

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

Condensed interim financial information and
independent auditor's review report for the
six-month period ended 30 June 2020

Qatar Aluminium Manufacturing Company Q.P.S.C.
Condensed interim financial information for the six-month period
ended 30 June 2020

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Independent auditor's review report on condensed interim financial information to the Shareholders of Qatar Aluminium Manufacturing Company Q.P.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company") as of 30 June 2020 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

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

Other matter

The condensed interim financial information for the period from 3 December 2018 to 30 June 2019 and the financial statements of the Company for the year ended 31 December 2019 were reviewed and audited, respectively, by another firm of auditors who expressed an unqualified review conclusion and audit opinion in their reports dated 25 July 2019 and 12 February 2020 respectively.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

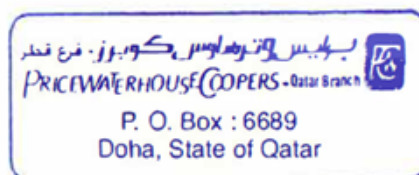
Qatar Financial Market Authority registration number 120155

Mark Menton

Auditor's registration number 364

Doha, State of Qatar

23 July 2020



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

Condensed interim financial information for the six-month period ended 30 June 2020

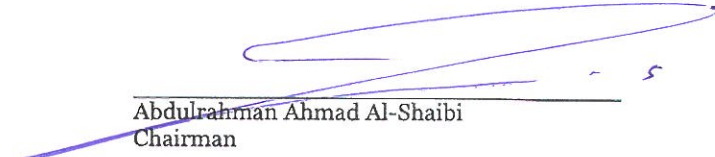
(All amounts expressed in thousands Qatari Riyals unless otherwise stated)


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at	Notes	30 June 2020 QR ('000') (Reviewed)	31 December 2019 QR ('000') (Audited)
Assets			
Non-current asset			
Investment in a joint venture	3	5,665,257	5,646,962
Current assets			
Other receivables		1,110	1,833
Bank balances and cash	4	49,761	103,300
Total assets		50,871	105,133
		5,716,128	5,752,095
Equity and liabilities			
Equity			
Share capital	5	5,580,120	5,580,120
Retained earnings		97,274	138,433
Total equity		5,677,394	5,718,553
Liabilities			
Current liabilities			
Other payables	9	35,805	29,174
Due to a related party	8	2,929	4,368
Total current liabilities		38,734	33,542
Total equity and liabilities		5,716,128	5,752,095

The notes on pages 6 to 12 are an integral part of these condensed interim financial information.

This condensed interim financial information were approved and authorised for issue by the Board of Directors on 23 July 2020 and were signed on its behalf by:


Abdulrahman Ahmad Al-Shaibi
Chairman


Ahmed Saeed Al-Amoodi
Vice Chairman

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

Condensed interim financial information for the six-month period ended 30 June 2020

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

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the six-month period ended 30 June 2020 QR ('000') (Reviewed)	From 3 December 2018 to 30 June 2019 QR ('000') (Reviewed)
Share of results from a joint venture	3	18,295	9,819
General and administrative expenses		(5,769)	(7,079)
Other income		2,116	2,463
Net profit for the period		14,642	5,203
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Share of other comprehensive income of a joint venture		-	9,540
Total other comprehensive income for the period		-	9,540
Total comprehensive income for the period		14,642	14,743
Basic and diluted earnings per share (in QR)	6	0.003	0.001

The notes on pages 6 to 12 are an integral part of these condensed interim financial information.

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

Condensed interim financial information for the six-month period ended 30 June 2020

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital QR ('000')	Hedging Reserve QR ('000')	Retained earnings QR ('000')	Total QR ('000')
Balance at 3 December 2018 (date of incorporation)	-	-	-	-
Capital contribution	5,580,120	-	-	5,580,120
Share of impact of adopting IFRS 16 of a joint Venture	-	-	44,599	44,599
Assignment of QP's share of profit in Qatalum for the period from 1 July 2018 to 2 December 2018	-	-	117,041	117,041
Profit for the period	-	-	5,203	5,203
Other comprehensive income for the period	-	9,540	-	9,540
Total comprehensive income for the period	-	9,540	5,203	14,743
<i>Transaction with owners in their capacity as owners:</i>				
Dividends approved	-	-	(111,602)	(111,602)
Balance at 30 June 2019 (Reviewed)	5,580,120	9,540	55,241	5,644,901
Balance at 1 January 2020 (Audited)	5,580,120	-	138,433	5,718,553
Profit for the period	-	-	14,642	14,642
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	14,642	14,642
<i>Transaction with owners in their capacity as owners:</i>				
Dividends approved	-	-	(55,801)	(55,801)
Balance at 30 June 2020 (Reviewed)	5,580,120	-	97,274	5,677,394

The notes on pages 6 to 12 are an integral part of these condensed interim financial information.

