Notice to the Shareholders of

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

QAMCO

شركة قطر لصناعة الألمنيوم

Qatar Aluminium Manufacturing Company

We are pleased to invite you to attend the Company's Ordinary General Assembly Meeting to be held on Tuesday, 27th February 2024 at 3:30 p.m. Doha Time, in Al-Mirqab Ballroom, Four Season Hotel, Doha. In case a quorum is not met, a second meeting will be held on Sunday, 3rd March 2024 at the same time and location.

Agenda of the Ordinary General Assembly Meeting

1. Listen to the Chairman's message for the financial year ended 31 December 2023.
2. Approve the Board of Directors' report on QAMCO's operations and financial performance for the financial year ended 31 December 2023.
3. Listen and approve the Auditor's Report on QAMCO's financial statements for the financial year ended 31 December 2023.
4. Discuss and approve QAMCO's financial statements for the financial year ended 31 December 2023.
5. Present and approve 2023 Corporate Governance Report.
6. Approve the Board's recommendation for a dividend payment of QR 0.07 per share for 2023, representing 7% of the nominal share value.
7. Absolve the Board of Directors from liability for the year ended 31 December 2023 and fix their remuneration.
8. Appoint the external auditor for the financial year ending 31 December 2024 and approve their fees.

Mr. Abdulrahman Ahmad Al-Shaibi
Chairman of the Board of Directors
Qatar Aluminium Manufacturing Company

Notes

1. Each shareholder shall have the right to attend the meeting of the General Assembly and shall have a number of votes that equals the number of shares owned thereby. Resolutions shall be passed by an absolute majority of shares duly represented therein, without prejudice to the provisions of the Company's Articles of Association.
2. Minors and the interdicted persons shall be represented by their legal guardians.
3. Any shareholder that is a company may authorize any one person to act as its representative at any meeting of the General Assembly.
4. Attendance by proxy at the General Assembly meeting is permitted, provided that the proxy is a shareholder and that the proxy is specific and in writing. A shareholder may not appoint a Board Director to act as his proxy at the meeting of the General Assembly. Proxy form can be downloaded from the Company's website: www.qamco.com.qa.
5. A shareholder may act as proxy for one or more shareholders of the Company as contemplated under the Company's Articles of Association. In all cases, the number of shares held by the proxy in this capacity shall not exceed (5%) of the Company's share capital.
6. Instruments appointing authorized persons and proxies must be provided to the Company no less than forty-eight (48) hours prior to the commencement of the General Assembly.

Board of Directors' Report

The Board of Directors is pleased to present its annual review of the financial and operational performance of QAMCO for the year ended 31 December 2023.

Our strategy

Since its inception, QAMCO's joint venture pursued a cost leadership strategy through operational excellence, process innovations, and value chain optimization. This resulted in our joint venture keeping its position consistently well within top quartile amongst the peers. As we now face with capacity constraints and almost reached full cost savings potentials, our joint venture is looking at strategies in addition to cost leadership strategies to remain within the top quartile operator.

On the other hand, with decarbonization reshaping the global economy and aluminium is considered a strategic metal which is increasingly supporting decarbonization and its production is expected to increase significantly in the medium to long-term. The demand for low-carbon aluminium is increasing and expected to remain vital. The "low-carbon" aluminum can also support our joint venture's ESG strategies as production of or "low-carbon" aluminium is directly linked to efficient ESG strategies.

As with our on-going cost leadership strategies, and with the increasing global demand for "low-carbon" aluminium, our joint venture will be focusing its longer-term strategy to further improve production via raising operational efficiency, improve cost of production / operating costs by changing raw material mix, and diversifying into low-carbon aluminium.

Macroeconomic updates

Macroeconomic environment for the aluminium markets remained subdued for majority of 2023. After reaching its peak in early 2022 due to disruptions in supply amid high energy and logistics costs following geopolitical conflicts, the prices of primary aluminium began to stabilize in the latter half of the year.

