

**Ras Al Khaimah Poultry & Feeding Co. P.S.C.  
Ras Al Khaimah - United Arab Emirates**

**Independent auditor's report on review of  
condensed interim financial statements  
For the nine month period ended  
September 30, 2019 (Unaudited)**

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**Ras Al Khaimah Poultry & Feeding Co. P.S.C.**  
**Ras Al Khaimah - United Arab Emirates**

**General information**

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Principal office address : Digdaga  
P. O. Box: 184  
Ras Al Khaimah, United Arab Emirates  
T: +971 72 462 222  
F: +971 72 462 220

Website : [www.rapco.co.ae](http://www.rapco.co.ae)

The Board of Directors	<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
	Shaikh Mohamed Humaid Abdulla Mohamed Al Qasemi	Emirati	Chairman
	Mubarak Ali Mubarak Alshamsi	Emirati	Deputy Chairman
	Abdulla Khalfan Mohammed Alshraiqi Almehrzi	Emirati	Member of the Board of Directors
	Ahmed Omar Salem Alkarbi	Emirati	Member of the Board of Directors
	Mohammed Hasan Mohammed Alshamsi Alawadhi	Emirati	Member of the Board of Directors

The Auditor : Crowe Mak  
P.O. Box 6747  
Dubai - United Arab Emirates

Ref: DN/A2588/Oct 2019

**Independent auditor's report on review of condensed interim financial statements**

To,  
The Shareholders  
Ras Al Khaimah Poultry & Feeding Co. P.S.C.  
P. O. Box: 184  
Ras Al Khaimah - United Arab Emirates

**Introduction**

We have reviewed the accompanying condensed interim financial statements of **Ras Al Khaimah Poultry & Feeding Co . P.S.C.** (the "Entity" ) which comprise condensed interim statement of financial position as at **September 30, 2019** and the condensed interim statement of profit or loss and other comprehensive income , condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine month period then ended . Management is responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these condensed interim financial statements 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 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.

**Basis for Qualified Conclusion**

- (a) As disclosed in note 7 of the condensed interim financial statements , the investments in associate include investment in RAK AMI Hotel FZ -LLC which is carried at AED 75,100,000 as at September 30, 2019. We were unable to obtain sufficient appropriate information regarding the carrying amount of this associate as the access to the required financial information was not provided to us by the management . Consequently, we were unable to determine whether any adjustments related to this investment were necessary.
  
- (b) As disclosed in note 15 to the condensed interim financial statements , the poultry segment has generated losses for the period ended September 30, 2019 amounting to AED 6,330,044, which indicates that an impairment might exist. However, we were unable to obtain sufficient and appropriate information to support the carrying amount of the poultry segment's non – current assets as the management of the Entity has not performed an impairment assessment in accordance with International Accounting Standards 36 - Impairment of Assets. Consequently, we were unable to determine whether any adjustments to the poultry segment's non-current assets were necessary.

## **Independent auditor's report on review of condensed interim financial statement (continued)**

### **Basis for Qualified Conclusion (continued)**

- (c) As disclosed in note 5 of the condensed interim financial statements, investment properties are carried at fair value amounting to AED 34,400,000 as at September 30, 2019. The valuation of these investment properties was performed by an independent external valuer using certain assumptions and judgments. We were unable to obtain sufficient and appropriate information about the assumptions and judgments used by the independent external valuer for the valuation of investment properties as at September 30, 2019 because we were not provided with supporting information to substantiate the assumptions and judgments used by the valuer. Consequently, we were unable to determine whether any adjustments to the amounts were necessary.

### **Qualified Conclusion**

Based on our review, except for the possible effects of the matters mentioned in the Basis for Qualified Conclusion, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

### **Other matters**

The financial statements of the Entity for the year ended December 31, 2018 were audited by another auditor who expressed a qualified opinion on those financial statements on March 17, 2019 with regards to the following matters:-

- 1) Lack of information about the carrying amount of the investments in associates,
- 2) No impairment assessment performed on the poultry segment as at December 31, 2018, and
- 3) No information provided to validate the assumptions used in valuation of investment properties as at December 31, 2018.

