## Delmon Poultry Company B.S.C.

Condensed interim financial information for the quarter and six months period ended 30 June 2024 (Reviewed)

## Delmon Poultry Company B.S.C. Condensed interim financial information for the quarter and six months period ended 30 June 2024 (Reviewed)

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### Delmon Poultry Company B.S.C. Administration and contact details as at 30 June 2024

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 Fouad Ebrahim Almutawa Abdulla Jasim Al Ahmed Marwa Khalid Al sabbagh

**Executive Committee** Esam Abdulhameed Zainal (Chairman)

Abdul Rahman Mohamed Jamsheer

Yousuf Saleh Al-Saleh Abdulla Jasim Al Ahmed

Audit Committee Abdulhussain Khalil Dewani (Chairman)

Talal Mohamed Abdulla Al Mannai Fouad Ebrahim Yousif Almutawa

Marwa Khalid Al sabbagh

Governance Committee Fouad Ebrahim Almutawa (Chairman)

Abdulredha Mohamed Al Daylami

Abdulla Jasim Al Ahmed Jaffar Mohamed Ali Al Dhaif

Nomination and Remuneration Committee Yousuf Saleh Al-Saleh (Chairman)

Abdulredha Mohamed Al Daylami Jaffar Mohamed Ali Al Dhaif Talal Mohamed Abdulla Al Mannai

Tenders and Procurement Committee Esam Abdulhameed Zainal (Chairman)

Marwa Khalid Al sabbagh

Chief Executive Officer (CEO) Abdulhadi Mirza Jaffar

## Delmon Poultry Company B.S.C. Administration and contact details as at 30 June 2024 (continued)

Offices and plants Administration and chicken processing plant

Hamala, PO Box 20535 Telephone 17608282 Fax 17601930

Email: <u>info@dawajen.bh</u>
Website: <u>www.dawajen.bh</u>

Feedmill - Mina Salman Telephone 17727705

Chicks Hatchery - Hamala 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



Tel: +973 1753 0077 Fax: +973 1791 9091

www.bdo.bh

17<sup>th</sup> Floor Diplomat Commercial Office Tower PO Box 787 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 2024, 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 period 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 2024, and its financial performance and its cash flows for the quarter and six months period then ended in accordance with International Accounting Standard 34 - "Interim financial reporting".

Manama, Kingdom of Bahrain

13 August 2024

\* BDO E BAR C.R. 10201 887 Kingdom

See Auditor's Report dated 13 8 2 9 Signed by BDO, CR No. 10201-04 Partner: Samson Kattuvattii

Delmon Poultry Company B.S.C.

Condensed interim statement of financial position as at 30 June 2024

(Reviewed)

(Expressed in Bahrain Dinars)

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	30 June	31 December
	<u>2024</u> (Reviewed)	(Audited)
ASSETS	(Neviewed)	(Addited)
Non-current assets		
Property, plant and equipment	5,877,635	5,831,809
Right-of-use assets	513,022	528,778
Financial assets at fair value through other		
comprehensive income Financial assets at fair value through profit or loss	3,046,041	3,075,975
Investments at amortised cost	712,221 -	730,097 250,000
	10,148,919	
Comment assets	10,140,919	10,416,659
Current assets Inventories	2 524 902	2 057 705
Trade and other receivables	2,534,893 4,059,393	2,057,705 3,157,869
Investments at amortised cost	250,000	-
Cash and bank balances	_1,160,123	1,119,298
	8,004,409	_6,334,872
TOTAL ASSETS	18,153,328	16,751,531
EQUITY AND LIABILITIES Capital and reserves		
Share capital Statutory reserve	3,120,928 1,560,464	3,120,928
General reserve	3,993,000	1,560,464 3,993,000
Development and raw material reserve	1,000,000	1,000,000
Investment fair value reserve	2,337,073	2,359,160
Retained earnings Treasury shares	2,865,413 <u>(122,398)</u>	2,412,847
·		(122,398)
Total shareholders' equity	14,754,480	14,324,001
Non-current liabilities		
Non-current portion of lease liabilities Non-current portion of deferred income	576,990 224,247	607,950
Employees' terminal benefits	52,450	111,059 55,059
	853,687	
Current liabilities	033,007	774,068
Current portion of lease liabilities	20,680	14.450
Current portion of deferred income	24,112	14,650 24,112
Trade and other payables	1,294,628	1,226,980
Short-term borrowings	<u>1,205,741</u>	<u>387,720</u>
	2,545,161	1,653,462
Total liabilities	3,398,848	2,427,530
TOTAL EQUITY AND LIABILITIES	18,153,328	16.751,531

