

Delmon Poultry Company B.S.C.

Condensed interim financial information
for the quarter and nine months period
ended 30 September 2015
(Reviewed)



Delmon Poultry Company B.S.C.
Condensed interim financial information for the quarter and nine months
period ended 30 September 2015
(Reviewed)

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Delmon Poultry Company B.S.C.
Administration and contact details as at 30 September 2015

| | |
|--|--|
| Commercial registration | 10700 obtained on 21 July 1980 |
| Board of directors | Abdul Rahman Mohamed Jamsheer (<i>Chairman</i>) Abdulhussain Khalil Dewani (Vice Chairman) (Appointed from 11 February 2015) Yousuf Saleh Al Saleh Abdulredha Mohamed Al Daylami Talal Mohamed Abdulla Al Mannai Ebrahim Abdali Al Daaysi Jaffar Mohamed Ali Al Dhaif Mohamed Jehad Bukamal Isa Mohamed Abdulrahim Alrafaei (Appointed from 8 February 2015) |
| Executive Committee | Yousuf Saleh Al Saleh (<i>Chairman</i>) Abdul Rahman Mohamed Jamsheer (<i>Vice Chairman</i>) Abdulhussain Khalil Dewani Mohamed Jehad Bukamal |
| Audit Committee | Abdulredha Mohamed Al Daylami (<i>Chairman</i>) Talal Mohamed Abdulla Al Mannai Jaffar Mohamed Ali Al Dhaif Isa Mohamed Abdulrahim Alrafaei |
| Governance Committee | Ebrahim Abdali Al Daaysi (<i>Chairman</i>) Abdulredha Mohamed Al Daylami Isa Mohamed Abdulrahim Alrafaei |
| Nomination and Remuneration Committee | Talal Mohamed Abdulla Al Mannai (<i>Chairman</i>) Ebrahim Abdali Al Daaysi Mohamed Jehad Bukamal |
| General Manager | Abdul Karim Ismaeel Al Alawi |
| Offices and plants | Administration and chicken processing plant Hamala, PO.Box 20535 Telephone 17608282 Fax 17601930 Email: kalalawi@dawajen.bh Website: www.dawajen.bh |
| | Feedmill - Mina Salman Telephone 17727705 |
| | Chicks Hatchery - Al-Buhair Telephone 17624832 |

Delmon Poultry Company B.S.C.
Administration and contact details as at 30 September 2015 (continued)

Principal bankers

Ahli United Bank
National Bank of Bahrain
Bahrain Islamic Bank
Bank of Bahrain and Kuwait
Kuwait Finance House

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

Karvycomputer Share W.L.L.
PO Box 514
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 2015, the condensed interim statement of profit and loss, the condensed interim statement of other comprehensive income, the condensed interim statement of changes in shareholders' equity, the condensed interim statement of cash flows for the quarter and nine months period then ended and selected explanatory information. 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 2015, and its financial performance and its cash flows for the quarter and nine months period then ended in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*".



Manama, Kingdom of Bahrain
10 November 2015

Delmon Poultry Company B.S.C.
Condensed interim statement of financial position as at 30 September 2015
(Reviewed)
(Expressed in Bahrain Dinars)

| | 30 September 2015 (Reviewed) | 31 December 2014 (Audited) |
|--------------------------------------|------------------------------------|----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,043,210 | 1,008,273 |
| Investment in an associate company | 2,728,139 | 2,581,212 |
| Available-for-sale investments | 3,830,014 | 3,813,447 |
| Held-to-maturity investments | <u>1,500,000</u> | <u>750,000</u> |
| Total non-current assets | <u>9,101,363</u> | <u>8,152,932</u> |
| Current assets | | |
| Held-to-maturity investments | 747,488 | - |
| Inventories | 1,669,099 | 1,751,237 |
| Trade and other receivables | 1,777,866 | 2,217,841 |
| Term deposits | 1,000,000 | 2,472,497 |
| Cash and cash equivalents | <u>2,269,982</u> | <u>2,023,529</u> |
| Total current assets | <u>7,464,435</u> | <u>8,465,104</u> |
| TOTAL ASSETS | <u>16,565,798</u> | <u>16,618,036</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 | 2,066,756 | 2,164,499 |
| Retained earnings | 3,988,178 | 3,582,607 |
| Treasury shares | <u>(74,017)</u> | <u>(74,017)</u> |
| Total shareholders' equity | <u>15,655,309</u> | <u>15,347,481</u> |
| Non-current liabilities | | |
| Employees' terminal benefits | <u>27,877</u> | <u>22,583</u> |
| Current liabilities | | |
| Trade and other payables | <u>882,612</u> | <u>1,247,972</u> |
| Total liabilities | <u>910,489</u> | <u>1,270,555</u> |
| TOTAL EQUITY AND LIABILITIES | <u>16,565,798</u> | <u>16,618,036</u> |

The reviewed condensed interim financial information, set out on pages 5 to 15, was approved and authorised for issue by the Board of Directors on 10 November 2015 and signed on their behalf by:

Abdul Rahman Mohamed Jamsheer
Chairman

Abdulhussain Khalil Dewani
Vice chairman

Delmon Poultry Company B.S.C.