Furthermore, the condensed interim financial statement for the nine month period ended September 30, 2018 were reviewed by other auditor who expressed a qualified conclusion on November 05, 2018 with regards to the fact that no impairment assessment was performed on the poultry segment as at September 30, 2018 and December 31, 2017, and lack of information about the carrying amount of the investment in associates as at September 30, 2018.

**Zayd Khalid Maniar**

Partner

**Crowe Mak**

Registration Number 579

Dubai, U.A.E.

November 5, 2019

Condensed interim statement of financial position as at September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

	Notes	September 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	4	12,282,985	13,242,771
Investment properties	5	89,840,000	89,840,000
Investments in associates	7	83,009,587	83,130,926
Investments at fair value through Other Comprehensive Income (FVTOCI)	8	118,563,331	133,871,334
Financial assets at amortised cost	9	17,123,839	-
Loans to a related party	10	6,000,000	6,000,000
<b>Total non-current assets</b>		<b>326,819,742</b>	<b>326,085,031</b>
<i>Current assets</i>			
Biological assets		4,347,456	2,723,721
Inventories	11	455,315	1,941,029
Trade and other receivables	12	8,345,230	8,691,562
Due from related parties	10	741,052	1,445,492
Loans to a related party	10	4,000,000	5,000,000
Cash and bank balances	13	15,568,078	38,699,625
<b>Total current assets</b>		<b>33,457,131</b>	<b>58,501,429</b>
<b>Total assets</b>		<b>360,276,873</b>	<b>384,586,460</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital		86,400,000	86,400,000
Reserves		139,088,431	139,088,431
Cumulative changes in fair value of investments carried at FVTOCI		57,813,022	73,121,025
Retained earnings		47,057,999	51,223,707
<b>Total equity</b>		<b>330,359,452</b>	<b>349,833,163</b>
<i>Non-current liabilities</i>			
Employees' end of service benefits		3,037,069	3,357,723
<b>Total non-current liabilities</b>		<b>3,037,069</b>	<b>3,357,723</b>
<i>Current liabilities</i>			
Unclaimed dividends		23,571,475	23,572,915
Trade and other payables		3,308,877	7,822,659
<b>Total current liabilities</b>		<b>26,880,352</b>	<b>31,395,574</b>
<b>Total liabilities</b>		<b>29,917,421</b>	<b>34,753,297</b>
<b>Total equity and liabilities</b>		<b>360,276,873</b>	<b>384,586,460</b>

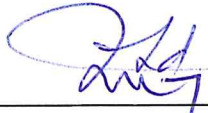
The accompanying notes form an integral part of this condensed interim financial statements.

The independent auditor's report on review of these condensed interim financial statements is set out on pages 2 and 3.

The condensed interim financial statements on pages 4-17 were approved on November 5, 2019 by Board of Directors and signed on their behalf by:

  
Shaikh Mohamed Humaid Abdulla Mohamed Al Qasbi  
Chairman



  
Mohamed Elsiddig Elimam Abdelgadir  
Acting General Manager

Ras Al Khaimah Poultry & Feeding Co. P.S.C.  
Ras Al Khaimah - United Arab Emirates

Condensed interim statement of profit or loss and other comprehensive income  
For the nine month period ended September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

	<u>Note</u>	Nine month period ended		Three month period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue		18,987,117	21,013,308	4,816,075	5,491,065
Cost of sales		(18,323,213)	(26,546,954)	(6,041,012)	(6,049,567)
Gross profit / (loss)		663,904	(5,533,646)	(1,224,937)	(558,502)
General and administrative expenses		(3,793,035)	(4,361,502)	(1,175,913)	(1,244,485)
Selling and distribution expenses		(3,409,861)	(3,007,862)	(1,088,529)	(941,789)
Investment income		6,604,604	8,200,142	300,600	831,729
Share of (loss) / profit of associates	7	(121,339)	33,711	(38,156)	(59,478)
Other income		317,147	435,331	104,682	147,973
Finance costs		(107,128)	(48,374)	(4,424)	(5,890)
<b>Net profit / (loss) for the period</b>		<b>154,292</b>	<b>(4,282,200)</b>	<b>(3,126,677)</b>	<b>(1,830,442)</b>
Other comprehensive loss					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
(Decrease) / Increase in fair value of investments carried at fair value through other comprehensive loss		(15,308,003)	(28,007,834)	9,666,510	(22,731,754)
<b>Total comprehensive (loss) / profit for the period</b>		<b>(15,308,003)</b>	<b>(28,007,834)</b>	<b>9,666,510</b>	<b>(22,731,754)</b>
		<b>(15,153,711)</b>	<b>(32,290,034)</b>	<b>6,539,833</b>	<b>(24,562,196)</b>
Basic earnings / (loss) per share	14	0.00	(0.05)	(0.04)	(0.02)

The accompanying notes form an integral part of this condensed interim financial statements.