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

Abdulhussain Khalil Dewani Vice chairman

Tousuf Saleh Al-Saleh Board member Abdulhadi Mirza Jaffar Chief Executive Officer

See Auditor's Report dated 13 8-24
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature:

Delmon Poultry Company B.S.C.
Condensed interim statement of profit or loss
for the quarter and six months period ended 30 June 2024
(Reviewed)
(Expressed in Bahrain Dinars)

	Quarter ended <u>30 June 2024</u> (Reviewed)	Quarter ended <u>30 June 2023</u> (Reviewed)	Six months period ended 30 June 2024 (Reviewed)	Six months period ended 30 June 2023 (Reviewed)
Sales Cost of sales	5,448,235 (4,894,573)	4,296,654 (4,307,928)	11,161,464 (10,017,598)	9,178,228 (8,846,957)
Gross profit/(loss) for the period	553,662	(11,274)	1,143,866	331,271
Other income Other operating expenses	8,478 <u>(295,217</u> )	9,807 (186,478)	24,009 <u>(567,996</u> )	70,415 (379,525)
Profit/(loss) from operations	266,923	(187,945)	599,879	22,161
Investments income Finance costs Unrealised fair value (losses)/gains on financial assets at fair value	26,579 (25,311)	23,672 (18,506)	157,877 (44,411)	150,662 (42,238)
through profit or loss	(28,232)	23,605	(16,016)	(12,759)
Net profit/(loss) for the period	239,959	(159, 174)	697,329	117,826
Basic earnings per share (fils)	7.84	( 5.20)	22.79	3.85

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

Abdulhussain Khalil Dewani Vice chairman rousuf Saleh Al-Saleh Board member

Abdulhadi Mirza Jaffar Chief Executive Officer **Delmon Poultry Company B.S.C.** Condensed interim statement of comprehensive income for the quarter and six months period ended 30 June 2024 (Reviewed) (Expressed in Bahrain Dinars)

See Auditor's Report dated 13/8 29 Signed by BDO, CR No. 10201-04 Partner: Samson Kattuvattil Reg. No. 239 Signature:

	Quarter ended <u>30 June 2024</u> (Reviewed)	Quarter ended 30 June 2023 (Reviewed)	Six months period ended 30 June 2024 (Reviewed)	Six months period ended 30 June 2023 (Reviewed)
Net profit/(loss) for the period	239,959	(159,174)	697,329	117,826
Other comprehensive income				
Items that will not be reclassified to profit or loss: Unrealised fair value losses on				
financial assets at fair value through other comprehensive income	(247,500)	(74,418)	(22,087)	(27,691)
Other comprehensive loss for the period	(247,500)	<u>(74,418</u> )	(22,087)	(27,691)
Total comprehensive (loss)/income for the period	<u>(7,541</u> )	<u>(233,592</u> )	<u>675,242</u>	90,135

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

Abdulhussain Khalil Dewani

Vice chairman

rousuf Saleh Al-Saleh Board member

Abdulhadi Mirza Jaffar **Chief Executive Officer** 

Delmon Poultry Company B.S.C. Condensed interim statement of changes in shareholders' equity for the six months period ended 30 June 2024 (Reviewed)

(Expressed in Bahrain Dinars)

Total	14,144,056 (152,977) 117,826	(27,691)	14,081,214	14,324,001 (244,763)	697,329	(22,087)	14,754,480
Treasury shares	(122,398)		(122,398)	(122,398)	•	1	(122,398)
Retained	2,159,991 (152,977) 117,826		2,124,840	2,412,847 (244,763)	697,329		2,865,413
Investment fair value reserve	2,432,071	(27,691)	2,404,380	2,359,160	•	(22,087)	2,337,073
Development and raw material reserve	1,000,000		1,000,000	1,000,000	•		1,000,000
General	3,993,000		3,993,000	3,993,000	•		3,993,000
Statutory reserve	1,560,464		1,560,464	1,560,464	1		1,560,464
Share capital	3,120,928		3,120,928	3,120,928	ı		3,120,928 1,
	At 31 December 2022 (Audited) Dividends for 2022 (Note 5) Net profit for the period Other comprehensive loss	for the period	At 30 June 2023 (Reviewed)	At 31 December 2023 (Audited) Dividends for 2023 (Note 5)	Net profit for the period Other comprehensive loss	for the period	At 30 June 2024 (Reviewed)

