Standard 36 “Impairment of Assets” the entire carrying amount of the investment including goodwill is tested for impairment whenever events or changes in circumstances indicate that it might be impaired.</p> <p>During the year, the Company undertook an assessment for impairment of its investments in joint ventures due to the below indicators:</p> <ul style="list-style-type: none"> ✓ Significant embedded goodwill in the carrying value of the investment; ✓ Volatility in petrochemical prices which resulted to lower share in profits from joint ventures. <p>The recoverable amount is estimated by the Company using the “value in use” method. The impairment test is a complex process requiring significant management judgment and is based on assumptions about future profitability and cash flows, appropriate discount rates and terminal period growth rate as disclosed in Note 16 of the financial statements.</p>	<p>We evaluated the appropriateness of management’s identification of the Company’s cash generating units (CGUs) and assessment of indicators of impairment.</p> <p>We focused our testing on impairment of investment on the key assumptions made by management. Our audit procedures included below procedures:</p> <ul style="list-style-type: none"> ➤ Evaluating whether the model used by management to calculate the value in use of each CGU complies with IAS 36 Impairment of Assets. ➤ Obtained and analysed the business plans provided by management for each subject asset to determine whether they are reasonable and supportable; ➤ Analysed the discount rates calculated by management and recalculated Weighted Average Cost of Capital (WACC) independently to compare and verify management’s calculations; ➤ Reviewed long term growth rates based on growth in Gross Domestic Product “GDP” and long term inflation rates expectation; ➤ We have further compared the assumptions to externally derived data and also agreed to approved budget. ➤ Cross checked values with market multiples where applicable; and ➤ Assessed the reasonableness of key cash flows assumptions by agreeing underlying data to supporting evidence. ➤ Assessed whether the related disclosures of this area were adequate in accordance to requirements of IFRS. <p>We performed sensitivity analysis around the key assumptions used by management to ascertain the extent of change in those assumptions that either individually or collectively would be required for an additional impairment change.</p>

Other Information

Management is responsible for the other information. The other information comprises Directors' Report and Chairman's Report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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 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.

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 IFRS, Articles of Association of the Company 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.

The Board of Directors 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 on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional skepticism 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 risk, 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 control.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 and regulations preclude 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 communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- We are also in the opinion that proper books of account were maintained by the Company.
- We obtained all the information and explanations which we considered necessary for our audit and the contents of the Directors' Report are in the agreement with the financial statements of the Company.
- 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 Company's financial position and its performance.

We draw attention to Note 3 to the financial statements which explains that a new Qatar Commercial Companies' law was issued, replacing Law No. 5 of 2002. On July 7, 2015 the new law was included in the official Gazette for effective use and application. All entities were granted extensions to comply with the provisions of the law until August 7, 2017. The Company's management is in the process of assessing the impact of the new law on their Articles of Association and the financial statements.

Doha – Qatar

February 5, 2017

For **Deloitte & Touche**

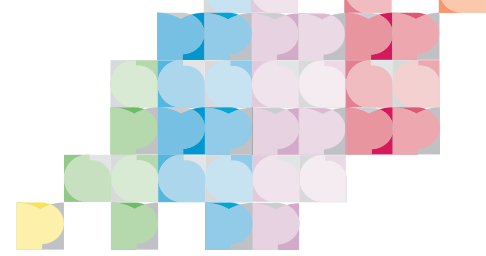
Qatar Branch

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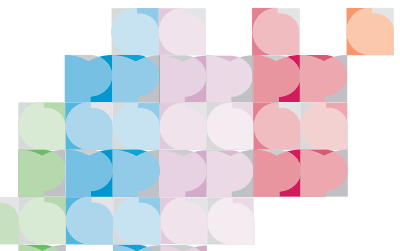
Muhammad Bahemia

