

# **Borouge PLC**

## **DIRECTORS' REPORT, REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

30 SEPTEMBER 2023

DIRECTORS' REPORT, REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

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**BOROUGE PLC**  
**DIRECTORS' REPORT**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

The Directors present their report together with the interim condensed consolidated financial statements of Borouge PLC ("the Company") and its subsidiaries (the "Group") for the nine month period ended 30 September 2023.

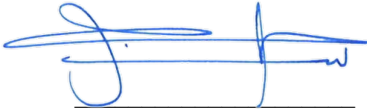
**Principal activities**

The purpose of the Company is to serve as a holding company for Abu Dhabi Polymers Co. Ltd (Borouge) – Sole Proprietorship L.L.C. ("ADP") and Borouge Pte Ltd. which are engaged in the principal activities of production of ethylene, propylene, polyethylene, polypropylene and trading of polyolefins, respectively.

**Financial results**

The financial results of the Company represent a profit for the period of USD 712.53 million (Period ended 30 September 2022: USD 486.35 million) as presented in these interim condensed consolidated financial statements.

for the **Board of Directors**



Chairman

27 October 2023  
Abu Dhabi, UAE



**Ernst & Young – Middle East  
(ADGM Branch)**  
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## **REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF**

### **BOROUGE PLC**

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Borouge PLC (the “Company”) and its subsidiaries (the “Group”) as at 30 September 2023, comprising of the interim condensed consolidated statement of financial position as at 30 September 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, for the three and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### *Scope of review*

We conducted our review in accordance with International Standards 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Signed by  
Ahmad Al Dali  
Partner  
Ernst & Young

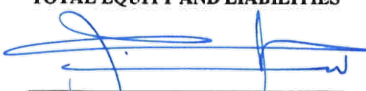
27 October 2023  
Abu Dhabi

# Borouge PLC

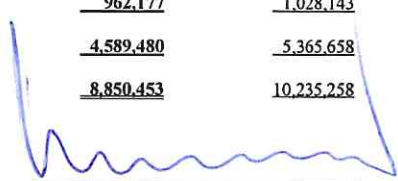
## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

|  |   | 30 September<br>2023<br>USD '000<br>(unaudited) | 31 December<br>2022<br>USD '000<br>(audited) |
|--|---|---|--|
| <b>ASSETS</b>                                    |   |   |  |
| <b>Non-current assets</b>                        |   |   |  |
| Property, plant and equipment                    | 3 | 6,754,407                                       | 7,053,196                                    |
| Intangible assets                                |   | 55,043  | 55,616                                       |
| Right-of-use assets                              |   | 21,767  | 25,208                                       |
| Investment in sublease                           | 7 | 140,936   | 135,052                                      |
| Amounts due from related parties                 | 7 | -   | 2,606  |
| Loans to employees                               |   | 23,407  | 22,665                                       |
| Deferred tax asset                               |   | <u>3,178</u>                                    | <u>-</u>                                     |
|  |   | <b><u>6,998,738</u></b>                         | <b><u>7,294,343</u></b>                      |
| <b>Current assets</b>                            |   |   |  |
| Inventories                                      | 4 | 659,775   | 654,639                                      |
| Amounts due from related parties                 | 7 | 148,043   | 193,762                                      |
| Trade receivables                                | 5 | 726,034   | 890,339                                      |
| Loans to employees                               |   | 11,724  | 11,276                                       |
| Prepayments and other receivables                |   | 31,969  | 47,059                                       |
| Cash and cash equivalents                        | 6 | <u>274,170</u>                                  | <u>1,143,840</u>                             |
|  |   | <b><u>1,851,715</u></b>                         | <b><u>2,940,915</u></b>                      |
| <b>TOTAL ASSETS</b>                              |   | <b><u>8,850,453</u></b>                         | <b><u>10,235,258</u></b>                     |
| <b>EQUITY AND LIABILITIES</b>                    |   |   |  |
| <b>Equity</b>                                    |   |   |  |
| Share capital                                    |   | 4,809,231                                       | 4,809,231                                    |
| Merger reserve                                   |   | (4,446,467)                                     | (4,446,467)                                  |
| Restricted reserve                               |   | 186,322   | 186,322                                      |
| Capital reserve                                  |   | 12,490  | 12,490                                       |
| Actuarial reserve                                |   | 10,857  | 10,846                                       |
| Translation reserve                              |   | (7,314)   | (3,982)                                      |
| Retained earnings                                |   | <u>3,685,706</u>                                | <u>4,279,574</u>                             |
| Equity attributable to the owners of the Company |   | 4,250,825                                       | 4,848,014                                    |
| Non-controlling interests                        |   | <u>10,148</u>                                   | <u>21,586</u>                                |
| <b>Total equity</b>                              |   | <b><u>4,260,973</u></b>                         | <b><u>4,869,600</u></b>                      |
| <b>Non-current liabilities</b>                   |   |   |  |
| Provision for employees' end of service benefit  |   | 97,381  | 93,926                                       |
| Lease liabilities                                |   | 159,040   | 158,884                                      |
| Deferred tax liability                           |   | 48,662  | 33,265                                       |
| Bank loans                                       | 8 | 3,289,362                                       | 3,983,999                                    |
| Amounts due to related parties                   | 7 | <u>32,858</u>                                   | <u>67,441</u>                                |
|  |   | <b><u>3,627,303</u></b>                         | <b><u>4,337,515</u></b>                      |
| <b>Current liabilities</b>                       |   |   |  |
| Trade and other payables                         |   | 268,904   | 369,761                                      |
| Amounts due to related parties                   | 7 | 622,604   | 613,621                                      |
| Lease liabilities                                |   | 4,370   | 4,494  |
| Income tax payable                               |   | <u>66,299</u>                                   | <u>40,267</u>                                |
|  |   | <b><u>962,177</u></b>                           | <b><u>1,028,143</u></b>                      |
| <b>Total liabilities</b>                         |   | <b><u>4,589,480</u></b>                         | <b><u>5,365,658</u></b>                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |   | <b><u>8,850,453</u></b>                         | <b><u>10,235,258</u></b>                     |

