

***Qatar Aluminium Manufacturing
Company Q.P.S.C.***

Financial statements and independent auditor's
report for the year ended 31 December 2021

Qatar Aluminium Manufacturing Company Q.P.S.C.
Financial statements for the year ended 31 December 2021

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Independent auditor's report to the shareholders of Qatar Aluminium Manufacturing Company Q.P.S.C.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company") present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and ethical requirements of the State of Qatar.

Our audit approach

Overview

| | | |
|-------------------------|---|----------------------------|
| <i>Key audit matter</i> | • | <i>Revenue Recognition</i> |
|-------------------------|---|----------------------------|

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

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 period. 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

REVENUE RECOGNITION

As disclosed in note 3 to the financial statements, the Company's share of the results of its joint venture ("Qatalum") of QR 832 million for the year ended 31 December 2021 represents 98% of total income of the Company. The revenue generated by the joint venture amounted to QR 6,237 million for the year ended 31 December 2021.

According to the revenue recognition policy applied by the joint venture, revenue from sales of products is recognised when the joint venture has transferred the control of the products to the customers at the point of delivery, as per the terms of delivery specified in the Marketing Offtake Agreement.

We focused our audit on the sales revenue of the joint venture because of the large product volumes and high values of individual shipments, as we determined that errors in revenue recognition at the joint venture level could result in material misstatements in the financial statements of the Company when it recognises its share of results from its joint venture under the equity method of accounting.

Our procedures in relation to revenue recognition from sales made by the joint venture included:

- Reviewing the terms of the relevant Marketing Offtake Agreement with the customers;
- Evaluating the joint venture's accounting policy in relation to revenue recognition to determine whether or not they dealt appropriately with the sales made under the Marketing Offtake Agreement;
- Understanding, evaluating and testing internal controls over revenue recognition at the joint venture level, including the timing of revenue recognition;
- Analysing revenue transactions using computer aided audit and data analysis techniques to identify any unusual transactions;
- Substantively testing revenue transactions on a sample basis by tracing them to invoices, receiving documents and other corroborating evidence; and
- Performing cut-off testing of sales transactions, on a sample basis, to test whether the revenue of the joint venture has been recognised in the correct period.

Other information

The Directors are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, 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, the Directors are 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 the Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance 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 ISAs, we exercise professional judgment and maintain professional scepticism 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 risks, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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.

Qatar Aluminium Manufacturing Company Q.P.S.C.

Financial statements for the year ended 31 December 2021

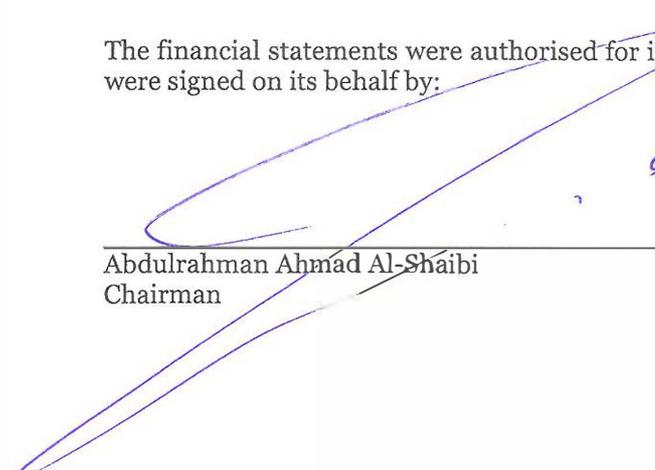
(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

