" Inspiring the growth of livestock entrepreneurs"

BHUTAN LIVESTOCK DEVELOPMENT CORPORATION LIMITED

ANNUAL REPORT, 2025

bldc

Bhutan Livestock Development Corporation Ltd.

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Bhutan Livestock Development Corporation Ltd.

Forward

"His Majesty has reminded us that Bhutan must compete with other nations as equals, making a good living and selling what the world wants to buy." Guided by his Majesty's vision, Bhutan Livestock Development Corporation Limited (BLDCL) continues to serve as the commercial arm of the Government in advancing the livestock sector and strengthening national food security.

Established as a State-Owned Enterprise, BLDCL works closely with the Ministry of Finance (MOF) andMinistry of Agriculture and Livestock (MOAL) to enhance production, processing and marketing of livestock inputs and products. Our mandate is to increase domestic production, reduce imports, and safeguard foreign reserves. To this end, we have focused on scaling production from our own farms, encouraging farmers to expand output, and providing them with assured markets at fair prices. Through aggregation, value addition, and efficient marketing channels, we ensure that quality products reach consumers with ease and reliability.

As a commercial entity, financial sustainability remains central to our mission. Our strategies have strengthened market presence, and deepened engagement with farmers and other stakeholders.

Reflecting on our journey, we remain anchored in our core values: sound business principles, effective value chain management, adherence to quality standards, and commitment to animal welfare. These values have guided every decision, reinforcing the trust and confidence placed in us by our stakeholders.

I take this opportunity to extend my heartfelt gratitude to our shareholder for their unwavering support, to our farmers for their trust, to our customers for their confidence, and to our employees for their dedication and hard work. Together, we are building a resilient livestock sector that not only contributes to Bhutan's food and nutrition security but also embodies the spirit of competing with the world as equals.

Thank you!

(Dophu Dukpa)

Chief Executive Officer

Mandate

Marketing

1. Establish and strengthen market outlet facilities for all livestock and Agri-processed products;
2. Coordinate and harmonize product aggregation from the farmers and marketing of all livestock products for domestic and export markets.

Input & Production

3. Produce and supply Broiler Day Old Chicks (DOC);
4. Promote and support domestic feed production and marketing, and import of feed and other raw materials required for feed production;
5. Lead in the production of livestock products for domestic and export markets.

Post-Production

6. Lead and promote post-production and value addition of livestock products;
7. Institute and strengthen warehousing and cold storage services;
8. Engage in product development/diversification processes and consultancy services on livestock enterprises.

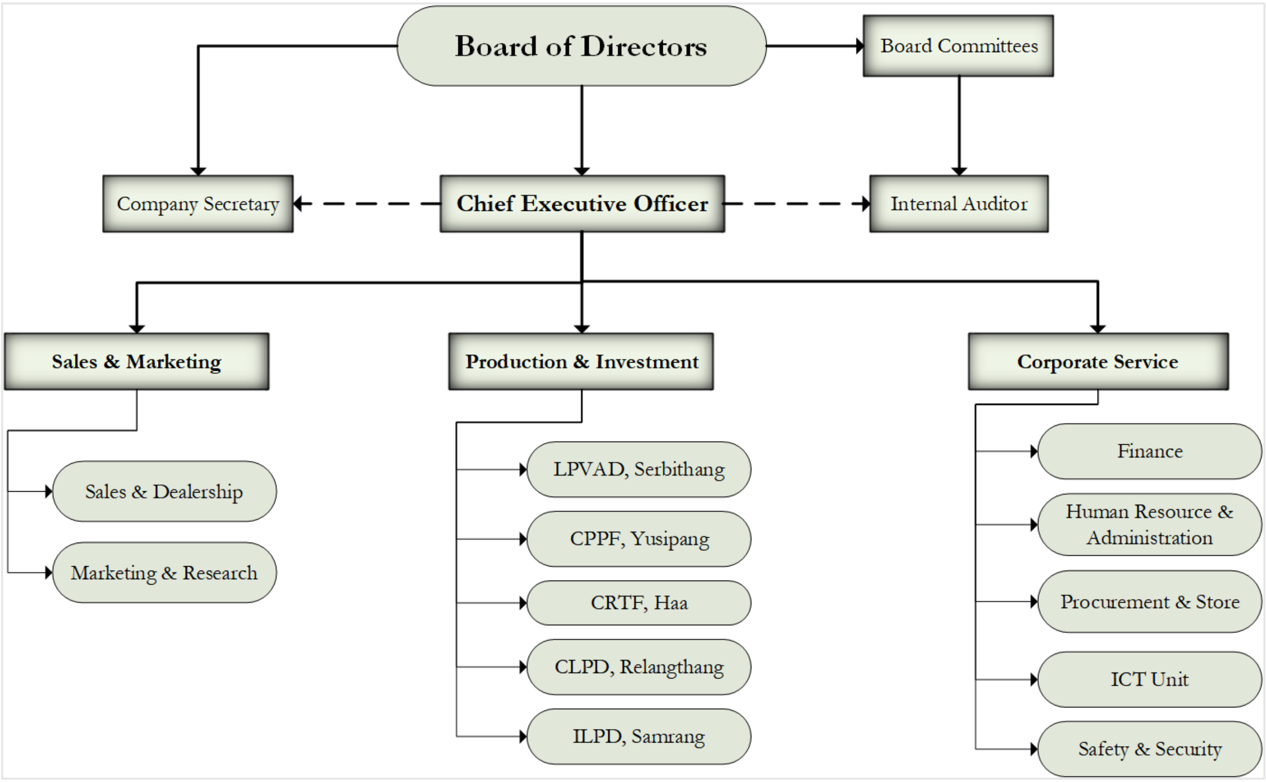
Support services

9. Engage and catalyze collaborations with livestock contract farmers' groups/farmers/youths/other farmers associated with the company in the area of livestock enterprise development and livestock farm mechanization/automation, and also in provisioning of technical supports;
10. Engage in Schools, Hospitals, and other Institutional Feeding Programs;
11. Undertake other activities as directed by the Government/Board.