  
H.E. Dr. Sultan Ahmed Al Jaber  
Chairman

  
Hazeem Sultan Al Suwaidi  
Chief Executive Officer

  
Jan-Martin Nufer  
Chief Financial Officer

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

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

For the nine month ended 30 September 2023

|   |    | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|---|----|---|---|--|---|
| Revenue   | 9  | 1,496,434   | 1,674,132   | 4,294,206  | 2,404,302   |
| Cost of sales   | 10 | <u>(914,962)</u>  | <u>(993,696)</u>  | <u>(2,728,326)</u>   | <u>(1,388,142)</u>  |
| <b>Gross profit</b>   |    | <b>581,472</b>  | 680,436   | <b>1,565,880</b>   | 1,016,160   |
| Other income  |    | 3,742   | 4,810   | 13,977   | 9,958   |
| General and administrative expenses                               |    | (41,144)  | (34,014)  | (135,762)  | (41,747)  |
| Selling and distribution expenses                                 |    | (95,021)  | (192,223)   | (299,314)  | (265,677)   |
| Impairment loss on property, plant and equipment                  |    | <u>-</u>  | <u>(1,540)</u>  | <u>-</u>   | <u>(9,577)</u>  |
| <b>Operating profit</b>   |    | <b>449,049</b>  | 457,469   | <b>1,144,781</b>   | 709,117   |
| Finance income  |    | 7,091   | 10,731  | 21,176   | 11,104  |
| Finance costs   |    | (58,610)  | (37,267)  | (163,900)  | (43,535)  |
| Foreign exchange gain (loss)                                      |    | <u>278</u>  | <u>(31)</u>   | <u>(1,578)</u>   | <u>41</u>   |
| <b>Profit for the period before tax</b>                           |    | <b>397,808</b>  | 430,902   | <b>1,000,479</b>   | 676,727   |
| Income tax expense  | 11 | <u>(115,919)</u>  | <u>(122,734)</u>  | <u>(287,946)</u>   | <u>(190,379)</u>  |
| <b>Profit for the period</b>                                      |    | <b><u>281,889</u></b>   | <u>308,168</u>  | <b><u>712,533</u></b>  | <u>486,348</u>  |
| <b>Profit for the period attributable to:</b>                     |    |   |   |  |   |
| Owners of the Company   |    | 279,093   | 304,223   | 705,836  | 479,740   |
| Non-controlling interests   |    | <u>2,796</u>  | <u>3,945</u>  | <u>6,697</u>   | <u>6,608</u>  |
|   |    | <b><u>281,889</u></b>   | <u>308,168</u>  | <b><u>712,533</u></b>  | <u>486,348</u>  |
| <b>Other comprehensive loss</b>                                   |    |   |   |  |   |
| <i>Items that may be not be reclassified to profit or loss</i>    |    |   |   |  |   |
| Defined benefit plan remeasurements                               |    | -   | -   | 14   | (49)  |
| <i>Items that may be reclassified to profit or loss</i>           |    |   |   |  |   |
| Exchange differences on translation of foreign operation          |    | <u>(165)</u>  | <u>(6,313)</u>  | <u>(3,932)</u>   | <u>(6,753)</u>  |
| <b>Total other comprehensive loss for the period</b>              |    | <b><u>(165)</u></b>   | <u>(6,313)</u>  | <b><u>(3,918)</u></b>  | <u>(6,802)</u>  |
| <b>Total comprehensive income for the period</b>                  |    | <b><u>281,724</u></b>   | <u>301,855</u>  | <b><u>708,615</u></b>  | <u>479,546</u>  |
| <b>Total comprehensive income for the period attributable to:</b> |    |   |   |  |   |
| Owners of the Company   |    | 278,953   | 298,873   | 702,515  | 473,976   |
| Non-controlling interests   |    | <u>2,771</u>  | <u>2,982</u>  | <u>6,100</u>   | <u>5,570</u>  |
|   |    | <b><u>281,724</u></b>   | <u>301,855</u>  | <b><u>708,615</u></b>  | <u>479,546</u>  |
| <b>Earnings per share:</b>  |    |   |   |  |   |
| Basic and diluted (USD)   | 13 | <u>0.01</u>   | <u>0.01</u>   | <u>0.02</u>  | <u>0.02</u>   |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