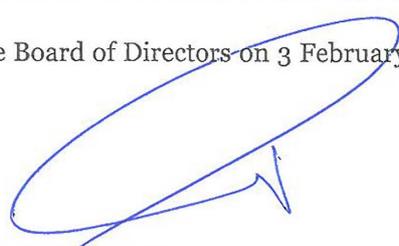
STATEMENT OF FINANCIAL POSITION

As at 31 December

| | Notes | 2021 | 2020 |
|-------------------------------------|-------|------------------|------------------|
| Assets | | | |
| Non-current asset | | | |
| Investment in a joint venture | 3 | 5,214,525 | 5,357,147 |
| Current assets | | | |
| Other receivables | | 9,532 | 530 |
| Cash and cash equivalents | 4 | 437,153 | 233,361 |
| Deposits and other bank balances | 4.1 | 785,238 | 206,298 |
| Total current assets | | 1,231,923 | 440,189 |
| Total assets | | 6,446,448 | 5,797,336 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 5 | 5,580,120 | 5,580,120 |
| Legal reserve | 6 | 268 | - |
| Retained earnings | | 793,088 | 174,980 |
| Total equity | | 6,373,476 | 5,755,100 |
| Liabilities | | | |
| Current liabilities | | | |
| Other payables | 10 | 66,322 | 37,510 |
| Due to related parties | 9 | 6,650 | 4,726 |
| Total current liabilities | | 72,972 | 42,236 |
| Total equity and liabilities | | 6,446,448 | 5,797,336 |

The financial statements were authorised for issue by the Board of Directors on 3 February 2022, and were signed on its behalf by:


Abdulrahman Ahmad Al-Shaibi
Chairman


Ahmad Saeed Al-Amoodi
Vice Chairman



The notes on pages 9 to 21 are an integral part of these financial statements.
Independent auditor's report is set out on pages 1-4.

Qatar Aluminium Manufacturing Company Q.P.S.C.

Financial statements for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December

| | Notes | 2021 | 2020 |
|--|-------|----------------|----------|
| Share of results from a joint venture | 3 | 831,871 | 101,485 |
| General and administrative expenses | | (10,967) | (10,539) |
| Finance income | | 11,528 | 2,478 |
| Other income | | 2,112 | 1,292 |
| Net profit for the year | | 834,544 | 94,716 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 834,544 | 94,716 |
| Earnings per share | | | |
| Basic and diluted earnings per share (expressed in QR per share) | 7 | 0.150 | 0.0170 |



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Qatar Aluminium Manufacturing Company Q.P.S.C.

Financial statements for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

| | Share capital | Legal reserve | Retained earnings | Total |
|---|------------------|---------------|-------------------|------------------|
| Balance at 1 January 2020 | 5,580,120 | - | 138,433 | 5,718,553 |
| Contribution to Social and Sports Development Fund | - | - | (2,368) | (2,368) |
| Profit for the year | - | - | 94,716 | 94,716 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 94,716 | 94,716 |
| <i>Transaction with owners in their capacity as owners:</i> | | | | |
| Dividends approved | - | - | (55,801) | (55,801) |
| Balance at 31 December 2020 | 5,580,120 | - | 174,980 | 5,755,100 |
| Balance at 1 January 2021 | 5,580,120 | - | 174,980 | 5,755,100 |
| Transfer to legal reserve (Note 6) | - | 268 | (268) | - |
| Contribution to Social and Sports Development Fund | - | - | (20,864) | (20,864) |
| Profit for the year | - | - | 834,544 | 834,544 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 834,544 | 834,544 |
| <i>Transaction with owners in their capacity as owners:</i> | | | | |
| Dividends approved | - | - | (195,304) | (195,304) |
| Balance at 31 December 2021 | 5,580,120 | 268 | 793,088 | 6,373,476 |



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(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