Condensed interim statement of profit and loss for the quarter and nine months

period ended 30 September 2015

(Reviewed)

(Expressed in Bahrain Dinars)

| | Quarter ended 30 September 2015 <hr/> (Reviewed) | Quarter ended 30 September 2014 <hr/> (Reviewed) | Nine months period ended 30 September 2015 <hr/> (Reviewed) | Nine months period ended 30 September 2014 <hr/> (Reviewed) |
|---|--|--|---|---|
| Sales | 3,267,197 | 3,015,556 | 10,477,302 | 8,850,662 |
| Cost of sales | (3,485,897) | (3,367,577) | (11,010,816) | (9,810,552) |
| Gross loss for the period | (218,700) | (352,021) | (533,514) | (959,890) |
| Other operating expenses | (168,747) | (173,308) | (550,022) | (530,777) |
| Operating loss before government subsidy | (387,447) | (525,329) | (1,083,536) | (1,490,667) |
| Government subsidy | 503,769 | 464,714 | 1,546,286 | 1,363,265 |
| Profit / (loss) from operations | 116,322 | (60,615) | 462,750 | (127,402) |
| Investment income | 63,035 | 79,537 | 279,600 | 353,170 |
| Share of profit in an associate company | 97,880 | 155,962 | 326,771 | 249,405 |
| Other income / (loss) | 845 | (3,798) | 4,492 | 3,741 |
| Impairment of available for-sale- investments | (17,672) | (7,100) | (53,016) | (45,300) |
| Net profit for the period | 260,410 | 163,986 | 1,020,597 | 433,614 |
| Basic earnings per share (fils) | 8.47 | 5.33 | 33.19 | 14.10 |

Delmon Poultry Company B.S.C.

Condensed interim statement of comprehensive income for the quarter and nine months period ended 30 September 2015
(Reviewed)
(Expressed in Bahrain Dinars)

| | Quarter ended 30 September 2015 | Quarter ended 30 September 2014 | Nine months period ended 30 September 2015 | Nine months period ended 30 September 2014 |
|---|---------------------------------------|---------------------------------------|--|--|
| Net Profit for the period | 260,410 | 163,986 | 1,020,597 | 433,614 |
| Other comprehensive income: | | | | |
| <i>Items that may be reclassified into profit or loss:</i> | | | | |
| Unrealised fair values (losses)/gain on available-for-sale investments | (162,122) | 49,911 | (102,376) | 540,340 |
| Transferred to statement of profit or loss on sale/maturity of available-for-sale-investments | | (21,120) | | (49,561) |
| Company's share in associate's net change in investments' fair value | (7,711) | 11,833 | 4,633 | 61,350 |
| Other comprehensive (loss)/income for the period | (169,833) | 40,624 | (97,743) | 552,129 |
| Total comprehensive income for the period | <u>90,577</u> | <u>204,610</u> | <u>922,854</u> | <u>985,743</u> |

Delmon Poultry Company B.S.C.
Condensed interim statement of changes in shareholders' equity for the nine months period ended 30 September 2015
(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 |
|---|------------------|-------------------|------------------|--------------------------------------|-------------------------------|-------------------|-----------------|-------------------|
| 2014 (Reviewed) | | | | | | | | |
| As at 1 January 2014 | 3,120,928 | 1,560,464 | 3,993,000 | 1,000,000 | 1,864,748 | 3,391,237 | (59,857) | 14,870,520 |
| Total comprehensive income for the period | | | - | - | 552,129 | 433,614 | - | 985,743 |
| Purchase of treasury shares | | | - | - | | (14,160) | (14,160) | |
| Dividend distributed for 2013 | | | - | - | | (616,226) | | (616,226) |
| At 30 September 2014 | <u>3,120,928</u> | <u>1,560,464</u> | <u>3,993,000</u> | <u>1,000,000</u> | <u>2,416,877</u> | <u>3,208,625</u> | <u>(74,017)</u> | <u>15,225,877</u> |
| 2015 (Reviewed) | | | | | | | | |
| As at 1 January 2015 | 3,120,928 | 1,560,464 | 3,993,000 | 1,000,000 | 2,164,499 | 3,582,607 | (74,017) | 15,347,481 |
| Total comprehensive income for the period | | | - | - | (97,743) | 1,020,597 | - | 922,854 |
| Dividend distributed for 2014 | | | - | - | | (615,026) | | (615,026) |
| At 30 September 2015 | <u>3,120,928</u> | <u>1,560,464</u> | <u>3,993,000</u> | <u>1,000,000</u> | <u>2,066,756</u> | <u>3,988,178</u> | <u>(74,017)</u> | <u>15,655,309</u> |

