

Delmon Poultry Company B.S.C.

Condensed interim financial information
for the quarter and six months ended
30 June 2022
(Reviewed)

Delmon Poultry Company B.S.C.
Condensed interim financial information for the quarter and six months period ended
30 June 2022
(Reviewed)

Index	Page
1. Administration and contact details	2-3
2. Review report by the independent auditors	4
3. Condensed interim statement of financial position	5
4. Condensed interim statement of profit or loss	6
5. Condensed interim statement of comprehensive income	7
6. Condensed interim statement of changes in shareholders' equity	8
7. Condensed interim statement of cash flows	9
8. Selected explanatory notes to the condensed interim financial information	10-16
Additional Information (Not reviewed)	
9. Quantities produced and sold	17

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 - up to 31 January 2022 Hassan Nabeel Al Mahroos Fouad Ebrahim Almutawa Abdulla Jasim Al Ahmed - from 8 March 2022
Executive Committee	Yousuf Saleh Al-Saleh (Chairman) Abdul Rahman Mohamed Jamsheer Esam Abdulhameed Zainal Talal Mohamed Abdulla Al Mannai Abdulla Jasim Al Ahmed
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 Abdulla Jasim Al Ahmed
Nomination and Remuneration Committee	Yousuf Saleh Al-Saleh (Chairman) Abdulredha Mohamed Al Daylami Jaffar Mohamed Ali Al Dhaif Esam Abdulhameed Zainal
Chief Executive Officer (CEO)	Abdulhadi Mirza Jaffar

Delmon Poultry Company B.S.C.
Administration and contact details as at 30 June 2022 (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
Arab bank

Auditors

BDO
17th Floor
Diplomatic Commercial Office Tower
PO Box 787
Manama
Kingdom of Bahrain

Internal Auditor

Grant Thornton - Abdulaal
12th 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 2022, 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 2022, and its financial performance and its cash flows for the six months then ended in accordance with International Accounting Standard 34 - *"Interim financial reporting"*.



Manama, Kingdom of Bahrain
3 August 2022



Delmon Poultry Company B.S.C.
Condensed interim statement of financial position as at 30 June 2022 (Reviewed)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>30 June 2022 (Reviewed)</u>	<u>31 December 2021 (Audited)</u>
ASSETS			
Non-current assets			
Property, plant and equipment		4,382,725	3,915,299
Investment in an associate	8	-	1,343,476
Right-of-use assets		580,789	596,545
Financial assets at fair value through other comprehensive income		2,896,237	3,076,441
Financial assets at fair value through profit or loss		740,059	722,118
Investments at amortised cost		250,000	250,000
		<u>8,849,810</u>	<u>9,903,879</u>
Current assets			
Inventories		2,219,886	2,158,910
Trade and other receivables		4,286,281	3,096,731
Cash and bank balances		680,238	1,124,427
		<u>7,186,405</u>	<u>6,380,068</u>
TOTAL ASSETS		<u>16,036,215</u>	<u>16,283,947</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		2,178,855	2,326,594
Retained earnings		1,840,631	2,288,326
Treasury shares		(122,398)	(122,398)
Total shareholders' equity		<u>13,571,480</u>	<u>14,166,914</u>
Non-current liabilities			
Non-current portion of lease liabilities		604,171	623,721
Non-current portion of deferred income		162,685	169,586
Employees' terminal benefits		43,230	39,934
		<u>810,086</u>	<u>833,241</u>
Current liabilities			
Current portion of lease liabilities		28,411	27,812
Trade and other payables		1,241,740	1,074,129
Short-term borrowings		370,692	168,045
Current portion of deferred income		13,806	13,806
		<u>1,654,649</u>	<u>1,283,792</u>
Total liabilities		<u>2,464,735</u>	<u>2,117,033</u>
TOTAL EQUITY AND LIABILITIES		<u>16,036,215</u>	<u>16,283,947</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
Chief Executive Officer

Delmon Poultry Company B.S.C.
Condensed interim statement of profit or loss for the quarter and six months period ended
30 June 2022
(Reviewed)
(Expressed in Bahrain Dinars)

