Draft

RAS AL KHAIMAH POULTRY & FEEDING CO. P.S.C.

Review report and interim financial information
for the six months period ended 30 June 2017

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors
Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah
United Arab Emirates

Introduction

We have reviewed the accompanying condensed statement of financial position of **Ras Al Khaimah Poultry & Feeding Co. (a Public Shareholding Company) "the Company" – Ras Al Khaimah, United Arab Emirates**, as at 30 June 2017 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the six months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on this 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 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: "*Interim Financial Reporting*".

Deloitte & Touche (M.E.)

Signed by:
Samir Madbak
Registration No. 386
29 July 2017
Sharjah, United Arab Emirates

Condensed statement of financial position as at 30 June 2017

	Notes	30 June 2017 AED (unaudited)	31 December 2016 AED (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	**13,842,287**	13,946,606
Investment properties	**6**	**94,400,000**	94,400,000
Other assets	**7**	**75,000,000**	75,000,000
Investment in an associate	**8**	**7,840,264**	7,137,877
Available-for-sale investments	**9**	**150,282,768**	213,287,410
Loan to a related party – non current	**10**	**12,000,000**	12,000,000
Total non-current assets		**353,365,319**	415,771,893
Current assets			
Biological assets		**3,401,554**	3,477,441
Inventories	**11**	**2,842,324**	4,050,943
Loan to a related party – current	**10**	**1,000,000**	2,000,000
Due from a related party	**10**	**1,472,115**	1,632,163
Trade and other receivables	**12**	**7,137,271**	6,207,780
Bank balances and cash	**13**	**44,886,721**	49,493,670
Total current assets		**60,739,985**	66,861,997
Total assets		**414,105,304**	482,633,890
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**14**	**86,400,000**	86,400,000
Reserves	**15**	**138,971,532**	138,971,532
Cumulative changes in fair value of available-for-sale investments	**9**	**99,912,459**	162,917,101
Retained earnings		**57,195,937**	62,076,448
Total equity		**382,479,928**	450,365,081
Non-current liabilities			
Provision for employees' end of service indemnity		**3,142,228**	3,747,008
Current liabilities			
Unclaimed dividends		**23,638,948**	23,638,948
Trade and other payables		**4,844,200**	4,882,853
Total current liabilities		**28,483,148**	28,521,801
Total liabilities		**31,625,376**	32,268,809
Total equity and liabilities		**414,105,304**	482,633,890

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Yassir Bin Ahmad Humaid Al Qassimi
Chairman

Ahmed Sayed Abdel Aal
General Manager

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

Condensed statement of income (unaudited)
for the six months period ended 30 June 2017

	Note	Six months period ended 30 June		Three months period ended 30 June	
		2017	2016	**2017**	2016
		AED	AED	**AED**	AED
Revenue		**21,513,503**	19,212,671	**8,721,787**	9,195,246
Cost of sales		**(19,402,597)**	(15,449,926)	**(10,258,713)**	(7,585,709)
Gross profit / (loss)		**2,110,906**	3,762,745	**(1,536,926)**	1,609,537
General and administrative expenses		**(2,536,541)**	(2,101,137)	**(1,310,103)**	(1,073,481)
Selling and distribution expenses		**(2,016,319)**	(1,512,692)	**(1,033,409)**	(798,235)
Investment income		**6,091,584**	8,427,824	**3,626,614**	5,490,523
Other income		**414,302**	225,155	**94,257**	34,063
Finance costs		**(6,830)**	(6,897)	**(2,924)**	(3,939)
Share of profit of an associate	8	**702,387**	438,528	**361,593**	183,540
Profit for the period		**4,759,489**	9,233,526	**199,102**	5,442,008
Basic earnings per share (AED)	16	**0.055**	0.107	**0.002**	0.063

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

Condensed statement of comprehensive income (unaudited)
for the six months period ended 30 June 2017

	Six months period ended 30 June		Three months period ended 30 June	
	2017	2016	**2017**	2016
	AED	AED	**AED**	AED
Profit for the period	**4,759,489**	9,233,526	**199,102**	5,442,008
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Net (loss)/gain on revaluation of available for sale investments	**(63,004,642)**	7,871,836	**(39,135,544)**	(3,322,403)
Total other comprehensive (loss)/income	**(63,004,642)**	7,871,836	**(39,135,544)**	(3,322,403)
Total comprehensive (loss)/income for the period	**(58,245,153)**	17,105,362	**(38,936,442)**	2,119,605