During the second half of 2022, there was a gradual improvement in the global supply, and this trend has continued into 2023, bringing additional supply into the global aluminium supply-chain. Access to raw material supplies became more accessible, and aluminium smelters globally benefitted from significantly reduced energy costs. On the other hand, the demand from major markets for aluminium remained constrained. Factors such as high inflation and rising interest rates led to weakened demand, especially in key segments like construction. This decrease was largely offset by higher demand for foundry alloys, driven by the recovering automotive sector and the increasing importance of aluminium in vehicle electrification.

On an overall basis, aluminium prices remained essentially lower during 2023 in comparison to last year with an overall decline of 20%. This decline was influenced by subdued demand, additional supplies, and concerns about a potential economic recession.

Our competitive strengths

QAMCO's JV continues to demonstrate resilience as one of the most competitive entities, ensuring profitability even in the face of volatile macro-economic conditions. Renowned as a cost- efficient aluminium smelter on a global scale, the joint venture's competitive strengths extend across the entire business value chain.

Efforts to enhance joint ventures' operational and financial efficiencies span from the procurement of raw materials to the selling and distribution processes. The joint venture strategically collaborates with reputable suppliers to ensure the quality and reliable supply of key raw materials. Partnership with the other JV partner, experts in aluminium marketing enhances the effectiveness of marketing strategies, maximizing net backs and reaching profitable destinations.

In addition, the JV operates a flexible manufacturing system, allowing for swift adjustment in product mix according to market conditions. This flexibility ensures that products are aligned with market demand, optimizing netbacks in the process.

These competitive advantages play a pivotal role in positioning our joint venture uniquely in the dynamic and volatile aluminium markets. The joint venture's ability to adopt to market fluctuations, coupled with these strengths, has enabled it to withstand troughs in the business cycle, maintaining robust profitability and healthy cash flows.

Health, Safety and Environment (HSE) realizations

Focusing on health and safety standards by ensuring process safety remains a core value for the JV. QAMCO's JV progressed throughout the year towards its HSE goal of ensuring all workplaces are safe for everyone, coupled with, delivery of steadfast production targets as per the plan. Other key HSE achievements during the year included, no recordable heat related incidents were recorded involving Qatalum employees; delivering among the best safety performance in the aluminium industry; and continued focus on minimizing JV's energy consumption.

While working to retain leading HSE position in the region, JV has a strategy to benchmark its HSE program with Aluminium Stewardship Initiatives (ASI), while aiming to deliver continued operational excellence. In this regard, QAMCO's JV has successfully been certified on all parts of its value chain under the ASI such as; ASI Performance Standard V2:2017; and ASI Chain of Custody (CoC) Standard V1:2017.

In consideration of the global and local context, industry trends, the United Nations' (UN) Sustainable Development Goals (SDGs), Qatar National Environment and Climate Change and Qatar National Vision 2030, QAMCO's JV also launched an ESG roadmap initiative during 2022, to create awareness and highlighting objectives in making JV's ESG journey a success.

In addition to an ESG roadshow, workshops were conducted and include the participation by the JV's senior employees. As part of the ESG Initiatives Identification workshops internal stakeholders were engaged to highlight key ESG topics and initiatives. Working groups were formed to prioritize initiatives identified during the Initiatives Identification Workshop as inputs into the overall strategy.

Lower carbon footprints

QAMCO's JV has been successful in maintaining one of the lowest carbon footprints compared to industry standard in terms of CO_2 per metric tonnes of aluminium produced through gaining advantage for use of natural gas, as its source of energy compared to other types of fuel such ascoal and oil. Nevertheless, JV's carbon footprints are marginally higher than smelters which uses renewable energy, such as hydropower or solar energy.

With technological enhancements, QAMCO's JV is continuously improving its energy generation efficiency from natural gas feedstock, while realizing lower carbon footprints. During last year, QAMCO's JV signed an agreement with General Electric to provide five Advanced Gas Path (AGP) upgrade sets to generate more sustainable and secure power, coupled with reducing carbon dioxide emissions. AGP upgrade is on-going with expectation to be fully online by next year.