# Borouge PLC

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month ended 30 September 2023

|   | <i>Share<br/>capital<br/>USD'000</i> | <i>Merger<br/>reserve<br/>USD'000</i> | <i>Restricted<br/>reserve<br/>USD'000</i> | <i>Capital<br/>reserve<br/>USD'000</i> | <i>Actuarial<br/>reserve<br/>USD'000</i> | <i>Translation<br/>reserve<br/>USD'000</i> | <i>Retained<br/>earnings<br/>USD'000</i> | <i>Equity<br/>attributable<br/>to Owners of<br/>the Company<br/>USD'000</i> | <i>Non-<br/>controlling<br/>interests<br/>USD'000</i> | <i>Total<br/>equity<br/>USD'000</i> |
|---|--------------------------------------|---------------------------------------|---|--|--|--|--|---|---|-------------------------------------|
| Balance at 1 January 2023 (audited)                             | 4,809,231                            | (4,446,467)                           | 186,322                                   | 12,490                                 | 10,846                                   | (3,982)                                    | 4,279,574                                | 4,848,014   | 21,586  | 4,869,600                           |
| Profit for the period   | -                                    | -                                     | -   | -                                      | -  | -  | 705,836                                  | 705,836   | 6,697   | 712,533                             |
| Other comprehensive loss for the period                         | -                                    | -                                     | -   | -                                      | 11                                       | (3,332)                                    | -  | (3,321)   | (597)   | (3,918)                             |
| Total comprehensive income for the period                       | -                                    | -                                     | -   | -                                      | 11                                       | (3,332)                                    | 705,836                                  | 702,515   | 6,100   | 708,615                             |
| Dividend declared (note 7)                                      | -                                    | -                                     | -   | -                                      | -  | -  | (1,299,704)                              | (1,299,704)   | (17,538)  | (1,317,242)                         |
| <b>Balance at 30 September 2023 (unaudited)</b>                 | <b><u>4,809,231</u></b>              | <b><u>(4,446,467)</u></b>             | <b><u>186,322</u></b>                     | <b><u>12,490</u></b>                   | <b><u>10,857</u></b>                     | <b><u>(7,314)</u></b>                      | <b><u>3,685,706</u></b>                  | <b><u>4,250,825</u></b>   | <b><u>10,148</u></b>                                  | <b><u>4,260,973</u></b>             |
| Balance at incorporation (unaudited)                            | -                                    | -                                     | -   | -                                      | -  | -  | -  | -   | -   | -                                   |
| Share capital introduced  | 50                                   | -                                     | -   | -                                      | -  | -  | -  | 50  | -   | 50                                  |
| Issuance of additional share capital on transfer of ADP and PTE | 4,809,181                            | -                                     | -   | -                                      | -  | -  | -  | 4,809,181   | -   | 4,809,181                           |
| Equity contributed upon transfer of subsidiaries                | -                                    | (4,446,467)                           | 185,730                                   | 12,490                                 | (8,294)                                  | (234)                                      | 3,880,620                                | (376,155)   | 12,464  | (363,691)                           |
| Profit for the period   | -                                    | -                                     | -   | -                                      | -  | -  | 479,740                                  | 479,740   | 6,608   | 486,348                             |
| Other comprehensive loss for the period                         | -                                    | -                                     | -   | -                                      | (42)                                     | (5,722)                                    | -  | (5,764)   | (1,038)   | (6,802)                             |
| Total comprehensive income for the period                       | -                                    | -                                     | -   | -                                      | (42)                                     | (5,722)                                    | 479,740                                  | 473,976   | 5,570   | 479,546                             |
| Dividend declared (note 7)                                      | -                                    | -                                     | -   | -                                      | -  | -  | (325,000)                                | (325,000)   | -   | (325,000)                           |
| Balance at 30 September 2022 (unaudited)                        | <u>4,809,231</u>                     | <u>(4,446,467)</u>                    | <u>185,730</u>                            | <u>12,490</u>                          | <u>(8,336)</u>                           | <u>(5,956)</u>                             | <u>4,035,360</u>                         | <u>4,582,052</u>  | <u>18,034</u>   | <u>4,600,086</u>                    |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

