Qatar Aluminium Manufacturing Company

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

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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

Opinion
We have audited the financial statements of Qatar Aluminium Manufacturing Company Q.P.S.C (the "Company"), which comprise the statement of financial position as at 31 December 2019, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 3 December 2018 to 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the period from 3 December 2018 to 31 December 2019 in accordance with International Financial Reporting Standards (IFRSs).

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	*How our audit addressed the key audit matter*
Investment in a Joint venture On 3 December 2018, the Company acquired joint control of Qatar Aluminium Limited Q.S.C. (the "Joint Venture") for a consideration of QR 5,580,120 thousand. The Company used equity method accounting to record the investment in a joint venture in accordance with International Accounting Standards (IAS) 28, Investment in Associates and Joint Ventures. Also, the Company has performed an impairment assessment for the investment in Joint venture as of 31 December 2019 in accordance with accounting standards IAS 36, Impairment of assets.	Our procedures included the following: • We reviewed documents relating to the acquisition of the Joint Venture; Such as board resolutions, Instrument of transfer of shares and consent from QP. • We checked the equity accounting applied by the Company by reviewing the audited financial statements of the Joint Venture as of acquisition date and as of and for the year ended 31 December 2019;

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ALUMINIUM MANUFACTURING COMPANY Q.P.S.C. (CONTINUED)

Report on the audit of the financial statements

Key Audit Matters (continued)

Key Audit Matter	*How our audit addressed the key audit matter*
The carrying value of the investment in the Joint Venture is amounted to QR 5,646,962 thousand at the reporting date which represents 98% of the total assets of the Company. We considered the audit of accounting for this acquisition to be a key audit matter as this represent significant transactions entered into by the Company during the period which require significant management judgement regarding the allocation of the purchase price to the identifiable assets acquired and liabilities assumed, accounting method used and impairment of the investment. The related disclosures are included in the Note 3 and 4.	• We reviewed the purchase price allocation performed by the management by involving our internal specialised to review the assumptions and methodologies used by the Company; • We evaluated the management's assessment of the impairment of investment in Joint venture as of 31 December 2019; • We also reviewed the adequacy of the related disclosures made in the Note 3 and 4 to the financial statements.

Other Information included in the Company's 2019 Annual Report
Other information consists of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. The Company's 2019 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do 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 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.

Responsibilities of Management and Board of Directors for the Financial Statements
Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ALUMINIUM MANUFACTURING COMPANY Q.P.S.C. (CONTINUED)

Report on the audit of the financial statements (continued)

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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR ALUMINIUM MANUFACTURING COMPANY Q.P.S.C. (CONTINUED)

Report on the audit of the financial statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Legal and Other Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company and the financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Company's financial position or performance.

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Ziad Nader
of Ernst & Young
Auditor's Registration No: 258

Date: 12 February 2020
Doha

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	*31 December 2019 QR ('000')*
ASSETS		
Non-current asset		
Investment in a joint venture	4	**5,646,962**
Total non-current asset		**5,646,962**
Current assets		
Other receivables		**1,833**
Bank balances	5	**103,300**
Total current assets		**105,133**
TOTAL ASSETS		**5,752,095**
EQUITY AND LIABILITIES		
Equity		
Share capital	6	**5,580,120**
Retained earnings		**138,433**
Total equity		**5,718,553**
Current liabilities		
Other payables		**29,174**
Due to a related party	11	**4,368**
Total liabilities		**33,542**
TOTAL EQUITY AND LIABILITIES		**5,752,095**

These financial statements were approved and authorised for issue by the Board of Directors and were signed on their behalf on 12 February 2020 by:

Abdulrahman Ahmad Al-Shaibi
Chairman

Ahmad Saeed Al-Amoodi
Vice Chairman

The attached notes 1 to 14 form part of these financial statements.

STATEMENT OF INCOME

For the period from 3 December 2018 to 31 December 2019

	Notes	***3 December 2018 to 31 December 2019 QR ('000')***
Share of profit of a joint venture	4	**85,929**
General and administrative expenses	8	**(10,178)**
Finance income		**3,817**
Other income		**455**
PROFIT FOR THE PERIOD		**80,023**
Earnings per share		
Basic and diluted earnings per share (QR per share)	9	**0.0143**

The attached notes 1 to 14 form part of these financial statements.

