



Dhofar Poultry Company SAOG

PO Box 2855, PC 211, Salalah, Sultanate of Oman

Tel: 23281133 Fax: 23281131

Prospectus for raising equity capital through rights issue

Rights issue of 1,000,000 shares at a price of RO 1.020 per share
(Including 20 baiza towards issue expenses)

Issue opens on: 8 January, 2013

Issue closes on: 22 January, 2013

Issue Manager



Gulf Baader Capital Markets SAOC

Legal Advisor to the Issue - Rajab Al Kathiri & Associates

Collecting Bank – Bank Dhofar

This is an unofficial English version of the original prospectus prepared in Arabic and approved by Capital Markets Authority vide its Administrative Order no. K/65/2012 dated 22 December, 2012. In the event of any conflict between the two, Arabic version will prevail. The Prospectus containing this information has been submitted according to the requirements of prospectus for issuing securities issued in the primary market of Capital Market Authority, Sultanate of Oman.

It is to be emphasized here that the Capital Market Authority is not responsible for the accuracy and adequacy of the information contained in this publication, nor assume any liability for any damage or loss that might arise from reliance on such data and information used by any person.

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1. IMPORTANT NOTICE

All shareholders are requested to read the following notice carefully

The aim of this Prospectus is to present material information that may assist investors to make an appropriate decision as to whether or not to invest in the proposed rights issue of shares of Dhofar Poultry Company SAOG (“Company”) offered hereunder.

This Prospectus includes all material information and data and does not contain any misleading information or omit any material information that would have positive or negative impact on an investors’ decision as to whether or not to invest in the offered shares.

The Board of Directors of the Company is jointly and severally responsible for the integrity and adequacy of information contained in this Prospectus and confirm that to their knowledge, due diligence had been observed in preparation of this Prospectus and further confirms that no material information has been omitted, the omission of which would render this Prospectus misleading.

All investors should examine and carefully review this Prospectus in order to decide whether it would be appropriate to invest in the shares by taking into consideration all information contained in this Prospectus in the context. Investors should not consider this Prospectus a recommendation by the Company to subscribe for offered shares. Every investor shall bear the responsibility of obtaining independent professional advice on investment in the shares and conduct independent evaluation of information and assumptions contained herein using whatsoever analysis or projections he/she sees fit as to whether or not to invest in the offered shares.

It is noteworthy that no person has been authorized to make any statements or provide information on the Company or the offered shares other than the persons whose names are indicated herein. Where any person makes any statement or provides information, it should not be taken as authorized by the Company or the Issue Manager.

2. Definitions & Abbreviations

Additional shares	Shares that the shareholders can apply/applied for, over and above their rights entitlement.
AGM	The Annual General Meeting of the Company.
Applicants	Shareholders of the Company who are eligible as of the record date for subscription to the Rights Issue or persons who have bought rights on MSM, who submit their completed application forms to the Collecting Bank on or before the issue closing date.
Application Form	The form to be duly filled by the investor in order to submit his application to the Collecting Bank.
Articles of Association	Articles of Association of the Company.
Board/Board of Directors	The Board of Directors of the Company as elected, from time to time, by shareholders in accordance with provisions of the Articles of Association of the Company, CMA Law and CCL.
Business Day	Any date on which commercial banks in Oman and MSM are open for normal business.
CMA	Capital Market Authority of Oman
CMA Law	Capital Market Law of Oman as contained in Royal Decree 80/98, as amended
Commercial Companies Law/CCL	Commercial Companies Law of Oman no. 4/74, as amended.
Financial Year	The financial year of the Issuer is from 1 January to 31 December
DPC/Company/Issuer/Us	Dhofar Poultry Company SAOG
Issue/Rights Issue	The issue of shares made under this prospectus, to the shareholders as on Record Date.
Laws of Oman	The laws of Oman in the form of Royal Decrees, Ministerial Decisions, CMA and MSM Regulations as enacted, amended or re-enacted.
MCD	Muscat Clearing & Depository Company SAOC PO Box 952, Ruwi, PC 112, Sultanate of Oman. Tel: 24822222, Fax: 24817491
MSM	Muscat Securities Market
Oman	The Sultanate of Oman
Prospectus	This Prospectus, as approved by CMA vide its letter no. K/65/2012 dated 22 December, 2012, which provides all material information relating to the issue.
Record date	The date as on which the shareholders whose names are registered in MCD records, become eligible to subscribe to the Rights Issue.
Rial Omani or RO	Rial Omani, the lawful currency of Oman.
Registrar & Transfer Agent	MCD as registrar and transfer agent for MSM listed companies.
Shares	The ordinary equity shares of face value of RO 1 each.
Shareholders	Shareholders of the Company

3. Issue Information

Issuer	Dhofar Poultry Company SAOG (Commercial Registration number 2107465) PO Box 2855, PC 211, Salalah, Sultanate of Oman. Tel: 23281133, Fax: 23281131, Email - dhofarpoultry@gmail.com
Duration of Company and Financial Year	30 years, renewable by EGM. The financial year of the Issuer is from 1 January to 31 December.
Authorized Capital	The authorized capital of the Company is RO 5 million, divided into 5 million equity shares of RO 1 each
Issued & paid up Capital (pre-issue)	3,000,000 equity shares of RO 1 each, amounting to RO 3,000,000
Issued & paid up Capital (post issue)	4,000,000 equity shares of RO 1 each, amounting to RO 4,000,000
Issue size	1,000,000 equity shares of RO 1 each, issued at RO 1.020 per share, aggregating to RO 1,020,000.
Issue Price	RO 1.020 per share, consisting of a face value of RO 1 plus 20 baiza towards issue expenses.
Purpose of the issue and issue expenses	The principal objective of this Rights Issue is to expand the Company's business operations by increasing its production capacity. For details, please refer to section 5 of the prospectus.
Record Date	31 December, 2012
Rights trading starts	6 January, 2013
Issue Opening Date	8 January, 2013
Rights trading ends	15 January, 2013
Issue Closing Date	22 January, 2013
Rights Entitlement	Every existing shareholder as on the record date is entitled to subscribe 1 new share for every 3 shares held (33.33%), duly rounded off to the nearest whole number.
Eligibility for subscription	Subscription for the Rights Issue is open to the Company's shareholders whose names appear in the Company's register with MCD as on the record date or to those who buy the rights through MSM. The 'rights' representing ownership right of the shareholders for subscribing to the rights issue shall be traded on MSM during the period prescribed for that purpose. The shareholder has an option to either subscribe to the rights issue or sell the 'rights' on MSM to an interested investor. In the event a shareholder neither exercises his right of subscription nor sells the right on MSM during the subscription period, the eligibility for such rights subscription shall lapse.
Application for additional shares	The eligible shareholders may apply for additional shares and shall submit an application form to the collecting banker along with requisite subscription amount. Anyone who buys the rights from a shareholder cannot apply for additional shares.
Allotment of additional shares	Any allotment of additional shares shall be in the ratio of the respective excess shares applied for by the shareholders.
Foreign shareholding	As per Article 8 of Articles of Association, the shares can be sold,