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

Condensed statement of changes in equity
for the six months period ended 30 June 2017

	Share capital AED	Reserves AED	Cumulative changes in fair value of available for sale investments AED	Retained earnings AED	Attributable to Shareholders of the Company AED	Non-controlling interest AED	Total AED
Balance at 31 December 2015 (audited)	86,400,000	137,846,156	152,071,083	61,588,061	437,905,300	6,327,868	444,233,168
Profit for the six months period ended 30 June 2016	-	-	-	9,233,526	9,233,526	-	9,233,526
Other comprehensive income for the period	-	-	7,871,836	-	7,871,836	-	7,871,836
Total comprehensive income for the period	-	-	7,871,836	9,233,526	17,105,362	-	17,105,362
Dividends distribution (Note 17)	-	-	-	(8,640,000)	(8,640,000)	-	(8,640,000)
Board of Directors' remuneration	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Adjustments to non-controlling interest	-	-	-	-	-	(6,327,868)	(6,327,868)
Balance at 30 June 2016 (unaudited)	86,400,000	137,846,156	159,942,919	61,181,587	445,370,662	-	445,370,662
Balance at 31 December 2016 (audited)	86,400,000	138,971,532	162,917,101	62,076,448	450,365,081	-	450,365,081
Profit for the six months period ended 30 June 2017	-	-	-	4,759,489	4,759,489	-	4,759,489
Other comprehensive loss for the period	-	-	(63,004,642)	-	(63,004,642)	-	(63,004,642)
Total comprehensive loss for the period	-	-	(63,004,642)	4,759,489	(58,245,153)	-	(58,245,153)
Dividends distribution (Note 17)	-	-	-	(8,640,000)	(8,640,000)	-	(8,640,000)
Board of Directors' remuneration	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Balance at 30 June 2017 (unaudited)	**86,400,000**	**138,971,532**	**99,912,459**	**57,195,937**	**382,479,928**	**-**	**382,479,928**

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

Condensed statement of cash flows (unaudited)
for the six months period ended 30 June 2017

	Six months period ended 30 June	
	2017	2016
	AED	AED
Cash flows from operating activities		
Profit for the period	**4,759,489**	9,233,526
Adjustments for:		
Depreciation of property, plant and equipment	**800,230**	809,925
Share of profit of an associate	**(702,387)**	(438,528)
Gain on sale of property, plant and equipment	**(75,000)**	(10,000)
Provision for employees' end of service indemnity	**115,543**	135,211
Dividend income	**(4,246,729)**	(6,287,291)
Rental income from investment properties	**(968,796)**	(1,336,354)
Interest income	**(876,059)**	(804,179)
Finance costs	**6,830**	6,897
Operating cash flows before changes in operating assets and liabilities	**(1,186,879)**	1,309,207
Decrease/(increase) in biological assets	**75,887**	(94,927)
Decrease/(increase) in due from a related party	**160,048**	(331,237)
Decrease/(increase) in inventories	**1,208,619**	(305,983)
Increase in trade and other receivables	**(929,491)**	(1,675,517)
Decrease/(increase) in trade and other payables	**(38,653)**	108,707
Net cash used in operations	**(710,469)**	(989,750)
Employees' end of service indemnity paid	**(720,323)**	(27,710)
Finance costs paid	**(6,830)**	(6,897)
Net cash used in operating activities	**(1,437,622)**	(1,024,357)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(789,610)**	(724,676)
Proceeds from sale of property, plant and equipment	**168,699**	10,000
Dividend received	**4,246,729**	6,287,291
Rental income from investment properties	**968,796**	1,336,354
Interest received	**876,059**	804,179
Proceeds from loan to a related party	**1,000,000**	-
Decrease in fixed deposits with maturity over 3 months	**4,234,487**	1,682,392
Net cash generated from investing activities	**10,705,160**	9,395,540
Cash flows from financing activities		
Board of directors' remuneration paid	**(1,000,000)**	(1,000,000)
Dividends paid	**(8,640,000)**	(7,820,330)
Net cash used in financing activities	**(9,640,000)**	(8,820,330)
Net decrease in cash and cash equivalents	**(372,462)**	(449,147)
Cash and cash equivalents at the beginning of the period	**2,872,594**	3,478,398
Cash and cash equivalents at the end of the period (Note 13)	**2,500,132**	3,029,251