STATEMENT OF COMPREHNSIVE INCOME

For the period from 3 December 2018 to 31 December 2019

	3 December 2018 to 31 December 2019 QR ('000')
PROFIT FOR THE PERIOD	**80,023**
Other comprehensive income	
Items to be reclassified to profit or loss in subsequent periods	
Share of other comprehensive income of a joint venture (Note 4)	**10,372**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**90,395**

The attached notes 1 to 14 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period from 3 December 2018 to 31 December 2019

	Share capital QR ('000')	*Retained earnings QR ('000')*	*Total QR ('000')*
Capital contribution (Note 6)	5,580,120	-	5,580,120
Profit for the period	-	80,023	80,023
Other comprehensive income for the period	-	10,372	10,372
Total comprehensive income for the period	-	90,395	90,395
Dividend (Note 10)	-	(111,602)	(111,602)
Assignment of QP's share of profit in Qatalum for the period from 1 July 2018 to 2 December 2018 (Note 11)	-	117,041	117,041
Share of impact of adopting IFRS 16 of a joint venture (Note 4)	-	44,600	44,600
Contribution to Social and Sports Development Fund (Note 2.4)	-	(2,001)	(2,001)
At 31 December 2019	**5,580,120**	**138,433**	**5,718,553**

STATEMENT OF CASH FLOWS

For the period from 3 December 2018 to 31 December 2019

	Notes	3 December 2018 to 31 December 2019 QR ('000')
OPERATING ACTIVITIES		
Profit for the period		**80,023**
Adjustments for:		
Share of profit of a joint venture	4	**(85,929)**
Finance income		**(3,817)**
Operating cash flows before working capital changes		**(9,723)**
Working capital change:		
Due to a related party		**4,368**
Other payables		**2,878**
Net cash flows used in operating activities		**(2,477)**
INVESTING ACTIVITIES		
Investment in a joint venture *(Note i)*	4	**(2,734,259)**
Dividend received from a joint venture	4	**191,100**
Movement in restricted bank balances on unclaimed dividend call accounts	5	**(24,295)**
Fixed deposits maturing after 90 days	5	**(73,600)**
Finance income		**1,984**
Net cash flows used in investing activities		**(2,639,070)**
FINANCING ACTIVITIES		
Proceeds from issue of shares *(Note i)*		**2,734,259**
Dividends paid		**(87,307)**
Net cash flows from financing activities		**2,646,952**
Net increase in cash and cash equivalents		**5,405**
Cash and cash equivalents at the incorporation		**-**
CASH AND CASH EQUIVALENTS AT 31 DCEMBER	5	**5,405**

Note i:
During the year, the Company acquired 50% of Qatar Aluminium Limited Q.S.C. from Qatar Petroleum. Purchase consideration was settled by the Company in cash by QR 2,734,258,800 and balance amount in kind (by issuance of the Company's shares in lieu to QP) for QR 2,845,861,200.

1 CORPORATE INFORMATION AND ACTIVITIES

Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company" or "QAMCO") is registered and incorporated in the State of 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 aluminium, 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. As approved in the Company's AGM, the Company's first financial period commenced from the date of its commercial activities and ending with 31 December 2019.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of compliance
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.

Basis of measurement
The financial statements have been prepared on a historical cost basis.

Functional and presentation currency
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.

2.2 New and amended standards and interpretation

The following amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company.

Content
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations
Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

2.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standards and Interpretations	***Effective date***
IFRS 17: Insurance contracts	1 January 2021
Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associates or joint Venture	Deferred indefinitely

The Company did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting policies

Investment in a joint venture

Under IFRS 11 investments in joint arrangements are classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only investment in a joint venture.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Company's investment in its joint venture is accounted for using the equity method. 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 recognised 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.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. 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.

The financial statements of the joint venture is prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture (including goodwill). At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of income.

Upon loss of joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting policies (continued)

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Business model: the business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit or loss ('FVTPL"). Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at Fair value through profit or loss (FVTPL).