## Delmon Poultry Company B.S.C. Condensed interim statement of cash flows for the six months period ended 30 June 2024 (Reviewed) (Expressed in Bahrain Dinars)

	Six months	Six months
	period ended	period ended
	30 June	30 June
	2024	2023
	(Reviewed)	(Reviewed)
	(1101101100)	(iterierrea)
Operating activities		
Net profit for the period	697,329	117,826
Adjustments for:	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Depreciation of property, plant and equipment	200,342	197,372
Amortisation of right-of-use assets	15,756	20,499
Finance costs	44,411	42,238
Loss/(gain) on disposal of financial assets at fair value		·
through other comprehensive income	3,381	(1,917)
Unrealised fair value losses on financial assets		
at fair value through profit or loss	16,016	12,759
Unrealised foreign exchange losses/(gains)	1,860	(14,506)
Interest and dividends income	(157,877)	(150,662)
Changes in operating assets and liabilities:		
Inventories	(477,188)	687,896
Trade and other receivables	(901,524)	44,089
Trade and other payables	67,648	39,906
Employees' terminal benefits, net	(2,609)	4,769
Net cash (used in)/provided by operating activities	(492,455)	1,000,269
Investing activities		
Purchase of property, plant and equipment	(246,168)	(799,695)
Proceeds from disposal of financial assets at fair value	(=,,	(,,,,,,,,,
through other comprehensive income	4,466	2,485
Interest and dividends income received	157,877	150,662
Net cash used in investing activities	(83,825)	(646, 548)
The same area in investing activities	(03,023)	_(040,540)
Financing activities		
Principal repayment of lease liabilities	(24,930)	(26, 264)
Net movement in short-term borrowings	818,021	(379,553)
Net movement in deferred income	113,188	(22,361)
Finance cost paid	(44,411)	(42,238)
Dividends paid	(244,763)	(152,977)
Net cash provided by/(used in) financing activities	617,105	_(623, 393)
Net increase/(decrease) in cash and cash equivalents	40,825	(269,672)
Cash and cash equivalents, beginning of the period	1,119,298	<u>1,284,813</u>
Cash and cash equivalents, end of the period	1,160,123	<u>1,015,141</u>

#### 1 Organisation and activities

Delmon Poultry Company B.S.C. ("the Company") is a public shareholding company registered with the Ministry of Commerce and Industry 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 Hamala

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

#### Name and status of the divisions:

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

Theses condensed interim financial information, set out on pages 5 to 15 was approved and authorised for issue by the Board of Directors and signed on 13 August 2024.

#### 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 2023, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of condensed interim financial information in conformity with IFRS Accounting Standards 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 Accounting Standards

Improvements/amendments to IFRS Accounting Standards contained numerous amendments to IFRS Accounting Standards that the IASB considers non-urgent but necessary. 'Improvements to IFRS Accounting Standards 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 Accounting Standards. The amendments are effective for the Company's future accounting period with earlier adoption.

## Standards, amendments and interpretations issued and effective in 2024 but not relevant

The following new amendments to existing standards and interpretations to published standards are mandatory for accounting period beginning on or after 1 January 2024 or subsequent periods, but are not relevant to the Company's operations:

Standard or Interpretation	<u>Title</u>	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements	1 January 2024
IAS 7	Statement of cash flows	1 January 2024
IFRS 7	Financial instruments: disclosures	1 January 2024
IFRS 16	Leases	1 January 2024

## New standard, interpretation and amendments issued but not yet effective in 2024

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2024. They have not been adopted in preparing the condensed interim financial information for the period ended 30 June 2024 and will or may have an effect on the Company's future financial statements. In all cases, the Company intends to apply these standards from application date as indicated in the table below:

Standard or Interpretation	<u>Title</u>	Effective for annual periods beginning on or after
IAS 21	The effects of changes in foreign exchange rates	1 January 2025

## Early adoption of amendments or standards in 2024

The Company did not early-adopt any new or amended standards in 2024. There would have been no change in the condensed financial position and operational results of the Company for the period ended 30 June 2024 had the Company early adopted the above standard.

#### 3 Material accounting policy information

The material accounting policy information 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 2023, as described in those annual audited financial statements.