The independent auditor's report on review of these condensed interim financial statements is set out on pages 2 and 3.

Ras Al Khaimah Poultry & Feeding Co. P.S.C.  
Ras Al Khaimah - United Arab Emirates

Condensed interim statement of changes in equity  
For the nine month period ended September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

	Share capital	Reserves	Cumulative changes in fair value of investments carried at FVTOCI	Retained earnings	Total equity
Balance as at January 1, 2018 (Unaudited)	86,400,000	139,088,431	91,461,428	63,868,540	380,818,399
Loss for the period	-	-	-	(4,282,200)	(4,282,200)
Other comprehensive loss	-	-	(28,007,834)	-	(28,007,834)
Total comprehensive loss for the period	-	-	(28,007,834)	(4,282,200)	(32,290,034)
Dividends distribution	-	-	-	(4,320,000)	(4,320,000)
Board of Director's remuneration	-	-	-	(100,000)	(100,000)
Balance as at September 30, 2018 (Unaudited)	86,400,000	139,088,431	63,453,594	55,166,340	344,108,365
Balance as at December 31, 2018 (Audited)	86,400,000	139,088,431	73,121,025	51,223,707	349,833,163
Profit for the period	-	-	-	154,292	154,292
Other comprehensive loss	-	-	(15,308,003)	-	(15,308,003)
Total comprehensive (loss) / profit for the period	-	-	(15,308,003)	154,292	(15,153,711)
Dividends distribution	-	-	-	(4,320,000)	(4,320,000)
<b>Balance as at September 30, 2019 (Unaudited)</b>	<b>86,400,000</b>	<b>139,088,431</b>	<b>57,813,022</b>	<b>47,057,999</b>	<b>330,359,452</b>

The accompanying notes form an integral part of this condensed interim financial statements.

The independent auditor's report on review of these condensed interim financial statements is set out on pages 2 and 3.



Ras Al Khaimah Poultry & Feeding Co. P.S.C.  
Ras Al Khaimah - United Arab Emirates  
Condensed interim statement of cash flows  
For the nine month period ended September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

	Nine month period ended September 30,	
	2019	2018
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Net profit / (loss) for the period	154,292	(4,282,200)
<i>Adjustments for:</i>		
Share of loss/(profit) of associates	121,339	(33,711)
(Gain) on sale of property, plant and equipment	-	(4,250)
Depreciation on property, plant and equipment	1,107,683	1,437,841
Dividend income	(3,774,075)	(5,681,267)
Interest income	(2,234,558)	(1,121,584)
Finance costs	107,128	48,374
Provision for employees' end of service benefits	176,430	263,828
<b>Operating (loss) before changes in operating assets and liabilities</b>	<b>(4,341,761)</b>	<b>(9,372,969)</b>
<i>(Increase) / decrease in current assets</i>		
Inventories	1,485,714	1,485,797
Biological assets	(1,623,735)	1,625,005
Trade and other receivables	346,332	(1,290,340)
Due from related parties	704,440	257,700
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(4,513,782)	875,644
<b>Net cash (used in) operations</b>	<b>(7,942,792)</b>	<b>(6,419,163)</b>
Employees' end of services benefits paid	(497,084)	(184,581)
Finance costs paid	(107,128)	(48,374)
<b>Net cash (used in) operating activities</b>	<b>(8,547,004)</b>	<b>(6,652,118)</b>
<b>Cash flows from investing activities</b>		
Purchase of financial assets at amortised cost	(16,368,237)	-
Purchase of property, plant and equipment	(147,897)	(1,145,145)
Additions in investment in associates	-	(100,000)
Proceeds from sale of property, plant and equipment	-	8,820
Proceeds from loans to a related party	1,000,000	1,000,000
Interest received	1,478,956	1,121,584
Dividend received	3,774,075	5,681,267
Proceeds from disposal of fixed deposits with maturity over 3 months	26,290,722	-
Payments to acquire of fixed deposits with maturity over 3 months	-	(667,494)
<b>Net cash from investing activities</b>	<b>16,027,619</b>	<b>5,899,032</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(4,321,440)	(4,369,670)
Board of Director's remuneration	-	(100,000)
<b>Net cash (used in) financing activities</b>	<b>(4,321,440)</b>	<b>(4,469,670)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,159,175</b>	<b>(5,222,756)</b>
Cash and cash equivalents, beginning of the period	1,706,532	7,820,504
<b>Cash and cash equivalents, end of the period</b>	<b>4,865,707</b>	<b>2,597,748</b>