STATEMENT OF CASH FLOWS

For the year ended 31 December

| | Notes | 2021 | 2020 |
|---|-------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Profit for the year | | 834,544 | 94,716 |
| Adjustments for: | | | |
| Share of profit from joint venture | 3 | (831,871) | (101,485) |
| Finance income | | (11,528) | (2,478) |
| Cash used in operations | | (8,855) | (9,247) |
| Social and sports fund contribution paid | | (2,368) | (2,001) |
| Net cash used in operating activities | | (11,223) | (11,248) |
| <i>Movement in working capital:</i> | | | |
| Due to related parties | | 1,924 | 358 |
| Other receivables | | (9,002) | 1,303 |
| Other payables | | (24) | 706 |
| Net cash flows used in operating activities | | (18,325) | (8,881) |
| Cash flows from investing activities | | | |
| Dividend received from joint venture | 3 | 651,560 | 391,300 |
| Tax benefit received from joint venture | 3 | 322,933 | - |
| Placement of fixed term deposits | | (1,179,410) | (174,740) |
| Maturity of fixed term deposits | | 610,810 | 73,600 |
| Finance income received | | 11,528 | 2,478 |
| Net cash flows generated from investing activities | | 417,421 | 292,638 |
| Cash flows from financing activities | | | |
| Dividends paid | | (184,964) | (48,538) |
| Movement in unclaimed dividends account | | (10,340) | (7,263) |
| Net cash flows used in financing activities | | (195,304) | (55,801) |
| Net increase in cash and cash equivalents | | 203,792 | 227,956 |
| Cash and cash equivalents at beginning of the year | | 233,361 | 5,405 |
| Cash and cash equivalents at end of the year | 4 | 437,153 | 233,361 |



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Qatar Aluminium Manufacturing Company Q.P.S.C.

Financial statements for the year ended 31 December 2021

Notes to the financial statements

(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

1. CORPORATE INFORMATION AND ACTIVITIES

Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company" or "QAMCO") is registered and incorporated in Qatar with commercial registration number 126659 as a Qatari Public Shareholding Company by its founding shareholder, QatarEnergy. The Company is listed in the Qatar Stock Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar Stock Exchange.

The Company was incorporated on 3 December 2018 for an initial period of 50 years. The Company is 51% owned by QatarEnergy and 49% of the Company's shares are traded on the Qatar Stock Exchange. The Company's registered office is at P.O. Box 3212, Doha, State of Qatar. The parent of the Company is QatarEnergy.

During the year, the Qatar Commercial law number 11 of 2015 has been amended by Law number 8 of 2021. As of the year ended 31 December 2021 the Company was in the process of assessing its compliance and impact of these amendments.

The principal activity of the Company is to establish, manage, own and/or hold shares, assets and interests in companies (and their subsidiaries and/or associated undertakings), engaged in all manner of processing and/or manufacturing of metal products including aluminum, practicing and implementing various aspects and stages of activities related to minerals and mining, including the development of supply chains and products, whether inside or outside the State of Qatar.

The Company commenced commercial activities on 3 December 2018.

The joint venture of the Company, included in the financial statements is as follows:

| Entity Name | Country of incorporation | Relationship | Ownership interest |
|--------------------------------|---------------------------------|---------------------|---------------------------|
| Qatar Aluminium Limited Q.S.C. | Qatar | Joint venture | 50% |

Qatar Aluminum Limited Q.S.C. ("Qatalum") was registered on 24 July 2007 as a Qatari Joint Stock Company in accordance with formerly Article 68 of the Qatar Commercial Companies Law No.5 of 2002 (replaced by Article 207 of Law No. 11 of 2015 and its amendments) and the terms of its Articles of Association under commercial registration number 36539. During 2018, QatarEnergy transferred its ownership in Qatalum to the Company.

The principal activities of Qatalum are to produce and sell the aluminum products produced by the smelter located in Mesaieed. Qatalum's plant commenced its commercial production on 1 January 2010.

The financial statements of the Company for the year ended 31 December 2021 were authorised for issue on 3 February 2022 by the Board of Directors.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements also comply with the Company Articles of Association and the applicable provisions of Qatar Commercial Companies Law.

The financial statements have been prepared on a historical cost basis, and the accounting policies adopted are consistent with those of the previous financial year.

The financial statements are prepared in Qatari Riyals ("QR"), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (QR'000), except otherwise indicated.

Qatar Aluminium Manufacturing Company Q.P.S.C.

Financial statements for the year ended 31 December 2021

Notes to the financial statements

(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 11.

(i) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change accounting policies or make retrospective adjustments as a result of adopting these standards

- (a) Covid-19 Related Rent Concessions- amendments to IFRS 16
- (b) Interest Rate Benchmark Reform- Phase 2-amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- (c) Annual Improvements to IFRS Standards 2018-2020, and
- (d) Deferred Tax related to Assets and liabilities arising from a Single Transaction-amendments to IAS 12

The impact of the adoption of these standards and amendments are not material to the financial statements.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. The company is in the process of assessing the impact of these new standards.