Partner

License No. 103

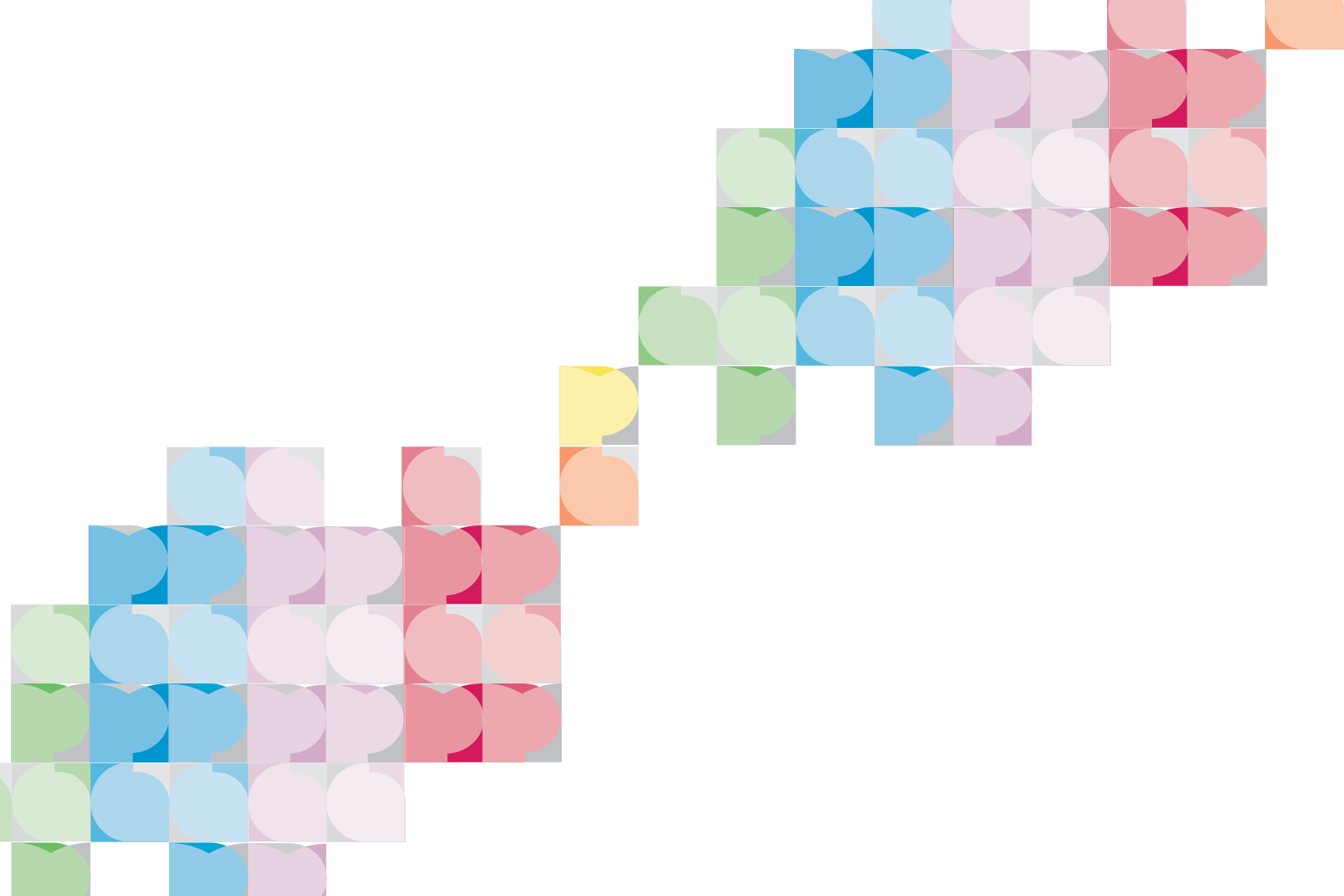


FINANCIAL STATEMENTS





UTILITY AREA
NO ADMITTANCE
WITHOUT PERMISSION, ONLY
AUTHORIZED PERSONNEL TO BE ADMITTED



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2016

	2016 QR'000	2015 QR'000
Share of profit from joint ventures	901,261	994,198
Interest income	19,779	9,188
Other income	1,118	308
	922,158	1,003,694
General and administrative expenses	(17,270)	(16,789)
Profit for the year	904,888	986,905
Tax refund	89,760	100,179
Net income for the year	994,648	1,087,084
Other comprehensive income	--	--
Total comprehensive income for the year	994,648	1,087,084
Basic and diluted earnings per share (expressed in QR per share)	0.79	0.87

STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

	2016 QR'000	2015 QR'000
ASSETS		
Non-current asset		
Investment in joint ventures	13,149,165	13,138,932
Current assets		
Prepayments and other debit balances	97,416	104,907
Due from a related party	98,098	142,688
Bank balances	1,081,859	926,223
Total current assets	1,277,373	1,173,818
TOTAL ASSETS	14,426,538	14,312,750
EQUITY AND LIABILITIES		
Equity		
Share capital	12,563,175	12,563,175
Legal reserve	25,364	25,364
Retained earnings	1,689,021	1,598,661
Total equity	14,277,560	14,187,200
Current liabilities		
Trade payables and accruals	140,812	118,369
Due to a related party	8,166	7,181
Total current liabilities	148,978	125,550
TOTAL EQUITY AND LIABILITIES	14,426,538	14,312,750



Ahmad Saif Al-Sulaiti
Chairman



Mohamed Salem Al-Marri
Vice Chairman

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

	2016	2015
	QR'000	QR'000
OPERATING ACTIVITIES		
Profit for the year	994,648	1,087,084
Adjustments for :		
Interest income	(19,779)	(9,188)
Share of profit from joint ventures	(901,261)	(994,198)
	73,608	83,698
Working capital changes:		
Prepayments and other debit balances	9,665	41,689
Due from a related party	--	7,920
Due to a related party	985	25,883
Trade payables and accruals	(548)	(24,525)
Cash from operations	83,710	134,665
Interest received	17,605	3,708
Net cash generated from operating activities	101,315	138,373
INVESTING ACTIVITIES		
Dividends received	935,618	945,977
Net (increase)/ decrease in term deposits	(187,622)	490,382
Cash generated from investing activities	747,996	1,436,359
FINANCING ACTIVITY		
Dividends paid	(854,120)	(1,351,532)
Increase in unclaimed dividend bank accounts	(25,302)	(57,012)
Social and sports fund contribution	(27,177)	(44,893)
Cash used in financing activity	(906,599)	(1,453,437)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(57,288)	121,295
Cash and cash equivalents at beginning of the year	174,927	53,632
CASH AND CASH EQUIVALENTS AT DECEMBER 31	117,639	174,927

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2016

	Share capital	Legal Reserve	Retained earnings	Total
	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2015	12,563,175	17,444	1,920,703	14,501,322
Dividends declared	--	--	(1,381,949)	(1,381,949)
Excess funds over IPO costs	--	7,920	--	7,920
Social and sports fund contribution	--	--	(27,177)	(27,177)
Total comprehensive income for the year	--	--	1,087,084	1,087,084
Balance at December 31, 2015	12,563,175	25,364	1,598,661	14,187,200
Dividends declared	--	--	(879,422)	(879,422)
Social and sports fund contribution	--	--	(24,866)	(24,866)
Total comprehensive income for the year	--	--	994,648	994,648
Balance at December 31, 2016	12,563,175	25,364	1,689,021	14,277,560

The notes to the financial statements are integral part of the financial statements. For more information, please visit MPHc's website : www.mphc.com.qa