	disposed or assigned or any kind whether to Omani natives or companies owned by Omanis or citizens of gulf countries or companies completely owned by citizens of gulf countries.
Minimum and Maximum subscription	<p>A shareholder, as on the record date, can apply upto his eligibility indicated in application form and also for additional shares. Anyone who bought rights can apply only upto the extent of rights owned. In any case, an applicant can apply for a minimum of 1 share and a maximum of upto the full issue size (including additional shares).</p> <p>The Company undertakes to comply with the shareholding ceilings stipulated by Laws of Oman and Articles of Association and that allotment of shares shall be subject to such laws and articles. For details, please refer to Section 16.</p>
Basis of allotment	For details, please refer to Section 16.
Refund of excess application money	Refund of excess application amounts, if any, shall be made to the respective bank accounts of applicants within 15 days of the closure of the issue.
Approvals obtained for this issue	<p>Board resolution dated 1 September, 2012.</p> <p>Approval received from CMA vide its letter no. K/65/2012 dated 22 December, 2012.</p>
Listing of new shares	Since the Company's shares are already listed on MSM, the shares issued pursuant to this Rights Issue shall also be listed on MSM as per the prevailing laws and shall rank <i>pari passu</i> with the previously listed shares.
Issue Manager/ GBCM	<p>Gulf Baader Capital Markets SAOC</p> <p>PO Box 974, PC 112, Ruwi, Oman</p> <p>Tel: 24790614, Fax: 24790612</p> <p>Email: cfd@gbcmoman.net</p>
Collecting Bank	<p>Bank Dhofar SAOG</p> <p>PO Box 1507, PC 112, Ruwi, Oman</p> <p>Tel: 24787348, Fax: 24790311</p> <p>Email: Hialawati@bankdhofar.com</p>
Auditors (2012)	<p>M/s Moore Stephens</p> <p>PO Box 933, PC 112, Ruwi, Oman</p> <p>Tel: 24812041, Fax: 24812043</p> <p>Email: stephens@omantel.net.om</p>
Auditors (2010,2011)	<p>KPMG</p> <p>PO Box 641, PC 112, Ruwi, Oman</p> <p>Tel: 24709181, Fax: 24700839</p> <p>Email: kpmgoman@kpmg.com</p>
Auditors (2009)	<p>M/s Talal Abu-Ghazaleh & Co.</p> <p>PO Box 2366, PC 112, Ruwi, Oman</p> <p>Tel: 24560153, Fax: 24567794</p> <p>Email: tagco.oman@tagi.com</p>
Legal Advisor to the Issue	<p>Rajab Al Kathiri & Associates</p> <p>PO Box 3888, PC 112, Ruwi, Oman</p> <p>Tel: 24787640, Fax: 24703387</p> <p>Email: rajbasso@omantel.net.om</p>

4. Purpose of Rights Issue and Issue expenses

The principal objective of this Rights Issue is to expand the Company's business operations by increasing the broiler houses from 12 to 30. The outlay for this expansion is estimated at about RO 3 million which is expected to be financed by RO 1 million from the rights issue and RO 2 million term loans from Oman Development Bank / other financial institutions.

The expansion is expected to increase the production capacity of the processed chickens thereby meeting the higher demand for the Company's products. It would also result in cost savings arising from higher economies of scale.

Estimated Issue Expense

The estimated issue expenses are as under :

Details	Indicative cost (RO)
Issue Management, translation and legal services	7,500
Advertisements	1,500
Printing & Postage	500
CMA and other regulatory fee	3,000
Collecting banker's fee	3,500
Misc. Expenses	1,000
Total	17,000

The above issue expenses will be met by the amount collected from applicants towards share issue expenses. Any excess of expenses over the collection towards share issue expenses shall be borne by the Company and any excess of the amount collected over the expenses will be transferred to the legal reserves of the Company.

5. Financing Sources

(Based on Q3, 2012)

	Pre-issue		Post-issue	
	Amount (RO)	Ratio	Amount (RO)	Ratio
Equity				
Share capital	3,000,000	89.82%	4,000,000	92.17%
Legal reserve	96,608	2.89%	96,608	2.23%
General reserve	106,164	3.18%	106,164	2.45%
Accumulated losses	(631,896)	(18.92%)	(631,896)	(14.56%)
Total equity	2,570,876	76.97%	3,570,876	82.28%
Deferred tax liability	42,535	1.27%	42,535	0.98%
Finance lease liability	0	0.00%	0	0.00%
End of service benefits for employees	48,570	1.45%	48,570	1.12%
Total non-current liabilities	91,015	2.73%	91,105	2.10%
Bank overdraft	161,047	4.82%	161,047	3.71%
Trade payables and accruals	516,895	15.48%	516,895	11.91%
Finance lease liability	0	0.00%	0	0.00%
Current maturities of term loans	0	0.00%	0	0.00%
Total current liabilities	677,942	20.30%	677,942	15.62%
Total liabilities	769,047	20.03%	769,047	17.72%
Total financing sources	3,339,923	100.00%	4,339,923	100.00%
Total Debt / Equity ratio	6.3%		4.5%	

6. Objects of the Company & Licenses obtained

Objects

The main purpose of the company is poultry farming for the meat, eggs and marketing it inside and outside Oman. In order to achieve this purpose it is eligible for the company to do the following –

1. Possessing lands and buildings needed to achieve its purposes and also establish facilities required.
2. Importation, ownership and, hiring and operation of equipments, machines, tools, fixtures and special parts in order to carry out the work of the company.
3. Contracting with local and international experts firms in order to establish facilities according to the most modern and recent standards.
4. To acquire shares of any other company with goals which are jointly or partly corresponding with the company goals, or to carry out any work which could be beneficial directly or indirectly inside or outside the Sultanate.
5. To invest the superfluous money at a certain time in any manner for the best interest of the company.
6. To acquire loans and the necessary money to achieve the purposes of the company to acquire the loans in any suitable manner.
7. To coordinate with governmental authorities and others in order to obtain the rights, privileges, license and benefits required to achieve all or some of its purposes.
8. To contract with individuals and institutions inside or outside the Sultanate to manage some or all its activities and projects or seeking a managerial assistant.
9. To have an interest or to have a partnership in any form with authorities, institutions or companies which have business of the same nature or which could assist in achieving the purposes of the company inside or outside the Sultanate.
10. To create all contracts and to carry out all actions which it sees suitable to achieve its purposes.

Licenses and permits

In order to pursue the activities for which it has been incorporated, the Company has following licenses from the concerned authorities:-

Authority	Purpose of issue	Issue Date	Expiry Date
Ministry of Commerce & Industry	Registration as a SAOG Company	24.3.1996	23.3.2016
Oman Chamber of Commerce & Industry	Membership	03.4.2012	29.3.2013
Industrial Registration	Registration	23.6.1996	23.3.2016
Ministry of Environment & Climatic Affairs	License	6.12.2011	5.12.2013

7. Corporate Governance

Board of Directors

As per its Articles of Association, the Company has 6 directors, elected every 3 years. The last Board was elected in the Annual General Meeting held on 29 March, 2011. The current Board is as under:

Name of Directors	Position	Entity Represented
Salim Abdullah Al-Awadi* [#]	Chairman	Dhofar Cattle Feed Company
Hafiz Bin Ahmed Abdullah Al-Zeeb [#]	Vice Chairman	Self
Dr. Ahmed Bin Suhail Al Hadhri	Director	Self
Ahmed Bin Sulaiman El-Gafri [#]	Director	Self
Ahmed Bin Ali Qatan	Director	Self
Sreenivas K.M.S.	Director	Self

**From 12 May 2012*

[#] Independent directors

All directors are non – executive and 3 directors are independent.