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

Notes to the condensed financial statements
for the six months period ended 30 June 2017

1. General

Ras Al Khaimah Poultry & Feeding Co. (a public shareholding company) "the Company" - Ras Al Khaimah, is incorporated as a public shareholding company by Emiri decree No. 76/8 of 1976 issued by His Highness, The Ruler of Ras Al Khaimah.

The address of the Company's registered office is P.O. Box 184, Ras Al Khaimah, United Arab Emirates.

The principal activities of the Company are all the agricultural, manufacturing and trading activities and other technical production activities relating to poultry production.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the condensed financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2017, have been adopted in these condensed financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses

- Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities

- Annual Improvements to IFRS Standards 2014–2016 Cycle – Amendments to IFRS 12 *Disclosure of Interests in Other Entities*

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Company has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	**Effective for annual periods beginning on or after**
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 28 *Investments in Associates and Joint Ventures (2015)*	1 January 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied

Notes to the condensed financial statements
for the six months period ended 30 June 2017 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.	
A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:	1 January 2018

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 16 *Leases*	1 January 2019
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 *Insurance Contracts*	1 January 2021
IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the financial statements of the Company in the period of initial application.

The application of IFRS 9 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of this standard until the Company performs detailed review.

3. Summary of significant accounting policies

3.1 Basis of preparation

These condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34, "*Interim Financial Reporting*" and also comply with the applicable requirements of the laws in the U.A.E.

The condensed financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Company's transactions are denominated.

These condensed financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties.

The accounting policies, presentation and methods used in these condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2016.

3. Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

These condensed financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at and for the year ended 31 December 2016. In addition, results for the six months period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to investment properties, investment in securities and property, plant and equipment have been disclosed in the condensed financial statements.

3.2 Property, plant and equipment

Land is carried at cost less impairment loss (if any).

Buildings are stated at revalued amount less any impairment loss. Other property, plant and equipment, except capital work in progress, are carried at cost less accumulated depreciation and any identified impairment loss.

Properties in the course of construction for production or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Any increase arising on the revaluation of buildings is credited to property revaluation reserve under the equity caption, except for the increase in value that represents a recapture of revaluation losses previously recognised in profit or loss, in which case the increase is charged to profit or loss.

Any decrease in the carrying amount arising on the revaluation of property is charged to profit or loss to the extent that such decrease exceeds the previously recognised property revaluation reserve.

Depreciation charges of property measured at revalued amount is charged to profit or loss, and a portion of property revaluation reserve is recaptured, in a consistent way, to retained earnings on the same basis of depreciating the revaluation increase shown as part of building balance.

Depreciation is charged so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Maintenance, renewals and betterments which enhance the economic life of the asset its capacity, improving the quality of output or reducing substantially operating costs are capitalised.

3. Summary of significant accounting policies (continued)

3.2 Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Depreciation is provided based on the anticipated useful lives, as follows:

	Years
Buildings	20
Motor vehicles	4
Furniture and fixtures	5
Plant and machinery	5 - 10

3.3 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the period of retirement or disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

Fair value is determined by open market values based on valuations performed by independent surveyors and consultants.

3. Summary of significant accounting policies (continued)

3.4 Available for Sale (AFS) financial assets

Listed shares held by the Company that are traded in an active market are classified as being AFS and are stated at fair value. The Company also has investments in unlisted shares that are not traded in an active market but are also classified as AFS financial assets and stated at fair value because management considers that fair value can be reliably measured. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the cumulative changes in fair value of available for sale investments with the exception of impairment losses, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of available for sale investments is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

4. Critical accounting judgements and key sources of estimation uncertainty

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

In preparing these condensed financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the year ended 31 December 2016.

