

**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, 2020 (Unaudited)**

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

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

General information

Principal office address : Digdaga
P. O. Box: 184
Ras Al Khaimah, United Arab Emirates
T: +971 7 246 2222
F: +971 7 246 2220

Website : www.rakpoultry.com

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: FJ/A2588/Oct 2020

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

To,
The Board of Directors
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., Ras Al Khaimah** (the "Entity") which comprise condensed interim statement of financial position as at **September 30, 2020** 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 condensed 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 statements 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 statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

For, Crowe Mak



Zayd Khalid Maniar
Partner
Registration Number 579
Dubai, U.A.E

October 28, 2020

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

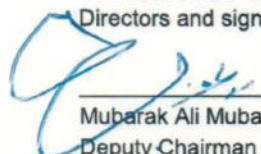
Condensed interim statement of financial position as at September 30, 2020 (Unaudited)
In Arab Emirates Dirham

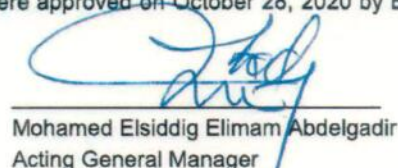
	Notes	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Assets			
Property, plant and equipment	4	5,244,151	4,300,000
Investment properties	5	87,730,000	87,730,000
Investments in associates	6	83,641,238	83,279,082
Investments at fair value through Other Comprehensive Income (FVTOCI)	7	101,618,033	124,614,782
Financial assets at amortised cost	8	17,084,353	17,056,682
Loans to a related party	9	1,000,000	3,000,000
Total non-current assets		296,317,775	319,980,546
Biological assets	10	1,279,986	1,423,903
Inventories	11	46,236	1,719,376
Trade and other receivables	12	5,912,399	7,094,533
Due from related parties	9	1,050,534	1,076,338
Loans to a related party	9	6,000,000	6,000,000
Cash and bank balances	13	20,780,368	15,320,527
Total current assets		35,069,523	32,634,677
Total assets		331,387,298	352,615,223
Equity and liabilities			
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		38,871,226	63,864,473
Retained earnings		36,429,909	32,172,761
Total equity		300,789,566	321,525,665
Employees' end of service benefits	14	2,820,260	3,023,437
Total non-current liabilities		2,820,260	3,023,437
Unclaimed dividends		23,571,475	23,571,475
Trade and other payables	15	4,205,997	4,494,646
Total current liabilities		27,777,472	28,066,121
Total liabilities		30,597,732	31,089,558
Total equity and liabilities		331,387,298	352,615,223

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 page 2.

The condensed interim financial statements on pages 3-17 were approved on October 28, 2020 by Board of Directors and signed on their behalf by:


Mubarak Ali Mubarak Alshamsi
Deputy 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, 2020 (Unaudited)
In Arab Emirates Dirham

	Notes		Nine-month period ended September 30,		Three-month period ended September 30,	
	2020	2019	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	13,789,862	18,987,117	3,603,861	4,816,075		
Cost of sales	(12,009,680)	(18,323,213)	(3,179,823)	(6,041,012)		
Gross profit	1,780,182	663,904	424,038	(1,224,937)		
General and administrative expenses	(2,896,168)	(3,793,035)	(672,531)	(1,175,913)		
Selling and distribution expenses	(2,132,152)	(3,409,861)	(554,910)	(1,088,529)		
Investment income	6,765,406	6,604,604	698,864	300,600		
Share of profit / (loss) of associates	362,156	(83,183)	150,445	(38,156)		
Other income	404,018	317,147	42,380	104,682		
Finance cost	(26,294)	(107,128)	(4,977)	(4,424)		
Net profit / (loss) for the period	4,257,148	192,448	83,309	(3,126,677)		
Other comprehensive profit / (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 income	(24,993,247)	(15,308,003)	(5,796,943)	9,666,510		
Total comprehensive (loss) / income for the period	(24,993,247)	(15,308,003)	(5,796,943)	9,666,510		
	(20,736,099)	(15,115,555)	(5,713,634)	6,539,833		
Basic earnings / (loss) per share	16	0.002	0.001	(0.036)		

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 page 2.

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, 2020 (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 December 31, 2018 (Audited)	86,400,000	139,088,431	73,121,025	51,223,707	349,833,163
Profit for the period	-	-	-	192,448	192,448
Other comprehensive (loss)	-	-	(15,308,003)	-	(15,308,003)
Total comprehensive (loss) for the period	-	-	(15,308,003)	192,448	(15,115,555)
Dividends distribution	-	-	-	(4,320,000)	(4,320,000)
Balance as at September 30, 2019 (Unaudited)	86,400,000	139,088,431	57,813,022	47,096,155	330,397,608
Balance as at December 31, 2019 (Audited)	86,400,000	139,088,431	63,864,473	32,172,761	321,525,665
Profit for the period	-	-	-	4,257,148	4,257,148
Other comprehensive (loss)	-	-	(24,993,247)	-	(24,993,247)
Total comprehensive (loss) for the period	-	-	(24,993,247)	4,257,148	(20,736,099)
Balance as at September 30, 2020 (Unaudited)	86,400,000	139,088,431	38,871,226	36,429,909	300,789,566

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 page 2.

