

Delmon Poultry Company B.S.C.

Condensed interim financial information
for the quarter and nine months ended
30 September 2021
(Reviewed)

Delmon Poultry Company B.S.C.
Condensed interim financial information for the nine months period ended 30 September 2021
(Reviewed)

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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 Jehad Bukamal Hassan Nabeel Al Mahroos Fouad Ebrahim Almutawa
Executive Committee	Mohamed Jehad 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) Jaffar Mohamed Ali Al Dhaif Esam Abdulhameed Zainal
General Manager	Abdulhadi Mirza Jaffar

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 September 2021, 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 nine 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 September 2021, and its financial performance and its cash flows for the quarter and nine months then ended in accordance with International Accounting Standard 34 - "*Interim financial reporting*".

BDO

Manama, Kingdom of Bahrain
10 November 2021



Delmon Poultry Company B.S.C.
Condensed interim statement of financial position as at 30 September 2021 (Reviewed)
(Expressed in Bahrain Dinars)

	30 September 2021 (Reviewed)	31 December 2020 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,672,524	2,804,961
Investment in an associate	1,370,661	1,442,090
Right-of-use assets	531,474	551,964
Financial assets at fair value through other comprehensive income	3,084,990	2,857,642
Financial assets at fair value through profit or loss	705,016	622,722
Investments at amortised cost	<u>250,000</u>	<u>500,000</u>
	<u>8,614,665</u>	<u>8,779,379</u>
Current assets		
Inventories	2,635,398	2,042,657
Trade and other receivables	3,034,827	2,290,174
Cash and bank balances	<u>1,939,462</u>	<u>2,798,434</u>
	<u>7,609,687</u>	<u>7,131,265</u>
TOTAL ASSETS	<u>16,224,352</u>	<u>15,910,644</u>
EQUITY AND LIABILITIES		
Capital and reserves		
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	2,325,485	2,091,665
Retained earnings	2,356,835	2,340,271
Treasury shares	<u>(122,398)</u>	<u>(122,398)</u>
Total shareholders' equity	<u>14,234,314</u>	<u>13,983,930</u>
Non-current liabilities		
Non-current portion of lease liabilities	559,379	580,756
Non-current portion of deferred income	183,344	193,698
Employees' terminal benefits	<u>39,288</u>	<u>37,781</u>
	<u>782,011</u>	<u>812,235</u>
Current liabilities		
Current portion of lease liabilities	14,805	10,422
Trade and other payables	708,844	802,674
Short-term borrowings	470,572	287,577
Current portion of deferred income	<u>13,806</u>	<u>13,806</u>
	<u>1,208,027</u>	<u>1,114,479</u>
Total liabilities	<u>1,990,038</u>	<u>1,926,714</u>
TOTAL EQUITY AND LIABILITIES	<u>16,224,352</u>	<u>15,910,644</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 nine months period ended
30 September 2021
(Reviewed)
(Expressed in Bahrain Dinars)

	Quarter ended 30 September 2021 (Reviewed)	Quarter ended 30 September 2020 (Reviewed)	Nine months period ended 30 September 2021 (Reviewed)	Nine months period ended 30 September 2020 (Reviewed)
Sales	3,769,271	3,569,488	11,134,009	10,988,816
Cost of sales	<u>(3,719,188)</u>	<u>(3,358,059)</u>	<u>(10,656,102)</u>	<u>(10,338,026)</u>
Gross profit for the period	50,083	211,429	477,907	650,790
Other income	124,369	184,847	278,682	576,400
Other operating expenses	<u>(176,200)</u>	<u>(237,753)</u>	<u>(577,682)</u>	<u>(612,619)</u>
(Loss)/profit from operations	(1,748)	158,523	178,907	614,571
Investments income	9,099	42,522	173,550	220,343
Share of loss in an associate company	(13,562)	(35,894)	(75,673)	(49,658)
Finance costs	(14,849)	(5,857)	(36,563)	(16,046)
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss	<u>25,707</u>	<u>11,825</u>	<u>82,294</u>	<u>(14,005)</u>
Net profit for the period	<u>4,647</u>	<u>171,119</u>	<u>322,515</u>	<u>755,205</u>
Basic earnings per share (fils)	<u>0.15</u>	<u>5.59</u>	<u>10.54</u>	<u>24.68</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
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Delmon Poultry Company B.S.C.
Condensed interim statement of comprehensive income
for the quarter and nine months ended 30 September 2021
(Reviewed)
(Expressed in Bahrain Dinars)