For the nine month ended 30 September 2023

|   |              | <i>For the nine<br/>month period<br/>ended<br/>30 September<br/>2023</i> | <i>For the period<br/>from 28 April<br/>2022<br/>(inception) to<br/>30 September<br/>2022</i> |
|---|--------------|--|---|
|   | <i>Notes</i> | <i>USD'000<br/>(unaudited)</i>   | <i>USD'000<br/>(unaudited)</i>  |
| <b>Cash flows from operating activities</b>   |              |  |   |
| Profits before tax for the period   |              | 1,000,479  | 676,727   |
| <i>Adjustments for:</i>   |              |  |   |
| Depreciation on property, plant, and equipment  | 3            | 401,414  | 169,063   |
| Impairment of property, plant, and equipment  |              | -  | 9,577   |
| Depreciation on right-of-use assets   |              | 3,239  | 1,737   |
| Amortization of intangible assets   |              | 21,186   | 5,841   |
| Provision for expected credit loss on trade receivables                                   | 5            | 8,100  | -   |
| Provision for slow moving and obsolete inventories  |              | 251  | -   |
| Loss on disposal of property, plant and equipment and modification of right of use assets |              | 119  | -   |
| End of service benefits charge  |              | 6,944  | 3,102   |
| Finance costs   |              | 163,900  | 43,535  |
| Finance income  |              | (21,176)   | (11,104)  |
| Exchange loss differences   |              | <u>1,041</u>   | <u>-</u>  |
| <b>Net cash flows from operating activities before changes in working capital</b>         |              | <b>1,585,497</b>   | <b>898,478</b>  |
| <b>Changes in working capital:</b>  |              |  |   |
| Trade receivables   |              | 154,817  | (61,516)  |
| Amounts due from related parties  |              | 40,856   | (6,353)   |
| Inventories   |              | (5,924)  | 87,914  |
| Prepayments and other receivables   |              | 13,838   | 35,512  |
| Amounts due to related parties  |              | (25,473)   | 191,925   |
| Other payables  |              | -  | (431)   |
| Trade and other payables  |              | <u>(104,560)</u>   | <u>(56,806)</u>   |
| <b>Cash generated from operating activities</b>   |              | <b>1,659,051</b>   | <b>1,088,723</b>  |
| End of service benefits paid  |              | (3,474)  | (82,062)  |
| Tax paid  |              | <u>(249,786)</u>   | <u>(229,044)</u>  |
| <b>Net cash generated from operating activities</b>                                       |              | <b><u>1,405,791</u></b>  | <b><u>777,617</u></b>   |
| <b>Cash flows from investing activities</b>   |              |  |   |
| Proceeds from disposal of property, plant and equipment                                   |              | 4  | 10  |
| Payments for purchase of property, plant and equipment                                    | 3            | (120,776)  | (33,930)  |
| Payments for purchase of intangible assets  |              | (3,839)  | (110)   |
| Finance income received   |              | 21,176   | 5,630   |
| Cash and cash equivalents acquired as part of business combination                        |              | <u>-</u>   | <u>347,564</u>  |
| <b>Cash (used in) generated from investing activities</b>                                 |              | <b><u>(103,435)</u></b>  | <b><u>319,164</u></b>   |
| <b>Cash flows from financing activities</b>   |              |  |   |
| Issuance of share capital   |              | -  | 50  |
| Repayment of bank loan  | 8            | (700,000)  | -   |
| Payment of dividends  | 7            | (1,311,904)  | -   |
| Payment of interest on bank loan  |              | (154,163)  | (38,352)  |
| Payment of lease liabilities  |              | <u>(4,047)</u>   | <u>(1,744)</u>  |
| <b>Cash used in financing activities</b>  |              | <b><u>(2,170,114)</u></b>  | <b><u>(40,046)</u></b>  |
| <b>Changes in the translation reserve</b>   |              | <b>(1,912)</b>   | <b>(4,945)</b>  |
| <b>Net (decrease) increase in cash and cash equivalents</b>                               |              | <b>(869,670)</b>   | <b>1,051,790</b>  |
| Cash and cash equivalents at beginning of period  |              | <u>1,143,840</u>   | <u>-</u>  |
| <b>Cash and cash equivalents at end of period</b>   | 6            | <b><u>274,170</u></b>  | <b><u>1,051,790</u></b>   |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2023

### 1 GENERAL INFORMATION

Borouge PLC (the “Company”) was incorporated on 28 April 2022 as a public company limited by shares, with registration number 000007602, pursuant to the Abu Dhabi Global Market Companies (Amendment No. 1) Regulations 2020. The Company has been established for the purpose of serving as a holding company for Abu Dhabi Polymers Co. Ltd (Borouge)- Sole Proprietorship L.L.C and Borouge Pte. Ltd.

The Company is jointly controlled by Abu Dhabi National Oil Company (“ADNOC”) and Borealis Middle East Holding GmbH (“BMEH”, together with ADNOC, the “Shareholders”).

Details of the Company’s subsidiaries as at 30 September 2023 are as follows:

| <i>Name of subsidiary</i>  | <i>Ownership interest</i> | <i>Country of incorporation</i> | <i>Principal activities</i>                                       |
|--|---------------------------|---------------------------------|---|
| Abu Dhabi Polymers Co. Ltd (Borouge)-Sole Proprietorship L.L.C (“ADP”) | 100%                      | U.A.E                           | Production of ethylene, propylene, polyethylene and polypropylene |
| Borouge Pte Ltd and its subsidiaries (“PTE”)                           | 84.746%                   | Singapore                       | Trading of polyolefins  |

The Company together with its subsidiaries is referred to as the “Group”.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issuance on 27 October 2023.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

#### **Basis of preparation**

The interim condensed consolidated financial statements for the nine month ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2022.

#### **New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 September 2023

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**  
continued

**New standards, interpretations and amendments adopted by the Group** continued

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of liabilities as Current or Non-Current
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12
- Lease liability in a sale and leaseback – Amendments to IFRS 16
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its interim condensed consolidated financial statements.

