

Delmon Poultry Company B.S.C.

Condensed interim financial information
for the quarter and six months ended
30 June 2020
(Reviewed)

Delmon Poultry Company B.S.C.
Condensed interim financial information for the six months period ended 30 June 2020
(Reviewed)

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Delmon Poultry Company B.S.C.
Administration and contact details as at 30 June 2020

Commercial registration	10700-1 obtained on 21 July 1980 10700-2 obtained on 2 March 2017 10700-3 obtained on 26 January 2019
Board of directors	Abdul Rahman Mohamed Jamsheer (Chairman) Abdulhussain Khalil Dewani (Vice Chairman) Yousuf Saleh Al-Saleh Abdulredha Mohamed Al Daylami Talal Mohamed Abdulla Al Mannai Esam Abdulhameed Zainal Jaffar Mohamed Ali Al Dhaif Mohamed Jihad Bukamal Hasan Nabeel Ebrahim Al Mahroos Fouad Ebrahim Almutawa
Executive Committee	Mohamed Jihad Bukamal (Chairman) Abdul Rahman Mohamed Jamsheer Yousuf Saleh Al Saleh Talal Mohamed Abdulla Al Mannai
Audit Committee	Abdulhussain Khalil Dewani (Chairman) Hasan Nabeel Ebrahim Al Mahroos Jaffar Mohamed Ali Al Dhaif Fouad Ebrahim Yousif Almutawa
Governance Committee	Fouad Ebrahim Almutawa (Chairman) Abdulredha Mohamed Al Daylami Esam Abdulhameed Zainal
Nomination and Remuneration Committee	Abdulredha Mohamed Al Daylami (Chairman) Abdulhussain Khalil Dewani Esam Abdulhameed Zainal
General Manager	Abdulhadi Mirza Jaffar

Delmon Poultry Company B.S.C.
Administration and contact details as at 30 June 2020 (continued)

Offices and plants	Administration and chicken processing plant Hamala, PO Box 20535 Telephone 17608282 Fax 17601930 Email: info@dawajen.bh Website: www.dawajen.bh Feedmill - Mina Salman Telephone 17727705 Chicks Hatchery - Al-Buhair Telephone 17624832
Principal bankers	Ahli United Bank National Bank of Bahrain National Bank of Kuwait Bahrain Islamic Bank Bank of Bahrain and Kuwait Kuwait Finance House
Auditors	BDO 17 th Floor Diplomatic Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain
Internal Auditor	Grant Thornton - Abdulaal 12 th Floor, Al Nakeel Tower Seef District PO Box 11175 Kingdom Of Bahrain
Share registrar	Bahrain Clear B.S.C (c) PO Box 3203 Manama Kingdom of Bahrain

Review report on the condensed interim financial information to the Board of Directors of Delmon Poultry Company B.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Delmon Poultry Company B.S.C. ("the Company") as at 30 June 2020, the condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in shareholders' equity, the condensed interim statement of cash flows for the quarter and six months then ended and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the quarter and six months then ended in accordance with International Accounting Standard 34 - *"Interim Financial Reporting"*.



Manama, Kingdom of Bahrain
11 August 2020



Delmon Poultry Company B.S.C.
Condensed interim statement of financial position as at 30 June 2020 (Reviewed)
(Expressed in Bahrain Dinars)