Responsibilities of Board of Directors

The Board of Directors has a broader authority to manage the Company and to do all the work required by the company according to its purposes and its Articles of Association. This power is not restricted, except as provided by any law or resolutions of the shareholders or Articles of Association. The Board of Directors has the following roles:

1. Adopting the commercial policies and financial estimates of the company to achieve its objectives and safeguard the rights of shareholders and representing it.
2. Developing the necessary plans, reviewing and updating these plans from time to time to implement the objectives of the company and its activities in light of the purpose of its formation.
3. A Taking action of the disclosure of the company and follow-up is application in accordance with the rules and disclosure requirements issued by CMA.
4. A Monitor the performance of executive management and to ensure proper functioning in order to achieve the objectives of the company in light of the purpose of its formation.
5. Provide accurate information to the shareholders timely and in accordance with to the disclose instructions issued by the Authority.
6. Appointment of the CEO or the General Manager of the company and other key executives provided either of them not the Chairman or his, according to the organizational structure of the company and specifying their roles, responsibilities, jurisdiction and rights.
7. Evaluate the performance of employees stipulated in the preceding item and evaluate the work of the committees established by the Board in accordance with this system.
8. Adoption of financial statements relating to the company's activities and the results of its work as submitted to it by the executive management every three months, which discloses the right financial position of the company.
9. Include the annual report submitted to the General Assembly indicating that the company has to continue to exercise its specific activities and achieve its objectives.

10. Appointment of the Board Secretary in the first meeting and there will be four meeting in the year at least, with the time gap between two successive meetings not exceeding four months.

Restrictions on Board of Directors

The Board of Directors is prohibited from carrying out the following actions unless permitted by a resolution issued by the general assembly:

- Donations except these required by carrying out company's duties even if it's a small amount.
- Sale of all company's assets or major part of it.
- Mortgaging assets of the company or part of it except to deposit as security for debts ensued of carrying out the normal activities of the company towards achieving its goals.
- Guarantee others' debts except in case of the guarantee made in the normal bounds of work to achieve the goals of the company.

Directors' Profiles

Salim Abdullah Al-Awadi

Salim has a Masters in Business Administration from UK and has worked with several organisations in senior capacities. He was associated with Oman Refinery Co. and National Bank of Oman and is currently the Deputy CEO of Al Omaniya Financial Services Co. SAOG. He is a director in Dhofar Cattle Feed SAOG, Transgulf Investment Holding Co. SAOG and Dhofar International Development & Investment Holding Co. SAOG.

Hafiz Bin Ahmed Abdullah Al-Zeeb

Hafiz is the Vice Chairman of the Company since 1996 and is currently working as a livestock consultant in Ministry of Agriculture & Fisheries - Directorate General of Agriculture Animal Wealth, Dhofar Governorate.

Dr. Ahmed Suhail Al-Hadhri

Dr. Ahmed holds a Ph.D. in Agriculture Science. He is the Vice Chairman of International Plastics Industries LLC, a director of Dhofar Beverages and Food Stuff SAOG and General Manager of Najd Agriculture Development Company SAOC.

Ahmed Ali Salim Qatan

Ahmed is Deputy General Manger in Dhofar Cattle Feed SAOG and a director in International Plastics Industries LLC and Dhofar Beverages and Food Stuff SAOG.

Ahmed Bin Sulaiman El-Gafri

Ahmed holds a Bachelor of Business Management from USA and works as Administrative Expert in Ministry of Housing – Directorate General of Housing, Dhofar Governorate.

Sreenivas K.M.S.

Sreenivas is an Engineering graduate from JNTU College of Engineering, India and a Post Graduate Diploma holder in Management from IIM, Ahmedabad, India. He has over 30 years experience in management, organisation building, business development and marketing & sales in consumer product companies in India, Oman and UAE. He is a director of Dhofar Beverage and

Foodstuff SAOG, Chairman of International Plastic Industries Company LLC and CEO of Dhofar Cattle Feed Company SAOG.

Audit Committee

The Audit Committee comprises of 3 directors, as follows:

Name	Position	Date Of appointment
Ahmed Bin Sulaiman Al Gafri	Chairman	29 March 2011
Hafiz Bin Ahmed Abdullah Al Zeeb	Member	29 March 2011
Ahmed Bin Ali Qatan	Member	29 March 2011

As per internal regulations on corporate governance of the Company, the main responsibilities of Audit Committee are as follows :

- Reviewing the annual audited financial statements and the Auditors' Report on the financial statements prior to submission to the Board for approval.
- Reviewing and approving the interim financial statements prior to public release and filing.
- Reviewing the scope of work of external and internal audits.
- Reviewing and discussing accounting and reporting policies and changes in accounting principles.
- Assessing the effectiveness of the Company's internal control systems and procedures and the process for identifying principal business risks.
- Reviewing compliance with the Code of Conduct.
- Reviewing legal matters with counsel.
- Review Directors' and officers' expenses and related party transactions and
- Meeting with the internal and external auditors independently or management of the Company.

Executive Committee

The Executive Committee comprises of 3 directors, as follows:

Name	Position	Date Of appointment
Salim Abdullah Al-Awadi	Chairman	23 May 2012
Dr. Ahmed Bin Suhail Al Hadhri	Member	23 May 2012
Sreenivas K.M.S.	Member	23 May 2012

The Executive Committee is responsible for following up strategies, project expansion and rehabilitation and modernization.

Management Team

The key managerial personnel of the Company are:

Salim bin Taman bin Musallam Al Mashani – Chief Executive Officer

Salim bin Taman Musallam Al Mashani holds a degree in business management from UK. He has over 20 years of experience in various organisations. He is a director of Bank Muscat SAOG, Gulf Investment Holding Services SAOG and is also the Managing Director of Omani Vegetable Oils and Derivatives Co. LLC.

Dr. Ali Lazim Al Hamarani - Operations Manager

Dr. Ali holds Bachelor of Science from University of Baghdad and has 19 years experience in veterinary field.

Tanveer Hassan - Sales Manager

Tanveer is an economics graduate and an MBA (Marketing) from India. He has 14 years experience in sales and marketing.

Seetharama Gundibail - Accounts Manager

Seetharama is a commerce graduate from Mysore University, India. He has over 30 years experience in finance and accounts in various manufacturing units.

Hassan Alam - Quality Controller

Hassan is a science graduate and has over 30 years experience in quality control areas.

Saeed Ahmed Al Mas'hali – Purchase Officer

Saeed holds a BA from Egypt and has 7 years experience in purchases.

Mohammed Omer Margani – Processing Plant Incharge

Mohammed is a science graduate from Sudan. He has 9 years experience in plant operations.

Omer Al Hadri – Administration Officer

Omer holds a diploma in accounts and administration and has over 5 years experience.