Financial Sustainability (New Mandate incorporated after reformation)

12. BLDCL will maximize production at the same time minimizing cost of products. By doing so, BLDCL can regulate the price in the market. The price in the market is such that it's not at profit maximization but rather to stabilize the market price and make BLDCL financially sustainable.

ORGANOGRAM



Board of Directors

Mr. Sherab Namgay
Chairman

Mr. Namgay Wangchuk
Director
GM, NRDCL

Mr. Sonam Tobgay
Director
Director, DHI

Mr. TshewangPenjor
Director
Chief, DPBP, MOF

Mr. Jamyang Tashi Wangdi
Director
Chief, LPD, DOL, MOAL

Mr. Dawa Sonam
Director / Independent Board
CEO, 55 Venture Private Limited

Mr. Dophu Dukpa
Executive Director,
CEO BLDCL

BLDCL Management Team

Mr. Dophu Dukpa
Chief Executive Officer

Mr. Tenzin Tshewang
General Manager (Production & Marketing)

Mr. Suraj Ghalley
Chief Finance Officer

Mr. Dal Bdr. Mishra
Chief Production Officer

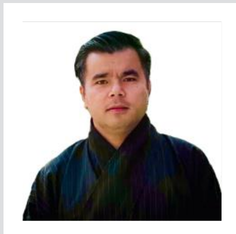
Mr. Dorji Khandu
Chief Corporate Officer

Mr. DupthoTshewang
Chief Production Officer

Mr. Yeshy Wangchuk
Sr. Procurement Officer

Mr. Pema Tenzin
Internal Auditor

Mr. Chimi Dorji
Human Resource



Mr. Devi Bhakta Ghalley
ICT Officer

Mr. Sonam Rinchen
Sr. Farm Manager

Ms. Tshering Lhamo
Farm Manager

Ms. Sonam Palden
Farm Manager

DIRECTORS' REPORT

Dear Shareholder,

On behalf of the Board of Directors, Management, and staff of Bhutan Livestock Development Corporation Limited, it is my privilege to present the Annual Report for the year 2025 and to warmly welcome our valued stakeholder to the Company's 8th Annual General Meeting.

I am pleased to place before you the key highlights of BLDCL's performance during the year, reflecting the Company's progress, achievements, and continued commitment to its mandate and stakeholders.

FINANCIAL HIGHLIGHTS

In 2025, the Company operated in a challenging business environment and recorded a loss of Nu. 71.5 million, compared to a loss of Nu. 1.5 million in the previous year. While the operating loss was comparatively lower, the overall loss increased significantly due to system corrections, the auction of idle assets, and the write-off of unqualified assets during the year. These factors led to a substantial escalation in the reported loss for 2025. BLDCL's key financial ratios, reflecting the overall financial performance, are presented in the table below.

Ratio Analysis	FY2023	FY2024	FY 2025
Debt to Equity Ratio	0.28x	0.14x	0.58x
Asset Turnover Ratio	0.28%	0.33%	0.56%
Return on Equity	-0.06%	-0.00%	-19.46%
Debt Coverage Ratio	0.03x	0.37x	-3.83x
Interest in Coverage Ratio	4.00x	0.71x	-3403.24x
Financial Debt to EBITDA	33.51x	2.43x	-0.26x
EBITDA Margin	0.01%	0.10%	-17.59%

The debt-to-equity ratio during the period improved from 0.14x in FY 2024 to 0.58x in FY 2025 as result of reduce reliance on debt financing and improved equity position. The ratio looks fine only because the government keeps injecting capital, not because the Company is generating equity.

The asset turnover ratio in FY 2025 improved as compared to FY 2024 despite overall increased in the asset base. However, the current level of asset turnover of 0.56% still suggests the under-utilization of assets, the Board and management shall continue to further improve asset utilization.