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,986,814	3,093,332
Investment in an associate	1,513,896	1,573,155
Right-of-use assets	565,344	578,724
Financial assets at fair value through other comprehensive income	2,667,809	3,172,944
Financial assets at fair value through profit or loss	664,041	689,871
Investments at amortised cost	<u>500,000</u>	<u>500,000</u>
	<u>8,897,904</u>	<u>9,608,026</u>
Current assets		
Inventories	1,831,876	3,002,137
Trade and other receivables	2,686,432	2,043,887
Cash and bank balances	<u>1,579,218</u>	<u>501,223</u>
	<u>6,097,526</u>	<u>5,547,247</u>
TOTAL ASSETS	<u>14,995,430</u>	<u>15,155,273</u>
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	3,120,928	3,120,928
Statutory reserve	1,560,464	1,560,464
General reserve	3,993,000	3,993,000
Development and raw material reserve	1,000,000	1,000,000
Investment fair value reserve	1,588,540	2,139,170
Retained earnings	2,091,840	1,507,754
Treasury shares	<u>(122,398)</u>	<u>(122,398)</u>
Total shareholders' equity	<u>13,232,374</u>	<u>13,198,918</u>
Non-current liabilities		
Non-current portion of lease liabilities	547,399	561,757
Non-current portion of deferred income	200,601	207,504
Employees' terminal benefits	<u>34,490</u>	<u>30,496</u>
	<u>782,490</u>	<u>799,757</u>
Current liabilities		
Current portion of lease liabilities	33,621	38,814
Trade and other payables	933,139	1,103,978
Current portion of deferred income	<u>13,806</u>	<u>13,806</u>
	<u>980,566</u>	<u>1,156,598</u>
Total liabilities	<u>1,763,056</u>	<u>1,956,355</u>
TOTAL EQUITY AND LIABILITIES	<u>14,995,430</u>	<u>15,155,273</u>

These condensed interim financial information, were approved and authorised for issue by the Board of Directors and signed on its behalf by:


Abdul Rahman Mohamed Jamsheer
Chairman


Abdulhussain Khalil Dewani
Vice chairman


Abdulhadi Mirza Jaffar
General manager

Delmon Poultry Company B.S.C.
Condensed interim statement of profit or loss for the quarter and six months period ended
30 June 2020
(Reviewed)
(Expressed in Bahrain Dinars)

	Quarter ended 30 June 2020 (Reviewed)	Quarter ended 30 June 2019 (Reviewed)	Six months period ended 30 June 2020 (Reviewed)	Six months period ended 30 June 2019 (Reviewed)
Sales	3,609,407	3,967,691	7,419,328	7,894,517
Cost of sales	<u>(3,399,437)</u>	<u>(3,774,083)</u>	<u>(6,979,967)</u>	<u>(7,682,627)</u>
Gross profit for the period	209,970	193,608	439,361	211,890
Other income	366,385	2,339	391,553	36,354
Other operating expenses	<u>(192,311)</u>	<u>(166,930)</u>	<u>(374,866)</u>	<u>(352,680)</u>
Profit/(loss) from operations	384,044	29,017	456,048	(104,436)
Investments income	24,185	23,658	177,821	179,965
Share of (loss)/profit in an associate company	(21,409)	9,831	(13,764)	6,854
Finance costs	(5,184)	(5,351)	(10,189)	(12,138)
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss	<u>18,317</u>	<u>640</u>	<u>(25,830)</u>	<u>17,214</u>
Net profit for the period	<u>399,953</u>	<u>57,795</u>	<u>584,086</u>	<u>87,459</u>
Basic earnings per share (fils)	<u>13.07</u>	<u>1.89</u>	<u>19.09</u>	<u>2.86</u>

These condensed interim financial information, were approved and authorised for issue by the Board of Directors and signed on its behalf by:



Abdul Rahman Mohamed Jamsheer
Chairman



Abdulhussain Khalil Dewani
Vice chairman





Abdulhadi Mirza Jaffar
General manager

Delmon Poultry Company B.S.C.
Condensed interim statement of comprehensive income
for the quarter and six months ended 30 June 2020
(Reviewed)
(Expressed in Bahrain Dinars)