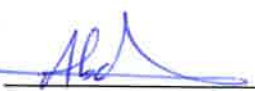
See Auditor's Report dated 10-11-2021
Signed by BDO, CR No. 10201-04
Partner: Nath Venkitachalam Viswanath
Reg. No. 151
Signature: 

	Quarter ended 30 September 2021 (Reviewed)	Quarter ended 30 September 2020 (Reviewed)	Nine months period ended 30 September 2021 (Reviewed)	Nine months period ended 30 September 2020 (Reviewed)
Net profit for the period	4,647	171,119	322,515	755,205
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Unrealised fair value gains/(losses) on financial assets at fair value through other comprehensive income	197,567	316,825	229,590	(188,310)
<i>Items that may be reclassified into profit or loss</i>				
Company's share in associate's net change in investments at fair value	<u>4,821</u>	<u>2,026</u>	<u>4,230</u>	<u>(43,469)</u>
Other comprehensive income/(loss) for the period	<u>202,388</u>	<u>318,851</u>	<u>233,820</u>	<u>(231,779)</u>
Total comprehensive income for the period	<u>207,035</u>	<u>489,970</u>	<u>556,335</u>	<u>523,426</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 nine months ended 30 September 2021
(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 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 loss for the period	-	-	-	-	(231,779)	755,205	-	523,426
At 30 September 2020 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	1,907,391	2,262,959	(122,398)	13,722,344
At 31 December 2020 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	2,091,665	2,340,271	(122,398)	13,983,930
Total comprehensive income for the period	-	-	-	-	233,820	322,515	-	556,335
Dividends for 2020 (Note 5)	-	-	-	-	-	(305,951)	-	(305,951)
At 30 September 2021 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,325,485	2,356,835	(122,398)	14,234,314

Delmon Poultry Company B.S.C.
Condensed interim statement of cash flows for the nine months ended 30 September 2021
(Reviewed)
(Expressed in Bahrain Dinars)

	Nine months period ended 30 September 2021 (Reviewed)	Nine months period ended 30 September 2020 (Reviewed)
Operating activities		
Net profit for the period	322,515	755,205
Adjustments for:		
Depreciation	336,484	309,634
Amortisation of right-of-use assets	20,490	20,070
Finance costs	36,563	16,046
Gain on disposal of property, plant and equipment	(60)	(800)
Gain on disposal of financial assets at fair value through other comprehensive income	(1,092)	-
Unrealised fair value (gains)/losses on financial assets at fair value through profit or loss	(82,294)	14,005
Share of loss of associate	75,673	49,658
Interest and dividend income	(173,550)	(220,343)
Changes in operating assets and liabilities:		
Inventories	(592,741)	738,970
Trade and other receivables	(744,653)	(150,146)
Trade and other payables	(93,303)	135,371
Employees' terminal benefits, net	1,507	5,659
Net cash (used in)/provided by operating activities	<u>(894,461)</u>	<u>1,673,329</u>
Investing activities		
Purchase of property, plant and equipment	(204,047)	(130,073)
Proceeds from maturity of investment at amortised cost	250,000	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,320	-
Proceeds from disposal of property, plant and equipment	60	800
Interest and dividend income received	<u>173,550</u>	<u>220,343</u>
Net cash provided by investing activities	<u>222,883</u>	<u>91,070</u>
Financing activities		
Principal repayment of lease liabilities	(16,994)	(4,273)
Net movement in deferred income	(10,354)	(10,354)
Net movement in short-term borrowings	182,995	-
Dividends paid	(306,478)	(197,296)
Finance costs paid	<u>(36,563)</u>	<u>(16,046)</u>
Net cash used in financing activities	<u>(187,394)</u>	<u>(227,969)</u>
Net (decrease)/increase in cash and cash equivalents	(858,972)	1,536,430
Cash and cash equivalents, beginning of the period	<u>2,798,434</u>	<u>501,223</u>
Cash and cash equivalents, end of the period	<u>1,939,462</u>	<u>2,037,653</u>

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 of fresh and frozen chicken;
- Feed factories;
- Integrated project for broiler meat;
- Wholesale and retail distribution networks affording easy accessibility for consumers; and
- Participate in incorporation of companies operate 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.