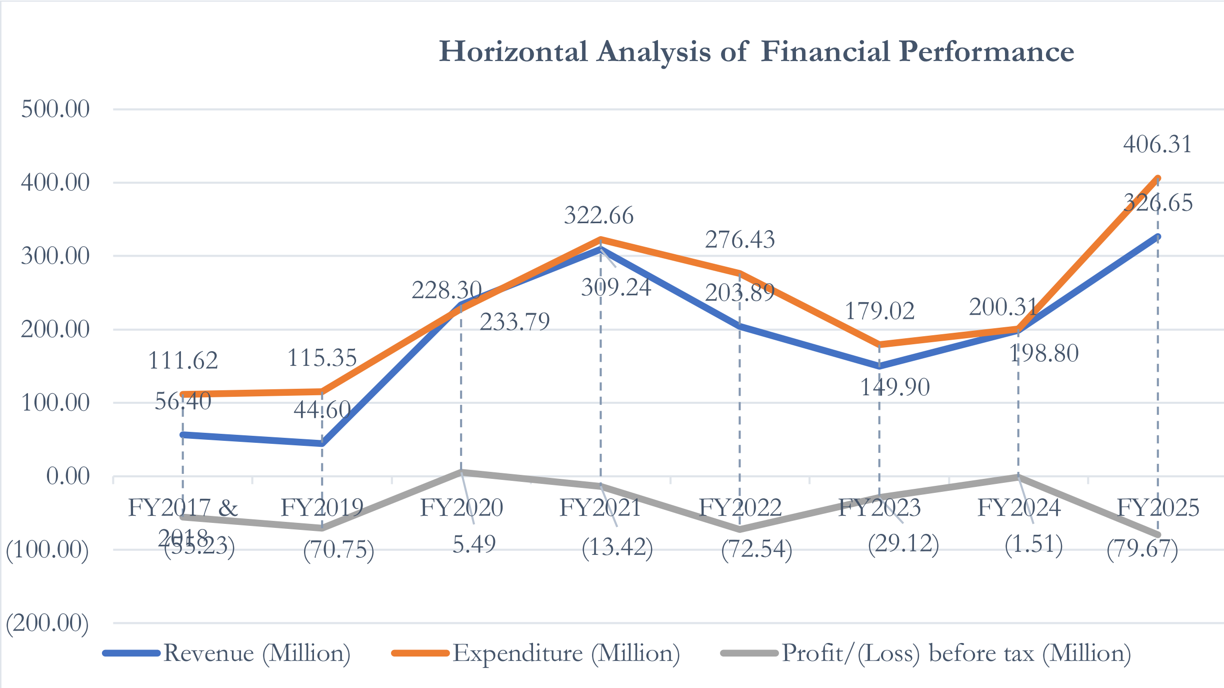
The Return on equity lies at -19.46% in 2025. The FY 2025 ROE breakeven suggests the company was close to profitability in 2024 but the losses have increased in 2025.

The metrics such as interest coverage ratio and Debt service Coverage ratio (DCSR) has significantly worsened, declining from 0.37x in 2024 to -3.83x in 2025. BLDCL's core operations aren't even generating enough cash before interest, tax, and depreciation to make a dent in debt repayment. However, company's board and management are striving towards sustainability in debt service by enhancing the revenue and various cost optimization initiatives.

The Company has very little debt left to service, but its core operations are losing money regardless of leverage. Interest burden is no longer the problem; operating performance is. The Financial Debt to EBITDA ratio is meaningless because of negative EBITDA. The Company has to first turn profitable before it can start service the debt.

The EBITDA margin has worsened in 2025 and for every Nu.100 of revenue, the Company loses about Nu. 17.59 before interest, tax, depreciation, and amortization. This is the cleanest read of underlying operating performance, and it confirms the core problem: **this isn't a financing or leverage problem, it's an operating cost/pricing problem.** Revenue (Nu. 326.6M) isn't covering the direct cost of production and overheads (Nu. 406.3M total expenditure).

The table below highlights financial performance over the period:



OPERATIONAL HIGHLIGHTS

I. PRODUCTION AND AGGREGATION SEGMENT:

In addition to pork and fish production from its own farms (Trout from Haa and Samrang, and pork from Yusipang and Samrang), BLDCL was also able to partner with pork suppliers from eight Dzongkhags; Wangdue, Samdrup Jongkhar, Samtse, Sarpang, Tsirang, Thimphu, Chukha, and Dagana, and chicken suppliers from the same Dzongkhags as well during the year.

In this regard, BLDCL was able to produce and aggregate the following quantities of livestock products:

S/No	Proportion of Products					Total
	Products	MoU	BLDCL Farm	Farmers	Govt. Farm	
1	Pork	MT	35.35	192.55	-	227.9
2	Chicken	MT	-	297.78	-	297.78

3	Fish-Trout	MT	12.15	-	1.61	13.76
4	Warmwater fish	MT	0.42	-	-	0.42
5	Eggs	Cartoon	24,989	19,032	-	44,021

Note: The majority of the meat aggregation has happened after the official launch of the Price Guarantee Scheme (PGS) initiative under the EconomicStimulus Programme (ESP) of the 13thFive-Year plan from April 2025.

II. VALUE ADDITION SEGMENT:

The Livestock Value Addition Division (LPVAD) of Serbithang, Thimphu,under BLDCL processed 78.40 MT of pork, 139.22 MT of chicken, 10.19 MT of trout, and 2.42 MT of beef. These processed products were placed in the market through our registered dealers and also supplied to schools under the School and Hospital Feeding Program (SHFP).

III. DISTRIBUTION SEGMENT:

In line with the business framework, BLDCL placed its value-added products in the market throughour registered dealers. The value-added products were distributed in the market through (14) fourteen dealers; 7 (seven) in Thimphu, and one each in Mongar, Paro, Chukha (Phuentsholing),Pemagatshel (Nganglam), Punakha (Kabesa), Haa, and Tashigang (Kanglung). The dealership scheme supported and enhanced our product distribution, although the quantity lifted was not as high as desired relative to production.

Additionally, BLDCLsupplied pork, chicken, and eggs to the four Gyalsung Academies and 45 schools in Thimphu, Paro, Chukha, Wangdue, and Punakha Dzongkhags. The products were also supplied to other institutions like Desuung Kitchen, His Majesty's Secretariat (HMS), Institute of Management Studies (IMS), Royal Academy, andprivate shoppers, totalling 46 customers.