	Quarter ended 30 June 2020 (Reviewed)	Quarter ended 30 June 2019 (Reviewed)	Six months period ended 30 June 2020 (Reviewed)	Six months period ended 30 June 2019 (Reviewed)
Net profit for the period	399,953	57,795	584,086	87,459
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Unrealised fair value (losses)/gains on financial assets at fair value through other comprehensive income	(130,360)	159,172	(505,135)	353,598
<i>Items that may be reclassified into profit or loss</i>				
Company's share in associate's net change in investments' fair value	(29,606)	13,065	(45,495)	(15,225)
Other comprehensive (loss)/income for the period	<u>(159,966)</u>	<u>172,237</u>	<u>(550,630)</u>	<u>338,373</u>
Total comprehensive income for the period	<u>239,987</u>	<u>230,032</u>	<u>33,456</u>	<u>425,832</u>

These condensed interim financial information, were approved and authorised for issue by the Board of Directors and signed on its behalf by:


Abdul Rahman Mohamed Jamsheer
Chairman


Abdulhussain Khalil Dewani
Vice chairman


Abdulhadi Mirza Jaffar
General manager

Delmon Poultry Company B.S.C.
Condensed interim statement of changes in shareholders' equity for the six months ended 30 June 2020
(Reviewed)
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	General reserve	Development and raw material reserve	Investment fair value reserve	Retained earnings	Treasury shares	Total
At 31 December 2018 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	1,865,423	1,454,210	(118,093)	12,875,932
Total comprehensive income for the period	-	-	-	-	338,373	87,459	-	425,832
Movement in investment fair value reserve on disposal of financial assets at fair value through other	-	-	-	-	(347,825)	347,825	-	-
comprehensive income	-	-	-	-	-	(153,065)	-	(153,065)
Dividends for 2018 (Note 6)	-	-	-	-	-	-	-	-
At 30 June 2019 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	1,855,971	1,736,429	(118,093)	13,148,699
At 31 December 2019 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	2,139,170	1,507,754	(122,398)	13,198,918
Total comprehensive income for the period	-	-	-	-	(550,630)	584,086	-	33,456
At 30 June 2020 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	1,588,540	2,091,840	(122,398)	13,232,374

Delmon Poultry Company B.S.C.
Condensed interim statement of cash flows for the six months ended 30 June 2020
(Reviewed)
(Expressed in Bahrain Dinars)

	Six months period ended 30 June 2020 (Reviewed)	Six months period ended 30 June 2019 (Reviewed)
Operating activities		
Net profit for the period	584,086	87,459
Adjustments for:		
Depreciation	225,125	205,088
Amortisation of right-of-use assets	13,380	13,380
Finance costs	10,189	12,138
Unrealised fair value losses/(gains) on financial assets at fair value through profit or loss	25,830	(17,214)
Share of loss/(profit) of associate	13,764	(6,854)
Interest and dividend income	(177,819)	(179,965)
Changes in operating assets and liabilities:		
Inventories	1,170,261	666,170
Trade and other receivables	(642,545)	(145,148)
Trade and other payables	(146,380)	142,014
Employees' terminal benefits, net	3,994	3,645
Net cash provided by operating activities	<u>1,079,885</u>	<u>780,713</u>
Investing activities		
Purchase of property, plant and equipment	(118,607)	(786,297)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	426,806
Interest and dividend income received	<u>177,819</u>	<u>179,965</u>
Net cash provided by/(used in) investing activities	<u>59,212</u>	<u>(179,526)</u>
Financing activities		
Principal repayment of lease liabilities	(19,551)	(15,068)
Net movement in deferred income	(6,903)	167,718
Dividends paid	(24,459)	(137,699)
Finance costs paid	<u>(10,189)</u>	<u>(12,138)</u>
Net cash (used in)/provided by financing activities	<u>(61,102)</u>	<u>2,813</u>
Net increase in cash and cash equivalents	1,077,995	604,000
Cash and cash equivalents, beginning of the period	<u>501,223</u>	<u>50,454</u>
Cash and cash equivalents, end of the period	<u>1,579,218</u>	<u>654,454</u>

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and six months ended 30 June 2020
(Reviewed)
(Expressed in Bahrain Dinars)

1 Organisation and activities

Delmon Poultry Company B.S.C. ("the Company") is a public shareholding company registered with the Ministry of Commerce, Industry and Tourism in the Kingdom of Bahrain and operates under commercial registration numbers 10700-1 obtained on 21 July 1980, commercial registration number 10700-2 obtained on 2 March 2017 and commercial registration number 10700-3 obtained on 26 January 2019.