2.3 Significant accounting policies

2.3.1 Interest in joint venture

The results, assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss of the joint venture.

When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture) the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. If a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, then the Company also reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

2.3.2 Current versus non-current classification

The Company presents assets and liabilities based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2.3.3 Financial assets

a) Classification and measurement

The Company's management has assessed which business models apply to the financial assets held by the Company and ensured its financial instruments were classified into the appropriate IFRS 9 categories. The Company assessed that other receivables and deposits are debt instruments and meet the conditions for classification at amortised cost (AC) under IFRS 9 since they are cash flows solely payments of principal and interest (SPPI) and the Company's business model is to hold and collect the debt instrument. Cash and cash equivalents' definition as per IAS 7 remains unchanged with the application of IFRS 9, short-term investments and time deposits continued to be presented under cash and cash equivalents, being highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. No reclassification resulted from the implementation of IFRS 9.

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(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

b) Impairment of financial assets

The Company has the following financial assets that are subject to IFRS 9's expected credit loss model:

- Cash and cash equivalents
- Other receivables (excluding non-financial assets)
- Deposits and other bank balances

To measure the expected credit losses, other receivables that are measured at amortised cost are grouped based on shared credit risk characteristics and the days past due. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables. While cash and cash equivalents and fixed deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2.3.4 Investment and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2.3.5 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise of bank balances and fixed term deposits with an original maturity of less than three months.

2.3.6 Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in exchange and other gains. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

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(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in exchange and other gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in exchange and other gains and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within exchange and other gains in the period in which it arises.

As of 31 December 2021, all of the Company's financial assets were classified and measured at amortised cost.

2.3.7 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.3.9 Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Qatar Aluminium Manufacturing Company Q.P.S.C.

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Notes to the financial statements

(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

2.3.10 Dividend distributions

Liabilities for dividend distributions are recognised for the amount of any dividend declared, being appropriately authorised and amount set aside in restricted dividend distribution bank account of the Company, on or before the end of the reporting period but not claimed by the shareholders at the end of the reporting period. Dividend distribution liabilities are recognised as an appropriation from retained earnings in the statement of changes in equity, with any unpaid amount is presented under other payables in the statement of financial position.

2.3.11 Social and Sports Fund Contribution

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2011, which is applicable for all Qatari listed shareholding companies with publicly traded shares, the Company has made an appropriation of 2.5% of its net profit to a state social fund.

2.3.12 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

2.3.13 Non-financial assets

Non-financial assets are initially measured at cost, which equates to fair value at inception, and subsequently measured at amortised cost, less provision for impairment.

3. INVESTMENT IN A JOINT VENTURE

The movements in the investment in the joint venture is as follows:

| For the year ended | 2021 | 2020 (Restated)* |
|--|-----------|---------------------|
| Balance at beginning of the year | 5,357,147 | 5,646,962 |
| Share of profit after tax from the joint venture | 541,755 | 75,303 |
| Tax benefit from joint venture (Note 15) | 290,116 | 26,182 |
| Tax benefit received | (322,933) | - |
| Dividends received from joint venture | (651,560) | (391,300) |
| At 31 December | 5,214,525 | 5,357,147 |

The below financial statements present amounts shown in the financial statements of the joint venture as of 31 December 2021, which are presented in US\$'000 and are translated using an exchange rate of 3.64 (2020: 3.64):

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Statement of financial position of the joint venture (Qatalum)

| As at 31 December | 2021 | 2020 (Restated)* |
|--|------------------|---------------------|
| Current assets | 3,461,036 | 2,336,640 |
| Non-current assets | 12,327,932 | 12,829,891 |
| Current liabilities | (1,277,659) | (512,701) |
| Non-current liabilities | (5,211,948) | (5,134,871) |
| Equity | 9,299,361 | 9,518,959 |
| Company's share in equity - 50% | 4,649,681 | 4,759,479 |
| Tax benefit from joint venture | (258,766) | (225,942) |
| Goodwill on acquisition | 823,610 | 823,610 |
| Company's carrying amount of the investment | 5,214,525 | 5,357,147 |