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, 2020 (Unaudited)
In Arab Emirates Dirham

	Nine-month period ended	
	September 30,	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net profit / (loss) for the period	4,257,148	192,448
<i>Adjustments for:</i>		
Share of loss/(profit) of associates	(362,156)	83,183
Depreciation on property, plant and equipment	45,643	1,107,683
Dividend income	(4,110,081)	(3,774,075)
Interest income	(1,324,603)	(2,234,558)
Finance cost	26,294	107,128
Provision for employees' end of service benefits	578,314	176,430
Operating (loss) before changes in operating assets and liabilities	(889,441)	(4,341,761)
<i>(Increase) / decrease in current assets</i>		
Inventories	1,673,140	1,485,714
Biological assets	143,917	(1,623,735)
Trade and other receivables	1,182,134	346,332
Due from related parties	25,804	704,440
<i>(Decrease) in current liabilities</i>		
Trade and other payables	(288,649)	(4,513,782)
Net cash from / (used in) operations	1,846,905	(7,942,792)
Employees' end of services benefits paid	(781,491)	(497,084)
Finance costs paid	(26,294)	(107,128)
Net cash from / (used in) operating activities	1,039,120	(8,547,004)
Cash flows from investing activities		
Purchase of financial assets at amortised cost	-	(16,368,237)
Purchase of financial assets through Other Comprehensive Income (OCI)	(1,996,498)	-
Purchase of property, plant and equipment	(989,794)	(147,897)
Loans to a related party recovered	2,000,000	1,000,000
Interest received	1,296,932	1,478,956
Dividend received	4,110,081	3,774,075
Proceeds from disposal of fixed deposits with maturity over 3 months	-	26,290,722
Net cash from investing activities	4,420,721	16,027,619
Cash flows from financing activities		
Dividend paid	-	(4,321,440)
Net cash (used in) financing activities	-	(4,321,440)
Net increase in cash and cash equivalents	5,459,841	3,159,175
Cash and cash equivalents, beginning of the period	4,618,156	1,706,532
Cash and cash equivalents, end of the period	10,077,997	4,865,707

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 page 2.

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 listed on the Abu Dhabi Securities Exchange.
- 1.2 The principal activities of the Entity are 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 Elsidig 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, 2019.

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, 2019.

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, 2019.

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, 2020.

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, 2019.

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, 2019. Certain amendments to accounting standards and annual improvements, as disclosed in the Entity's most recent annual financial statements for the year ended December 31, 2019, are applicable to the Entity but do not have any material impact on these condensed interim financial statements.

3.1 Critical accounting judgements and key sources of estimation uncertainty

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

- Current fair value of another instrument that is substantially the same;
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- Other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimations. The Entity calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

4 Property, plant and equipment

During the period, additions to property, plant and equipment amounted to AED 989,794 (nine-month period ended September 30, 2019: AED 147,897) and depreciation for the nine-month period ended September 30, 2020 amounted to AED 45,643 (nine-month period ended September 30, 2019: AED 1,107,683).

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

5 Investment properties

	<u>Sept 30, 2020</u> (Unaudited)	<u>Dec 31, 2019</u> (Audited)
Plots of land	54,230,000	54,230,000
Buildings	33,500,000	33,500,000
	<u>87,730,000</u>	<u>87,730,000</u>

Movements during the period / year are as follows:

Balance at the beginning of the period / year	87,730,000	89,840,000
Decrease in fair value	-	(2,110,000)
Balance at the end of the period / year	<u>87,730,000</u>	<u>87,730,000</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, 2019.

6 Investments in associates

	Percentage of ownership interest		<u>Sept 30, 2020</u>	<u>Dec 31, 2019</u>
	2020	2019	(Unaudited)	(Audited)
Ras Al Khaimah Packaging Co. Ltd. LLC	50.00%	50.00%	8,249,685	7,885,551
RAK AMI Hotel FZ-LLC	27.75%	27.75%	75,391,553	75,393,531
			<u>83,641,238</u>	<u>83,279,082</u>

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 construction.

6.1 Ras Al Khaimah Packaging Co. Ltd. LLC

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

Movement in investments in associates are as follows:

Balance at the beginning of the period / year	7,885,551	8,030,926
Share of profit / (loss) for the period / year	364,134	(145,375)
Balance at the end of the period / year	<u>8,249,685</u>	<u>7,885,551</u>

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.