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)
Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
  And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes other receivables and bank balances.

Cash and cash equivalents
Cash and cash equivalents comprise of bank balance and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short term commitments.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivable, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include due to a related party and other payables.

Other payables
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 period which are unpaid. 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.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting policies (continued)

Provisions (continued)
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Foreign currencies
Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency rate of exchange at that rate. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Dividend distribution
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.

Earnings per share
Basic earnings per share is calculated by dividing:
- the profit or loss attributable to ordinary owners of the Company
- by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

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.

Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or,
- Cash or 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 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting policies (continued)

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Company measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

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 and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 14.

3 ACQUISITION OF A JOINT VENTURE

On 3 December 2018 the Company acquired 50% interest of Qatar Aluminium Limited Q.S.C. (Qatalum) from Qatar Petroleum. The fair values of the identifiable assets and liabilities of Qatalum as at the date of acquisition are as follows:

	QR (‘000’)
ASSETS	
Property, plant and equipment	**12,845,083**
Intangible assets	**16,300**
Other non-current assets	**151,286**
Inventories	**1,293,743**
Trade receivables	**504,282**
Prepayments and other receivables	**126,039**
Cash and bank balances	**984,973**
TOTAL ASSETS	**15,921,706**
LIABILITIES	
Loans and borrowings	**5,675,291**
Other long-term liabilities	**109,069**
Employees’ end of service benefits	**81,026**
Derivative financial liabilities - interest rate swaps	**20,744**
Due to a related party	**100,100**
Trade and other payables	**406,774**
TOTAL LIABILITIES	**6,393,004**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**9,528,702**
Proportion of the Company’s ownership	**50%**
Company’s share of net asset	**4,764,351**
Less Adjusted purchase consideration *(Note i)*	**5,587,961**
Goodwill arising on acquisition	**823,610**

Note i

Purchase consideration consists as follows:

	QR (‘000’)
Issuance of Company shares to QP	**2,845,861**
Settlement by cash to QP	**2,734,259**
Adjustments *	**7,841**
Adjusted purchase consideration	**5,587,961**

*As per the Instrument of Transfer of Shares between QAMCO and QP, the Company is entitled for all economic benefits of Qatalum with effect from 1 July 2018. Accordingly, QP waived off and transferred all the rights to dividends and share of results of Qatalum from 1 July 2018 to the date of incorporation of the Company.

In compliance with the provisions of International Financial Reporting Standard 3 “Business Combinations”, the Company performed out one time “Purchase Price Allocation” (PPA) exercise for the value of the acquisition of the joint venture. PPA identifies the values paid for the tangible assets, intangible assets and the goodwill arising on the acquisition. There were no intangibles identified on the acquisition of the joint venture by the Company from Qatar Petroleum.

4 INVESTMENT IN A JOINT VENTURE

The carrying amount of the investment represents the investment in Qatar Aluminum Limited Q.S.C. (Qatalum) as follows:

	31 December 2019 QR ('000')
Investment in a joint venture	**5,646,962**

Qatar Aluminium Limited Q.S.C.
Qatar Aluminium 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 aluminium products produced by the smelter located in Mesaieed. Qatalum's plant commenced its commercial production on 1 January 2010.

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

	31 December 2019 QR ('000')
Acquisition of interest in joint venture (adjusted purchased price)	**5,587,961**
Share of profit of a joint venture	**85,929**
Company's share of other comprehensive income items of the joint venture	**10,372**
Dividends received from joint venture	**(81,900)**
Share of impact of adopting IFRS 16 of a joint venture	**44,600**
At 31 December	**5,646,962**

Financial information of the joint venture are as follows:

Statement of financial position of the joint venture is as follows:

	31 December 2019 QR ('000')
Current assets	**2,859,922**
Non-current assets	**12,957,689**
Current liabilities	**(1,345,894)**
Non-current liabilities	**(4,825,013)**
Equity	**9,646,704**
Company's share in equity - 50%	**4,823,352**
Goodwill on acquisition	**823,610**
Company's carrying amount of the investment	**5,646,962**