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

These condensed interim financial information, set out on pages 5 to 16 was approved and authorised for issue by the Board of Directors and signed on 10 November 2021.

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 2020, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of condensed interim financial information 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 condensed interim financial information have been prepared using the going concern assumption under the historical cost convention, except for financial assets at fair value which are carried at their fair values and investment in associate which is equity accounted.

These condensed interim financial 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 period with earlier adoption.

Standards, amendments and interpretations issued and effective in 2021 but not relevant

The following new amendments to existing standard and interpretation to published standard are mandatory for accounting period beginning on or after 1 January 2021 or subsequent periods, but are 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 39	Financial instruments: recognition and measurements	1 January 2021
IFRS 4	Insurance Contracts	1 January 2021
IFRS 7	Financial instruments: Disclosures	1 January 2021
IAS 39, IFRS 4, 7, 9 and 16	Interest Rate Benchmark Reform - IBOR 'phase 2'	1 January 2021
IFRS 9	Financial instruments	1 January 2021

New standard, interpretation and amendments issued but not yet effective in 2021

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September 2021. They have not been adopted in preparing the condensed interim financial information for the period ended 30 September 2021 and will or may have an effect on the entity's future financial statements. In all cases, the Company 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 3	Reference to the Conceptual Framework	1 January 2022
IAS 16	Property, plant and equipment – Proceeds before intended use	1 January 2022
IAS 37	Onerous Contracts – Cost of fulfilling a contract	1 January 2022
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 1	Classification of Liabilities as current or non-current	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred Tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

Early adoption of amendments or standards in 2021

The Company did not early-adopt any new or amended standards in 2021. There would have been no change in the condensed interim financial position and operational results of the Company for the period ended 30 September 2021 had the Company early adopted the above standard.

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and nine months ended 30 September 2021
(Reviewed)
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3 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 2020, as described in those annual audited financial statements.

4 Earnings per share

	Quarter ended 30 September 2021	Quarter ended 30 September 2020	Nine months ended 30 September 2021	Nine months ended 30 September 2020
Net profit for the period	<u>4,647</u>	<u>171,119</u>	<u>322,515</u>	<u>755,205</u>
Weighted average number of shares outstanding	<u>30,595,344</u>	<u>30,595,344</u>	<u>30,595,344</u>	<u>30,595,344</u>
Earnings per share (fils)	<u>0.15</u>	<u>5.59</u>	<u>10.54</u>	<u>24.68</u>

The earnings per share has been computed on the basis of net profit for the nine months ended 30 September 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.

5 Appropriations

The Annual General Meeting of shareholders held on 24 March 2021 has approved cash dividends of BD305,951 for the year ended 31 December 2020 at 10 fils per share representing 10% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2020 (2019:BDNil).

6 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.

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

The related party transactions and balances included in these condensed interim financial information are as follows:

	<u>30 September 2021</u>				<u>31 December 2020</u>		<u>30 September 2020</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Sales</u>	<u>Purchases</u>	<u>Receivables</u>	<u>Payables</u>	<u>Sales</u>	<u>Purchases</u>
Major shareholders	216,389	-	536,173	-	168,999	-	801,156	-
Entities controlled by directors	<u>822</u>	<u>(21,880)</u>	<u>291,747</u>	<u>367,812</u>	<u>1,080</u>	<u>(83,268)</u>	<u>339,901</u>	<u>384,231</u>
Total	<u>217,211</u>	<u>(21,880)</u>	<u>827,920</u>	<u>367,812</u>	<u>170,079</u>	<u>(83,268)</u>	<u>1,141,057</u>	<u>384,231</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:

	<u>Nine months ended 30 September 2021</u>	<u>Nine months ended 30 September 2020</u>
Board of directors attendance fees	<u>46,500</u>	<u>47,400</u>

7 Property, plant and equipment

Additions to property, plant and equipment during the nine months period ended 30 September 2021 amounted to BD204,047 (30 September 2020: BD130,073). Disposals of property, plant and equipment during the nine months period ended 30 September 2021 amounted to BD1,792 (30 September 2020: BD27,572). Depreciation in the property, plant and equipment during the nine months period ended 30 September 2021 amounted to BD336,484 (30 September 2020: BD309,634).