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

Condensed interim financial information for the six-month period ended 30 June 2020

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS

Notes	For the six-month period ended 30 June 2020 QR ('000') (Reviewed)	From 3 December 2018 to 30 June 2019 QR ('000') (Reviewed)
Cash flows from operating activities		
	14,642	5,203
Net profit for the year		
Adjustments for:		
3	(18,295)	(9,819)
	(870)	(2,008)
	(4,523)	(6,624)
<i>Movement in working capital:</i>		
	-	(125)
	723	(1,480)
	(1,439)	3,552
	(3,143)	1,992
	(8,382)	(2,685)
Net cash used in operating activities		
Cash flows from investing activities		
	-	(2,734,259)
	-	191,100
	(10,940)	(73,600)
	73,600	-
	870	2,008
	63,530	(2,614,751)
Net cash generated from/ (used in) investing activities		
Cash flows from financing activities		
	-	2,734,259
	(46,027)	(85,495)
	(9,774)	(26,108)
	(55,801)	2,622,656
Net cash (used in)/ generated from financing activities		
	(653)	5,220
	5,405	-
	4,752	5,220
	4	4
Net (decrease)/ increase in cash and cash equivalents		
	5,405	-
	4,752	5,220
Cash and cash equivalents at end of period		

The notes on pages 6 to 12 are an integral part of these condensed interim financial information.

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

(All amounts expressed in thousands Qatari Riyals 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 Public Qatari Shareholding Company by its founding shareholder, Qatar Petroleum ("QP"). 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 QP 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 QP.

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 condensed interim financial information 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 the terms of its Articles of Association under commercial registration number 36539. During 2018, QP 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. The Company's plant commenced its commercial production on 1 January 2010.

These condensed interim financial information of the Company for the six month period ended 30 June 2020 were authorised for issue on 23 July 2020 by the Board of Directors.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim financial information for the six month period ended 30 June 2020 have been prepared in accordance with IAS 34, Interim Financial Reporting under the historical cost convention.

The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2019. In addition, results for the six month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

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

The Company commenced its operations on 3 December 2018, and therefore the financial statements present the results of the Company for the period from 3 December 2018 to 30 June 2019 and the 6 month period ended 30 June 2020. Due to the difference in the length of the fiscal periods, not all information may be meaningfully comparable.

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

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

2.2 Use of estimates and judgements

The preparation of interim condensed 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 condensed interim financial information is included in note 11.

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2019.

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 its accounting policies or make retrospective adjustments as a result of adopting these standards.

3. INVESTMENT IN A JOINT VENTURE

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

<i>For the six-month period ended</i>	30 June 2020 QR ('000') (Reviewed)
Balance at beginning of the period	5,646,962
Share of results from a joint venture for the period	18,295
At 30 June	5,665,257

Financial information of the joint venture are as follows:

Statement of financial position of the joint venture

As at	30 June 2020 QR ('000') (Reviewed)	31 December 2019 QR ('000') (Audited)
Current assets	2,640,411	2,859,922
Non-current assets	12,679,968	12,957,689
Current liabilities	(486,308)	(1,345,894)
Non-current liabilities	(5,150,778)	(4,825,013)
Equity	9,683,293	9,646,704
Proportion of the Company's ownership	50%	50%
Company's share of net assets in the joint venture entities	4,841,647	4,823,352
Goodwill	823,610	823,610
Investment in joint venture	5,665,257	5,646,962

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

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

Statement of profit or loss and comprehensive income of joint venture

	For the six-month period ended 30 June 2020 QR ('000')	From 3 December 2018 to 30 June 2019 QR ('000')
	(Reviewed)	(Reviewed)
Revenue	2,242,047	2,859,791
Other income	6,221	34,886
Total Income	2,248,268	2,894,677
Raw material and energy consumption	(1,211,170)	(1,608,083)
Salaries and related costs	(207,866)	(238,147)
Depreciation and amortization	(447,811)	(582,524)
Loss on disposal of property plant and equipment	(13,257)	(29,975)
Technical service cost	(22,157)	(29,844)
Finance cost	(127,735)	(148,188)
Other expenses	(181,683)	(238,278)
Profit for the year	36,589	19,638
Proportion of the Company's ownership	50%	50%
Company's share of profit for the period in the joint venture	18,295	9,819
Company's share of profit before interest, tax, depreciation and amortisation	306,068	375,175
Other comprehensive income		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Net gain on cash flow hedges	-	19,080
Proportion of the Company's ownership	50%	50%
Company's share of other comprehensive income for the period in the joint venture	-	9,540

Additional disclosures of the joint venture

As at	30 June 2020 QR ('000')	31 December 2019 QR ('000')
	(Reviewed)	(Audited)
Cash and bank balances	1,077,870	993,203
Current financial liabilities (excluding trade and other payables and provisions)	90,600	229,772
Non-current financial liabilities (excluding trade and other payables and provisions)	5,069,035	4,737,780`

By virtue of the joint venture agreement, the joint venture benefits from a tax holiday until the tenth anniversary of commercial operations which is 19 September 2020. As a result, no income tax charge was recorded for the period.