Going forward, QAMCO's JV is on track to reduce emissions by certain process optimization measures, while improving output efficiency. In this regard, JV is working on developing Greenhouse Gases (GHG) reduction strategy, where work is in progress to set medium to long range targets for GHG reduction. The focus of the decarbonization drive is to meet market expectations for the production of low carbon aluminium and to align with the 'green' transition of the international aluminium sector.

Achieving cost efficiencies

QAMCO joint venture has consistently prioritized cost optimization and efficiency improvements through its in-house initiative, the "Qatalum Improvement Program (QIP)", which has been in operation since 2013. This strategic focus has allowed the joint venture to establish itself as cost competitive aluminium smelter while steadfastly upholding safety and operational excellence standards.

Looking ahead, with the successful roll-out of innovative new capital expenditure project, the "AGP project", this project aims to enhance JV power capacity and power production efficiency ultimately contributing to an overall improvement in operating efficiency and a reduction in operating costs.

Output optimization realizations

In 2023, the primary objectives were centered around maintaining smelter stability at higher amperage and volumes, following the deployment of larger anodes in 2021. This year proved highly successful for QAMCO, witnessing substantial achievements in operational efficiency and output optimization. Current efficiency saw an improvement to 94.1% while amperage reached 331.7 kA.

Moreover, QAMCO's joint venture embraced the circular economy by incorporating pre- and post-consumer aluminium scrap into its production process, with a heightened focus on recycled products. In 2023, approximately 7,300 MT's of aluminium were produced using scrap melting process. The joint venture aims to significantly increase scrap melting in the planning period to enhance production and cost efficiency.

The joint venture's production in 2023 reached 677 KMT's, reflecting a marginal increase of 2% versus 2022. This growth was driven by improved current efficiency and amperage. The improved efficiency, amperage, together with efficiently managed carbon plant assisted our joint venture to improve its cost base and profitability. The carbon plant operating availability remained consistent throughout the year and no major outages and/or downtimes reported during 2023.

The joint venture is committed to continuous improvement that will result in operational and value optimization. Our joint venture's investments in technology (for e.g., large anode projects) have consistently benefitted the shareholders via improved volumes and costs. Looking ahead, the joint venture is gearing up for further investment in efficiency improvement and improvement of output projects.

Selling and marketing activities

In the backdrop of volatile aluminium market marked by muted demand, additional supplies, heightened freight and logistics costs, aluminium smelters faced formidable challenges in marketing their cargoes. However, QAMCO joint venture strategically forged partnership for marketing and distribution of its products, offering not only expanded access to global markets but also steadfast support in navigating through volatile market conditions. This approach ensures better netbacks, precise destinations management, and sustained business continuity.

Furthermore, the joint venture's commitment to well-established supply chain network over the years has contributed to a sustainable and loyal customer base. The strategic decisions related to vessel liners and chartering vessels on long-term basis have been instrumental in ensuring- effective distribution of the metal to the customers. These practices enhance the resilience of the joint venture, enabling it to adapt to market challenges and maintain a reliable and loyal customer network.

Financial and operational performance

During the financial year 2023, QAMCO reported noteworthy financial results, amid challenging macro-economic environment.

QAMCO recorded a net profit of QR 446 million for the year ended 31 December 2023, as compared to QR 919 million for last year, with an earnings per share (EPS) of QR 0.080 for the current year versus QR 0.165 for last year.

Revenue from share of joint venture decreased by 21% to reach QR 3.1 billion as compared to QR 4.0 billion versus last year. EBITDA declined by 37% and reached QR 974 million for 2023, as compared to QR 1.5 billion for last year.

QAMCO's current year financial performance impacted during the current year, largely driven by external factors mainly challenging macro-economic environment ultimately affecting the demand-supply balance. As a result, average realized selling prices have declined by 20% compared to last year and contributed negatively by QR 791 million to QAMCO's net income for the year ended 31 December 2023. Nevertheless, joint venture's operations remained strong with overall production improvement and marginal reduction in sales volumes by 2% and 1% respectively. Improved current efficiency and amperage supported the joint venture to achieve higher production versus last year while higher production volumes assisted to joint venture to achieve better sales volumes albeit challenging demand conditions.