	Quarter ended 30 June 2022 (Reviewed)	Quarter ended 30 June 2021 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)	Six months period ended 30 June 2021 (Reviewed)
Sales	4,475,198	3,583,976	9,044,924	7,364,738
Cost of sales	<u>(4,395,711)</u>	<u>(3,466,503)</u>	<u>(8,675,997)</u>	<u>(6,936,914)</u>
Gross profit for the period	79,487	117,473	368,927	427,824
Other income	30,241	125,276	75,085	154,313
Other operating expenses	<u>(240,788)</u>	<u>(216,521)</u>	<u>(450,378)</u>	<u>(401,482)</u>
(Loss)/profit from operations	(131,060)	26,228	(6,366)	180,655
Investments income	14,595	22,222	144,622	164,451
Share of loss in an associate company (Note 8)	(5,650)	(17,125)	(29,277)	(62,111)
Loss on disposal of associate company (Note 8)	(401,884)	-	(401,884)	-
Finance costs	(12,587)	(10,147)	(19,754)	(21,714)
Unrealised fair value (losses)/gains on financial assets at fair value through profit or loss	<u>(31,615)</u>	<u>33,040</u>	<u>17,941</u>	<u>56,587</u>
Net (loss)/profit for the period	<u>(568,201)</u>	<u>54,218</u>	<u>(294,718)</u>	<u>317,868</u>
Basic earnings per share (fils)	<u>(18.57)</u>	<u>1.77</u>	<u>(9.63)</u>	<u>10.39</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
Chief Executive Officer

Delmon Poultry Company B.S.C.
Condensed interim statement of comprehensive income
for the quarter and six months ended 30 June 2022
(Reviewed)
(Expressed in Bahrain Dinars)

	Quarter ended 30 June 2022 (Reviewed)	Quarter ended 30 June 2021 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)	Six months period ended 30 June 2021 (Reviewed)
Net (loss)/profit for the period	(568,201)	54,218	(294,718)	317,868
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	(435,615)	171,317	(178,184)	32,023
<i>Items that may be reclassified into profit or loss</i>				
Company's share in associate's net change in investments at fair value	4,440	10,196	267	(591)
Reversal of reserve on disposal of associate company	<u>30,178</u>	<u>-</u>	<u>30,178</u>	<u>-</u>
Other comprehensive (loss)/income for the period	<u>(400,997)</u>	<u>181,513</u>	<u>(147,739)</u>	<u>31,432</u>
Total comprehensive (loss)/income for the period	<u>(969,198)</u>	<u>235,731</u>	<u>(442,457)</u>	<u>349,300</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


Abdullhussain Khalil Dewani
Vice chairman


Abdulhadi Mirza Jaffar
Chief Executive Officer

Delmon Poultry Company B.S.C.
Condensed interim statement of changes in shareholders' equity for the six months ended 30 June 2022
(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 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	-	-	-	-	31,432	317,868	-	349,300
Dividends for 2020 (Note 5)	-	-	-	-	-	(305,951)	-	(305,951)
At 30 June 2021 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,123,097	2,352,188	(122,398)	14,027,279
At 31 December 2021 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	2,326,594	2,288,326	(122,398)	14,166,914
Total comprehensive loss for the period	-	-	-	-	(147,739)	(294,718)	-	(442,457)
Dividends for 2021 (Note 5)	-	-	-	-	-	(152,977)	-	(152,977)
At 30 June 2022 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,178,855	1,840,631	(122,398)	13,571,480

Delmon Poultry Company B.S.C.
Condensed interim statement of cash flows for the six months ended 30 June 2022
(Reviewed)
(Expressed in Bahrain Dinars)

	Six months period ended 30 June <u>2022</u> (Reviewed)	Six months period ended 30 June <u>2021</u> (Reviewed)
Operating activities		
Net (loss)/profit for the period	(294,718)	317,868
Adjustments for:		
Depreciation	210,327	220,409
Amortisation of right-of-use assets	15,756	13,380
Finance costs	19,754	21,714
Gain on disposal of property, plant and equipment	-	(60)
Gain on disposal of financial assets at fair value through other comprehensive income	(982)	(1,092)
Unrealised fair value gains on financial assets at fair value through profit or loss	(17,941)	(56,587)
Loss on disposal of associate company	401,884	-
Share of loss of associate	29,277	62,111
Interest and dividend income	(144,622)	(164,451)
Changes in operating assets and liabilities:		
Inventories	(60,976)	(574,201)
Trade and other receivables	(1,189,550)	(657,507)
Trade and other payables	167,611	(29,635)
Employees' terminal benefits, net	3,296	(183)
Net cash used in operating activities	<u>(860,884)</u>	<u>(848,234)</u>
Investing activities		
Purchase of property, plant and equipment	(677,753)	(98,820)
Proceeds from maturity of investment at amortised cost	-	250,000
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,002	3,320
Proceeds from disposal of associate company	942,760	-
Proceeds from disposal of property, plant and equipment	-	60
Interest and dividend income received	144,622	164,451
Net cash provided by investing activities	<u>412,631</u>	<u>319,011</u>
Financing activities		
Principal repayment of lease liabilities	(18,951)	(19,550)
Net movement in deferred income	(6,901)	(6,902)
Net movement in short-term borrowing	202,647	116,390
Dividends paid	(152,977)	(306,478)
Finance costs paid	(19,754)	(21,714)
Net cash provided by/(used in) financing activities	<u>4,064</u>	<u>(238,254)</u>
Net decrease in cash and cash equivalents	(444,189)	(767,477)
Cash and cash equivalents, beginning of the period	<u>1,124,427</u>	<u>2,798,434</u>
Cash and cash equivalents, end of the period	<u>680,238</u>	<u>2,030,957</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 3 August 2022.