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

6 Investments in associates (continued)

6.1 Ras Al Khaimah Packaging Co. Ltd. LLC (continued)

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

	<u>Sept 30, 2020</u> (Unaudited)		<u>Dec 31, 2019</u> (Audited)	
Current assets	13,559,350		11,588,080	
Non-current assets	15,739,080		16,847,811	
Total assets	<u>29,298,430</u>		<u>28,435,891</u>	
Current liabilities	5,180,628		9,079,459	
Non-current liabilities	7,618,433		3,585,331	
Total liabilities	<u>12,799,061</u>		<u>12,664,790</u>	
Net assets	<u>16,499,369</u>		<u>15,771,101</u>	
Proportion of Entity's ownership interest in the associate	50%		50%	
Carrying amount of Entity's interest in associate	<u>8,249,685</u>		<u>7,885,551</u>	
	<u>Nine-month period ended</u> <u>September 30,</u>		<u>Three-month period ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue for the period	<u>16,746,112</u>	14,475,230	<u>6,369,100</u>	4,568,493
Profit / (loss) for the period	<u>728,267</u>	(166,366)	<u>300,568</u>	(76,311)
Proportion of the Entity's ownership interest in the associate	<u>50.00%</u>	50.00%	<u>50.00%</u>	50.00%
Share in the net profit / (loss) of the associate	<u>364,134</u>	(83,183)	<u>150,284</u>	(38,156)

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 condensed interim financial statements.

6.2 RAK AMI Hotel FZ-LLC

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

	<u>Sept 30, 2020</u> (Unaudited)	<u>Dec 31, 2019</u> (Audited)
Movement in investments in associates are as follows:		
Balance at the beginning of the period / year	75,393,531	75,100,000
Other movement	-	310,127
Share of (loss) for the period / year	<u>(1,978)</u>	<u>(16,596)</u>
Balance at the end of the period / year	<u>75,391,553</u>	<u>75,393,531</u>

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

6 Investments in associates (continued)

6.2 RAK AMI Hotel FZ-LLC (continued)

Associate's financial information - RAK AMI Hotel FZ-LLC, UAE

	Sept 30, 2020		Dec 31, 2019	
	(Unaudited)		(Audited)	
Current assets	43,625,373		43,505,180	
Non-current assets	297,474,057		262,883,877	
Total assets	<u>341,099,430</u>		<u>306,389,057</u>	
Total liabilities	<u>4,103,570</u>		<u>14,700,658</u>	
Shareholder's current account	65,314,587		20,000,000	
Net assets	<u>271,681,273</u>		<u>271,688,399</u>	
Proportion of Entity's ownership interest in the associate	27.75%		27.75%	
Carrying amount of Entity's interest in associate	<u>75,391,553</u>		<u>75,393,531</u>	
	Nine-month period ended		Three-month period ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue for the period	<u>24,924</u>	-	<u>9,044</u>	-
(Loss) / profit for the period	<u>(7,127)</u>	-	<u>582</u>	-
Proportion of the Entity's ownership interest in the associate	<u>27.75%</u>	27.75%	<u>27.75%</u>	27.75%
Share in the net (loss) / profit of the associate	<u>(1,978)</u>	-	<u>162</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 condensed interim financial statements.

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

	Sept 30, 2020	Dec 31, 2019
	(Unaudited)	(Audited)
Quoted investments	81,453,033	104,449,782
Unquoted investments	20,165,000	20,165,000
	<u>101,618,033</u>	<u>124,614,782</u>

The movements of investments at fair value through other comprehensive income are as follows:

Balance at the beginning of the period / year	124,614,782	133,871,334
Additions during the period / year	1,996,498	-
Decrease in fair value	(24,993,247)	(9,256,552)
Balance at the end of the period / year	<u>101,618,033</u>	<u>124,614,782</u>

The cumulative changes in fair value of investments designated at FVTOCI amounting to AED 38,871,226 as at September 30, 2020 (December 31, 2019: AED 63,864,473) are shown under equity.

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

8 Financial assets at amortised cost

<i>The movement of financial assets at amortised cost are as follows:</i>	Sept 30, 2020 (Unaudited)	Dec 31, 2019 (Audited)
Opening balance for the period / year	17,056,682	-
Additions during the period / year	-	16,882,000
Interest received during the period / year	(1,055,125)	(155,250)
Accrued interest for the period / year	1,082,796	329,932
Balance at the end of the period / year	<u>17,084,353</u>	<u>17,056,682</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 perpetual with a coupon rate of 6.25% per annum.