JV's operating costs for the financial year 2023 was lower versus last year, mainly on account of lower raw material costs and selling and distribution costs. On overall basis, decrease in operating costs positively contributed QR 266 million to QAMCO's net profits for the financial year 2023 versus last year. On the other hand, tightened monetary policies have impacted joint ventures financing costs, increased the financing costs, and thereby decreased QAMCO's net profit by 31 million in 2023.

Financial position

QAMCO's financial position further strengthened on account of improved equity position in the JV, and supported in boosting liquidity position as of 31 December 2023, with cash and bank balances (including proportionate share of cash and bank balances of the joint venture) reaching to QR 2.2 billion. During the year, QAMCO's JV generated share of operating cash flows of QR 1.2 billion, with a share of free cash flows of QR 1 billion.

CAPEX updates

During 2023 QAMCO's joint venture almost concluded relining its 3rd generation of pots, and replaced fluewalls to ensure sustainable operations, while minimizing the risk for disruption in production. During the year, QAMCO JV incurred QR 210 million (QAMCO's share) on account of capital expenditure, which included routine operations, such as pot relining and other maintenance pertaining to power plant and anode plant.

For the next five years (2024-28), QAMCO's joint venture's planned capital expenditure will be QR 1.2 billion, where most of the planned CAPEX will continue to focus on the programs with critical importance to improve asset integrity, operational efficiency, reliability, cost optimization, capacity de-bottlenecking, HSE enhancement and regulatory compliance. The capital expenditure also includes spending in scrap remelting process that will enhance joint venture's overall production capacity.

Proposed Dividend Distribution

The Board of Directors proposes an annual dividend distribution for the year ended 31 December 2023 amounting to QR [391]million, equivalent to QR [0.07] per share, representing a payout ratio of [88]% of current year's net earnings, and a dividend yield of [5]% based on year-end's closing share price.

Conclusion

The Board of Directors is grateful to His Highness the Amir Sheikh Tamim bin Hamad Al Thani for his wise leadership, and unwavering support and guidance to Qatar's energy sector. The Board of Directors also expresses its profound gratitude to H.E. Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, for his vision and wise leadership, and to the senior management of the joint venture for their hard work, commitment, and dedication. Also, we are thankful to our privilege ongoing support and trust.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

for the year ended 31 December 2023

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company") as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as of 31 December 2023;
- 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 material 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 the ethical requirements in the State of Qatar.

Our audit approach

Overview

Key audit matter • *Revenue Recognition*

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 material 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
As disclosed in note 3 to the financial statements, the Company's share of the results of its joint venture ("Qatalum") of QR 392 million for the year ended 31 December 2023 represents 86% of total income of the Company. The revenue generated by the joint venture amounted to QR 6,299 million for the year ended 31 December 2023. 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 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; • 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 Board of Directors' 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, and the complete Annual Report, which is expected to be made available to us after that date.

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 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.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors 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 IFRS Accounting 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 Directors.

• Conclude on the appropriateness of 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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 OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 we report that:

• We have obtained all the information we considered necessary for the purpose of our audit;

• The Company has maintained proper books of account and the financial statements are in agreement therewith;

• The financial information included in the Board of Directors' report is in agreement with the books and records of the Company; and

• Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2023..

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
4 February 2024

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

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

	Notes	2023	2022
Assets			
Non-current asset			
Investment in a joint venture	3	**5,380,131**	5,669,616
Current assets			
Other receivables		**15,004**	17,774
Cash and cash equivalents	4	**478,596**	447,095
Deposits and other bank balances	4.1	**998,386**	791,915
Total current assets		**1,491,986**	1,256,784
Total assets		**6,872,117**	6,926,400
Equity and liabilities			
Equity			
Share capital	5	**5,580,120**	5,580,120
Legal reserve	6	**7,567**	2,192
Retained earnings		**1,168,138**	1,240,865
Total equity		**6,755,825**	6,823,177
Liabilities			
Current liabilities			
Other payables	10	**113,067**	100,087
Due to related parties	9	**3,225**	3,136
Total current liabilities		**116,292**	103,223
Total equity and liabilities		**6,872,117**	6,926,400