**Corporate taxes**

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Based on recent developments in relation to the Cabinet of Ministers Decision No. 116 of 2022 specifying the threshold of income over which the 9% tax rate would apply, the CT Law is considered enacted. As per IAS12 (Income taxes), any change in tax laws should be recognized in the financial statements in the period in which the enactment occurs (i.e., Q2FY23) and therefore any tax implications (current and/or deferred) will need to be assessed accordingly.

The Group performed an assessment based on the information available at this point of time on the impact of the law on Borouge PLC Group. It was concluded that the corporate income tax law has no impact on Borouge PLC and its subsidiaries based on the facts currently available. The Group will continue to make assessments once additional information and clarification is released by the Cabinet.

**Tax**

An amount of USD 242,978 thousand (period ended 30 September 2022: USD 222,525 thousand) for the period ended 30 September 2023 was paid to the Department of Finance by the Group as per the fiscal agreement with the Supreme Council for Financial and Economic Affairs in the Emirate of Abu Dhabi. As of 30 September 2023, an amount of USD 43,760 thousand (31 December 2022: USD 34,763 thousand) was payable to the Department of Finance.

# Borouge PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2023

### 3 PROPERTY, PLANT AND EQUIPMENT

| <b>2023</b>                              | <i>Buildings</i><br>USD'000 | <i>Plant and<br/>machinery</i><br>USD'000 | <i>Motor<br/>vehicles</i><br>USD'000 | <i>Furniture,<br/>fixtures and<br/>equipment</i><br>USD'000 | <i>Capital<br/>work-in-<br/>progress</i><br>USD'000 | <i>Total</i><br>USD'000  |
|--|-----------------------------|---|--------------------------------------|---|---|--------------------------|
| Cost:                                    |                             |   |                                      |   |   |                          |
| Balance at 1 January 2023 (audited)      | 708,385                     | 12,446,908                                | 14,093                               | 173,648   | 322,197   | 13,665,231               |
| Additions                                | -                           | 27  | -                                    | 280   | 120,469   | 120,776                  |
| Disposals                                | -                           | (4,369)                                   | -                                    | (1,344)   | -   | (5,713)                  |
| Transfers from capital work in progress  | 8,011                       | 194,691                                   | -                                    | 10,773  | (213,475)   | -                        |
| Transfers to intangible assets           | -                           | -   | -                                    | -   | (16,786)  | (16,786)                 |
| Exchange differences                     | (809)                       | (1,725)                                   | -                                    | (386)   | (129)   | (3,049)                  |
| At 30 September 2023 (unaudited)         | <b><u>715,587</u></b>       | <b><u>12,635,532</u></b>                  | <b><u>14,093</u></b>                 | <b><u>182,971</u></b>                                       | <b><u>212,276</u></b>                               | <b><u>13,760,459</u></b> |
| Accumulated depreciation and impairment: |                             |   |                                      |   |   |                          |
| Balance at 1 January 2023 (audited)      | 319,028                     | 6,108,419                                 | 13,179                               | 165,963   | 5,446   | 6,612,035                |
| Depreciation charge for the period       | 20,329                      | 376,042                                   | 147                                  | 4,896   | -   | 401,414                  |
| Disposals                                | -                           | (4,251)                                   | -                                    | (1,343)   | -   | (5,594)                  |
| Exchange differences                     | (330)                       | (1,044)                                   | -                                    | (330)   | (99)  | (1,803)                  |
| At 30 September 2023 (unaudited)         | <b><u>339,027</u></b>       | <b><u>6,479,166</u></b>                   | <b><u>13,326</u></b>                 | <b><u>169,186</u></b>                                       | <b><u>5,347</u></b>                                 | <b><u>7,006,052</u></b>  |
| Net book value:                          |                             |   |                                      |   |   |                          |
| At 30 September 2023 (unaudited)         | <b><u>376,560</u></b>       | <b><u>6,156,366</u></b>                   | <b><u>767</u></b>                    | <b><u>13,785</u></b>  | <b><u>206,929</u></b>                               | <b><u>6,754,407</u></b>  |
| At 31 December 2022 (audited)            | <u>389,357</u>              | <u>6,338,489</u>                          | <u>914</u>                           | <u>7,685</u>  | <u>316,751</u>                                      | <u>7,053,196</u>         |

During the nine-month ended 30 September 2023, additions of capital work in progress amounting to USD 120,469 thousand included USD 57,356 thousand in connection with the turnaround of Borouge 2 and USD 11,283 thousand relating to the re-installment of the LDPE reactor.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**4 INVENTORIES**

|   | <i>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>31 December<br/>2022<br/>USD'000<br/>(audited)</i> |
|---|--|---|
| Finished goods  | 357,622  | 360,752   |
| Spare parts   | 165,872  | 159,209   |
| Raw materials   | 180,882  | 173,290   |
| Goods in transit  | -  | 310   |
| Work in progress  | <u>-</u>   | <u>5,428</u>  |
|   | <b>704,376</b>   | 698,989   |
| <i>Less: allowance for slow moving and obsolete inventories</i> | <u><b>(44,601)</b></u>                                   | <u>(44,350)</u>                                       |
|   | <u><b>659,775</b></u>                                    | <u>654,639</u>  |

**5 TRADE RECEIVABLES**

|   | <i>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>31 December<br/>2022<br/>USD'000<br/>(audited)</i> |
|---|--|---|
| Trade receivables                                 | 736,380  | 892,585   |
| <i>Less: allowance for expected credit losses</i> | <u><b>(10,346)</b></u>                                   | <u>(2,246)</u>  |
|   | <u><b>726,034</b></u>                                    | <u>890,339</u>  |

Trade receivables are held within a held-to-collect business model consistent with the Group's continuing recognition of these trade receivables.