The principal objectives of the Company include establishing or investing in:

- Facilities for processing, packing and storing frozen chicken;
- Feed factories;
- Integrated project for broiler meat;
- Distribution network affording easy accessibility for consumers; and
- Similar or supporting activities in Bahrain or abroad.

The Company is also allowed to invest its surplus funds in all types of investments.

Current operations, all in Bahrain, are as follows:

- Chicken processing plant at Hamala
- Feedmill at Mina Salman
- Chicks hatchery at Al-Buhair

The registered office of the Company is in the Kingdom of Bahrain.

These unaudited condensed interim financial information, set out on pages 5 to 16, were approved and authorised for issue by the Management on 11 August 2020.

Name and status of the divisions:

<u>Name</u>	<u>Commercial registration number</u>	<u>Status</u>
Delmon Poultry Company	10700-1	Active
Delmon Poultry Company	10700-2	Active
Delmon Poultry Company	10700-3	Active

2 Basis of preparation

Basis of presentation

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements prepared as at, and for the year ended, 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

These financial statements have been prepared using the going concern assumption under the historical cost convention, except for the investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are recorded at their fair market value at the statement of financial position date.

The financials information has been presented in Bahraini Dinar (BD) which is also the functional currency of the Company.

2 Basis of preparation (continued)

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's future accounting year with earlier adoption.

Standards, amendments and interpretations issued and effective in 2020 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2020 or subsequent periods, but is not relevant to the Company's operations:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Presentation of financial statements	1 January 2020
IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2020
IFRS 3	Business combinations	1 January 2020
IFRS 7	Financial instruments: Disclosures	1 January 2020
IFRS 9	Financial instruments	1 January 2020

Standards, amendments and interpretations issued but not yet effective in 2020

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2020. They have not been adopted in preparing the condensed interim financial information for the period ended 30 June 2020 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 17	Insurance contracts	1 January 2021

There would have been no change in the operational results of the Company for the period ended 30 June 2020 had the Company early adopted any of the above standards applicable to the Company.

Early adoption of amendments or standards in 2020

The Company did not early-adopt any new or amended standards in 2020. The Company does not believe that the early adoption of these standards and interpretation will have a material impact on the financial statements once adopted.

3 Significant accounting policies and critical accounting judgments, estimates and assumptions

Significant accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2019.

Use of estimates and judgments

There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods. However, as discussed in Note 4, the effects of COVID-19 have required significant judgments and estimates to be made, including:

- a) Assessing whether the entity has reasonable assurance as to whether it will comply with the conditions attached to government grants; and
- b) Determining which information obtained subsequent to period end provides evidence of conditions that existed as at the end of the reporting period ('adjusting events after the reporting period') and which do not ('non-adjusting events after the reporting period').

Additionally, while the changes in the following estimates and judgments have not had a material impact on a Company, the effects of COVID-19 have required revisions to:

- a) Estimates of expected credit losses attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates; and
- b) The methodology used to estimate the fair value of equity instruments classified as level 3 in the fair value hierarchy, as their valuation techniques incorporate significant unobservable inputs.

4 COVID-19 events and transactions

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, a Company has experienced minor disruption to its operations in the following respects:

- Some disruptions in the supply of inventory from its suppliers;
- Fluctuation demand for certain products as a consequence of social distancing requirements and recommendations;
- Uncertainty concerning when government lockdowns will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for a Company's primary products.