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

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

Capital commitments and contingent liabilities

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

	As at 30 June 2020 QR ('000') (Reviewed)	As at 31 December 2019 QR ('000') (Audited)
Capital commitments	128,059	128,361
Contingent liabilities		
Letter of credits	-	273,000
Bank guarantees	48,660	48,652

4. BANK BALANCES AND CASH

As at	30 June 2020 QR ('000') (Reviewed)	31 December 2019 QR ('000') (Audited)
Bank balances and cash	49,761	103,300
Less: Fixed deposits maturing after 90 days	(10,940)	(73,600)
Less: Restricted bank balances on unclaimed dividend call Accounts	(34,069)	(24,295)
Cash and cash equivalents	4,752	5,405

5. SHARE CAPITAL

As at	30 June 2020 QR ('000') (Reviewed)	31 December 2019 QR ('000') (Audited)
Authorised, issued and fully paid-up: 5,580,120,000 shares of QR 1 each	5,580,120	5,580,120

QP 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 QP 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 public.

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

The Board of Directors of Qatar Financial Markets Authority ("QFMA") issued its resolution at its 4th meeting for the year 2018 held on 16 December 2018, to reduce the nominal value of shares of listed companies in Qatar to be (1) one Qatari Riyal, accordingly each existing share has been split into 10 shares.

On 8 July 2019 Qatar Exchange announced that the stock split of the Company has been executed. Accordingly, the number of shares as of that date became 5,580,120,000 shares and which has been used for the purpose of calculating the earning per share (Note 6) as per the requirement of IAS 33.

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

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

6. BASIC AND DILUTED EARNINGS PER SHARE

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

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

	For the six-month period ended 30 June 2020 (Reviewed)	From 3 December 2018 to 30 June 2019 (Reviewed)
Profit attributable to the equity holders of the company for the period (QR) ('000')	14,642	5,203
Weighted average number of shares outstanding during the period ("in thousands") (Note 5)	5,580,120	5,580,120
Basic and diluted earnings per share (expressed in QR per share)	0.003	0.001

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.

7. DIVIDEND

At the Annual General Meeting held on 8 March 2020, the shareholders approved cash dividends of QR 0.01 per share totaling to QR 55,801 (2019: QR 111,602).

8. 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 condensed interim statement of income for the period ended are as follows:

	For the six-month period ended 30 June 2020 QR ('000') (Reviewed)	From 3 December 2018 to 30 June 2019 QR ('000') (Reviewed)
Service fees to Qatar Petroleum	2,878	3,607

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

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

Related party balances:

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

Due to a related party:

<i>As at</i>	Nature of relationship	30 June 2020 QR ('000') (Reviewed)	31 December 2019 QR ('000') (Audited)
Qatar Petroleum	Shareholder	2,929	4,368

Compensation of key management personnel

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

	For the six-month period ended 30 June 2020 QR ('000') (Reviewed)	From 3 December 2018 to 30 June 2019 QR ('000') (Reviewed)
Short-term benefits' provision (includes board sitting fees)	1,650	1,912

9. OTHER PAYABLES

<i>As at</i>	30 June 2020 QR ('000') (Reviewed)	31 December 2019 QR ('000') (Audited)
Dividends payable	34,069	24,295
Social contribution payable	-	2,001
Accruals	1,736	2,878
	35,805	29,174

10. LEGAL RESERVE

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

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.

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

Condensed interim financial information for the six-month period ended 30 June 2020

Notes to the condensed interim financial information

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

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.

Impairment of investment in a joint venture

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

Due to the economic downturn caused by the spread of novel coronavirus (Covid-19), management has performed an impairment test as at 30 June 2020. Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation which includes a forecast of commodity prices without realising any savings on operating costs to be on the conservative side;
- timing and quantum of future capital expenditure without factoring any optimisation on deferral of forecast period capex to be on the conservative side;
- long term growth; and
- the selection of discount rates to reflect the risks involved.

Management used the current approved budget adjusted for commodity price and discount rate assumptions to reflect the current market conditions.

As of the period ended 30 June 2020, the company did not recognise any losses due to impairment in its joint venture as the impairment testing showed headroom of net present value of cashflows compared to the carrying amount.

Coronavirus (COVID-19) pandemic

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

Management has developed various accounting estimates in the condensed interim financial information based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2020 about future events that the management believes are reasonable in the circumstances.

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.