The financial statements were authorised for issue by the Board of Directors on 4 February 2024 and were signed on its behalf by:

Abdulrahman Ahmad Al-Shaibi
Chairman

Ahmad Saeed Al-Amoodi
Vice Chairman

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

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

	Notes	2023	2022
Share of results from a joint venture	3	**392,260**	899,848
General and administrative expenses		**(9,654)**	(9,351)
Finance income		**62,320**	25,755
Other income		**1,083**	2,834
Net profit for the year		**446,009**	919,086
Other comprehensive income		-	-
Total comprehensive income for the year		**446,009**	919,086
Earnings per share			
Basic and diluted earnings per share (expressed in QR per share)	7	**0.080**	0.165

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

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

	Share Capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2022	5,580,120	268	793,088	6,373,476
Transfer to legal reserve (Note 6)	-	1,924	(1,924)	-
Contribution to Social and Sports Development Fund	-	-	(22,975)	(22,975)
Profit for the year	-	-	919,086	919,086
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	919,086	919,086
Transaction with owners in their capacity as owners:				
Dividends approved (Note 8)	-	-	(446,410)	(446,410)
Balance at 31 December 2022	5,580,120	2,192	1,240,865	6,823,177
Balance at 1 January 2023	**5,580,120**	**2,192**	**1,240,865**	**6,823,177**
Transfer to legal reserve (Note 6)	-	**5,375**	**(5,375)**	-
Contribution to Social and Sports Development Fund	-	-	**(11,150)**	**(11,150)**
Profit for the year	-	-	**446,009**	**446,009**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**446,009**	**446,009**
Transaction with owners in their capacity asowners: -				
Dividends approved (Note 8)	-	-	**(502,211)**	**(502,211)**
Balance at 31 December 2023	**5,580,120**	**7,567**	**1,168,138**	**6,755,825**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

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

	Notes	2023	2022
Cash flows from operating activities			
Net profit for the year		**446,009**	919,086
Adjustments for:			
Share of profit of a joint venture	3	**(392,260)**	(899,848)
Finance income		**(62,320)**	(25,755)
Cash used in operations		**(8,571)**	(6,517)
Social and sports fund contribution paid		**(22,977)**	(20,864)
Net cash used in operating activities		**(31,548)**	(27,381)
Movement in working capital:			
Due to related parties		**89**	(3,514)
Other receivables		**2,770**	(8,242)
Other payables		**67**	(32)
Net cash flows used in operating activities		**(28,622)**	(39,169)
Cash flows from investing activities			
Dividend received from a joint venture	3	**358,540**	443,170
Tax benefit received from joint venture	3	**323,205**	1,587
Placement of fixed deposit		**(900,063)**	(718,332)
Maturity of fixed term deposits		**718,332**	743,340
Finance income received		**62,320**	25,755
Net cash flows generated from investing activities		**562,334**	495,520
Cash flows from financing activities			
Dividends paid		**(477,471)**	(414,724)
Movement in unclaimed dividends account		**(24,740)**	(31,685)
Net cash flows used in financing activities		**(502,211)**	(446,409)
Net increase in cash and cash equivalents		**31,501**	9,942
Cash and cash equivalents at beginning of year		**447,095**	437,153
Cash and cash equivalents at end of the year	4	**478,596**	447,095

Notes to the financial statements

For the year ended 31 December 2023

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

1. CORPORATE INFORMATION AND ACTIVITIES

Qatar Aluminum 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, 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.

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.P.J.S.C	Qatar	Joint venture	50%

Qatar Aluminum Limited Q.P.J.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, 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. Qatalums's plant commenced its commercial production on 1 January 2010.

The financial statements of the Company for the year ended 31 December 2023 were authorised for issue on 4 February 2024 by the Board of Directors.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards. 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 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.