Movement in the allowance for expected credit losses against trade receivables during the period was as follows:

|                                | <i>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>31 December<br/>2022<br/>USD'000<br/>(audited)</i> |
|--------------------------------|--|---|
| At the beginning of the period | 2,246  | -   |
| Charge for the period          | <u><b>8,100</b></u>                                      | <u>2,246</u>  |
| At the end of the period       | <u><b>10,346</b></u>                                     | <u>2,246</u>  |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 September 2023

## 6 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

|                           | <i>30 September</i><br><i>2023</i><br><i>USD'000</i><br><i>(unaudited)</i> | <i>31 December</i><br><i>2022</i><br><i>USD'000</i><br><i>(audited)</i> |
|---------------------------|--|---|
| Bank balances             | <b>234,510</b>   | 633,949   |
| Short-term deposits       | <b>39,644</b>  | 509,886   |
| Cash on hand              | <b><u>16</u></b>   | <u>5</u>  |
| Cash and cash equivalents | <b><u><u>274,170</u></u></b>   | <u><u>1,143,840</u></u>   |

Included in the Group's cash and cash equivalents are cash and bank balances amounting to USD 4,209 thousand (30 September 2022: USD 5,523 thousand) that are denominated in Chinese Renminbi ("RMB"). RMB is not a freely convertible currency and the remittance of funds inward and outward of the People's Republic of China ("PRC") is subject to exchange control regulations by the PRC government.

Short-term deposits are mainly denominated in Chinese Renminbi ("RMB") and earn interest at floating rate of 1.59% per annum (30 September 2022: 0.92% per annum) with an original maturity of less than three months.

## 7 RELATED PARTIES

Related parties comprise the Government of Abu Dhabi and related departments and institutions (owner of the majority shareholder), associated companies, joint ventures, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

During the period, the Group entered into the following significant transactions with related parties at prices and on terms agreed between the related parties:

### Related party transactions

|                              | <i>For the</i><br><i>three-month</i><br><i>period ended</i><br><i>30 September</i><br><i>2023</i><br><i>USD'000</i><br><i>(unaudited)</i> | <i>For the</i><br><i>three-month</i><br><i>period ended</i><br><i>30 September</i><br><i>2022</i><br><i>USD'000</i><br><i>(unaudited)</i> | <i>For the</i><br><i>nine-month</i><br><i>period ended</i><br><i>30 September</i><br><i>2023</i><br><i>USD'000</i><br><i>(unaudited)</i> | <i>For the period</i><br><i>from 28 April</i><br><i>2022 (date of</i><br><i>inception) to</i><br><i>30 September</i><br><i>2022</i><br><i>USD'000</i><br><i>(unaudited)</i> |
|------------------------------|---|---|--|---|
| <b>Shareholders</b>          |   |   |  |   |
| Sale of goods                | <b>109,622</b>  | 160,920   | <b>376,336</b>   | 227,043   |
| Purchase of goods            | <b>(393,908)</b>  | (514,979)   | <b>(1,411,685)</b>   | (648,678)   |
| Other income and expenses    | <b>(47,785)</b>   | (168)   | <b>(98,622)</b>  | (405)   |
| <b>Other related parties</b> |   |   |  |   |
| Sale of goods                | <b>11,801</b>   | 4,621   | <b>28,452</b>  | 7,240   |
| Purchase of goods            | <b>(116,665)</b>  | (14,346)  | <b>(323,423)</b>   | (20,581)  |
| Other income and expenses    | <b>(57,225)</b>   | (51,621)  | <b>(138,618)</b>   | (67,185)  |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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7 RELATED PARTIES continued

|   | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|---|---|---|--|---|
| <b>Compensation of key management personnel</b> |   |   |  |   |
| Short-term benefits                             | 1,293   | 1,490   | 3,506  | 1,746   |
| Long-term benefits                              | 128   | 42  | 338  | 49  |

Balances with related parties mainly comprise:

|   | <i>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>31 December<br/>2022<br/>USD'000<br/>(audited)</i> |
|---|--|---|
| <b>Amounts due to related parties</b>   |  |   |
| Shareholders                            | 525,532  | 629,978   |
| Related companies                       | <u>129,930</u>   | <u>51,084</u>   |
| <b>Total</b>                            | <u>655,462</u>   | <u>681,062</u>  |
| Current                                 | 622,604  | 613,621   |
| Non-current                             | <u>32,858</u>  | <u>67,441</u>   |
| <b>Total</b>                            | <u>655,462</u>   | <u>681,062</u>  |
| <b>Amounts due from related parties</b> |  |   |
| Shareholders                            | 126,925  | 174,686   |
| Related companies                       | <u>162,054</u>   | <u>156,734</u>  |
| <b>Total</b>                            | <u>288,979</u>   | <u>331,420</u>  |
| Current                                 | 148,043  | 193,762   |
| Non-current                             | <u>140,936</u>   | <u>137,658</u>  |
| <b>Total</b>                            | <u>288,979</u>   | <u>331,420</u>  |

At 30 September 2023, investment in sublease amounting to USD 140,936 thousand (31 December 2022: USD 135,052 thousand) represents the land subleased to affiliates, Borouge 4 LLC and ADNOC Global Trading Ltd.