IV. ACTIVITIES UNDER ECONOMIC STIMULUS PROGRAMME

In line with business of the Company, the Economic Stimulus Programme (ESP) particularly the Price Guarantee Scheme (PGS) was implemented towards food security.BLDCL, as astakeholder working towards food security in the country, was bestowed with aggressive targets to work on enhancing livestock production through its farms and to aggregate and market three prioritized products (Chicken-1200MT, Pork-471MT, and Fish-86MT) in the first year in 2025, the company received an equity injection of Nu. 199.96million in the year 2024 including Nu. 16.46 million as subsidy to implement the following activities:

- Optimize and operationalize the existing idle facilities of the company to enhance the livestock production (Pork, Fish & Broiler DOC);
- Build business trust and work closely with farmers to ensure a ready market for their produce, thereby achieving the national objective.

As part of this effort, aggregation of raw pork and chicken was carried out from major meat-producing dzongkhags such as Wangdue, Dagana, Tsirang, Samtse, Chhukha, Sarpang, and Samdrup Jongkhar. This partnership was aimed to establish a sustainable meat business value chain from farm to consumers. Under the PGS initiative BLDCL aggregated 227.9 MT of pork and 297.7 MT of chicken in 2025.

NEW INITIATIVE DURING THE YEAR:

- **Corporate Governance**- Recognizing the importance corporate governance, a new Chairman and a Board of Director were appointed by the Ministry of Finance to guide the company strategically to turn around the business.
- **Asset Optimization**- The company has surrendered and transferred idle assets Net worth Nu. 2.3 million to Department of Procurement and Properties, MoF.
- **New Product launched**
  The company introduced the following new value-added products:
  - Smoked Chicken wings- 70 kgs
  - Smoked chicken breast- 79 kgs
  - Smoked chicken- 272.17 kg
  - Smoked Drumstick- 105 kgs
  - Smoked trout- 10.69 kgs

CHALLENGES & RISK MANAGEMENT STRATEGY:

BLDCL faces various challenges internally and externally, at various levels of business operation. Some of the key business challenges include:

I. Internal Challenges

1. Unserviceable assets like egg powder plant and the Ice flake making machine from the want of expert and/or parts;
2. Limited processing and storing capacity of the meat processing centre at Serbithang which was initially established by the government as a research and training facility;
3. Frequent breakdown of machinery, cold stores and blast freezer disrupting production and aggregation;
4. Inexperienced employees at the value-added centre;
5. Critical posts lying vacant for a prolonged period;
6. Wastage from the meat value-addition;
7. High mortality rate of birds;
8. High employee attrition rate.

II. External Challenges:

1. Contaminated water at Samrang;
2. Biosecurity risk at farms;
3. Inconsistent supplies of meat (Chicken & Pork) by Farmers;
4. Huge uncollectable receivables from the Contract Farmers.
5. Dependent on the Government farms for layer DOC, fingerlings and piglets;
6. Lack of artificial insemination (AI) facilities for pig breeding;
7. Competition from cheap imports;
8. Lack of proper cold and blast freezing facilities in the meat-producing dzongkhags;
9. Weight loss of meat during transportation.

III. Risk Management Strategy:

1. Management has developed SOPs for farm management and to strictly adhere to biosecurity;

2. Regular inspection of the farms by management and the internal audit unit;
3. Monthly business review meetings;
4. Implemented corrective measures of the ERP system by Rinzing Financial Private Limited.

HUMAN RESOURCE

1. HR STRENGTH

Human Resource planning has become one of the fundamental parameters for the growth of the company. Reviewing the HR strength during the year, the company has recruited 26 employees (15 as regular and 11 on contract) in various posts to fill up the vacant posts of people who left the Company is 2023 and 2024. The attrition rate of HR during the year stands at 19.5% (24/123)

The HR strength as on 31st December 2025 was 123.

S/No.	Type of Service	Count
1	Chief Executive Officer	1
2	General Managers	1
3	Technical Officers	13
4	Managers	5
5	Asst. Managers	3
6	Supervisory Level	8
7	Operational Level-Farm Attendants/Food Handler	78
8	Drivers	14
	Total	**123**

2. HUMAN RESOURCE DEVELOPMENT

Human resource development has been prioritised, as employees are considered a valuable and intangible asset to the organization. We have consistently worked to enhance the skills and knowledge of our workforce to improve overall performance.

BLDCL extends its gratitude to the following organisations that took the initiative to provide training opportunities for our employees:

- Employees attended a two-day Trainer of Trainers program on the Asset Declaration and Integrity Vetting System, provided by the Anti-Corruption Commission (ACC) of Bhutan.
- One employee attended a 7-day Comprehensive Kaizen Management training at the Cambodia-Japan Cooperation Center.

CORPORATE SOCIAL RESPONSIBILITY

1. Supply of meat processing waste

BLDCL management donated meat processing waste to the following CSOs;

S/No	Name of CSO	Chicken waste	Pork waste	Total (kgs)
1	RSPCA	972.45	3,285.43	4,257.88
2	Bhutan Animal Rescue & Care	0	1639.7	1,639.7
3	Zeus/Nakulu dos shelter	0	1,680.5	1,860.5

4	Jangsa Dog Shelter	833.12	591.2	1,424.32
			Total	**9,182.4**

2. Aggregator for One Child One Egg Initiative (OCOE)

The One Child One Egg (OCOE) programme is a pioneering nutritional intervention jointly launched by the Royal Government of Bhutan and the Food and Agriculture Organization (FAO) of the United Nations.