Internal Control Review

The Audit Committee reviews, on behalf of the Board, the effectiveness of internal controls by meeting the internal auditor, reviewing the internal audit reports and recommendations and meeting the external auditor, reviewing the audit findings report and the management letter. In 2011, the Board of Directors, through the Audit Committee, reviewed and assessed the Company's system of internal controls based on the audit report submitted by the internal and External Auditors. The Audit Committee also reviews the monthly operational reports generated by the Management of the Company which compares the budget and the actuals. The Audit Committee and the Board confirm that, in their opinion, an adequate and effective system of internal control is in place.

Process of nomination of Directors and their remuneration

The Company follows the provisions of its Articles of Association, Commercial Companies Law and CMA directives for nomination of membership of Board of Directors. The Board members are elected for 3 years and are eligible for re-election. The Articles of Association describes the eligibility, calculation and limits of remuneration of Board members. Following payments were made to directors in last 2 years –

	2011	2010
Board remuneration (RO)	-	-
Sitting fees (RO)	26,450	17,500

Details of payments to Board members are given in the annual financial statements.

Means of communication with shareholders and investors

The Company publishes quarterly accounts in two national newspapers and also submits it to MSM. Annual reports are mailed to all shareholders.

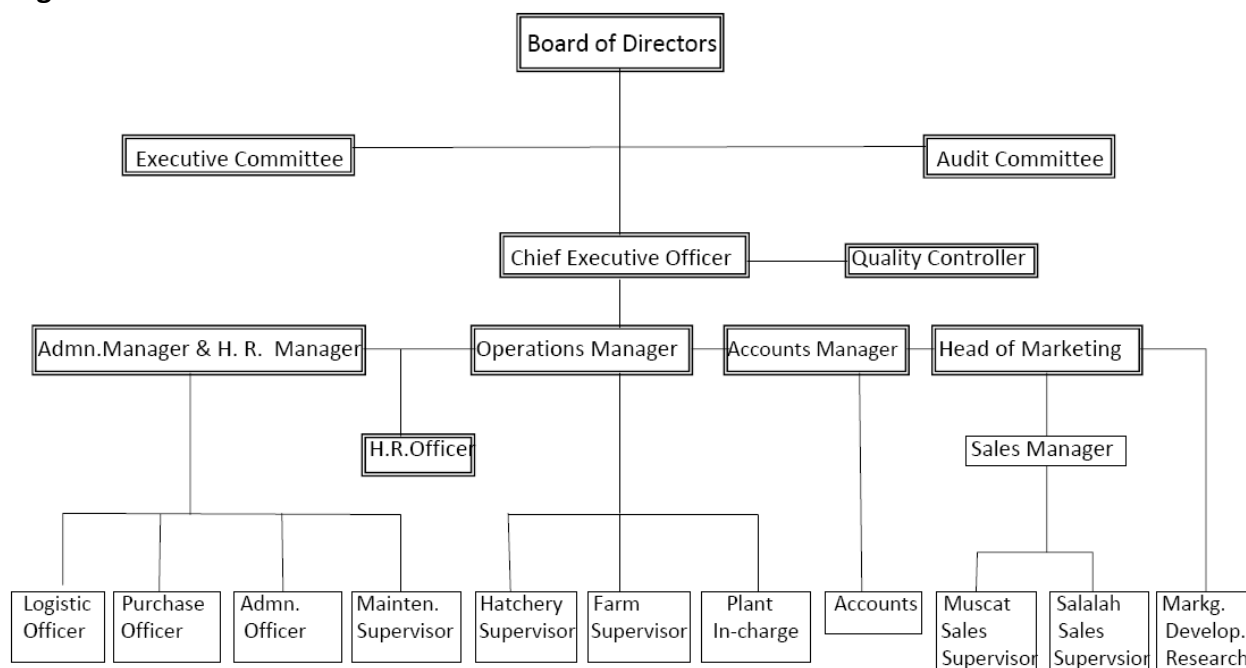
Other corporate governance matters

The Company does not have any special incentive scheme or benefit scheme for its employees to own its shares. The Company does not have any subsidiary and none of its directors hold any significant shares in other companies carrying out competitive business. The directors and top management of the Company do not have any direct or indirect interests in the Company, except to the extent of their shareholding, remuneration and other matters disclosed in this prospectus.

Human Resources

The Company understands the importance of human resources and places emphasis on retaining and developing these resources. The Company has 133 employees, out of which 23 are Omani.

Organisation Chart



8. Company's business, Industry and Future outlook

Background

Dhofar Poultry Company SAOG is an Omani Joint Stock Company, formed on 24 March, 1996.

Dhofar Poultry Company is engaged in production and sale of processed, chilled and frozen, whole chicken and chicken parts. DPC is the largest producer of fresh chicken in Oman. It has its own hatchery, broiler houses and a processing plant. The company intends to increase the broiler houses from 12 to 30 after which the processing capacity is expected to increase. The proposed expansion will be carried out in the existing premises.

Facilities

DPC is located at about 9 kilometers from Raysut Industrial Estate in Salalah. The Company has land allotted by Ministry of Housing. This area is suitable to develop up to 30 broiler houses, poultry processing lines etc. with proper systems for feeding, watering, heating, ventilation, automatic cooling control panel for the operations. The Company holds a HACCP certificate for production of fresh and frozen chicken meat.

Procurement

Eggs are mostly imported and small quantity is also bought from local market. It is critical to ensure availability of quality eggs on regular basis. This is done by buying eggs from well known suppliers. In longer term, the company intends to own a parent farm, which will reduce external dependence and result in higher value addition and cost reduction.

Hatchery

Imported eggs are kept in incubators for hatching. Total cycle days in this process are – 18 days in setter and 3 days in the hatcher.

Broiler House

Hatched chicks are transferred to broiler house. The chicks are given feed, water and medicines during their course of growth. The purpose is to get desired chicken body weight in minimal time.

The Broiling process time involves 42 days of growing period and 10 days in cleaning and disinfection. The broiler house experiences about 7-8 cycles in a year.

Processing plant

The company has a plant for processing and slaughtering chicken as per industry standards.

Sales Process

Presently DPC sells its chicken products in Salalah, Muscat and export to neighboring countries. The broad category are whole chicken, chicken parts (Breast, drum stick, wings, etc), GIBLETS including heart. The products are sold either as fresh chilled or frozen. Fresh chilled products have 5 days of shelf life while frozen products have one year shelf life. The company has its own fleet of vehicles to distribute its products in Oman.

The company plans to increase its market share through the aforesaid expansion. It is also looking to tie up with other large customers.

Marketing

Dhofar Poultry Company SAOG is recognized as a prominent player in fresh chicken segment. The Company mainly deals with three major kinds of products - chilled chicken, frozen chicken and chilled chicken parts. Summary of sales and marketing performance as under-

(MT)

Year	Fresh		Frozen	
	Oman	Export	Oman	Export
2007	881	636	150	-
2008	657	787	32	-
2009	584	923	127	-
2010	547	1,038	250	24
2011	524	1,123	157	1

Government support

Government of Oman encourages private sector by various incentives including soft loans, income tax exemption, duty free import of machinery, etc. Typically, startup companies in Oman are given tax exemption for 5 years from the date of commercial operations, which is likely to be extended on case to case basis.

Recently, the Government in its 2012 Budget announced an allocation of RO 1.180 billion towards subsidies, including subsidies for basic foodstuff commodities. The government also supports poultry farms in various other forms like monetary support, technical advice, land allocation and help for exports.