Statement of profit or loss and comprehensive income of the joint venture (Qatalum)

| | 2021 | 2020 (Restated)* |
|---|------------------|---------------------|
| Revenue from contracts with customers | 6,236,667 | 4,394,474 |
| Other income | 14,855 | 14,309 |
| Total income | 6,251,522 | 4,408,783 |
| Raw material and energy consumption | (2,661,448) | (2,279,776) |
| Salaries and related costs | (364,389) | (389,298) |
| Depreciation and amortisation | (877,251) | (893,391) |
| Loss on disposal of property, plant and equipment | (65,513) | (30,649) |
| Technical service cost | (56,518) | (47,709) |
| Net finance cost | (142,269) | (207,738) |
| Other expenses | (420,393) | (357,252) |
| Profit before tax | 1,663,741 | 202,970 |
| Current income tax | (583,099) | (62,772) |
| Deferred tax | 2,868 | 10,407 |
| Net profit | 1,083,510 | 150,605 |
| Proportion of the Company's (QAMCO) ownership | 50% | 50% |
| Company's share of profit for the year in the joint venture before tax benefit | 541,755 | 75,303 |
| Tax benefit from joint venture (Note 15) | 290,116 | 26,182 |
| Company's share of profit for the year in the joint venture | 831,871 | 101,485 |
| Other comprehensive income | | |
| <i>Items to be reclassified to profit or loss in subsequent:</i> | | |
| Net gain on cash flow hedges | - | - |
| Proportion of the Company's ownership | 50% | 50% |
| Company's share of other comprehensive income for the year in the joint venture | - | - |
| Company's share of profit before interest, tax, depreciation and amortisation, and loss on disposal of property, plant and equipment | 1,374,387 | 667,374 |

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Additional disclosures of the joint venture

| As at 31 December | 2021 | 2020 (Restated)* |
|--|-----------|---------------------|
| Cash and bank balances | 712,879 | 663,073 |
| Current financial liabilities (excluding trade and other payables and provisions) | 124,896 | 133,209 |
| Non-current financial liabilities (excluding Employees' end of service benefits and other long-term liabilities) | 5,135,359 | 5,053,801 |
| Depreciation and amortisation | 877,251 | 893,391 |
| Tax payable | 583,099 | 62,772 |

By virtue of the joint venture agreement, the joint venture benefitted from a tax holiday until the tenth anniversary of commercial operations which expired on 19 September 2020. After the expiry of the tax holiday the joint venture incurs tax in accordance with the Qatar Income Tax Law.

*During the year, the joint venture restated its comparative financial statements in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to account for deferred tax assets as per IAS 12 – Income tax arising out temporary differences which was previously unrecorded.

The restatement did not have any impact on the Company's share of the joint venture's results as the Company accounts for its earnings before tax in accordance with the Memorandum of Understanding (Note 15).

Capital commitments and contingent liabilities

The Company's share in the joint venture's commitments and contingent liabilities are as follows:

| As at 31 December | 2021 | 2020 |
|-------------------------------|----------------|--------|
| Capital commitments | 334,390 | 87,899 |
| Contingent liabilities | | |
| Bank guarantees | 3,050 | 50,150 |

4. CASH AND CASH EQUIVALENTS

| As at 31 December | 2021 | 2020 |
|---------------------------|---------|---------|
| Cash and cash equivalents | 437,153 | 233,361 |

4.1 DEPOSITS AND OTHER BANK BALANCES

| As at 31 December | 2021 | 2020 |
|--|----------------|---------|
| Fixed deposits maturing after 90 days | 743,340 | 174,740 |
| Restricted bank balances on unclaimed dividend call accounts | 41,898 | 31,558 |
| | 785,238 | 206,298 |

5. SHARE CAPITAL

| As at 31 December | 2021 | 2020 |
|--|-----------|-----------|
| Authorised, issued and fully paid-up: 5,580,120,000 shares of QR 1 each | 5,580,120 | 5,580,120 |

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QatarEnergy transferred its entire equity interest in Qatar Aluminium Limited Q.S.C. ("Qatalum"), to QAMCO based on an Instrument of Transfer of Shares dated 3 December 2018 at an agreed amount of QAR 5,580,120,000. The consideration for the transfer of shares was the allotment and issuance of shares ("swap shares") by QAMCO to QatarEnergy including (a) 284,586,119 Ordinary Shares and 1 Special Share (representing 51% of the total issued share capital of QAMCO) at a price of QR 10 per share and (b) the balance was settled from the proceeds of the initial public offering of 49% shares of QAMCO to the public.