For that, BLDCL was identified as the primary implementing agency for egg aggregation, cold-chain logistics, and delivery to all enrolled schools across all 20 Dzongkhags. The programme is also designed to create a stable, predictable market for rural smallholder egg producers, building long-term supply chain resilience.

The 2025 academic year marked the inaugural year of OCOE implementation. The programme was initially designed to cover 366 schools reaching 31,964 students. During the course of the year, 22 secondary schools were dropped and another 2 Extended Classroom Rooms (ECRs) were closed and therefore, dropped from the programme, bringing the effective operational schools to 342, consistent with the active delivery dataset.

The programme commenced at partial capacity in February 2025 as schools and logistics systems were onboarded. March 2025 was the highest-volume month (797,077 eggs), reflecting full programme rollout. Volumes stabilised between 490,000-660,000 eggs per month from July through October, before declining in November and December as the academic year drew to a close and some schools completed their sessions.

Month	Eggs Supplied (Nos)
February	223,203
March	797,077
April	656,064
May	609,361
June	382,393
July	491,797
August	555,552
September	534,582
October	539,980
November	338,349
December	32,798
TOTAL	**5,161,146**

Note: December volumes (32,798 eggs) reflect only partial month deliveries as the academic year concluded, with most schools completing their final sessions in November.

A core design feature of OCOE is that it operates as an agri-food system intervention and not only a nutrition programme. BLDCL's role in aggregating eggs from smallholder farmers and cooperatives has created a reliable, revenue-guaranteed market for rural producers. This model reduces the income volatility traditionally faced by small-scale poultry farmers and incentivises scale-up of sustainable, climate-smart egg production practices.

Of the 5,161,146 eggs delivered to schools during the 2025 academic year, approximately 75% (around 3.87 million eggs) were sourced from farmers and vendors across the Dzongkhags, with the remaining 25% (approximately 1.29 million eggs) were supplied from BLDCL's own farms. This sourcing structure reflects the programme's deliberate design to anchor rural smallholder poultry producers at the centre of the supply chain, ensuring that the economic benefits of the OCOE programme flow directly to farming communities.

CORPORATE GOVERNANCE

BOARD MEETINGS

The company has conducted 4 board meetings during the year 2025.

STATUTORY AUDIT

BLDCL has been issued with 14 qualified opinions and 22 provisional audit observations during the recent audit carried out by the statutory auditors.

I. CORPORATE INCOME TAX

The company has complied with its Tax Filing on 28thJuly 2026.

WAYFORWARD:

As we enter 2026, BLDCL would like to optimistically to witness the implementation of the following activities to enhance the operational efficiency of the company:

- Stabilize the ERP system with correct classification, internal controls, reporting accuracy and stringent financial management.
- Expand the meat processing facility of LPVAD Serbithang, Thimphu to increase the output of Premium products to enhance profitability.
- Open Company owned outlets at strategic locations to enhance product accessibility and ensure stable pricing for consumers.
- Operationalize of the Hatchery Plant and Broiler Parent Stock Shed to produce Broiler DOC at Samrang.

BLDCL is very positive in contributing to the growth of the national food production and serve the Tsa-Wa-Sum.

The Board of Directors reaffirms its confidence in the leadership of the CEO, the dedication of the Management team, and the commitment of all employees. Together, we remain steadfast in our ability to overcome current challenges and to achieve the targeted growth. Guided by this shared resolve, we shall continue to deliver sustainable value to our shareholder and strengthen the company’s long-term competitiveness.

ACKNOWLEDGMENT

It is with sincere gratitude that I place on record the appreciation of the Board of Directors for the commitment and dedication demonstrated by the Chief Executive Officer and all employees of BLDCL. Despite the many challenges faced, including human resource constraints and

continued financial pressures since inception, the collective efforts of the management and staff have been commendable.
I also extend heartfelt thanks to all Board Directors for their constructive guidance and steady support to the management across operational areas. Their leadership has been invaluable in navigating this difficult period, even as the company continues to work towards achieving its targets with the generous support of government interventions through grants and equity.

The Board remains confident that with sustained effort, collaboration, and perseverance, BLDCL will strengthen its foundations and move closer to realizing its long-term goals.On behalf of the Board of Directors and the management of BLDCL, I take this opportunity to express our deepest gratitude to His Majesty the King, the Royal Government of Bhutan, the Central Monastic Body, the Ministry of Finance, the Secretariate of Economic Stimulus Programme, the Ministry of Agriculture and Livestock, the Office of the Registrar, the Royal Audit Authority, the Gyalsuung Academies, the Bhutan Development Bank Limited (BDBL), the farmers, the Statutory Auditors, and our other esteemed partners and agencies for continued support and prayers that have been instrumental in enabling BLDCL to pursue its mission and vision for the livestock development sector in Bhutan in 2025.

Tashi Delek!