4 INVESTMENT IN A JOINT VENTURE (CONTINUED)

Statement of income of the joint venture:

	3 December 2018 to 31 December 2019 QR ('000')
Revenue from contracts with customers	**5,338,937**
Other income	**50,483**
Total Income	**5,389,420**
Raw material and energy consumption	**(2,973,767)**
Salaries and related costs	**(449,798)**
Depreciation and amortisation	**(987,790)**
Loss on disposal of property plant and equipment	**(59,525)**
Technical service cost	**(62,398)**
Net finance cost	**(249,023)**
Other expenses	**(435,260)**
Profit for the period	**171,859**
Proportion of the Company's ownership	**50%**
Company's share of profit for the period in the joint venture	**85,929**
Other supplement information of the joint venture	
Profit for the period	**171,859**
Add: Depreciation and amortisation	**987,790**
Net finance cost	**249,023**
Qatalum's profit before interest, tax, depreciation and amortisation (EBITDA)	**1,408,672**
Proportion of the Company's ownership	**50%**
Company's share of profit before interest, tax, depreciation and amortisation (EBITDA)	**704,336**

Statement of other comprehensive income of the joint venture:

	3 December 2018 to 31 December 2019 QR ('000')
Other comprehensive income	
Items to be reclassified to profit or loss in subsequent periods	
Share of other comprehensive income of a joint venture	**20,744**
Proportion of the Company's ownership	**50%**
Company's share of other comprehensive income for the period in the joint venture	**10,372**

4 INVESTMENT IN A JOINT VENTURE (CONTINUED)

Other disclosures relating the Joint Venture

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

	31 December 2019 QR ('000')
Capital commitments	**128,361**
Contingent liabilities	
Letter of credits	**273,000**
Bank guarantees	**48,652**

5 BANK BALANCES

	31 December 2019 QR ('000')
Bank balances	**103,300**
Less: Fixed deposits maturing after 90 days	**(73,600)**
Less: Restricted bank balances on unclaimed dividend call accounts	**(24,295)**
Cash and cash equivalents	**5,405**

6 SHARE CAPITAL

	31 December 2019 QR ('000')
Authorised, issued and fully paid-up:	
5,580,120,000 shares of QR 1 each	**5,580,120**

Special Share

Note i:
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 includes (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.

Note ii:
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.

6 SHARE CAPITAL (CONTINUED)

Special Share (continued)

Note iii:
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 9) as per the requirement of IAS 33.

7 LEGAL RESERVE

The Articles of Association of the Company provides that prior to recommending any dividend distribution to the shareholders, the Board shall ensure proper reserves are established in respect of voluntary and legal reserves considered by the Board. Such reserves as resolved by the Board, shall be the only reserves the Company is required to establish. The Board of Directors of the Company decided to transfer to legal reserve from the Company's profit without considering share of profit of a joint venture, as joint venture already appropriates legal reserve on its profit. Accordingly, no transfers made to the legal reserve during current period as the Company had no profit apart from share of profit of a joint venture.

8 GENERAL AND ADMINISTRATIVE EXPENSES

	3 December 2018 to 31 December 2019 QR ('000')
Service fee – Qatar Petroleum (Note 11)	**4,468**
Remuneration to Board of Directors (Note 11)	**2,587**
Qatar Stock Exchange fee	**1,776**
QCSD fee	**518**
Secretary fee	**108**
Others	**721**
	10,178

9 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the 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:

	3 December 2018 to 31 December 2019
Profit attributable to the equity holders of the company for the period (QR) ('000')	**80,023**
Weighted average number of shares outstanding during the period ("in thousands") (Note 6)	**5,580,120**
Basic and diluted earnings per share (expressed in QR per share)	**0.0143**

10 DIVIDEND

At the Board meeting held on 28 April 2019, the Board of Directors approved interim cash dividends of QR 0.2 per share totalling to QR 111,602 thousand.

11 RELATED PARTY DISCLOSURES

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.

Related party transactions
Transactions with related parties included in the statement of profit or loss as follows:

Nature of the transaction	*3 December 2018 to 31 December 2019 QR ('000')*
Management service fee to QP (Note 8)	**4,468**

Note i
The Company entered in to a management service agreement with QP for managing head office functions of the Company. Service fees are decided based on the direct cost attributable to the service and allocation of overheads incurred by the QP on periodic basis.