9. Risk Factors and Mitigants

Investors should note that the risks and corresponding mitigating factors described below are not exhaustive and represent the opinion and perception of the Company only. The actual impact of risks could be different from those mentioned.

Risk and Mitigants

1. Economic and Business Environment Risk

The performance of the company is dependent on the economic environment of the countries from which it procures its raw materials like eggs and to which it markets its processed products like chicken.

Mitigants

Ensuring regular availability of quality eggs is important for the Company. This is done by buying eggs from well known suppliers. In longer term, the company intends to own a parent farm, which will reduce external dependence and also save on cost.

2. Financial Risk

The Company suffered losses in past years but has turned around from 2009. It is possible that the financial performance may again fall down due to internal or external factors.

Mitigants

The Company has been profitable since 2009. It is constantly implementing its turnaround strategy and the financial results are improving. With the proposed expansion plans, the company expects to further build up its profitability, both through higher scale of operation and cost savings.

3. Competition Risk

The company faces strong peer competition in Oman from existing players and imports and potential new entrants in the poultry sector, which may take market share from the Company.

Mitigants

The Company addresses this risk by developing strong brand loyalty with its customers, and proactively promoting its products. The Company reacts quickly to changes in external environment to ward off competition through constant price and quality monitoring. Moreover, the company's assessment of the demand-supply scenario has convinced it that there is a large demand-supply gap in the chicken market which strengthens the case for additional local capacity creation and import substitution.

4. Management Risk

Management risk is the risk of smooth transition in the event key personnel leave the organisation and the risk that there is no clear corporate governance and succession policy within the Company.

Mitigants

The Company has a defined organisation structure and authority level, policies and guidelines to ensure smooth transition in the event key personnel leave. The Company also has internal

control policies and other assurance mechanisms including Audit Committee, which enables strategic decision-making. The efficient and effective operations of the Company ensure good corporate governance policies conforming to business needs and regulatory requirements.

5. Other Risks

Apart from the specific risks mentioned above, general risks like inflation, natural calamities and changes in regulations and the business conditions could adversely affect future profitability of the Company.

Mitigants

The Company's assets are adequately insured from fire, flood and other factors, which are beyond the control of the Company. The Company also monitors proactively any likely regulatory or business environment changes and is equipped to tune its business policies and strategies to meet emerging challenges arising from such changes.

The Company actively monitors the developments impacting its sector and meets such developments through suitable steps including cost controls, re-pricing of its products and better operational management.

10. Shareholding details

The authorised share capital of the Company is 5,000,000 equity shares of RO 1 each and current paid up capital is 3,000,000 fully paid up equity shares. In 2008, the company issued 1 million equity shares, at par value of RO 1 per share, for cash to Dhofar Cattle Feed Company SAOG on private placement basis. There have been no other equity capital issues for cash during the last 5 years.

As on 31 August, 2012, the Company had 128 shareholders. The major shareholder is Dhofar Cattle Feed Company SAOG, holding 2,561,884 shares, i.e. 85.4% of total shares of the Company.

Profile of Dhofar Cattle Feed Company SAOG

Dhofar Cattle Feed Company SAOG was established in 1983, mainly as cattle feed company. Since then, its business has grown and the current activities include Dairy & Beverages, Animal Feed, Cattle Fattening, Agriculture and Investments. Its shares are listed on MSM.

11. Related Party transactions

The Company has entered into transactions with entities in which certain directors of the Company have an interest. In the ordinary course of business, the Company sells goods to related parties and receives services, purchases goods, and occupies the premises of related parties. These transactions are entered into on terms and conditions, which the directors believe could be obtained on an arm's length basis from independent third parties. Whilst the selling prices are comparable to third parties, related parties avail extended credit periods.

Detail of related party's transactions is as follows:

(in RO)

Particulars	2011	2010
Sales -		
Hafeez Ahmed Al Zeeb	1183	905
Agricultural Investment Est.	63,125	56,397
Ahmed Ali Salim Qatan	-	104
Purchases of goods and services -		
Dhofar Cattle Feed Company SAOG	1,144,029	1,022,848
Agricultural Investment Est.	260,318	257,621
Salaries and allowances paid to:		
Board of Directors – sitting fees	26,450	17,500
Key managerial personnel- Short term benefits	62,766	61,356
<u>Year end balances</u>		
Trade receivables -		
Hafeez Ahmed Al Zeeb	434	483
Agricultural Investment Est.	6,854	6,653
Trade payables -		
Dhofar Cattle Feed Company SAOG	311,635	359,915
Agricultural Investment Est.	12,801	13,202

12. Historical Financials

Balance Sheet

(in RO)

	Q3, 2012*	2011	2010	2009	2008
ASSETS					
Property, plant, and equipment	1,730,155	1,521,881	1,548,824	1,577,279	1,675,986
Inventories and biological assets	319,701	358,187	294,931	50,925	311,780
Trade receivables, prepayments and others receivables	933,705	909,464	860,853	793,585	561,112
Cash in hand and at bank	356,362	333,043	25,409	320,268	232,028
Total current assets	1,609,768	1,600,694	1,181,193	1,164,778	1,104,920
Total assets	3,339,923	3,122,575	2,730,017	2,742,057	2,780,906
EQUITY AND LIABILITIES					
Equity					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Legal reserve	96,608	96,608	74,041	41,348	18,522
General reserve	106,164	106,164	83,597	50,904	9,817
Accumulated losses	(631,896)	(930,212)	(1,110,750)	(1,372,295)	(1,536,642)
Total equity	2,570,876	2,272,560	2,046,888	1,719,957	1,491,697
Deferred tax liability	42,535	42,535	26,592	35,000	23,750
Finance lease liability				8,750	
End of service benefits for employees	48,570	40,535	34,905		
Total non-current liabilities	91,105	83,070	61,497	43,750	23,750
Bank overdraft	161,047	186,794	-	220,444	34,965
Trade payables and accruals	516,895	580,151	612,882	742,906	1,165,494
Finance lease liability	-	-	8,750	15,000	15,000
Current maturities of term loans	-	-	-	-	50,000
Total current liabilities	677,942	766,945	621,632	978,350	1,265,459
Total liabilities	769,047	850,015	683,129	1,022,100	1,289,209
Total equity and liabilities	3,339,923	3,122,575	2,730,017	2,742,057	2,780,906

* Un-audited

Income Statement

(in RO)

	Q3, 2012*	2011	2010	2009	2008
Sales	2,813,656	3,298,144	3,273,464	2,971,921	2,477,750
Cost of sales	(2,067,199)	(2,566,050)	(2,466,641)	(2,428,975)	(2,403,047)
Gross profit (loss)	746,457	732,094	806,823	542,946	74,703
General, sales and administrative expenses	(167,338)	(503,133)	(499,436)	(276,973)	(202,856)
Other income	(11,572)	(17,504)	(20,280)	(14,266)	(34,022)
Finance costs	(6,907)	(4,850)	(8,604)	(16,979)	(12,403)
Taxation	-	(15,943)	(8,408)	(35,000)	-
Profit / (Loss) for the year	298,316	225,672	326,931	228,260	(106,534)

* Un-audited

Cash Flow Statement

(in RO)