*Dividends*

Dividend paid during the period comprises of an amount of USD 649,853 thousand in respect of annual dividend for the year 2022 and USD 649,851 thousand in respect of interim dividend for 2023 (2022: an interim dividend of USD 325,000 thousand was approved which remained outstanding as at 30 September).

On 13 March 2023, the Board of Directors approved an annual dividend amounting to USD 649,853 thousand (amounting to AED 2,386,585 thousand or 7.9 fils per share) was paid out as at 30 June 2023.

On 30 August 2023, the Board of Directors approved an interim dividend for 2023 amounting to USD 649,851 thousand (amounting to AED 2,386,585 thousand or 7.9 fils per share) was paid out as at 30 September 2023.

Further, USD 17,538 thousand relates to dividend for non-controlling interest, out of which an amount of USD 12,200 thousand was paid out during the period ended 30 September 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**8 BANK LOANS**

|                               | <i>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>31 December<br/>2022<br/>USD'000<br/>(audited)</i> |
|-------------------------------|--|---|
| Commercial term facility      | <b>2,950,000</b>   | 3,650,000   |
| Islamic facility              | <b><u>350,000</u></b>                                    | <u>350,000</u>  |
|                               | <b>3,300,000</b>   | 4,000,000   |
| Unamortized transaction costs | <b><u>(10,638)</u></b>                                   | <u>(16,001)</u>                                       |
|                               | <b><u>3,289,362</u></b>                                  | <u>3,983,999</u>                                      |

This represents external facilities from a consortium of banks amounting to USD 4,000 million with a maturity of 5 years, comprising a commercial term facility of USD 3,650 million and an Islamic facility of USD 350 million. The full loan facility is availed by Abu Dhabi Polymer Ltd. The commercial term facility carries an interest rate of LIBOR + 0.90% margin per annum and the Islamic facility carries a profit margin amount. The repayment of the commercial term and Islamic finance facilities will be in full after 5 years. During the period, interest on this loan amounted to USD 152,515 and transaction costs amortized amounted to USD 5,363 thousand. During the period ended 30 September 2023, the Company repaid an amount of USD 700,000 thousand. There are no bank covenants or collateral maintained for the loans.

As at 30 September 2023, the Group has an undrawn revolving loan facility with First Abu Dhabi Bank amounting to USD 500 million valid up to 5 years. The loan bears an interest rate at LIBOR plus margin per annum of 0.8%. Total commitment fee recognized during the nine-month period ended 30 September 2023 amounted to USD 675 thousand. There are no bank covenants or collateral maintained for this facility.

**9 REVENUE**

The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time in the following major lines of business.

|                                      | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|--------------------------------------|---|---|--|---|
| <b>Sale of goods</b>                 |   |   |  |   |
| Polyethylene                         | <b>840,271</b>  | 938,608   | <b>2,417,095</b>   | 1,363,312   |
| Polypropylene                        | <b>636,668</b>  | 651,890   | <b>1,783,191</b>   | 932,034   |
| Ethylene and others                  | <b><u>19,495</u></b>  | <u>83,634</u>   | <b><u>93,920</u></b>   | <u>108,956</u>  |
|                                      | <b><u>1,496,434</u></b>   | <u>1,674,132</u>  | <b><u>4,294,206</u></b>  | <u>2,404,302</u>  |
| <b>Timing of revenue recognition</b> |   |   |  |   |
| At a point in time                   | <b><u>1,496,434</u></b>   | <u>1,674,132</u>  | <b><u>4,294,206</u></b>  | <u>2,404,302</u>  |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 September 2023

9 REVENUE continued

**Geographical information**

Revenue is based on the geographical location of end customers as follows:

|  | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|--|---|---|--|---|
| Austria  | 97,258  | 82,070  | 297,709  | 125,454   |
| Bangladesh                                       | 27,535  | 48,035  | 78,055   | 64,470  |
| Egypt  | 65,936  | 165,618   | 167,054  | 260,857   |
| India  | 235,529   | 293,674   | 700,072  | 376,178   |
| Israel   | 14,338  | 22,759  | 55,041   | 37,312  |
| Pakistan   | 85,977  | 83,098  | 190,308  | 112,266   |
| People's Republic of China                       | 457,654   | 596,465   | 1,252,730  | 815,500   |
| Saudi Arabia                                     | 36,290  | 27,621  | 103,392  | 37,536  |
| Singapore  | 23,021  | 24,839  | 83,428   | 34,062  |
| United Arab Emirates                             | 187,821   | 35,110  | 570,328  | 112,700   |
| Vietnam  | 26,905  | 44,091  | 90,984   | 63,392  |
| Indonesia  | 18,583  | 19,967  | 60,971   | 33,387  |
| South Korea                                      | 13,047  | 24,936  | 54,399   | 33,968  |
| Others   | <u>206,540</u>  | <u>205,849</u>  | <u>589,735</u>   | <u>297,220</u>  |
| <b>Revenue from contracts with end customers</b> | <b><u>1,496,434</u></b>   | <b><u>1,674,132</u></b>   | <b><u>4,294,206</u></b>  | <b><u>2,404,302</u></b>   |