The accompanying notes form an integral part of this condensed interim financial statements.

The independent auditor's report on review of these condensed interim financial statements is set out on pages 2 and 3.

**Notes to the condensed interim financial statements for the nine month period ended September 30, 2019 (Unaudited)**

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**1 Legal status and business activities**

- 1.1** Ras Al Khaimah Poultry & Feeding Co. P.S.C, Ras Al Khaimah ("the Entity") is public shareholding company, facilitated under Emiri decree No. 76/8 of 1976 issued by His Highness, The Ruler of Ras Al Khaimah. The Entity was incorporated on March 11, 1978 and operates under industrial license no. 302 issued by Department of Economic Development of Government of Ras Al Khaimah. The shares of the Entity are traded on the Abu Dhabi Securities Exchange.
- 1.2** The principal activities of the Entity are the agricultural, manufacturing and trading activities and other technical production activities relating to poultry production.
- 1.3** The address of the Entity's registered office is P.O. Box 184, Ras Al Khaimah, United Arab Emirates.
- 1.4** The management and control are vested with Mr. Mohamed Elsiddig Elimam Abdelgadir, Acting General Manager, Sudani national.
- 1.5** These condensed interim financial statements incorporate the operating results of the Entity's license no. 302.

**2 Basis of preparation**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Entity.

These condensed interim financial statements have been prepared on the historical cost basis except for investment properties, biological assets and financial instruments that are measured at fair values.

The accounting policies and methods of computation adopted in preparing these condensed interim financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2018 except for the adoption of the new amendments to the standards as mentioned in (note 3).

All aspects of the financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended December 31, 2018.

These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2018.

The condensed result for the nine month period ended September 30, 2019 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2019.

The preparation of these condensed interim financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended December 31, 2018.

**Notes to the condensed interim financial statements for the nine month period ended September 30, 2019 (Unaudited)**

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**3 Significant accounting policies**

The accounting policies used in the preparation of condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2018, except for the adoption of the following new amendments to the standards effective for the periods beginning on or after January 01, 2019.

- IFRS 16 Leases

The adoption of this standard did not have a material impact on the Entity.

Notes to the condensed interim financial statements for the nine month period ended September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

**4 Property, plant and equipment**

During the period, additions to property, plant and equipment amounted to AED 147,897 (nine month period ended September 30, 2018: AED 1,145,145) and depreciation for the nine month period ended September 30, 2019 amounted to AED 1,107,683 (nine month period ended September 30, 2018: AED 1,437,841).

All property, plant and equipment are located in U.A.E.

**5 Investment properties**

	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
Plots of land	55,440,000	55,440,000
Buildings	34,400,000	34,400,000
	<u>89,840,000</u>	<u>89,840,000</u>

*Movements during the period / year are as follows:*

Balance at the beginning of the period / year	89,840,000	92,380,000
Decrease in fair value	-	(2,540,000)
Balance at the end of the period / year	<u>89,840,000</u>	<u>89,840,000</u>

Investment properties comprise the fair value of plots of land and buildings located in the United Arab Emirates. Investment properties are stated at fair value based on a valuation carried out by an independent external valuer as at December 31, 2018.