Delmon Poultry Company B.S.C.
Condensed interim statement of cash flows for the nine months
period ended 30 September 2015
(Reviewed)
(Expressed in Bahrain Dinars)

| | Nine months period ended 30 September 2015 (Reviewed) | Nine months period ended 30 September 2014 (Reviewed) |
|--|---|---|
| Operating activities | | |
| Net profit for the period | 1,020,597 | 433,614 |
| Adjustments for: | | |
| Depreciation | 138,584 | 119,204 |
| Profit on sale of property, plant and equipment | - | (2,708) |
| Profit on sale of available-for-sale investments | - | (117,262) |
| Impairment of available-for-sale investments | 53,016 | 45,300 |
| Share of profit of an associate | (326,771) | (249,405) |
| Interest and dividends | (281,515) | (237,581) |
| Changes in operating assets and liabilities: | | |
| Inventories | 82,138 | (181,713) |
| Trade and other receivables | 439,975 | (22,039) |
| Trade and other payables | (384,685) | 219,722 |
| Employees' terminal benefits, net | <u>5,294</u> | <u>4,424</u> |
| Net cash provided by operating activities | <u>746,633</u> | <u>11,556</u> |
| Investing activities | | |
| Purchase of property, plant and equipment | (173,521) | (145,507) |
| Purchase of available for-sale-investments | (188,550) | (196,477) |
| Purchase of treasury shares | - | (14,160) |
| Purchase of held-to-maturity investments | (750,000) | - |
| Proceeds from sale/maturity of available for-sale-investments | 16,592 | 127,107 |
| Net movement in term deposits | 1,472,497 | (665,508) |
| Dividends received from the investment in an associate company | 184,477 | 184,477 |
| Proceeds from sale of property, plant and equipment | - | 3,101 |
| Interest and dividends received | <u>281,515</u> | <u>237,581</u> |
| Net cash provided by/(used in) investing activities | <u>843,010</u> | <u>(469,386)</u> |
| Financing activities | | |
| Dividends paid | <u>(595,702)</u> | <u>(595,916)</u> |
| Net cash used in financing activities | <u>(595,702)</u> | <u>(595,916)</u> |
| Net increase/(decrease) in cash and cash equivalents | 993,941 | (1,053,746) |
| Cash and cash equivalents, beginning of the period | <u>2,023,529</u> | <u>4,017,584</u> |
| Cash and cash equivalents, end of the period | <u>3,017,470</u> | <u>2,963,838</u> |

Delmon Poultry Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter
and nine months period ended 30 September 2015**

(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 Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 10700 obtained on 21 July 1980.

The principal objects 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; and
- Chicks hatchery at Al-Buhair

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

2 Basis of preparation

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 2014, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in annual audited financial statements of the Company for the year ended 31 December 2014, as described in those annual audited financial statements.

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.

The condensed interim financial information have been prepared under the historical cost convention, modified by the valuation of available-for-sale investments which are measured at their fair values.

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

Improvements/amendments to IFRS 2012/2014 cycle

Improvements/amendments to IFRS issued in 2012/2014 cycle contained numerous amendments to IFRS 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 annual audited financial statements beginning on or after 1 January 2015 with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments.