	Q3, 2012*	2011	2010	2009	2008
Operating Activities:					
Receipts from customers	2,870,237	3,246,685	3,239,373	2,751,035	2,438,277
Payments to suppliers and employees	(2,398,948)	(2,912,427)	(2,850,554)	(2,894,702)	(2,991,547)
Cash generated from operations	471,289	334,258	388,819	(143,667)	(553,270)
Financing cost	(6,907)	(4,850)	(8,604)	-	-
Director's remuneration	(40,700)	(26,450)	(17,500)	-	-
Net cash from operating activities	423,682	302,958	362,715	(143,667)	(553,270)
Investing Activities:					
Purchase of property, plant and equipment	(377,116)	(176,018)	(152,787)	(140,936)	22,905
Proceeds on sale of property, plant and equipment	2,500	2,650	-	-	(202,010)
Net cash from investing activities	(374,616)	(173,368)	(152,787)	(140,936)	(179,105)
Financing Activities:					
Net movement in borrowings	-	-	(220,444)	153,500	(100,000)
Repayment of finance lease liability	-	(8,750)	(15,000)	(50,000)	(12,403)
Increase in share capital					1,000,000
Net cash from financing activities	-	(8,750)	(235,444)	103,500	887,597
Cash and cash equivalents - start	333,043	25,409	50,925	232,028	41,841
Net change in cash and cash equivalents	49,066	120,840	(25,516)	(181,103)	155,222
Cash and cash equivalents – end	382,109	146,249	25,409	50,925	197,063

* Un-audited

Statement of changes in equity

(in RO)

	Share capital	Legal reserve	General reserve	Accum. losses	Total
At 1 January 2011	3,000,000	74,041	83,597	(1,110,750)	2,046,888
Net profit and total comprehensive income for the year	-	-	-	225,672	225,672
Transfer to legal reserve	-	22,567	-	(22,567)	-
Transfer to general reserve	-	-	22,567	(22,567)	-
31 December 2011	3,000,000	96,608	106,164	(930,212)	2,272,560
At 1 January, 2012	3,000,000	96,608	106,164	(930,212)	2,272,560
Profit for the period 1.1.2012 to 30.9.2012	-	-	-	218	218
At 30 September, 2012	3,000,000	96,608	106,164	(631,896)	2,570,876

Note: Full financial statements of the Company are available on www.msm.gov.om.

Key Ratios

(in RO)

	Q3, 2012*	2011	2010	2009	2008
Earnings per share	0.099	0.075	0.109	0.076	(0.035)
Net assets per share	0.857	0.758	0.682	0.573	0.497
Gross Profit Margin	26.5 %	22.20%	24.65%	18.27%	3.01%
Net Profit Margin	10.6 %	6.84%	9.99%	7.68%	-4.30%
Debt / Equity	0.30	0.37	0.33	0.59	0.86
Current ratio	2.73	2.09	1.90	1.19	0.87
Return on Equity	13.1 %	9.93%	15.97%	13.27%	-7.14%

**Based on un-audited results*

13. Share Price and Dividend distribution

The following table illustrates the movement in share price of DPC on MSM since 2007 -

Financial Year	Share Price (RO)			
	Opening	Highest	Lowest	Closing
2007				
Q1	0.450	0.450	0.450	0.476
Q2	0.452	0.452	0.407	0.410
Q3	0.400	0.410	0.400	0.410
Q4	0.410	0.410	0.410	0.410
2008				
Q1	-	-	-	-
Q2	0.251	0.280	0.251	0.273
Q3	-	-	-	-
Q4	-	-	-	-
2009				
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	0.277	0.277	0.277	0.273
2010				
Q1	0.273	0.273	0.273	0.273
Q2	0.301	0.605	0.301	0.445
Q3	0.701	0.870	0.701	0.785
Q4	1.150	1.500	1.150	1.262
2011				
Q1	-	-	-	-
Q2	1.260	1.260	1.260	1.262
Q3	1.134	1.134	0.820	0.820
Q4	0.820	0.820	0.820	0.820
2012				
Q1	0.820	0.820	0.820	0.820
Q2	0.800	0.800	0.780	0.790
Q3	0.869	2.690	0.869	2.224

Dividend distribution

(in RO)

Details	2011	2010	2009	2008
Net Profit After Tax	225,672	326,931	228,260	(106,534)
Earnings per share	0.075	0.109	0.076	(0.035)
Dividend % - cash	-	-	-	-
Dividend % - stock	-	-	-	-

14. Price justification & Investment Considerations

Introduction

DPC has carefully evaluated various critical factors from the perspective of investors as well as the Company in arriving at the price at which the Rights Issue is offered to its existing shareholders. The key factors include investors benefit, company's track record, current performance, prevailing market conditions, future outlook and key financial indicators for the sector and the Company. The Company believes that the terms of offer for the Rights Issue are attractive taking into account the interests of the Company as well as those of investors. The issue pricing is expected to provide attractive returns to investors and optimise the cost of raising funds by the Company.

The last closing market price of the Company's share was RO 2.224 on 24 September, 2012, whereas the Rights Issue price is RO 1.020, which represents a discount of about 54 % to the market price.

Historical Performance

(in RO)

Particulars	2011	2010	2009	2008
Total Revenue	3,298,144	3,273,464	2,971,921	2,477,750
Gross Profit	732,094	806,823	542,946	74,703
Profit after tax	225,672	326,931	228,260	(106,534)
Earnings per share	0.075	0.109	0.076	(0.035)
Total assets	3,122,575	2,730,017	2,742,057	2,780,906
Net assets	2,272,560	2,046,888	1,719,957	1,491,697
Total Debt/ Equity (times)	0.37	0.33	0.59	0.86
Net asset per share	0.758	0.682	0.573	0.497

Other considerations

1. The Company has demonstrated good track record and enjoys sound financial position.
2. The Company has strong management capabilities and support from its principal shareholders that has ensured a steady and sustainable growth.
3. The Company has positioned itself well in the local market with good customer service and facilities which has given it an impressive image, unique brand value and reputation.
4. The financial indicators discussed above from the perspective of the Company and investors, such as earnings per share, market price and growth indicators form a good basis and rationale for pricing of the Rights Issue.

Taking all aforesaid factors into account, the Company is of the opinion that the price at which the Rights Issue is being offered to existing shareholders is attractive.

15. Responsibilities and Rights of shareholders

Shareholders' Liability

The shareholders' liability is limited to the face value of the shares held. All shareholders are bound by Articles and Memorandum of Association of the Company and prevailing laws of Oman.

Shareholders' rights

All shares in the Company carry equal rights inherent in the ownership thereof including the following:

1. Right to receive dividends declared by the Company's general meetings.
2. Preferential rights to subscription for new shares upon increase of the Company's capital.
3. Right to share distribution of the Company's assets upon liquidation.
4. Right to transfer shares he/she holds, wholly or partially, in accordance with provisions of Articles of Association of the Company and the prevailing laws.
5. Right to inspect the Company's balance sheet, profit and loss statement and shareholders' register.
6. Right to receive notices of general meetings and vote in person or by proxy.
7. Right to apply for annulment of resolutions adopted by general meeting and the Board of Directors of the Company if such resolutions are contrary to prevailing laws, Company's Articles of Association and its by-laws.
8. Right to institute legal actions on behalf of the Company and its shareholders against the Board of Directors and auditors of the Company pursuant to Article 110 of Commercial Companies Law.
9. Right to approach the Board of Directors of CMA (provided that the move is supported by shareholders who own at least 5% of the shares), to exercise its authority to suspend resolutions of a general meeting of the Company passed in favour of or against a specific category of shareholders or in the interests of the directors of the Board or others.