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
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8 Segmental information:

As at and for the nine months period ended 30 September 2021 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	6,606,485	3,145,258	1,382,266	-	-	11,134,009
Cost of sales	(5,983,145)	(3,539,948)	(1,133,009)	-	-	(10,656,102)
Gross profit/(loss)	623,340	(394,690)	249,257	-	-	477,907
Other income	10,201	240	17,874	-	250,367	278,682
Other operating expenses	(324,558)	(191,024)	(62,100)	-	-	(577,682)
Profit/(loss) from operations	308,983	(585,474)	205,031	-	250,367	178,907
Investments income	-	-	-	173,550	-	173,550
Share of loss in an associate	-	-	-	(75,673)	-	(75,673)
Finance costs	-	-	-	-	(36,563)	(36,563)
Unrealised fair value gains on financial assets at fair value through profit or loss	-	-	-	82,294	-	82,294
Net profit/(loss) for the period	308,983	(585,474)	205,031	180,171	213,804	322,515
Total Company assets	4,291,844	3,642,676	832,327	5,410,667	2,046,838	16,224,352
Total Company liabilities	600,291	571,085	140,524	-	678,138	1,990,038

As at 31 December 2020 and for the nine months ended 30 September 2020 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	6,344,476	3,447,803	1,196,537	-	-	10,988,816
Cost of sales	(6,009,358)	(3,328,881)	(999,787)	-	-	(10,338,026)
Gross profit	335,118	118,922	196,750	-	-	650,790
Other income	14,073	1,675	2,315	-	558,337	576,400
Other operating expenses	(352,891)	(199,973)	(59,755)	-	-	(612,619)
Profit/(loss) from operations	(3,700)	(79,376)	139,310	-	558,337	614,571
Investments income	-	-	-	220,343	-	220,343
Share of loss in an associate	-	-	-	(49,658)	-	(49,658)
Finance costs	-	-	-	-	(16,046)	(16,046)
Unrealised fair value losses on financial assets at fair value through profit or loss	-	-	-	(14,005)	-	(14,005)
Net (loss)/profit for the period	(3,700)	(79,376)	139,310	156,680	542,291	755,205
Total Company assets	4,038,957	2,874,362	563,833	5,462,770	2,970,722	15,910,644
Total Company liabilities	681,494	395,571	67,944	-	781,705	1,926,714

9 Interim results

The interim net profit for the nine months period ended 30 September 2021 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.

10 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 disruption to its operations in the following respects:

- Disruptions in the supply of inventory from its suppliers where the costs of the raw materials and the shipping costs increased;
- Fluctuation demand for certain products as a consequence of social distancing requirements and recommendations; and
- 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.

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;
- Going concern; 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 BD227,787 relating to supporting the payroll of the Company's employees. The Company has elected to present this government grant as other income. The Company had to commit to spend the assistance on payroll expenses, and not to 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) Going concern

The Company has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of Covid-19 may contribute to evolve, but at the present time the projections show that the Company has ample resources to continue to operational existence and its going concern positions remain largely unaffected and unchanged from 31 December 2020. As a result, this interim condensed financial information has been appropriately prepared on a going concern basis.

(c) 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.

11 Comparative figures

Certain comparative figures of the previous period have been reclassified, wherever necessary, to conform to the current period's presentation. Such regrouping does not affect net worth or net profit for the previous period.

12 Subsequent events

There were no significant events subsequent to 30 September 2021 and occurring before the date of signing of the condensed interim financial statements that would have a significant impact on these condensed interim financial statements.

Schedule (1): Quantities produced and sold

	Nine months period ended <u>30 September 2021</u>	Nine months period ended <u>30 September 2020</u>
Quantities sold		
Chicken	5,423,254 KG	5,591,683 KG
Feed	22,224 ton	26,427 ton
Chicks	6,890,937 chicks	5,979,001 chicks
Quantities produced		
Chicken	5,497,043 KG	5,374,491 KG
Feed	22,203 ton	26,447 ton
Chicks	7,025,272 chicks	6,042,543 chicks