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 2021, 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 2022 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 2022 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>
IFRS 1	Subsidiary as a first-time adopter	1 January 2022
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
IFRS 9	Derecognition of financial liabilities	1 January 2022

New standard, interpretation and amendments issued but not yet effective in 2022

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2022. They have not been adopted in preparing the condensed interim financial information for the period ended 30 June 2022 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>
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 2022

The Company did not early-adopt any new or amended standards in 2022. There would have been no change in the financial position and operational results of the Company for the period ended 30 June 2022 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 six months ended 30 June 2022
(Reviewed)
(Expressed in Bahrain Dinars)

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 2021, as described in those annual audited financial statements.

4 Earnings per share

	Quarter ended 30 June 2022	Quarter ended 30 June 2021	Six months ended 30 June 2022	Six months ended 30 June 2021
Net (loss)/profit for the period	<u>(568,201)</u>	<u>54,218</u>	<u>(294,718)</u>	<u>317,868</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>(18.57)</u>	<u>1.77</u>	<u>(9.63)</u>	<u>10.39</u>

The earnings per share has been computed on the basis of net (loss)/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.

5 Appropriations

The Annual General Meeting of shareholders held on 22 March 2022 has approved cash dividends of BD152,977 for the year ended 31 December 2021 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 2021 (2020:BD305,951).

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
for the quarter and six months ended 30 June 2022
(Reviewed)
(Expressed in Bahrain Dinars)

6 Transactions and balances with related parties (continued)

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

	30 June 2022				31 December 2021		30 June 2021	
	Receivables	Sales	Other (*)	Purchases	Receivables	Payables	Sales	Purchases
Major shareholders	1,413,611	923,310	942,760	-	227,771	-	216,354	-
Associate entities controlled by directors	<u>78,702</u>	<u>270,745</u>	<u>-</u>	<u>218,196</u>	<u>1,329</u>	<u>(42,383)</u>	<u>217,579</u>	<u>213,825</u>
Total	<u>1,492,313</u>	<u>1,194,055</u>	<u>942,760</u>	<u>218,196</u>	<u>229,100</u>	<u>(42,383)</u>	<u>433,933</u>	<u>213,825</u>

(*) During the period, the Company has disposed all its investment in Bahrain Livestock Company B.S.C. (c) to a related party for proceeds of BD942,760.

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 2022	Six months ended 30 June 2021
Board of directors attendance fees	34,500	35,500
Executive directors' remuneration	<u>1,345</u>	<u>-</u>
	<u>35,845</u>	<u>35,500</u>

7 Property, plant and equipment

Additions to property, plant and equipment during the six months period ended 30 June 2022 amounted to BD677,753 (30 June 2021: BD98,820). Disposals of property, plant and equipment during the six months period ended 30 June 2022 amounted to BDNil (30 June 2021: BD1,792). Depreciation in the property, plant and equipment during the six months period ended 30 June 2022 amounted to BD210,327 (30 June 2021: BD220,409).

8 Investment in an associate

	Carrying amount	Goodwill	30 June 2022	31 December 2021
Opening balance	1,282,392	61,084	1,343,476	1,442,090
Company's share in loss for the period/year	(29,277)	-	(29,277)	(112,501)
Company's share of the associate's net change in fair value of the investments and other reserves for the period/year	267	-	267	13,887
Reversal of reserve on disposal of associate company	30,178	-	30,178	-
Disposals during the period/year	<u>(1,283,560)</u>	<u>(61,084)</u>	<u>(1,344,644)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,343,476</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 2022
(Reviewed)
(Expressed in Bahrain Dinars)

8 Investment in an associate (continued)

During the period, the Company has disposed all its investment in associate to a related and the summary of the transaction is as follows:

	Six months ended 30 June 2022	Six months ended 30 June 2021
Proceeds from disposal	942,760	-
Less: carrying amount of the investment	<u>(1,344,644)</u>	<u>-</u>
Loss on disposal	<u>(401,884)</u>	<u>-</u>

9 Segmental information

As at and for the six months period ended 30 June 2022 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	5,269,502	2,864,962	910,460	-	-	9,044,924
Cost of sales	<u>(4,602,929)</u>	<u>(3,201,032)</u>	<u>(872,036)</u>	<u>-</u>	<u>-</u>	<u>(8,675,997)</u>
Gross profit/(loss)	666,573	(336,070)	38,424	-	-	368,927
Other income	2,670	9,077	29,041	-	34,297	75,085
Other operating expenses	<u>(238,814)</u>	<u>(166,292)</u>	<u>(45,272)</u>	<u>-</u>	<u>-</u>	<u>(450,378)</u>
Profit/(loss) from operations	430,429	(493,285)	22,193	-	34,297	(6,366)
Investments income	-	-	-	144,622	-	144,622
Share of loss in an associate	-	-	-	(29,277)	-	(29,277)
Loss on disposal of associate company	-	-	-	(401,884)	-	(401,884)
Finance costs	(3,024)	(5,862)	(1,116)	-	(9,752)	(19,754)
Unrealised fair value gains on financial assets at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,941</u>	<u>-</u>	<u>17,941</u>
Net profit/(loss) for the period	<u>427,405</u>	<u>(499,147)</u>	<u>21,077</u>	<u>(268,598)</u>	<u>24,545</u>	<u>(294,718)</u>
Total Company's assets	<u>4,304,066</u>	<u>4,861,686</u>	<u>1,255,774</u>	<u>4,356,755</u>	<u>1,257,934</u>	<u>16,036,215</u>
Total Company's liabilities	<u>339,098</u>	<u>1,633,450</u>	<u>213,070</u>	<u>-</u>	<u>279,117</u>	<u>2,464,735</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 2022
(Reviewed)
(Expressed in Bahrain Dinars)

9 Segmental information (continued)

As at 31 December 2021 and for the six months ended 30 June 2021 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	4,486,400	1,969,557	908,781	-	-	7,364,738
Cost of sales	(4,012,146)	(2,187,577)	(737,191)	-	-	(6,936,914)
Gross profit/(loss)	474,254	(218,020)	171,590	-	-	427,824
Other income	795	304	17,267	-	135,947	154,313
Other operating expenses	(227,492)	(130,074)	(43,916)	-	-	(401,482)
profit/(loss) from operations	247,557	(347,790)	144,941	-	135,947	180,655
Investments income	-	-	-	164,451	-	164,451
Share of loss in an associate	-	-	-	(62,111)	-	(62,111)
Finance costs	-	-	-	-	(21,714)	(21,714)
Unrealised fair value gains on financial assets at fair value through profit or loss	-	-	-	56,587	-	56,587
Net profit/(loss) for the period	<u>247,557</u>	<u>(347,790)</u>	<u>144,941</u>	<u>158,927</u>	<u>114,233</u>	<u>317,868</u>
Total Company's assets	<u>4,325,353</u>	<u>3,485,098</u>	<u>871,791</u>	<u>5,396,045</u>	<u>2,205,660</u>	<u>16,283,947</u>
Total Company's liabilities	<u>633,800</u>	<u>413,507</u>	<u>179,989</u>	<u>-</u>	<u>889,737</u>	<u>2,117,033</u>

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:

- Going concern; and
- Commitment and contingent liabilities.

10 COVID-19 events and transactions (continued)

(a) 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 2021. As a result, this condensed interim financial information has been appropriately prepared on a going concern basis.

(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.

11 Interim results

The interim net profit for the six months period ended 30 June 2022 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.

12 Subsequent events

There were no significant events subsequent to 30 June 2022 and occurring before the date of signing the condensed interim financial information that are expected to have a significant impact on these condensed interim financial information.

Schedule (1): Quantities produced and sold

	Six months period ended 30 June 2022	Six months period ended 30 June 2021
Quantities sold		
Chicken	3,969,047 KG	3,688,862 KG
Feed	17,461 ton	14,147 ton
Chicks	4,460,873 chicks	4,525,178 chicks
Quantities produced		
Chicken	4,125,222 KG	4,013,737 KG
Feed	17,290 ton	14,058 ton
Chicks	4,424,110 chicks	4,643,432 chicks