Transfer of share Ownership

The transfer of ownership of shares shall be entered in the register of MCD. The transfer of ownership shall also be recorded by the Company which shall list the name and nationality of each shareholder as well as the chosen place of residence, quantity of shares held and their serial numbers.

No person shall be considered by the Company as owner of any shares unless ownership has been entered in the shareholders' register. The Company shall register transfer of ownership free of charge within three days of receiving necessary documents.

Financial Reports and Statements

Not less than 14 days prior to AGM, the Board of Directors shall prepare the Annual report, which would include audited balance sheet and a statement of profit and loss account. The report will include a detailed explanation for significant income and expenditure items during the financial year from the auditors and a report prepared by Board of Directors about activities of the Company for the financial year and the appropriation of net profits.

The un-audited quarterly financial statements shall also be sent to MSM within the statutory period prescribed for it.

The Board of Directors shall publish the balance sheet, profit and loss account and a summary of its report in local newspapers, after filing it through electronic transmission system of MSM, within the statutory deadline for filing the statements.

16. Terms & conditions of subscription and Issue Timetable

Eligibility for subscription

Subscription for the Right Issue is open to the Company's shareholders appearing on the Company's register with MCD on record date and to those persons who have bought rights through MSM.

Every shareholder shall be entitled to subscribe for a number of offered shares which is calculated with reference to the number of shares owned by him as of Record date and can also apply for additional shares. Anyone who buys the rights from a shareholder cannot apply for additional shares. Unexercised rights shall lapse at the end of issue closure.

Record date – 31 December, 2012

Subscription Price – RO 1.020 per share

Subscription Period

Subscription opens on 8 January, 2013 and closes on 22 January, 2013.

On the last day of the subscription period, applications shall be accepted by the Collecting Bank only during its working hours.

Rights Entitlement

Every existing shareholder as on the record date is entitled to subscribe to 1 new share for every 3 shares held (33.33%), duly rounded off to the nearest whole number. The rights entitlement shall be listed on MSM and can be sold or bought through MSM.

Trading of rights

The rights are tradable on MSM in accordance with applicable laws of CMA and MSM. The rights can be bought and sold during its trading period. The buyer of rights shall contact and co-ordinate with the Issue Manager to collect the requisite application form, fill it and submit it to the Collecting Bank, together with application money and required documents on or before the issue closing date in accordance with the schedule contained in this section.

Minimum and maximum subscription

A shareholder, as on the record date, can apply upto his eligibility indicated in application form and also for additional shares. Anyone who bought rights can apply only upto the extent of rights owned.

In any case, an applicant can apply for a minimum of 1 share and a maximum (including additional shares) of upto the full issue size.

The Company undertakes to comply with the shareholding ceilings stipulated by Laws of Oman and Articles of Association and that allotment of shares shall be subject to such laws and articles.

Application for additional shares

Shareholders are eligible to apply for additional shares over and above their entitlement, provided that they have applied for all shares offered to them without selling it in whole or in part to any other person(s).

A shareholder intending to apply for additional shares may indicate its requirement in the place provided for in application form. Anyone who buys the rights from a shareholder cannot apply for additional shares.

Father may apply on behalf of his minor children.

Mode of subscription

- The applicant shall be responsible for furnishing all the particulars, ensuring correctness and validity of information provided in the application form. The Collecting Bank has been instructed to accept only those application forms that comply with all requirements as provided for in the application form and Prospectus.
- The applicant is required to peruse the Prospectus and read carefully the conditions and procedures governing the subscription, before filling the application form.
- The applicant is required to fill and complete the application form and furnish all particulars, including shareholder number with MCD, civil identification number and date of birth in case of a minor.
- The applicant shall submit the application form to the Collecting Bank, together with payment towards the shares applied for and ensure that the required documents in support of information furnished are enclosed.
- Payment of subscription amount by cheque or through bank transfer shall be made in favour of "DPC-Rights Issue a/c".
- In case of payment through bank transfer, it is the responsibility of applicant to transfer the subscription amount to the Collecting Bank and the transfer acknowledgement copy has to be attached with application form.

Availability of duplicate application forms

In case the original application form is not received, or is misplaced by the applicant, the Company or Issue Manger can issue a duplicate application form on request of the applicant who should furnish his/her shareholder number, full name and address. Please note that those who are making application in the duplicate form should not use the original application form, even if it is received/found subsequently. In case of violation of this requirement, both the applications may be rejected.

Particulars of bank account

1. Each applicant shall be required to furnish particulars of his bank account (registered in the name of applicant). Applicants shall not use bank account number of any other person except in case of minors.
2. If the bank account of the applicant is registered with a bank other than the Collecting Bank, he shall be required to submit a document in evidence of correctness of the bank account particulars as provided for in the application form. This can be done by submitting any document from the bank of the applicant, specifying account number and name of account holder or a letter or any document issued by the said bank containing this information. The applicant shall ensure that the document submitted is readable in a clear manner and contains all required details. An applicant is not obliged to submit bank account documentation if he is subscribing through the bank which maintains his account. In such cases, the bank shall verify and confirm the correctness of the applicant's account through its own system and procedures or through the evidence submitted to it by the applicant.
3. Upon instruction by CMA, the particulars of bank account shall be recorded in registers of MCD. This shall be used for refunds and distribution of dividends payable to the shareholder.

In case of applicants who have their bank accounts already registered with MCD, the bank account details provided in application form would be used only for the purpose of making refunds.

4. The application form containing bank account number of a person other than the applicant shall be rejected, with the exception of applications made on behalf of minors that contain bank accounts particulars of their father.

Documentation Required

1. Submission of a document confirming correctness of the bank account (registered in the name of applicant).
2. Copy of a valid Power of Attorney duly endorsed by competent legal authorities in the event the application is on behalf of another person (with the exception of the application made by a father on behalf of his minor children).

Collecting Bank

Bank Dhofar SAOG

Contact Person: Hussain I Al Lawati

PO Box 1507, PC 112, Ruwi, Oman

Tel: 24787348, Fax: 24790311

Email: Hialawati@bankdhofar.com

The Collecting Bank shall receive any application after ensuring that it satisfies the requirements of the prospectus in form and content. They must direct applicants to complete the application form before submission.

If the Collecting Bank observes, after receipt of the application form and before expiry of the time prescribed for handing over the application forms in a final manner to the Issue Manager, that the application has not complied with legal requirements as provided for in the Prospectus, due effort would be made to contact the applicant so as to correct the error or deficiency detected. If the Collecting Bank is unable to get the error or deficiency corrected within the period referred to, it shall return the application form together with the application money before expiry of the period specified for handing over application forms to the Issue Manager.

