



**SUPPLEMENTARY DISCLOSURE  
REPORTING OF FINANCIAL IMPACT OF COVID-19 AS AT 31<sup>st</sup> December 2020**

**Significant events and transactions**

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, a Group has experienced significant disruption to its operations in the following respects:

- Decreased demand in domestic market for certain products as a consequence of social distancing requirements and recommendations;
- Decreased demand for products has compelled to Group to reduce selling price by 20%;
- Closure of international borders has significantly disrupted overseas sales of Group's primary products; and
- Significant uncertainty concerning when government lockdowns will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for Group's primary products.

Based on the nature of operations and the industry in which it operates, the Group's management assessed the significant impact of COVID-19 in the below areas:

- Increase in sales;
- Government grants; and
- Commitments and contingencies.

**Significant events and transactions**

*a) Increase in sales and cash flows;*

The Group has experienced elevation in sales which is represented by one of the subsidiaries, SABAYEK since pandemic effect was widespread during the year ended 31 December 2020. The principal activities of SABAYEK include the production and marketing of ferro silicon, ferro manganese, silicon manganese, silicon and micro silicate. While there was a decrease in demand of primary products in the domestic market, overseas sales increased as the Group has dropped its selling prices of certain products in the last quarter of 2020 while increasing the volume causing the increase in sales by 8% as compared to prior year.

*b) Government grants*

The Group has applied for Government support programs introduced in response to the global pandemic. The Group has received a Government grant of BD158,306 to support the payroll of the Group's employees, electricity and water charges. The Group has elected to present this Government grant by reducing the related expenses. The Group had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.



c) *Commitments and contingent liabilities*

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

The below table summarises the impact of COVID-19 for the year ended 31 December 2020:

<u>Financial statement area</u>	<u>Nature of impact</u>	<u>Amount in BD</u>
Sales	Increase	2,561,160
Government grant	Increase	158,306

No other significant impact has been noted by the management on other financial statement areas during the year ended 31 December 2020.