**6 Other assets**

As at December 31, 2017, other assets amounting to AED 75 million represents advance paid during 2010 to Al Hamra Real Estate Development LLC ("Al Hamra") against the agreement to purchase a plot of land in Island "B" in Al Hamra Village – Ras Al Khaimah. During 2016 and after discussing the matter with Al Hamra management, the Entity's Board of Directors resolved to change the objective of this investment to a financial investment through entering into a partnership with other strategic partners to form a limited liability company which aims to invest in the hospitality sector in Ras Al Khaimah.

On 6 May 2018, the Entity entered into a Plot Retrieving and Shares Transfer Agreement with Al Hamra to transfer 5,276,020 shares (the "Shares") of RAK AMI Hotel FZ-LLC (the "Hotel") which represent 27.7528% of the Hotel's share capital, held by Al Hamra, to the Entity as a settlement of the outstanding advance payment of AED 75 million, in addition to AED 100,000 payable to Al Hamra as a final settlement for the shares transferred.

Balance at the beginning of the period / year	-	75,000,000
Transfer to investment in associates (note 7)	-	(75,000,000)
	<u>-</u>	<u>-</u>

Notes to the condensed interim financial statements for the nine month period ended September 30,  
2019 (Unaudited)  
In Arab Emirates Dirham

7 Investments in associates

	Percentage of ownership interest		Sept 30, 2019	Dec 31, 2018
	2019	2018	(Unaudited)	(Audited)
Ras Al Khaimah Packaging Co. Ltd. LLC	50.00%	50.00%	7,909,587	8,030,926
RAK AMI Hotel FZ-LLC	27.75%	27.75%	75,100,000	75,100,000
			<b>83,009,587</b>	<b>83,130,926</b>

Principal activity of Ras Al Khaimah Packaging Co. Ltd. LLC is manufacturing of carton boxes and containers and wholesale trading of paper.

Principal activity of RAK AMI Hotel FZ-LLC is real estate development.

The summarized financial information of associates, accounted for using the equity method, is as follows:

	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
Movement in investments in associates are as follows:		
Balance at the beginning of the period / year	83,130,926	8,002,256
Share of (loss) / profit	(121,339)	28,670
Transfer from other assets (note 6)	-	75,000,000
Additions during the period / year	-	100,000
Balance at the end of the period / year	<b>83,009,587</b>	<b>83,130,926</b>

The summarised financial information below of Ras Al Khaimah Packaging Co. Ltd. LLC represents amounts shown in its financial statements prepared in accordance with IFRS. The financial information of RAK AMI Hotel FZ-LLC (the "Hotel") represents merely the Entity's share of the Hotel's capital as the Hotel has not yet commenced its commercial operations.

**Associate's financial information - Ras Al Khaimah Packaging Co. Ltd. LLC, UAE**

Current assets	12,995,157	16,318,740
Non-current assets	17,334,158	18,459,960
Total assets	<b>30,329,315</b>	<b>34,778,700</b>
Current liabilities	4,406,077	12,147,683
Non-current liabilities	10,027,755	6,569,166
Total liabilities	<b>14,433,832</b>	<b>18,716,849</b>
Net assets	<b>15,895,483</b>	<b>16,061,851</b>
Proportion of Entity's ownership interest in the associate	<b>50%</b>	<b>50%</b>
Carrying amount of Entity's interest in associate	<b>7,909,587</b>	<b>8,030,926</b>

Notes to the condensed interim financial statements for the nine month period ended September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

7 Investments in associates (continued)

*Associate's financial information - Ras Al Khaimah Packaging Co. Ltd. (L.L.C.), UAE (continued)*

	Nine month period ended		Three month period ended	
	September 30, 2019 (Unaudited)	2018 (Unaudited)	September 30, 2019 (Unaudited)	2018 (Unaudited)
Revenue for the period	<u>14,475,230</u>	<u>16,554,905</u>	<u>4,568,493</u>	<u>5,575,688</u>
(Loss) / profit for the period	<u>(166,366)</u>	<u>67,423</u>	<u>(76,311)</u>	<u>(118,955)</u>
Proportion of the Entity's ownership interest in the associate	<u>50.00%</u>	<u>50.00%</u>	<u>50.00%</u>	<u>50.00%</u>
Share in the net (loss) / profit of the associate	<u>(83,183)</u>	<u>33,711</u>	<u>(38,156)</u>	<u>(59,478)</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ras Al Khaimah Packaging Co. Ltd. LLC is recognised in these financial statements.