5. Property, plant and equipment

During the period, additions to property, plant and equipment amounted to AED 789,610 (six months period ended 30 June 2016: AED 724,676) and depreciation for the six months period ended 30 June 2017 amounted to AED 800,230 (six months period ended 30 June 2016: AED 809,925).

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

6. Investment properties

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Balance at the beginning of the period/year	**94,400,000**	187,949,263
Increase in fair value	**-**	6,450,737
Transferred to other assets (Note 7)	**-**	(75,000,000)
Adjustment upon cancellation of liability (Note 7)	**-**	(25,000,000)
Balance at the end of the period/year	**94,400,000**	94,400,000

6. Investment properties (continued)

Investment properties comprise the fair value of plots of land and buildings located in the United Arab Emirates.

Details of the Company's investment properties and its fair value are as follows:

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Plots of land	**58,000,000**	58,000,000
Buildings	**36,400,000**	36,400,000
	94,400,000	94,400,000

7. Other assets

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 Company's Board of Directors has resolved to change the objective of this investment to financial investment through entering into a partnership with Al Hamra and other strategic partners to form a limited liability company aims to invest in the hospitality sector in Ras Al Khaimah. Out of the above amount, AED 72,342,100 is assigned as investment in the proposed project and the remaining amount of AED 2,657,900 to be received back from Al Hamra. The Company's share in the proposed partnership is expected to be about 40% of share capital. Accordingly, this amount is reclassified as other assets awaiting the completion of the relevant documentations and registration of the proposed hospitality investments company with concerned authorities.

Furthermore, the Company's Board of Directors also resolved to cancel the booked liability for acquiring the above investment property of AED 25 million by adjusting the same with investment properties.

8. Investment in an associate

Details of the Company's associate at the end of the reporting period is as follows:

Name of associate	**Principal activity**	**Proportion of ownership interest held by the Company 30 June 2017 (unaudited)**	Proportion of ownership interest held by the Company 31 December 2016 (audited)
Ras Al Khaimah Packaging Co. Ltd. (L.L.C.)	Manufacturing of carton boxes and containers and whole sale of paper trading.	50%	50%

The above associate is accounted for using the equity method in these condensed financial statements.

Notes to the condensed financial statements
for the six months period ended 30 June 2017 (continued)

8. Investment in an associate (continued)

The summarised financial information is as below:

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Current assets	**14,514,878**	14,444,276
Non-current assets	**20,857,995**	21,665,504
Current liabilities	**7,154,214**	9,321,565
Non-current liabilities	**12,538,132**	12,512,462
Net assets	**15,680,527**	14,275,753
Proportion of the Company's ownership interest in the associate	**50%**	50%
Carrying amount of the Company's interest in the associate	**7,840,264**	7,137,877

	Six months period ended 30 June		Three months period ended 30 June	
	2017 (unaudited) AED	2016 (unaudited) AED	2017 (unaudited) AED	2016 (unaudited) AED
Revenue for the period	**13,041,252**	13,867,057	**6,611,652**	6,990,476
Profit for the period	**1,404,774**	877,056	**723,186**	367,079
Total comprehensive income for the period	**1,404,774**	877,056	**723,186**	367,079
Company's share of profit for the period	**702,387**	438,528	**361,593**	183,540

9. Available-for-sale investments

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Quoted – at fair value	**135,262,768**	198,267,410
Unquoted – at fair value	**15,020,000**	15,020,000
	150,282,768	213,287,410
In U.A.E.	**150,282,768**	213,287,410

Notes to the condensed financial statements
for the six months period ended 30 June 2017 (continued)

9. Available-for-sale investments (continued)

Movements of available-for-sale investments were as follows:

	For the six months period ended 30 June 2017 (unaudited) AED	For the year ended 31 December 2016 (audited) AED
Fair value at the beginning of the period/year	**213,287,410**	202,978,392
(Decrease)/increase in fair value	**(63,004,642)**	10,846,018
Impairment loss	**-**	(537,000)
Fair value at the end of the period/year	**150,282,768**	213,287,410

The cumulative changes in fair value of available for sale investments amounting to AED 99,912,459 (2016: AED 162,917,101) is shown under equity.