Sherab Namgay
Chairman

AUDITOR'S REPORT

TITLE SHEET	
1. Title	Audit Report on the financial statements of Bhutan Livestock Development Corporation Limited
2. AIN	
3. Head of the Agency	Mr. Dophu Dukpa, Chief Executive Officer CID No. 11411001505
4. Name of Accounts Personnel	1. Suraj Ghalley, Chief Finance Officer CID No. 11301000181
5. Period Audited	1 January 2025 to 31 December 2025
6. Schedule of Audit	29/01/2026 to 16/02/2026
7. Auditor Team	**Team Leader:** Damcho Tshering **Team Member** Damber Singh Mongar, Audit Associate Tashi Pelden, Audit Associate
8. Supervising Officer	Tshechu, FCPA (Aust.), Managing Partner, Email: tshechu.associates@gmail.com
9. Overall Supervising Officer	Tshechu, FCPA (Aust.), Managing Partner, Email: tshechu.associates@gmail.com
10. Engagement Letter:	RAA(SA-25)/COAD/2025/893 dt. 25 November 2025
11. Focal Person	Tshechu, FCPA (Aust.), Managing Partner, Email: tshechu.associates@gmail.com
12. Date of Audit Exit Conference:	23 June 26

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report on the Financial Statements for the period ended December 31, 2025

To the shareholders of Bhutan Livestock Development Corporation limited,

Qualified Opinion

We have audited the financial statements of **Bhutan Livestock Development Corporation Limited (the Company)**,which comprises the Statement of Financial Position as at 31 December 2025, Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, *except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report*, the accompanying financial statements present fairly, in all material respects,the financial position of the Company as at 31 December 2025, and of its financial performance and its Cash Flows for the year then ended in accordance with Bhutanese Accounting Standards (BAS).

Basis for Qualified Opinion

During the course of our audit, we identified several matters which, individually or in the aggregate, may have a material effect on the financial statements. These comprise matters in respect of which the financial statements depart from the requirements of BAS/BFRS, and matters in respect of which we were unable to obtain sufficient appropriate audit evidence. The effects, and the possible effects, of these matters on the financial statements are described below.

(a) **Government grants recognised in equity (BAS 20).** Government grants aggregating Nu. 22,659,539.25 have been credited directly to Capital Reserve within equity, including a FY2024 addition of Nu. 5,470,948.72 and a FY2025 movement of Nu. 39,835.00. BAS 20 follows the income approach and does not permit asset-related grants to be taken to equity; they should be presented as deferred income (or deducted from the related asset) and recognised in profit or loss over the periods benefited. Consequently, equity is overstated and profit or loss for the affected periods is misstated.

(b) **Non-recognition and misclassification of grant income (BAS 20).** Operating grant income under the Price Guarantee Scheme (recognised at Nu. 35,418,486.63 in 2024) has not been recognised in 2025 despite the scheme remaining operational; Fixed Variable Allowance support receivable since 1 October 2023 has not been recognised; and ECP/SHFP balances of Nu. 93,145,903.87 and Nu. 48,777,771.73 have been classified as other payables rather than deferred grant income. Income and the classification of liabilities are accordingly misstated.

(c) **Interest-free loan from MoAF (BFRS 9).** The loan of Nu. 20,000,000 has been recognised at transaction price rather than at fair value using a market discount rate, no penal interest has been recognised on overdue instalments of Nu. 10,000,000 (eight missed quarterly payments at 24% per annum), and the loan is carried at Nu. 15,000,000 against a schedule-compliant balance of Nu. 5,000,000. Liabilities and finance costs are understated and the related BAS 20 day-one benefit is unrecognised.

(d) **Measurement of biological assets and agricultural produce (BAS 41).** Biological assets have been measured on a cost-less-impairment basis with routine maintenance capitalised as "Animal Development Cost" and amortised, rather than at fair value less costs to sell with changes recognised in profit or loss; harvested produce has been misclassified within biological assets. Biological assets and profit or loss are misstated.

(e) **Expected credit losses not recognised (BFRS 9).** No impairment allowance has been recognised against trade receivables, of which approximately Nu. 50,934,123.69 is overdue beyond 365 days. Trade receivables are overstated and impairment losses understated.

(f) **Revenue recognition (BFRS 15).** Nu. 17,188,991.99 transferred from the "BRS – Unreconciled" suspense account has been recognised as sales revenue without evidence of satisfied performance obligations and without a corresponding charge to cost of sales. Revenue, inventory and the reported result are misstated.

(g) **Over-capitalisation of CWIP (BAS 16).** Assets of Nu. 9,884,055.18 were transferred from Capital Work-in-Progress against an available balance of Nu. 9,334,055.18; the corrective entry of Nu. 550,000 acknowledged by management has not been reflected in the financial statements, overstating property, plant and equipment and the depreciation charge.

(h) **Fair value gain on biological assets.** We were unable to obtain sufficient appropriate audit evidence over the fair value gain on biological assets of Nu. 16,187,744.51, as no valuation workings, models or category-level schedules were available for either 2025 or the restated 2024 figures, and no reconciliation was provided between the physical verification and the system-generated values.

(i) **One Child One Egg (OCOE) programme.** We were unable to verify the OCOE programme balances, where the Company's records differ from those reported to FAO by Nu. 21,377,392 (receipts) and Nu. 31,379,712 (the inter-entity balance, which reverses direction between the two parties' records).

(j) **Cash and cash equivalents.** We were unable to satisfy ourselves as to cash and cash equivalents, owing to unreconciled bank differences of Nu. 309,507.15 at 1 January 2025 and Nu. 6,117,623.59 at 31 December 2025 across fifteen accounts, negative cash-book balances, and unconfirmed outstanding cheques of Nu. 4,410,900.37.