*Associate financial information RAK AMI Hotel FZ-LLC, U.A.E*

	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
The associate's total share capital	<u>270,603,035</u>	<u>270,603,035</u>
Proportion of the Entity's ownership interest in the associate	<u>27.75%</u>	<u>27.75%</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in RAK AMI Hotel FZ LLC is recognised in this financial statements.

8 Investments at fair value through Other Comprehensive Income (FVTOCI)

Quoted investments	89,355,831	104,663,834
Unquoted investments	<u>29,207,500</u>	<u>29,207,500</u>
	<u>118,563,331</u>	<u>133,871,334</u>

*The movements of investments at fair value through Other Comprehensive Income are as follows:*

Balance at the beginning of the period / year	133,871,334	152,211,737
Decrease in fair value	<u>(15,308,003)</u>	<u>(18,340,403)</u>
Balance at the end of the period / year	<u>118,563,331</u>	<u>133,871,334</u>

The cumulative changes in fair value of investments designated at FVTOCI amounting to AED 57,813,022 as at September 30, 2019 (December 31, 2018: AED 73,121,025) are shown under equity.

Notes to the condensed interim financial statements for the nine month period ended September 30, 2019 (Unaudited)  
In Arab Emirates Dirham

**9 Financial assets at amortised cost**

<i>The movement of financial assets at amortised cost are as follows:</i>	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
Additions during the period / year	16,895,800	-
Interest received during the period	(527,563)	-
Accrued interest for the period	755,602	-
Balance at the end of the period / year	<u>17,123,839</u>	<u>-</u>

Investments at amortised costs comprise of DIB TIER 1 SUKUK 3 LTD bond issued by Dubai Islamic Bank in January 2019. The bonds are for a period of 5 years with a fixed interest rate of 6.75% per annum.

**10 Related party transactions**

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, "Related party disclosures". Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

**a) Due from related parties**

Ras Al Khaimah Packaging Co. Ltd. LLC, Associate, U.A.E	741,052	915,856
Al Bustan Import and Foodstuff Supply, Entity under common control, U.A.E	-	529,636
	<u>741,052</u>	<u>1,445,492</u>

**b) Loans to a related party**

Ras Al Khaimah Packaging Co. Ltd. LLC	10,000,000	11,000,000
Less: Due within 12 months from the reporting date	(4,000,000)	(5,000,000)
Due after 12 months from the reporting date	<u>6,000,000</u>	<u>6,000,000</u>

A long term loan was granted to Ras Al Khaimah Packaging Co. Ltd. LLC of AED 16 million to finance the construction of its new plant. The loan is repayable in six annual instalments of AED 2 million for the first two years and AED 3 million for the remaining four years commencing from December 2016. The loan is unsecured and carries interest rate of 4% per annum effective 1 August 2015 onwards.

**c) Transactions with related parties**

The nature of significant related party transactions and the amounts involved were as follows:

	Nine month period ended September 30,		Three month period ended September 30,	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Sales	721,003	1,536,495	153,152	444,029
Purchases	662,478	517,837	-	138,993
Interest income	313,040	338,938	100,823	110,904
Settlement of a loan installment by a related party	<u>1,153,152</u>	<u>1,000,000</u>	<u>153,152</u>	<u>-</u>

**d) Key management personnel compensation**

The compensation of key management personnel is as follows:

Salaries (President /Vice President)	270,000	652,575	90,000	127,500
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Notes to the condensed interim financial statements for the nine month period ended September 30,  
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11 Inventories	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
Spare parts and others	3,763,548	4,201,626
Finished goods	409,928	914,848
Medicines and vaccinations	142,611	251,917
Filling and packaging materials	17,533	450,943
	<u>4,333,620</u>	<u>5,819,334</u>
Less: Allowance for slow moving inventories	<u>(3,878,305)</u>	<u>(3,878,305)</u>
	<u><u>455,315</u></u>	<u><u>1,941,029</u></u>

The above inventories are located at warehouses at Ras Al Khaimah, United Arab Emirates.