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards 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

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

• Definition of Accounting Estimates – amendments to IAS 8

• Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement2.

The amendments listed above did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future reporting periods. Other accounting standards relevant for the reporting period were not applicable for the Company.

ii. New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. The Company is in the process of assessing the impact of these standards.

2.3 Material 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. 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 an 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.

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.
- 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 2023, 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.

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 The Social and Sports Fund Contribution ("Daam")

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. During the year, Daam issued a notification to transfer contribution to such funds to the dedicated account of the General Tax Authority.

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	2023	2022
Balance at beginning of the year	**5,669,616**	5,214,525
Share of results from the joint venture after tax	**244,488**	589,123
Tax benefit earned (Note 15)	**147,772**	310,725
Less: Tax benefit received	**(323,205)**	(1,587)
Less: Dividends received from the joint venture	**(358,540)**	(443,170)
At 31 December	**5,380,131**	5,669,616

The following financial statements present amounts shown in the financial statements of the joint venture as of 31 December 2023, which are presented in US$'000 and are translated using an exchange rate of 3.64 (2022: 3.64).

Financial information of the joint venture are as follows:

Statement of financial position of the joint venture

As at 31 December	2023	2022
Current assets	**3,722,447**	4,311,257
Non-current assets	**11,216,471**	11,697,034
Current liabilities	**(1,003,952)**	(1,379,895)
Non-current liabilities	**(4,571,811)**	(5,037,138)
Equity	**9,363,155**	9,591,258
Proportion of the Company's ownership	**50%**	50%
Company's share in the joint venture's equity	**4,681,578**	4,795,629
Tax adjustment	**(125,057)**	50,377
Goodwill	**823,610**	823,610
Investment in joint venture	**5,380,131**	5,669,616

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

	2023	2022
Revenue	**6,299,184**	7,969,824
Other income	**13,461**	21,665
Total Income	**6,312,645**	7,991,489
Raw material and energy consumption	**(3,485,147)**	(4,020,479)
Salaries and related costs	**(385,767)**	(372,692)
Depreciation and amortization	**(884,775)**	(884,928)
Loss on disposal of property plant and equipment	**(37,299)**	(48,612)
Technical service cost	**(53,071)**	(59,874)
Net finance cost	**(242,326)**	(179,561)
Other expenses	**(439,741)**	(625,647)
Profit before tax	**784,519**	1,799,696
Current income tax	**(304,734)**	(646,173)
Deferred tax charge	**9,191**	24,723
Net profit	**488,976**	1,178,246
Proportion of the Company's ownership	**50%**	50%
Company's share of profit for the period before tax adjustment	**244,488**	589,123
Tax benefit from joint venture (Note 15)	**147,772**	310,725
Company's share of profit for the year from the joint venture	**392,260**	899,848
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent:		
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 adjusted profit before interest, tax, depreciation and amortization, and loss on disposal of property, plant and equipment	**974,460**	1,456,399

Additional disclosures of the joint venture

As at 31 December	2023	2022
Cash and bank balances	**1,570,183**	1,798,233
Current financial liabilities (excluding trade and other payables, tax payables and provisions)	**209,195**	96,890
Non-current financial liabilities (excluding trade and other payables and provisions)	**4,478,660**	4,953,279
Depreciation and amortisation	**884,775**	884,928
Tax payable	**304,734**	642,890

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	2023	2022
Capital commitments	**196,560**	298,527
Contingent liabilities		
Bank guarantees	**202**	50

4. CASH AND CASH EQUIVALENTS

As at 31 December	2023	2022
Cash at bank	**478,596**	447,095

4.1 DEPOSITS AND OTHER BANK BALANCES

As at 31 December	2023	2022
Fixed deposits with original maturities over 90 days	**900,063**	718,332
Restricted bank balances on unclaimed dividend call accounts	**98,323**	73,583
	998,386	791,91

5. SHARE CAPITAL

As at 31 December	2023	2022
Authorised, issued and fully paid-up:		
5,580,120,000 shares of QR 1 each	**5,580,120**	5,580,12

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	2023	2022
Balance at beginning of the year	**2,192**	268
Legal reserve (transferred from retained earnings)	**5,375**	1,924
As at 31 December	**7,567**	2,192

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:

	2023	2022
Profit attributable to the equity holders of the company for the year (QR) ('000')	**446,009**	919,086
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)	**0.080**	0.165

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 16 March 2023, the shareholders approved cash dividends of QR 502.2 million (2022: QR 0.08 per share totaling to QR 446.4 million).