#### 4 Earnings per share

	Quarter ended 30 June 2024	Quarter ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023
Net profit/(loss) for the period	239,959	(159,174)	697,329	117,826
Weighted average number of shares outstanding	30,595,344	30,595,344	30,595,344	30,595,344
Earnings per share (fils)	7.84	(5.20)	22.79	3.85

The earnings per share has been computed on the basis of net (loss)/profit for the quarter and six months period 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 26 March 2024 has approved cash dividends of BD244,763 for the year ended 31 December 2023 at 8 fils per share representing 8% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2023 (2022:BD152,977).

#### 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 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.

## 6 Transactions and balances with related parties (continued)

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

	Receivables	Payables		June 2024 Purchases	31 December 2023 Receivables	3 Sales	O June 2023 Purchases
Shareholders Entities controlled	663,579	-	1,441,474	*	364,154	72,362	-
by directors	31,366	<u>51,602</u>	258,589	<u>475,930</u>	74,271	331,626	436,974
Total	<u>694,945</u>	<u>51,602</u>	1,700,063	<u>475,930</u>	438,425	403,988	436,974

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	Six months ended 30 June
Board of directors' attendance fees	2024 30,250	2023 23,000

#### 7 Property, plant and equipment

Additions to property, plant and equipment during the six months period ended 30 June 2024 amounted to BD246,168 (30 June 2023: BD799,695). There were no disposals of property, plant and equipment during the six months period ended 30 June 2024 (30 June 2023: BDNil). Depreciation in the property, plant and equipment during the six months period ended 30 June 2024 amounted to BD200,342 (30 June 2023: BD197,372).

## 8 Segmental information:

As at and for the six months period ended 30 June 2024 (Reviewed):

	Chicken	Feeds	Chicks	Investments	<u>Unallocated</u>	Total
Sales Cost of sales	6,507,438 (5,750,573)	3,603,770 (3,370,461)	1,050,256 _(896,564)			11,161,464 (10,017,598)
Gross profit	756,865	233,309	153,692	-	-	1,143,866
Other income Other operating	4,496	196	3,967	-	15,350	24,009
expenses	<u>(418,131</u> )	(92,868)	(56,997)			(567,996)
Profit from operations	343,230	140,637	100,662	-	15,350	599,879
Investments income Finance costs Unrealised fair value losses on financial assets at fair value through profit	(2,988)	(5,532)	(1,008)	157,877 -	(34,883)	157,877 (44,411)
or loss		·	-	(16,016)		(16,016)
Net profit/(loss) for the period	340,242	135,105	99,654	141,861	(19,533)	697,329
Total Company's assets	8,359,353	1,689,194	1,086,526	4,008,262	3,009,993	18,153,328
Total Company's liabilities	436,564	65,015	344,166	-	2,553,103	_3,398,848

As at 31 December 2023 and for the six months period ended 30 June 2023 (Reviewed):

	<u>Chicken</u>	Feeds	<u>Chicks</u>	Investments	<u>Unallocated</u>	Total
Sales Cost of sales	5,620,196 (5,075,676)	2,448,403 (2,851,079)	1,109,629 (920,202)	<u> </u>	<del>-</del>	9,178,228 (8,846,957)
Gross profit/(loss)	544,520	(402,676)	189,427			331,271
Other income Other operating	17,419	1,120	2,031	•	49,845	70,415
expenses	(217,741)	(122,308)	(39,476)			(379,525)
Profit/(loss) from operations	344,198	(523,864)	151,982	-	49,845	22,161
Investments income Finance costs Unrealised fair value losses on financial assets at fair value through profit	(3,006)	(5,700)	(1,068)	150,662	(32,464)	150,662 (42,238)
or loss	(			(12,759)	-	(12,759)
Net profit/(loss) for the period	341,192	(529, 564)	150,914	137,903	17,381	117,826
Total Company's assets	3,877,726	3,558,681	2,453,582	4,056,072	2,805,470	16,751,531
Total Company's liabilities	869,067	868.845	160,372	=======================================	529,246	2,427,530

9 Interim results

# The interim net profit for the six months period ended 30 June 2024 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 Subsequent events

There were no significant events subsequent to 30 June 2024 and occurring before the date of signing of the condensed interim financial information that would have a significant impact on these condensed interim financial information.

## Schedule (1): Quantities produced and sold

Quantities sold	Six months period ended 30 June 2024	Six months period ended 30 June 2023
Chicken	4,537,282 KG	3,817,187 KG
Feed	21,225 ton	14,514 ton
Chicks	5,119,870 chicks	5,399,786 chicks
Quantities produced		
Chicken	4,597,317 KG	3,953,563 KG
Feed	21,775 ton	14,469 ton
Chicks	5,324,857 chicks	5,360,440 chicks