(k) **Write-offs and losses on disposal/scrapping.** We were unable to verify write-offs and losses on disposal and scrapping totalling Nu. 17,794,415.89, of which Nu. 2,460,751.30 of write-offs is unsupported and the scrapping loss of Nu. 9,457,321.60 lacks verification records; no Board authorisation was made available.

(l) **Stock adjustment.** We were unable to verify the stock adjustment of Nu. 5,116,241.21 charged to cost of sales, which is unsupported by reconciliations reconcilable to that amount and was not governed by an approved standard operating procedure during the year.

(m) **Paid-up capital.** We were unable to substantiate paid-up capital, which is stated at Nu. 657,400,711.99 (2025) against Articles of Incorporation capital of Nu. 600,000,000, with no share allotment register, amended Articles, or Board/shareholder resolutions evidencing the movements.

(n) **Trial balance not reconciled to accounting records.** The final trial balance used to prepare the financial statements does not reconcile to the trial balance generated by the Company's ERP system: 53 line items aggregating Nu. 85,826,683.85 were omitted, 41 line items aggregating Nu. 5,738,424.50 were added, and 153 line items totalling a net Nu. 65,233,352.41 were revised, none supported by reconciliations or documented approvals; the final financial statements are also inconsistent with the figures stated in management's own responses. We were therefore unable to establish a complete and reliable audit trail between the accounting records and the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We draw attention to Note 2 to the financial statements, which describes the restatement of the comparative figures and of the opening balances as at 1 January 2024 to correct prior period errors identified during reconfiguration of the Company's ERP system, with a net reduction in equity of Nu. 9,634,073.22. Our opinion is not modified in respect of this matter. We note, however, that certain of the restatement adjustments are also addressed in the *Basis for Qualified Opinion* section above, and this paragraph does not extend to those matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

We have nothing to report under this for the current audit.

Information other than the Financial Statement and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Director's Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with BAS, and for such internal control as management determination is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or override of internal control;

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Company's internal control;

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of Accounting estimates and related disclosures made by management;

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a Going concern; and

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 266 of the Companies Act of Bhutan 2016, we enclose the Minimum Audit Examination and Reporting Requirements as Appendix I with statements on the matters specified therein to the extent applicable.

Further, as required under Section 265 of the Companies Act of Bhutan 2016, we report that:

a. We have obtained all information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Company's Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts; and

d. The Company has complied with other legal and regulatory requirements to the extent applicable to the company.

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2024

TSHECHU & ASSOCIATES * CERTIFIED PRACTISING ACCOUNTANT *

REPORT ON MINIMUM AUDIT EXAMINATION REQUIREMENTS

Appendix reffered to in our audit Report of even date on Minimum Audit Examination and Reporting requirements

As required by Section 266 of the Companies Act of Bhutan, 2016, and on the basis of such checks and test verification of accounts and records as we considered appropriate, and according to the information and explanations given to us, we report, to the extent applicable, that:

1. As per the information and explanations provided, the Company has maintained records of its fixed assets. Physical verification of fixed assets was conducted during the year under audit. However, the necessary supporting documentation and physical verification reports were not made available to us for our review. The reports for biological assets were made available; however, the discrepancy analysis and report details were found to be inadequately presented.
2. We have been informed that the Company follows the cost model for accounting Property, Plant and Equipment and the fair value model for Investment Property. Accordingly, during the year 2025, Investment Property was measured at fair value, while Property, Plant and Equipment were measured at cost.
3. Based on the information and explanations provided by the management, physical verification was stated to have been conducted at reasonable intervals.
4. The procedures followed by the management for the physical verification of inventories including finished goods are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. According to the information and explanations provided, there was no discrepancy identified between the physical inventory and the book records.
6. The Company has maintained a reasonable system of recording receipts, issues, and consumption of inventory through ERP smart . Considering the size and nature of the Company's business, the recording and consumption of stores is adequate.
7. According to the information and explanations given to us, the Company prepares quantitative reconciliation at the end of an accounting year in respect of all major items of inventory including finished goods.
8. Based on the information provided by the management, no obsolete, damaged, slow-moving, or surplus goods/inventories were identified or determined during the year under audit.
9. According to the information and explanations provided by the management, no obsolete or surplus inventories were disposed of during the year under audit.
10. In our opinion and according to the information and explanations given to us, the Company has a system of obtaining approval of the Board/appropriate authority for writing off amounts due to material loss/discrepancies in physical/ book balances of inventories including stores, and spares.
11. On the basis of the examination of valuation of stocks and the information and explanations given to us and in our opinion, the valuation is fair and proper in accordance with the normally accepted accounting principles. The basis of the valuation of inventory is the same as in the preceding year.

12. The Company has taken secured loans. In our opinion and based on the information and explanations given to us, the rate of interest and the other terms and conditions of the above loans are not prejudicial to the interest of the Company.
13. In our opinion and according to the information and explanations given to us, the Company has not granted any loan secured or unsecured to other companies, firms, or other parties and/ or to the companies under the same management.
14. In our opinion and according to the information and explanations given to us, the loans/advances granted to officers/staff are in keeping with the provisions of service rules and no excessive/frequent advances are granted.
15. In our opinion and according to the information and explanations given to us, the Company has established an adequate system of internal controls to ensure completeness, accuracy, and reliability of accounting records, carrying out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the rules, regulations, system and procedures.
16. In our opinion and according to the information and explanations given to us, there is a reasonable system of authorization at proper levels, and an adequate system of internal control commensurate with the size of Company and the nature of its business on issue of stores.
17. The Company has established a system of competitive bidding, commensurate with the size of the Company and the nature of its business, for the procurement of goods and services, including stores, raw materials, plant and machinery, equipment, and other assets, as well as for the sale of goods and services.
18. (a) On the basis of checking of books of account and relevant records of the Company and according to the information and explanations given to us, we are of the opinion that the Company has not entered into any transaction for purchases and sale of goods and service made in pursuance of contracts or arrangements entered into with the director(s) or any other party(ies) related to the director(s) or with the Company or firms in which the director(s) are directly or indirectly interested, the details of which are disclosed in the Related party transactions in notes to accounts to the financial statements.