The Board of Directors has proposed cash dividend distribution of QR 0.07 per share for the year ended 31 December 2023. The proposed final dividend for the year ended 31 December 2023 will be submitted for formal approval at the Annual General Meeting.

9. RELATED PARTIES

Related parties represent the parent, major shareholders, associated companies, joint ventures, 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 parties:

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

	2023	2022
Service fees to QatarEnergy	**(3,166)**	(2,929)
Purchase of foreign currency exchange from Industries Qatar	**(1,023,069)**	(895,440)
Sales of foreign currency exchange to Qatalum	**1,017,997**	895,440

Related party balances:

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

Due to related parties:

As at	Nature of relationship	2023	2022
QatarEnergy	Shareholder	**3,225**	3,032
Qatalum	Joint venture	-	104
		3,225	3,136

Compensation of key management personnel

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

	2023	2022
Short-term benefits' provision (includes board sitting fees)	**3,300**	3,300

10. OTHER PAYABLES

As at 31 December	2023	2022
Dividends payable	98,323	73,583
Social & Sport contribution fund payable	11,150	22,977
Accruals	3,594	3,527
	113,067	100,087

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.

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.

Tax position (Refer to Note 15)

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 and liquidity 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates includes cash and bank balances and interest bearing loans which are mostly on floating rate basis.

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	2023	2022
Other receivables	**15,004**	17,774
Bank balances	**1,476,982**	1,239,010
	1,491,986	1,256,784

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

Rating as at 31 December	2023	2022
A1	**281,287**	541,333
A2	**409,525**	15
A3	-	330,879
Aa3	**786,170**	366,783
	1,476,982	1,239,010

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 6.76 billion (2022: QR 6.82 billion).

Foreign currency exchange risk

The Company manages its foreign exchange risk by limiting the transaction to Qatari Riyal and USD which are pegged. The Company does not have any material non-USD/Qatari Riyal currency exposure. In line with the QatarEnergy (the Group) policy foreign exchange transactions are conducted within the Group.

14. FAIR VALUE 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.

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 148 million (QR 311 million in 2022) for the year. 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 (Internal Control Over Financial Reporting ("ICOFR")) which is applicable to the Company.

Statement of financial position

As at 31 December	2023	2022
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	**15,004**	17,774
Bank balances	**1,476,981**	1,239,010
Total current assets	**1,491,985**	1,256,784
Total assets	**7,189,146**	6,953,945

As at 31 December	2023	2022
Equity and liabilities		
Equity		
Share capital	**5,580,120**	5,580,120
Legal reserve	**72,208**	2,191
Retained earnings	**1,420,527**	1,268,409
Total equity	**7,072,855**	6,850,720
Liabilities		
Current liabilities		
Other payables	**113,066**	100,088
Due to related parties	**3,225**	3,137
Total liabilities	**116,291**	103,225
Total equity and liabilities	**7,189,146**	6,953,945

Statement of profit or loss and other comprehensive income

	2023	2022
Income from joint venture	**681,747**	444,757
General and administrative expenses	**(9,654)**	(9,351)
Finance income	**62,320**	25,755
Other income	**1,083**	2,834
Net profit for the year	**735,496**	463,995
Other comprehensive income	-	-
Total comprehensive income for the year	**735,496**	463,995

17. FEES TO THE STATUTORY AUDITOR (PRICEWATERHOUSECOOPERS)

During the year the Company incurred QR 140 thousand (2022: QR 140 thousand) of audit and other assurance services fees.

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Please scan the QR-code using a smart phone for easy access to the full set of financial statements.