Movement in allowance for slow moving inventories as at reporting date is as follows:

Balance at the beginning of the period / year	<u>3,878,305</u>	3,878,305
Balance at the end of the period / year	<u><u>3,878,305</u></u>	<u><u>3,878,305</u></u>

**12 Trade and other receivables**

Trade receivables	5,133,902	5,294,681
Notes receivables	2,493,164	1,302,799
	<u>7,627,066</u>	<u>6,597,480</u>
Less: Allowance for doubtful debts	<u>(1,277,862)</u>	<u>(1,277,863)</u>
	<u>6,349,204</u>	<u>5,319,617</u>
Staff loan and advances	898,139	796,051
Prepayments	159,700	316,547
Advances to suppliers	-	1,067,227
Other receivables	938,187	1,192,120
	<u>8,345,230</u>	<u>8,691,562</u>

**13 Cash and bank balances**

Cash in hand	96,875	97,081
Cash at bank		
Current accounts and call deposits	4,768,832	1,609,451
Fixed deposits	10,702,371	36,993,093
	<u>15,568,078</u>	<u>38,699,625</u>
Less: Fixed deposits with maturity over 3 months from the date of placement	<u>(10,702,371)</u>	<u>(36,993,093)</u>
	<u><u>4,865,707</u></u>	<u><u>1,706,532</u></u>

**14 Basic earnings per share**

	Nine month period ended September 30,		Three month period ended September 30,	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Profit / (loss) for the period	154,292	(4,282,200)	(3,126,677)	(1,830,442)
Weighted average number of shares	86,400,000	86,400,000	86,400,000	86,400,000
Basic and diluted earnings per share	<u>0.00</u>	<u>(0.05)</u>	<u>(0.04)</u>	<u>(0.02)</u>



Ras Al Khaimah Poultry & Feeding Co. P.S.C.  
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15 Segment information

There are no transactions between the business segments.

The Entity is organized into two main business segments: poultry includes breeding and poultry trading, and investments segment includes investments carried at FVTOCI, investments in associates, financial assets at amortised cost, investment properties, other assets and fixed deposits held with banks.

	Nine month period ended September 30, 2019			Nine month period ended September 30, 2018		
	Poultry (Unaudited) AED	Investments (Unaudited) AED	Total (Unaudited) AED	Poultry (Unaudited) AED	Investments (Unaudited) AED	Total (Unaudited) AED
Segment revenues	18,987,117	-	18,987,117	21,013,308	-	21,013,308
Segment results	(6,328,973)	6,483,265	154,292	(12,516,053)	8,233,853	(4,282,200)
Depreciation	1,107,683	-	1,107,683	1,437,841	-	1,437,841
Share of (loss) / profit of associates	-	(83,183)	(83,183)	-	33,711	33,711
Additions to non-current assets	147,897	-	147,897	1,145,145	-	1,145,145
	September 30, 2019			December 31, 2018		
	Poultry (Unaudited) AED	Investments (Unaudited) AED	Total (Unaudited) AED	Poultry (Audited) AED	Investments (Audited) AED	Total (Audited) AED
Segment assets	41,037,745	319,239,128	360,276,873	40,751,107	343,835,353	384,586,460
Segment liabilities	29,917,421	-	29,917,421	34,753,297	-	34,753,297

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16 Contingent liabilities	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Audited)
Letter of guarantee	200,000	200,000

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial information as of reporting date.

## 17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Entity is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

### *Fair value of financial instruments carried at amortised cost*

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial statements approximate their fair values.

### *Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended December 31, 2018.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### September 30, 2019 (Unaudited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>Financial assets:</b>				
<b>Investments carried at FVTOCI</b>				
Quoted investments	89,355,831	-	-	89,355,831
Unquoted investments	-	-	29,207,500	29,207,500
<b>Non-financial assets:</b>				
Investment properties	-	-	89,840,000	89,840,000
	<u>89,355,831</u>	<u>-</u>	<u>119,047,500</u>	<u>208,403,331</u>

Notes to the condensed interim financial statements for the nine month period ended September 30,  
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17 Fair value measurement (continued)

December 31, 2018 (Audited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted investments	104,663,834	-	-	104,663,834
Unquoted investments	-	-	29,207,500	29,207,500
Non-financial assets:				
Investment properties	-	-	89,840,000	89,840,000
	<u>104,663,834</u>	<u>-</u>	<u>119,047,500</u>	<u>223,711,334</u>