10 COST OF SALES

|   | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|---|---|---|--|---|
| Cost of production and other related costs    | 760,130   | 852,072   | 2,346,487  | 1,184,624   |
| Depreciation on property, plant and equipment | 137,010   | 127,351   | 333,670  | 183,089   |
| Royalty expenses                              | 11,716  | 9,827   | 30,673   | 13,788  |
| Amortisation of intangible assets             | 6,065   | 4,373   | 17,384   | 6,527   |
| Depreciation on right-of-use assets           | <u>41</u>   | <u>73</u>   | <u>112</u>   | <u>114</u>  |
|   | <b><u>914,962</u></b>   | <b><u>993,696</u></b>   | <b><u>2,728,326</u></b>  | <b><u>1,388,142</u></b>   |



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**11 INCOME TAX EXPENSE**

|                     | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|---------------------|---|---|--|---|
| Income tax expense  | 109,693   | 111,438   | 275,854  | 181,691   |
| Deferred tax charge | <u>6,226</u>  | <u>11,296</u>   | <u>12,092</u>  | <u>8,688</u>  |
|                     | <b><u>115,919</u></b>   | <b><u>122,734</u></b>   | <b><u>287,946</u></b>  | <b><u>190,379</u></b>   |

Income tax expense is recognized at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim consolidated financial statements may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

The Company is subject to Abu Dhabi Income Tax on its taxable income attributable to its operations in respect of Borouge 1, Borouge 2 and Borouge 3.

**12 SEGMENTAL ANALYSIS**

The business activities of the Group are performed on an integrated basis. Therefore, any segmentation of operating income, expenses, assets and liabilities is not relevant and is not performed for internal management reporting purposes.

For internal management purpose, the Group is organized as one business unit based on the products and services and has only one reportable segment. The Group is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Decision-maker ("CODM"). The Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM that makes strategic decisions.

The financial information reviewed by the CODM is based on the IFRS financial information for the Group. The CODM monitors the operating results of its business unit separately for the purpose of making decisions about resource allocation and performance assessment.

The CODM regularly reviews the interim condensed consolidated statement of profit or loss and other comprehensive income. The CODM function is to allocate resources to and assess the performance of the operating segments of the Group. Based on the review and assessment of the CODM, the Group has a single operating segment, which is 'Polyolefin Business'.

There are no other economic characteristics within the Group that will lead to determination of other operating segments. This analysis requires significant judgement as to the circumstances of the Group.

The Group does not have any operating segments that are aggregated. The CODM has considered the following criteria in determining the operating segments of the Group:

- the nature of products and services;
- the nature of the production processes;
- the type or class of customer for their products and services; and
- the methods used to distribute their products or provide their services;

Based on the criteria and evaluation above, the CODM has determined that the Group has only one operating segment, which is consistent with the internal reporting and performance measurement.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 September 2023
**13 BASIC AND DILUTED EARNINGS PER SHARE**

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of share outstanding during the period.

|   | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>three-month<br/>period ended<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> | <i>For the<br/>nine-month<br/>period ended<br/>30 September<br/>2023<br/>USD'000<br/>(unaudited)</i> | <i>For the period<br/>from 28 April<br/>2022 (date of<br/>inception) to<br/>30 September<br/>2022<br/>USD'000<br/>(unaudited)</i> |
|---|---|---|--|---|
| Profit attributable to owners of the Company (USD '000) | <u><b>279,093</b></u>   | <u>304,223</u>  | <u><b>705,836</b></u>  | <u>479,740</u>  |
| Weighted average number of shares in issue (000)        | <u><b>30,057,691</b></u>  | <u>30,057,429</u>   | <u><b>30,057,691</b></u>   | <u>30,057,429</u>   |
| Earnings per share (USD)                                | <u><b>0.01</b></u>  | <u>0.01</u>   | <u><b>0.02</b></u>   | <u>0.02</u>   |

There are no dilutive securities therefore diluted EPS is the same as basic EPS.

**14 CONTINGENCIES AND CAPITAL COMMITMENTS**

As at 30 September 2023, the Group had contingent liabilities amounting to USD 150 thousand (31 December 2022: USD 153 thousand) in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's interim condensed consolidated financial statements if concluded unfavorably.

At 30 September 2023, the Group has authorized and committed estimated future capital expenditure amounting to USD 9,943 thousand (31 December 2022: USD 75,581 thousand).

**15 SEASONALITY OF RESULTS**

There is no material impact of seasonality on the Group's operating results.

**16 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Management considers that the carrying amounts of financial assets and liabilities approximate their fair values.