Non-acceptance of application

The Collecting Bank shall not accept application forms in following cases:

1. If the application form is not signed by the applicant.
2. In case of failure to pay the value of shares subscribed in accordance with conditions provided for in the Prospectus.
3. If the application money is paid by cheque and the cheque is dishonoured for whatsoever reason.
4. In case of multiple applications in the same name, all such applications shall be rejected.
5. If the supporting documents referred to in the Prospectus are not enclosed with application form.
6. If the application form does not contain correct and full particulars or if such information is incomplete or is incorrect.
7. If the particulars of the bank account provided for in the application form are found to be not relevant to the applicant, with the exception of the application form submitted in name of

minor children, who are allowed to make use of the particulars of bank accounts held by their father.

8. In case of failure to have the powers of attorney attached with application form as provided for in the Prospectus in respect of the person who subscribed and signed on behalf of another person (with the exception of a father subscribing on behalf of his minor children).
9. If the application has not complied with legal and organizational requirements as provided for in the prospectus.

Refusal/Rejection of Applications

The Issue Manager may reject an application under any of the conditions referred to above, after approval of CMA and submit a detailed report to CMA giving details of rejected applications and the reasons for rejection.

Basis of allotment

Subject to the provisions contained in this Prospectus, Articles of Association of the Company and approval of CMA, allotment will be done in following order of priority:

(a) Allotment to applicants who applied for their original entitlement either in full or part and also to persons who have bought the rights from MSM and applied against it;

(b) Allotment to applicants who have, after applying for their full original entitlement, also applied for additional shares. Such allotment will be subject to availability after (a) above and will be made in proportion of respective additional shares applied by shareholders.

The above allotment will be treated as a part of this Rights Issue. The Company undertakes to comply with the shareholding ceilings stipulated by Laws of Oman and that the allotment of shares shall be subject to such laws.

In case of under-subscription even after allotment of additional shares, the Board will decide in this matter as per Article 83 and other provisions of CCL.

Refunds

In the event of any applicant applying for shares and the Company deciding either not to allot such shares or to allot lesser number of shares than applied for, such excess application amount shall be refunded to the shareholder within 15 days of the closure of issue.

Obligations and responsibilities

The Issue Manager, Collecting Bank and MCD undertake to discharge the responsibilities and duties as specified under the regulations issued by CMA and shall comply with any other responsibilities and obligations set out in the agreements concluded between them and the Issuer.

They also undertake to remedy the damages resulting from any negligence committed in performing duties and responsibilities assigned to them. In such event, the Issue Manager will liaise with relevant authorities such as CMA and MSM for taking the appropriate steps to remedy such damages.

Issue Timetable

ACTIVITY	DATE
Approval of Prospectus by CMA	22 December, 2012
Date of publication of announcement: After approval of the Prospectus at least before five working days from the Record Date, the Issuer must publish an advertisement approved by CMA in two daily newspapers at least one of them to be an Arabic daily for two consecutive days notifying the shareholders and other investors of the Rights Issue. The advertisement must include a summary of the Prospectus including the volume and ratio of the increase in the capital, issue price, the Record Date, Collecting Bank, subscription period and the period for the assignment of the Rights Issue or subscription under it.	24/25 December, 2012
Record Date: Shareholders registered in MCD records as at this date are eligible for subscription to the Rights Issue as holders of the rights.	31 December 2012
Service of Notices on the shareholders: Three days before the date set for the exercise of the rights, the Issue Manager shall send written notices to each shareholder at the address recorded in the shareholders record advising of the Rights Issue together with an approved copy of the Prospectus and an application form. The notice must specify the number of shares that may be subscribed, the period of subscription under such Right or the assignment of the rights which period shall not be less than fifteen days from the date of publication as provided for by Article 83 of the Commercial Companies Law.	3 January, 2013
Listing of the rights entitlement: The Issuer and the Issue Manager in collaboration with MCD and MSM carry out the procedures for listing of the rights for trading on MSM within five working days from the date of Record date. A record of holders of the rights shall be prepared for the purposes of the trading of the rights within the specified period. The rights shall be separated from the shares and shall be traded separately.	6 January, 2013
Date of commencement of subscription (Issue Open Date): This date shall not be less than fifteen days from the date of publication of the notice of the Rights Issue. Application forms will be issued directly to the shareholders, but additional application forms may be obtained from the Collecting Bank and Issue Manager.	8 January, 2013
End of trading of the rights	15 January, 2013
End of subscription period (Issue Close Date): After this date, The Issue Manager shall collect the list of subscription from the Collecting Bank, verify the application forms, match the rights holders' record with application forms and process the allotment of shares.	22 January, 2013
Listing and allotment: The new shares shall be allotted and the listed on the on MSM within 15 Business days of the Issue Closing Date.	30 January, 2013

17. Undertakings

Dhofar Poultry Company SAOG

The Board of Directors of the Company individually and jointly undertakes that:

1. All the information submitted in the prospectus is complete, true and correct.
2. Due diligence was taken to ensure that no important fact or information has been omitted, the omission of which will render any statement in the prospectus misleading.
3. Compliance with all Capital Market Laws, Commercial Companies Law and the regulations and directives issued therein.

Signed on behalf of the Board of Directors

Board member

Board member

Issue Manager: Gulf Baader Capital Markets SAOC

Pursuant to our responsibilities under Article 3 of the Capital Market Law, the executive regulations thereof and the directives issued by CMA, we have reviewed all the relevant documents and other material required for the preparation of the prospectus for the Rights Issue of Dhofar Poultry Company SAOG.

The Board of Directors of Dhofar Poultry Company SAOG shall bear the responsibility for the validity and correctness of the information provided in this Prospectus, and no material information has been omitted, the omission of which would have made the Prospectus misleading.

We do confirm that we have taken due diligence as required by the profession with regard to the Prospectus that has been prepared under our supervision. Based on the review works referred to above and discussions held with the Company issuing the securities, its directors, officers and other related parties, we hereby confirm as hereunder:

- 1) We have taken reasonable due diligence in ensuring that the information given to us by the Issuer and included in the Prospectus are consistent with the facts available in the documents, material and other documents pertaining to the Issue.
- 2) To the best of our knowledge and from the available information from the Company, the Company had not omitted any material information, the omission of which would render the prospectus misleading.
- 3) The Prospectus and Issue relevant to it are consistent with all the rules and conditions governing the transparency as provided for in the Capital Market Law, the Executive Regulations of the Capital Market Law and applicable Specimen Prospectus available with the CMA. These are also in conformity with the Commercial Companies Law and related directives and ministerial decisions.

4) The information contained in this prospectus in Arabic (and the unofficial translation into English thereof) is true, sound and adequate to assist the investor to take the decision as to whether or not to invest in the securities offered.

Gulf Baader Capital Markets SAOC

Legal Advisor to the Issue: Rajab Al Kathiri & Associates

The Legal Advisor, whose name appears below, confirms that all the procedures undertaken with regard to the offering of the securities the subject matter of the Prospectus, are consistent and in conformity with the provisions set out in the laws and relevant to the business of the Company, the Commercial Companies Law, the Capital Market Law and the regulations and directives issued pursuant to them, the requirement and rules for the issue of Shares issued by the CMA, the Articles of Association and the resolutions of the general meeting and the Board of Directors of the Company. The Company has obtained all the consents and official approvals required to carry out the activities the subject matter of the Prospectus.

Rajab Al Kathiri & Associates