QatarEnergy owns a Special Share of the Company and as per the Articles of Association, the Special Share is always to be owned by QatarEnergy, and it may only be transferred to government, any government Corporation or any QatarEnergy affiliate. The Special Share cannot be cancelled or redeemed without the prior written consent of the Special Shareholder.

6. LEGAL RESERVE

| As at 31 December | 2021 | 2020 |
|--|------|------|
| Legal reserve (transferred from retained earnings) | 268 | - |

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

7. BASIC AND DILUTED EARNINGS PER SHARE

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

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

| | 2021 | 2020 |
|---|-----------|-----------|
| Profit attributable to the equity holders of the company for the year (QR) ('000') | 834,544 | 94,716 |
| Weighted average number of shares outstanding during the year ("in thousands") (Note 5) | 5,580,120 | 5,580,120 |
| Basic and diluted earnings per share (expressed in QR per share) | 0.150 | 0.0170 |

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

8. DIVIDEND

At the Annual General Meeting held on 3 March 2021, the shareholders approved cash dividends of QR 0.035 per share totaling to QR 195,304 to be distributed to the shareholders as dividend for 2020.

9. RELATED PARTIES

Related parties represent the parent, major shareholders, associated companies, joint ventures, affiliates, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related party:

Transactions with related party included in the statement of profit or loss and other comprehensive income for the year ended are as follows:

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| | 2021 | 2020 |
|-----------------------------|-------|-------|
| Service fees to QatarEnergy | 4,910 | 4,676 |

Balances with related party included in the statement of financial position are as follows:

Due to related parties:

| As at | Nature of relationship | 2021 | 2020 |
|-------------|------------------------|-------|-------|
| QatarEnergy | Shareholder | 4,959 | 4,726 |
| Qatalum | Joint venture | 1,691 | - |
| | | 6,650 | 4,726 |

Compensation of key management personnel:

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

| | 2021 | 2020 |
|--|-------|-------|
| Short-term benefits' provision (includes board sitting fees) | 3,300 | 3,300 |

10. OTHER PAYABLES

| As at 31 December | 2021 | 2020 |
|-----------------------------|--------|--------|
| Dividends payable | 41,898 | 31,558 |
| Social contribution payable | 20,864 | 2,368 |
| Accruals | 3,560 | 3,584 |
| | 66,322 | 37,510 |

11. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Classification of the investment as joint venture

Management evaluated the Company's interest in Qatar Aluminum Limited Q.S.C. (Qatalum), and concluded that the joint arrangement is joint venture where Qatalum is jointly controlled. Hence, management accounted for this investment under the equity method.

Coronavirus (COVID-19) pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of the financial statements.

Management has developed various accounting estimates in the financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 December 2021 about future events that the management believes are reasonable in the circumstances.

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The underlying assumptions to arrive at those estimates are subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may impact accounting estimates included in the financial information. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to investment in joint venture.

Site restoration obligations

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

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

Qatalum's Joint Venture Agreement and its land lease agreement with QatarEnergy includes provisions relating to the decommissioning of the joint venture's facilities, plant and machineries. Qatalum's is required to submit a decommissioning plan to the relevant government authority in Qatar which includes a cost estimate and funding proposal for such plan 10 years prior to conclusion of the JVA.

Management has assessed this obligation based on currently available information and concluded that this will not result in a future reduction of QAMCO's investment in the joint venture as at the current reporting date. The requirement of site restoration depends on what is to be agreed in the plan, which will only be available during the last ten years of the joint venture agreement that is from FY 2040 to FY 2050.

12. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on their products and services, and has one reportable operating segment which is the aluminium segment from its interest in the joint venture, which produces and sells aluminium products produced by the smelter located in Mesaieed.

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

13. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise other payables and due to related parties. The Company has various financial assets, namely, other receivables and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies for managing each of these risks which are summarised below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is as indicated by the carrying amount of its financial assets which consist principally of other receivables and bank balances, as follows:

| As at 31 December | 2021 | 2020 |
|-------------------|------------------|---------|
| Other receivables | 9,532 | 530 |
| Bank balances | 1,222,391 | 439,659 |
| | 1,231,923 | 440,189 |

The tables below show the distribution of bank balances at the date on which the financial statements are issued:

| Rating as at 31 December | 2021 | 2020 |
|--------------------------|------------------|---------|
| A1 | 634,166 | 15,026 |
| A2 | 142,877 | 13,476 |
| A3 | 109,203 | 182,048 |
| Aa3 | 336,145 | 229,109 |
| | 1,222,391 | 439,659 |

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation and is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. All financial liabilities will mature within 12 months from the end of the reporting period.

Capital management

The Company manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. Capital comprises share capital and retained earnings and is measured at QR 6.37 billion (2020: QR 5.76 billion).

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Bank balances, interest receivable, trade and other payables, and amount due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

15. INCOME TAX

The Company's profits are exempt from income tax in accordance with the provisions of Qatar's Income Tax Law No. 24. of 2018.

Furthermore, the Company's joint venture benefited from a tax holiday period which expired on 19 September 2020. Post expiry, the joint venture's profits were subject to income tax in accordance with the applicable law in Qatar as stated in its joint venture agreement which is ratified by a Council of Ministers' Resolution No. 38 of 2008.

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During 2020, QatarEnergy (representing the Company), the Ministry of Finance and the General Tax Authority have reached an agreement through a Memorandum of Understanding (hereby referred to as the "MOU"). The MOU gives the Company the right to a refund on its portion of tax from the joint venture, which amounted to QR 290.1 million in 2021 (QR 26.2 million in 2020). As such, the Company is entitled to the pre-tax profits from the underlying joint venture, therefore, applying the principles of equity accounting under IAS 28 "Investments in Associates and Joint Ventures", the Company accounted for its underlying interest on a pre-tax basis. The Ministry of Finance will then pay QAMCO's share of tax to the General Tax Authority.

16. COST METHOD

The Company's statement of financial position and statement of profit or loss and other comprehensive income prepared using the cost method is presented below to only assist the Company in its reporting to the Qatar Financial Markets Authority.

Statement of financial position

| As at 31 December | 2021 | 2020 |
|-------------------------------------|------------------|------------------|
| Non-current asset | | |
| Investment in a joint venture | 5,697,161 | 5,697,161 |
| Total | 5,697,161 | 5,697,161 |
| Current assets | | |
| Other receivables | 9,532 | 530 |
| Bank balances | 1,222,391 | 439,659 |
| Total current assets | 1,231,923 | 440,189 |
| Total assets | 6,929,084 | 6,137,350 |
| As at 31 December | 2021 | 2020 |
| Equity and liabilities | | |
| Equity | | |
| Share capital | 5,580,120 | 5,580,120 |
| Legal reserve | 268 | - |
| Retained earnings | 1,275,724 | 514,994 |
| Total equity | 6,856,112 | 6,095,114 |
| Liabilities | | |
| Current liabilities | | |
| Other payables | 66,322 | 37,510 |
| Due to related parties | 6,650 | 4,726 |
| Total liabilities | 72,972 | 42,236 |
| Total equity and liabilities | 6,929,084 | 6,137,350 |

Statement of profit or loss and other comprehensive income

| | 2021 | 2020 |
|--|----------------|----------------|
| Income from joint venture | 974,493 | 391,300 |
| General and administrative expenses | (10,967) | (10,539) |
| Finance income | 11,528 | 2,478 |
| Other income | 2,112 | 1,292 |
| Net profit for the year | 977,166 | 384,531 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 977,166 | 384,531 |