9 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.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

a) Due from related parties

Ras Al Khaimah Packaging Co. Ltd. LLC, Associate, U.A.E	665,821	709,655
Al Bustan Import and Foodstuff Supply, Entity under common control, U.A.E	384,713	366,683
	<u>1,050,534</u>	<u>1,076,338</u>

b) Loans to a related party

Ras Al Khaimah Packaging Co. Ltd. LLC	7,000,000	9,000,000
Less: Due within 12 months from the reporting date	(6,000,000)	(6,000,000)
Due after 12 months from the reporting date	<u>1,000,000</u>	<u>3,000,000</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 which commenced 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,	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Sales	<u>954,743</u>	721,003	<u>116,166</u>	444,029
Purchases	<u>482,474</u>	662,478	<u>281,261</u>	138,993
Interest income	<u>400,766</u>	313,040	<u>238,027</u>	110,904

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

9 Related party transactions (continued)

d) Key management personnel compensation

The compensation of key management personnel is as follows:

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Salaries (Acting General Manager)	270,000	270,000	90,000	127,500
10 Biological assets			Sept 30, 2020 (Unaudited)	Dec 31, 2019 (Audited)
Eggs laying chickens			1,176,282	1,173,113
Broiler chickens			103,704	250,790
			1,279,986	1,423,903
11 Inventories				
Spare parts and others			3,646,503	3,732,762
Finished goods			167,036	1,729,523
Medicines and vaccinations			69,625	15,005
Filling and packaging materials			41,377	120,391
			3,924,541	5,597,681
Less: Allowance for slow moving inventories			(3,878,305)	(3,878,305)
			46,236	1,719,376
Balance at the beginning of the period / year			3,878,305	3,878,305
Balance at the end of the period / year			3,878,305	3,878,305
12 Trade and other receivables				
Trade receivables			2,323,710	2,968,902
Notes receivables			2,709,088	1,975,500
			5,032,798	4,944,402
Less: Expected credit loss			(761,994)	(761,994)
			4,270,804	4,182,408
Staff loan and advances			663,590	764,713
Prepayments			40,598	189,532
Advances to suppliers			-	1,023,092
Other receivables			937,407	934,788
			5,912,399	7,094,533

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:

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

13 Cash and bank balances	Sept 30, 2020 (Unaudited)	Dec 31, 2019 (Audited)		
Cash in hand	88,338	105,446		
Cash in banks				
Current accounts and call deposits	9,989,659	4,512,710		
Fixed deposits	10,702,371	10,702,371		
	<u>20,780,368</u>	<u>15,320,527</u>		
Less: Fixed deposits with maturity over 3 months from the date of placement	(10,702,371)	(10,702,371)		
Cash and cash equivalents	<u>10,077,997</u>	<u>4,618,156</u>		
14 Employees' end of service benefits				
Balance at the beginning of the period / year	3,023,437	3,357,723		
Add: charge for the period / year	578,314	771,085		
Less: paid during the period / year	(781,491)	(1,105,371)		
Balance at the end of the period / year	<u>2,820,260</u>	<u>3,023,437</u>		
15 Trade and other payables				
Trade payables	1,201,103	1,738,012		
Unearned revenue	1,476,256	852,068		
Accrued expenses and other payables	864,480	1,027,541		
Staff provisions	649,158	620,732		
Notes payable	15,000	60,875		
Advances from customers	-	195,418		
	<u>4,205,997</u>	<u>4,494,646</u>		
16 Basic earnings per share				
	Nine-month period ended		Three-month period ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit / (loss) for the period	4,257,148	192,448	83,309	(3,126,677)
Weighted average number of shares	86,400,000	86,400,000	86,400,000	86,400,000
Basic and diluted earnings per share	<u>0.049</u>	<u>0.00</u>	<u>0.00</u>	<u>(0.04)</u>

Notes to the condensed interim financial statements for the nine-month period ended September 30, 2020 (Unaudited)
In Arab Emirates Dirham

18 Contingent liabilities	<u>Sept 30, 2020</u> (Unaudited)	<u>Dec 31, 2019</u> (Audited)
Letter of guarantee	<u>200,000</u>	<u>200,000</u>

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 statements as of reporting date.

19 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, 2019.

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, 2020 (Unaudited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted investments	81,453,033	-	-	81,453,033
Unquoted investments	-	-	20,165,000	20,165,000
Non-financial assets:				
Investment properties	-	-	87,730,000	87,730,000
	<u>81,453,033</u>	<u>-</u>	<u>107,895,000</u>	<u>189,348,033</u>

Notes to the condensed interim financial statements for the nine-month period ended September 30,
2020 (Unaudited)
In Arab Emirates Dirham

19 Fair value measurement (continued)

December 31, 2019 (Audited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted investments	104,449,782	-	-	104,449,782
Unquoted investments	-	-	20,165,000	20,165,000
Non-financial assets:				
Investment properties	-	-	87,730,000	87,730,000
	<u>104,449,782</u>	<u>-</u>	<u>107,895,000</u>	<u>212,344,782</u>