10. Related party transactions

Related parties include the Company's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

Loan account:

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Ras Al Khaimah Packaging Co. Ltd (L.L.C.)	**13,000,000**	14,000,000
Loan repayment is as follows:		
In the first year	**1,000,000**	2,000,000
In the second year	**3,000,000**	3,000,000
from third to sixth year	**9,000,000**	9,000,000
	13,000,000	14,000,000
Less: Due within 12 months from the reporting date (shown as current assets)	**(1,000,000)**	(2,000,000)
Due after 12 months from the reporting date (shown as non-current assets)	**12,000,000**	12,000,000

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 on 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.

Notes to the condensed financial statements for the six months period ended 30 June 2017 (continued)

10. Related party transactions (continued)

Current account:

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Ras Al Khaimah Packaging Co. Ltd (L.L.C.) (an associate)	**1,472,115**	1,632,163

Transactions:

During the period, the Company entered into the following transactions with related parties:

	Six months period ended 30 June		Three months period ended 30 June	
	2017 (unaudited) AED	2016 (unaudited) AED	**2017 (unaudited) AED**	2016 (unaudited) AED
Purchases	**440,048**	445,550	**182,405**	73,442
Interest income	**280,000**	323,556	**140,000**	161,778

Transactions with related parties were carried out at terms agreed by management.

Compensation of Board of Directors/key management personnel:

	Six months period ended 30 June		Three months period ended 30 June	
	2017 (unaudited) AED	2016 (unaudited) AED	**2017 (unaudited) AED**	2016 (unaudited) AED
Key management personnel benefits	**498,700**	308,700	**214,350**	154,350
Board of Directors' remuneration	**1,000,000**	1,000,000	**1,000,000**	-

11. Inventories

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Finished goods	**939,045**	2,096,828
Raw materials	**97,950**	117,570
Medicines and vaccinations	**584,677**	382,244
Filling and packaging materials	**611,164**	553,420
Spare parts and others	**4,487,793**	4,779,186
	6,720,629	7,929,248
Allowance for slow moving inventories	**(3,878,305)**	(3,878,305)
Total	**2,842,324**	4,050,943

Notes to the condensed financial statements
for the six months period ended 30 June 2017 (continued)

12. Trade and other receivables

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Trade receivables	**4,544,204**	3,897,869
Notes receivables	**448,250**	672,432
Allowance for doubtful debts	**(403,945)**	(403,945)
	4,588,509	4,166,356
Prepaid expenses	**242,247**	176,784
Advances to suppliers	**854,165**	646,787
Other receivables	**1,452,350**	1,217,853
	7,137,271	6,207,780

13. Bank balances and cash

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Cash on hand	**178,794**	127,539
Bank balances:		
Current accounts	**209,052**	209,052
Call deposits	**2,112,286**	2,536,003
Fixed deposits	**42,386,589**	46,621,076
	44,886,721	49,493,670
Less: Fixed deposits with maturity over 3 months from the date of placement	**(42,386,589)**	(46,621,076)
Cash and cash equivalents	**2,500,132**	2,872,594

14. Share capital

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Issued and fully paid:		
86,400,000 ordinary shares of AED 1 each	**86,400,000**	86,400,000

15. Reserves

According to the Company's Articles of Association and the requirements of the U.A.E. Federal Law No. (2) of 2015, 10% of the annual profit is transferred to the statutory reserve and another 10% to the voluntary reserve. The transfer to statutory reserve shall be suspended when it reaches 50% of the paid-up share capital. The statutory reserve is not available for distribution except as stipulated by the Law. The transfer to voluntary reserve shall be suspended by the General Assembly at the recommendation of the Board of Directors or when it reaches 20% of the Company's paid-up share capital. Voluntary reserve will be utilised for the purposes determined by the General Assembly upon the recommendation by the Board of Directors. Special reserve is formed based on the recommendation of the Board of Directors and the approval of the General Assembly, and will be utilized for the purposes approved by the General Assembly upon the recommendation of the Board of Directors.