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter
and nine months period ended 30 September 2015
(Reviewed)
(Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

Standards, amendments and interpretations effective and adopted in 2015

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning 1 January 2015 and have been adopted in the preparation of the financial statements:

| Standard or Interpretation | Title | Effective for annual periods beginning on or after |
|-----------------------------------|-------------------------------------|---|
| IAS 16 | Property, Plant and Equipment | 1 July 2014 |
| IAS 19 | Employee Benefits | 1 July 2014 |
| IAS 24 | Related Party Disclosures | 1 July 2014 |
| IAS 38 | Intangible Assets | 1 July 2014 |
| IFRS 7 | Financial Instruments - Disclosures | 1 January 2015 |
| IFRS 8 | Operating Segments | 1 July 2014 |
| IFRS 13 | Fair Value Measurement | 1 July 2014 |

Standards, amendments and interpretations issued and effective in 2015 but not relevant

The following new standards, amendments to existing standards and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2015 or subsequent periods, but are not relevant to the Company's operations:

| Standard or Interpretation | Title | Effective for annual periods beginning on or after |
|-----------------------------------|--|---|
| IAS 40 | Investment properties | 1 July 2014 |
| | First Time Adoption of International Financial Reporting Standards | |
| IFRS 1 | Reporting Standards | 1 July 2014 |
| IFRS 2 | Share Based Payment | 1 July 2014 |
| IFRS 3 | Business Combinations | 1 July 2014 |

Standards, amendments and interpretations issued but not yet effective in 2015

The following IFRS and IFRIC interpretations issued/revised as at 1 January 2015 or subsequent periods but are not yet effective to the Company's operations:

| Standard or Interpretation | Title | Effective for annual periods beginning on or after |
|-----------------------------------|--|---|
| IFRS 9 | Financial Instruments - Classification and Measurement | 1 January 2018 |
| IFRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| IFRS 15 | Revenue from Contracts with Customers | 1 January 2017 |

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter
and nine months period ended 30 September 2015
(Reviewed)
(Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

There would have been no change in the operational results of the Company for the period ended 30 September 2015 had the Company early adopted any of the above standards applicable to the Company except for the adoption of IFRS 9 which would result in impact the classification and measurement of certain financial assets and liabilities.

Early adoption of amendments or standards in 2015

The Company did not early-adopt any new or amended standards in 2015.

3 Earnings per share

| | Quarter ended 30 September 2015 | Quarter ended 30 September 2014 | Nine months period ended 30 September 2015 | Nine months period ended 30 September 2014 |
|--|---------------------------------------|---------------------------------------|---|---|
| Net profit for the period | <u>260,410</u> | <u>163,986</u> | <u>1,020,597</u> | <u>433,614</u> |
| Weighted average number of shares outstanding | <u>30,751,295</u> | <u>30,751,295</u> | <u>30,751,295</u> | <u>30,751,295</u> |
| Earnings per share (fils) | <u>8.47</u> | <u>5.33</u> | <u>33.19</u> | <u>14.10</u> |

The earnings per share has been computed on the basis of net profit for the nine months ended 30 September 2015 divided by the weighted average number of shares outstanding for the period total of 31,209,277, net of 457,982 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.

4 Appropriations

The Annual General Meeting of shareholders held on 24 March 2015 has approved 20% cash dividends of share nominal value amounting to BD615,026 for the year 2014 (2013: 616,226). The Annual General Meeting of shareholders also approved directors' remuneration of BD72,380 for the year 2014 (2013: BD71,594).

5 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 conducted on normal commercial basis.

Delmon Poultry Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter
and nine months period ended 30 September 2015**

(Reviewed)

(Expressed in Bahrain Dinars)

5 Transactions and balances with related parties (continued)

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

| | 30 September 2015 | | | 31 December 2014 | | 30 September 2014 | | |
|-------------------------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|--|--|
| | Receivables | Sales | Purchases | Receivables | Sales | Purchases | | |
| Major shareholders | 20,047 | 456,927 | - | 41,326 | 42,275 | - | | |
| Entities controlled by directors | 1,214 | 304,058 | 538,588 | 28,138 | 257,636 | 358,155 | | |
| Associate Company | - | - | - | - | 15,250 | - | | |
| Total | <u>21,261</u> | <u>760,985</u> | <u>538,588</u> | <u>69,464</u> | <u>315,161</u> | <u>358,155</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:

| | Nine months period ended <u>30 September 2015</u> | Nine months period ended <u>30 September 2014</u> |
|------------------------------------|---|---|
| Board of directors remuneration | 54,288 | 53,696 |
| Board of directors attendance fees | 20,000 | 20,700 |
| Salaries and other benefits | 50,660 | 53,527 |

6 Property, plant and equipment

Additions to property, plant and equipment during the nine month period ended 30 September 2015 amounted to BD173,521 (30 September 2014: BD145,507). There were no disposals in the property, plant and equipment during the nine month period ended 30 September 2015 (30 September 2014: BD33,294).