Note ii
As per the Instrument of Transfer of Shares between QAMCO and QP, the Company is entitled for all economic benefits of Qatalum with effect from 1 July 2018. Accordingly, QP waived off and transferred all the rights to dividends and share of results of Qatalum from 1 July 2018 to the date of incorporation of the Company. Accordingly, QP's share of profit in Qatalum for the period from 1 July 2018 to 2 December 2018 amounted to QR 117,041 thousand waived off by QP and the Company recognised this directly in the equity by adjusting the carrying value of the investment. In addition, the Company received dividend amounted to QR 109,200 thousand from Qatalum for the period from 1 July 2018 to 2 December 2018 which is accounted as an adjustment to the purchase consideration.

Related party balances
Balance with related parties included in the statement of financial position are as follows:

Due to a related party:

Related party	*Nature of relationship*	*31 December 2019 QR ('000')*
Qatar Petroleum	Parent	**4,368**
		4,368

Terms and conditions of transactions with related parties
Transactions with the related parties are made at contractually committed prices. Outstanding balances at the end of the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

11 RELATED PARTY DISCLOSURES (CONTINUED)

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

	3 December 2018 to 31 December 2019 QR ('000')
Short-term benefits (includes Board of Directors sitting fees)	**2,587**

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

The Company's financial liabilities comprise due to a related party and other payables. Financial assets of the Company include bank balances and other receivables, which arise directly from its operations.

Fair value of financial instruments does not materially differ from their carrying values except for investment in a joint venture, adjusted for the fair value.

13 FINANCIAL RISK MANAGEMENT

Objectives and policies
The main risks arising from the Company's financial instruments are:

- Currency risk;
- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Management seeks to minimize potential adverse effects on the financial performance of the Company by taking appropriate steps to address specific risk management areas such as interest rate risk, credit risk, currency risk and liquidity risk.

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. Company's credit risk arises from other receivables and bank balances. The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks and continuously monitors its exposure.

With respect to credit risk arising from the financial assets of the Company, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments in the statement of financial position at the reporting date.

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

Financial assets at amortised cost	***31 December 2019 QR ('000')***
Other receivables	**1,833**
Bank balances	**103,300**
	105,133

Liquidity risk
Liquidity risk represents the risk that the Company will not be able to settle its financial obligations as they due fall due to cash and liquidity concerns. Management confirms that cash and liquidity sources are sufficiently available to cover future obligations of the Company. The Company's approach is to manage liquidity risk 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.

The Company limits its liquidity risk by ensuring sufficient liquid funds are retained in the Company. Payables are normally settled within 30 - 60 days of the date of purchase.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Period ended 31 December 2019	***On demand QR ('000')***	***Less than 3 months QR ('000')***	***Total QR ('000')***
Due to a related party	**4,368**	**-**	**4,368**
Other payables	**24,295**	**4,879**	**29,174**
	28,663	**4,879**	**33,542**

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its currency exposure. The Company's functional currency is the Qatari Riyal and major payment of payables and other liabilities are denominated in this currency.

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.

Capital management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital includes share capital and retained earnings and is measured at QR 5,718,553 thousand at 31 December 2019.

14 CRITICAL JUDGEMENT AND ESTIMATES IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

Use of estimates and judgments
The preparation of financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period from 3 December 2018 to 31 December 2019. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. 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.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Provision for expected credit losses
At the reporting date, the gross amount of bank balances and other receivable balance was QR 105,133 thousand, with no allowance for expected credit loss. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of income.

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

Impairment of investment in a joint venture
The Company determines, at each reporting date, whether there is any objective evidence that the investment in a joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and their carrying value and recognises that amount in the 'share of profits of a joint venture' in the statement income.

Purchase Price Allocation
Management performed a Purchase Price Allocation (PPA) exercise relating to the acquisition of Joint venture (Qatalum) and concluded that the goodwill on the acquisition is QAR 823,610 thousand.

Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.