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
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(Expressed in Bahrain Dinars)

4 COVID-19 events and transactions (continued)

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID-19 in the below areas:

- Government grants; and
- Commitment and contingent liabilities.

(a) Government grants

The Company has applied for government support programs introduced in response to the global pandemic. The Company has received a government grants of BD361,152 where BD310,414 relating to supporting the payroll of the Company's employees and LMRA fees and BD50,738 related to supporting electricity and water. The Company has elected to present this government grant as other income. The Company had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Company does not have any unfulfilled obligations relating to this program.

(b) Commitments and contingent liabilities

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Company, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no material issued were noted.

5 Earnings per share

	Quarter ended 30 June 2020	Quarter ended 30 June 2019	Six months ended 30 June 2020	Six months ended 30 June 2019
Net profit for the period	<u>399,953</u>	<u>57,795</u>	<u>584,086</u>	<u>87,459</u>
Weighted average number of shares outstanding	<u>30,595,344</u>	<u>30,612,969</u>	<u>30,595,344</u>	<u>30,612,969</u>
Earnings per share (fils)	<u>13.07</u>	<u>1.89</u>	<u>19.09</u>	<u>2.86</u>

The earnings per share has been computed on the basis of net profit for the six months ended 30 June divided by the weighted average number of shares outstanding for the period total of 31,209,277, net of 613,933 treasury shares. The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

6 Appropriations

The Annual General Meeting of shareholders held on 23 March 2020 has not approved any cash dividends for the year ended 31 December 2019 (2018: BD153,065 at 5 fils per share representing 5% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2018).

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
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7 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Company exercises significant influence, major shareholders, directors and executive management of the Company.

Transactions with entities controlled by directors, or over which they exert significant influence are as per the fixed contract price agreed by the Company, government and those entities. Other related party transactions are authorised by the management and conducted on an arm's length basis or on normal commercial terms.

The related party transactions and balances included in these financial statements are as follows:

	30 June 2020				31 December 2019				30 June 2019			
	Receivables	Payables	Sales	Purchases	Receivables	Payables	Sales	Purchases	Receivables	Payables	Sales	Purchases
Major shareholders	168,444	-	518,693	-	128,125	-	471,070	-	-	-	-	-
Associate	-	(42)	-	-	-	(42)	-	-	-	-	-	-
Entities controlled by directors	<u>833</u>	<u>-</u>	<u>228,710</u>	<u>294,079</u>	<u>5,045</u>	<u>-</u>	<u>250,346</u>	<u>283,865</u>	<u>169,277</u>	<u>(42)</u>	<u>747,403</u>	<u>294,079</u>
	<u>169,277</u>	<u>(42)</u>	<u>747,403</u>	<u>294,079</u>	<u>133,170</u>	<u>(42)</u>	<u>721,416</u>	<u>283,865</u>				

Key management personnel of the Company comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	Six months ended 30 June 2020	Six months ended 30 June 2019
Board of directors' attendance fees	29,400	21,800
Salaries and other benefits	<u>-</u>	<u>4,500</u>
	<u>29,400</u>	<u>26,300</u>

8 Property, plant and equipment

Additions to property, plant and equipment during the six months period ended 30 June 2020 amounted to BD118,607, (30 June 2019: BD786,297). There were no disposals of property, plant and equipment during the six months period ended 30 June 2020 (30 June 2019: BDNil). Depreciation in the property, plant and equipment during the six months period ended 30 June 2020 amounted to BD225,125 (30 June 2019: BD205,088).