	Statutory reserve	**Voluntary reserve**	**Special reserve**	**Total**
	AED	**AED**	**AED**	**AED**
Balance at 31 December 2015 (audited)	38,298,885	19,547,271	80,000,000	137,846,156
Movement during the period	-	-	-	-
Balance at 30 June 2016 (unaudited)	38,298,885	19,547,271	80,000,000	137,846,156
Balance at 31 December 2016 (audited)	39,424,261	19,547,271	80,000,000	138,971,532
Movement during the period	-	-	-	-
Balance at 30 June 2017 (unaudited)	39,424,261	19,547,271	80,000,000	138,971,532

No transfers to statutory reserve, voluntary reserve or special reserve have been made during the six months period ended 30 June 2017 (six months period ended 30 June 2016: Nil), as this will be based on the audited results for the year.

16. Basic earnings per share

	Six months period ended 30 June		**Three months period ended 30 June**	
	2017 (unaudited)	2016 (unaudited)	**2017 (unaudited)**	2016 (unaudited)
Profit for the period (AED)	**4,759,489**	9,233,526	**199,102**	5,442,008
Number of shares (share)	**86,400,000**	86,400,000	**86,400,000**	86,400,000
Basic earnings per share (AED)	**0.055**	0.107	**0.002**	0.063

17. Dividends

At the Annual General Meeting held on 8 April 2017, the Shareholders approved cash dividends distribution at 10% of share capital amounting to AED 8,640,000 (AED 10 fils per share) for the year 2016. Cash dividends at 10% of share capital amounting to AED 8,640,000 (AED 10 fils per share) was approved during 2016 for the year 2015.

Notes to the condensed financial statements
for the six months period ended 30 June 2017 (continued)

18. Segment information

There are no transactions between the business segments.

The Company is organized into two main business segments: poultry segment includes breeding and poultry trading, and investments segment includes available for sale investments, investment in an associate, investment properties, other assets and fixed deposits held with banks.

	Six months period ended 30 June 2017			Six months period ended 30 June 2016		
	Poultry (unaudited) AED	**Investments (unaudited) AED**	**Total (unaudited) AED**	Poultry (unaudited) AED	Investments (unaudited) AED	Total (unaudited) AED
Segment revenues	**21,513,503**	**-**	**21,513,503**	19,212,671	-	19,212,671
Segment results	**(2,034,482)**	**6,793,971**	**4,759,489**	367,174	8,866,352	9,233,526

	30 June 2017			31 December 2016		
	Poultry (unaudited) AED	**Investments (unaudited) AED**	**Total (unaudited) AED**	Poultry (audited) AED	Investments (audited) AED	Total (audited) AED
Segment assets	**44,195,683**	**369,909,621**	**414,105,304**	46,187,527	436,446,363	482,633,890
Segment liabilities	**31,625,376**	**-**	**31,625,376**	32,268,809	-	32,268,809

19. Commitments and contingent liabilities

	30 June 2017 (unaudited) AED	31 December 2016 (audited) AED
Letters of guarantee	**200,000**	200,000

20. 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 Company 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 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 31 December 2016.

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).

30 June 2017 (unaudited):

	Level 1 AED	**Level 2 AED**	**Level 3 AED**	**Total AED**
Financial assets:				
Available for sale investments				
Quoted equities	**135,262,768**	**-**	**-**	**135,262,768**
Unquoted equities	**-**	**-**	**15,020,000**	**15,020,000**
Non-financial assets:				
Investment properties	**-**	**-**	**94,400,000**	**94,400,000**
	135,262,768	**-**	**109,420,000**	**244,682,768**

20. Fair value measurement (continued)

Valuation techniques and assumptions applied for the purposes of measuring fair value (continued)

31 December 2016 (audited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Available-for-sale investments				
Quoted equities	198,267,410	-	-	198,267,410
Unquoted equities	-	-	15,020,000	15,020,000
Non-financial assets:				
Investment properties	-	-	94,400,000	94,400,000
	198,267,410	-	109,420,000	307,687,410

There were no transfers between the levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

21. Seasonality of results

Investment income includes dividend income of AED 4.2 million for the six months period ended 30 June 2017 (six months period ended 30 June 2016: AED 6.3 million), which is of a seasonal nature.

22. Approval of condensed financial statements

The condensed financial statements were approved by the Board of Directors and authorised for issue on 29 July 2017.