Delmon Poultry Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter
and nine months period ended 30 September 2015**

(Reviewed)

(Expressed in Bahrain Dinars)

7 Segmental information:

As at and for the nine months period ended 30 September 2015 (Reviewed)

| 2015 (Reviewed) | Chicken | Feeds | Chicks | Investments | Unallocated | Total |
|--|----------------|------------------|------------------|--------------------|--------------------|--------------------|
| Sales | 6,173,119 | 2,941,967 | 1,362,216 | - | - | 10,477,302 |
| Cost of sales | (5,818,314) | (3,563,740) | (1,628,762) | - | - | (11,010,816) |
| Gross profit/(loss) | 354,805 | (621,773) | (266,546) | - | - | (533,514) |
| Other operating expenses | (290,644) | (178,017) | (81,361) | - | - | (550,022) |
| Profit/(loss) from operations before government subsidy | 64,161 | (799,790) | (347,907) | - | - | (1,083,536) |
| Government subsidy | 766,135 | 780,151 | - | - | - | 1,546,286 |
| Profit/(loss) from operations | 830,296 | (19,639) | (347,907) | - | - | 462,750 |
| Investments income | - | - | - | 606,371 | - | 606,371 |
| Other income | - | - | - | - | 4,492 | 4,492 |
| Impairment of available for sale investments | - | - | - | (53,016) | - | (53,016) |
| Segment profit/ (loss) for the period | 830,296 | (19,639) | (347,907) | 553,355 | 4,492 | 1,020,597 |
| Total segment assets | 884,298 | 926,618 | 521,679 | 12,075,623 | 2,157,579 | 16,565,798 |
| Total segment liabilities | 375,424 | 69,947 | 24,671 | - | 440,447 | 910,489 |

Delmon Poultry Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter
and nine months period ended 30 September 2015**

(Reviewed)

(Expressed in Bahrain Dinars)

7 Segmental information (continued)

As at 31 December 2014 and for the nine months ended 30 September 2014 (Reviewed)

| 2014 (Reviewed) | Chicken | Feeds | Chicks | Investments | Unallocated | Total |
|---|------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| Sales | 5,252,725 | 2,269,675 | 1,328,262 | - | - | 8,850,662 |
| Cost of sales | (5,008,406) | (3,261,802) | (1,540,344) | - | - | (9,810,552) |
| Gross profit/(loss) | 244,319 | (992,127) | (212,082) | - | - | (959,890) |
| Other operating expenses | (270,968) | (176,472) | (83,337) | - | - | (530,777) |
| Loss from operations before government subsidy | (26,649) | (1,168,599) | (295,419) | - | - | (1,490,667) |
| Government subsidy | <u>655,163</u> | <u>708,102</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,363,265</u> |
| Profit/(loss) from operations | 628,514 | (460,497) | (295,419) | - | - | (127,402) |
| Investments income | - | - | - | 602,575 | - | 602,575 |
| Other income | - | - | - | - | 3,741 | 3,741 |
| Impairment of available for sale investments | - | - | - | (45,300) | - | (45,300) |
| Segment profit/ (loss) for the period | 628,514 | (460,497) | (295,419) | 557,275 | 3,741 | 433,614 |
| Total segment assets | 1,988,515 | 2,043,488 | 497,625 | 11,640,685 | 447,723 | 16,618,036 |
| Total segment liabilities | 313,614 | 245,367 | 16,987 | - | 694,587 | 1,270,555 |

8 Interim results

The interim financial results may not represent a proportionate share of the annual profits, due to the nature of the Company's activities and potential seasonal changes. Moreover, due to the variance in the timing of confirmation and recognition of the government subsidy (which is usually effective from the beginning of the year), the current period figures may not necessarily represent a proportionate share of the annual profits.

9 Subsequent events

The Government has recently removed the subsidy over meat with effect from 1 October 2015. The Company was receiving subsidy over sale of chicken in the open market and sale of animal feeds to the farmers. This is likely to impact the future performance of the Company.

Other than the above, there were no events subsequent to 30 September 2015 and occurring before the date of the approval of the statement of financial information that are expected to have a significant impact on this statement of financial information.

Delmon Poultry Company B.S.C.
Additional information (Not reviewed)

Schedule (1): Quantities produced & sold

| | Nine months period ended <u>30 September 2015</u> | Nine months period ended <u>30 September 2014</u> |
|----------------------------|---|---|
| Quantities sold | | |
| Chicken | 6,384,458 KG | 5,460,985 KG |
| Feed | 23,726 ton | 19,211 ton |
| Chicks | 7,169,555 chicks | 6,990,853 chicks |
| Quantities produced | | |
| Chicken | 6,356,408 KG | 5,460,397 KG |
| Feed | 23,558 ton | 19,197 ton |
| Chicks | 7,315,870 chicks | 7,130,930 chicks |