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and six months ended 30 June 2020
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9 Segmental information:

As at and for the six months period ended 30 June 2020 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	4,222,657	2,373,354	823,317	-	-	7,419,328
Cost of sales	<u>(4,044,364)</u>	<u>(2,256,265)</u>	<u>(679,338)</u>	-	-	<u>(6,979,967)</u>
Gross profit	178,293	117,089	143,979	-	-	439,361
Other income	3,979	195	830	-	386,549	391,553
Other operating expenses	(218,286)	(119,105)	(37,475)	-	-	(374,866)
(Loss)/profit from operations	(36,014)	(1,821)	107,334	-	386,549	456,048
Investments income	-	-	-	177,821	-	177,821
Share of loss in an associate	-	-	-	(13,764)	-	(13,764)
Finance costs	(3,527)	(6,582)	(80)	-	-	(10,189)
Unrealised fair value losses on financial assets at fair value through profit or loss	-	-	-	(25,830)	-	(25,830)
Segment (loss)/profit for the period	<u>(39,541)</u>	<u>(8,403)</u>	<u>107,254</u>	<u>138,227</u>	<u>386,549</u>	<u>584,086</u>
Reportable segment assets	<u>4,271,123</u>	<u>2,887,125</u>	<u>652,810</u>	<u>5,918,970</u>	<u>1,265,402</u>	<u>14,995,430</u>
Reportable segment liabilities	<u>465,588</u>	<u>487,460</u>	<u>37,905</u>	<u>-</u>	<u>772,103</u>	<u>1,763,056</u>

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and six months ended 30 June 2020
(Reviewed)
(Expressed in Bahrain Dinars)

9 Segmental information (continued):

As at 31 December 2019 and for the six months ended 30 June 2019 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	4,447,120	2,411,239	1,036,158	-	-	7,894,517
Cost of sales	<u>(4,439,272)</u>	<u>(2,402,952)</u>	<u>(840,403)</u>	-	-	<u>(7,682,627)</u>
Gross profit	7,848	8,287	195,755	-	-	211,890
Other income	2,259	5,409	3,320	-	25,366	36,354
Other operating expenses	<u>(203,790)</u>	<u>(110,310)</u>	<u>(38,580)</u>	-	-	<u>(352,680)</u>
(Loss)/profit from operations	(193,683)	(96,614)	160,495	-	25,366	(104,436)
Investments income	-	-	-	179,965	-	179,965
Share of profit in an associate	-	-	-	6,854	-	6,854
Finance costs	(3,072)	(6,317)	-	-	(2,749)	(12,138)
Unrealised fair value gains on financial assets at fair value through profit or loss	-	-	-	17,214	-	17,214
Segment (loss)/profit for the period	<u>(196,755)</u>	<u>(102,931)</u>	<u>160,495</u>	<u>204,033</u>	<u>22,617</u>	<u>87,459</u>
Reportable segment assets	<u>4,393,631</u>	<u>3,380,645</u>	<u>671,299</u>	<u>5,935,970</u>	<u>773,728</u>	<u>15,155,273</u>
Reportable segment liabilities	<u>582,648</u>	<u>576,205</u>	<u>49,114</u>	-	<u>748,388</u>	<u>1,956,355</u>

10 Interim results

The interim net profit for the six months period ended 30 June 2020 may not represent a proportionate share of the annual net profit or loss due to the nature of the Company's activities, timing of the receipt of dividend and investment income.

11 Subsequent events

Based on the communication received from Bahrain Bourse, the Company is required to transfer the unclaimed dividend to Bahrain Clear's account with CBB latest by 31 July 2020. Any default in making such transfer may result in financial penalty. The Company has transferred the unclaimed dividend balance to the designated bank account subsequent to 30 June 2020.

There were no other significant events subsequent to 30 June 2020 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.

Schedule (1): Quantities produced and sold

	Six months period ended 30 June 2020	Six months period ended 30 June 2019
Quantities sold		
Chicken	3,775,692 KG	3,997,923 KG
Feed	18,215 ton	18,432 ton
Chicks	4,114,292 chicks	5,180,918 chicks
Quantities produced		
Chicken	3,584,822 KG	4,417,812 KG
Feed	18,302 ton	14,582 ton
Chicks	4,155,603 chicks	5,233,420 chicks