    (b) The examination of records does not reveal any transaction entered into by the Company which is prejudicial to the interest of the Company wherein directors are directly or indirectly interested.
19. According to the information and explanations given to us and on the basis of our test checking of the accounts and other books and records, to the best of our knowledge, we are of the opinion that no personal expenses has been charged to the Company accounts other than those payable under contractual obligations/service rule and/or in accordance with generally accepted business practice.
20. As per the information and explanations provided to us, there were no unserviceable or damaged stores during the year under audit.
21. The Company has established procedures for identifying and recording the point of occurrence of breakage or damages relating to raw materials, packaging materials, and finished products during transit, processing, loading and

unloading, storage, and handling. These procedures enable the Company to determine responsibility and seek compensation where applicable.

22. The Company maintains reasonable records relating to the production of finished goods. Further, adequate physical safeguards are in place to prevent unauthorized or irregular movement of goods from the Company.
23. *The said clause is not applicable in view of the nature of business.*
24. In our opinion and according to the information and explanations given to us, the Company is not regular in depositing rates and taxes, duties, royalties, provident funds, and other statutory dues with the appropriate authorities.
25. In our opinion and according to the information and explanations given to us, there was no undisputed amount payable in respect of taxes, rates, duties, royalties, provident funds and other statutory deductions outstanding as on the last day of the financial year.
26. *The said clause is not applicable in view of the nature of business.*
27. In our opinion, and based on the information and explanations provided to us, the Company follows the prevailing rental rates that were determined by the Ministry of Finance prior to the incorporation of the Company, with periodic revisions where applicable.
28. In our opinion and according to the information and explanations given to us, the credit policy of the Company is reasonable and no credit rating of customers is carried out as the same is not applicable for the Company.
29. *The said clause is not applicable in view of the nature of business.*
30. In our opinion and according to the information and explanations given to us, the Company has a reasonable system of continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also age wise analysis is carried out for management information and follow up action.
31. In our opinion and according to the information and explanations given to us, the management of liquid resources particularly cash/bank and short-term deposits etc. are adequate and that excessive amount are not lying idle in non-interest-bearing accounts and withdrawals of loan amounts are made after assessing the requirement of fund from time to time and no excess amounts is withdrawn leading to avoidable interest burden on the Company.
32. In our opinion and according to the information and explanations given to us, the activities carried out by the Company are lawful and intra-vires the Articles of the Company.
33. In our opinion and according to the information and explanations given to us, the activities /investment decisions are made subject to prior approval of the Board and investments in new projects are made only after ascertaining the technical and economic feasibility of such new ventures.
34. In our opinion and according to the information and explanations given to us, the Company has established an effective budgetary control system.
35. *The said clause is not applicable in view of the nature of business.*
36. In our opinion and according to the information and explanations given to us, the details of remuneration, commission, and other payments made in cash or in kind to the Board of Directors, including the Chief Executive Officer or any of their relatives (including spouse and children), have not been properly disclosed.

37. In our opinion and according to the information and explanations given to us, the management of the Company complies with the directives of the Board of Directors as we have not come across any such incidence where it is not complied.
38. In our opinion and according to the information and explanations given to us, the officials of the Company have not transmitted any price sensitive information which is not made publicly available, unauthorized to their relatives / friends/ associates or close persons which would directly or indirectly benefit themselves. We have however relied on the management assertion on the same and cannot independently verify the same.
39. In our opinion and according to the information and explanations given to us, proper records are kept for inter unit transactions/services and arrangements for services made with other agencies engaged in similar activities.
40. In our opinion and according to the information and explanations given to us, the Company has executed agreements properly and the terms and conditions of leases are reasonable.

Computerized Accounting Environment

1. In our opinion and according to the information and explanations given to us, the size and nature of the ERP system implemented by the Company is adequate for its organizational scale and operation.
2. In our opinion, based on the information and explanations provided to us, the Company has implemented adequate safeguard measures and backup arrangements. The ERP Smart accounting system is backed up on the Thimphu Technical Part Limited server.
3. In our opinion and according to the information and explanations given to us, there are backup facilities for keeping files.
4. In our opinion and according to the information and explanations given to us, the operational controls are adequate to ensure correctness and validity of input data and out-put information.
5. In our opinion and according to the information and explanations given to us, the measures to prevent unauthorized access over the computer installation and files are in existence and adequate.

Going Concern

Based on the attached Financial Statements for the year ended 31 December 2025, audited by us, we have no reason to believe that the company is not a going concern on the statement of financial position date. Additionally, the company is backed by the parent company Ministry of Finance and the Royal Government of Bhutan should they require any additional funds.

Ratio Analysis

Relevant ratio analysis has been carried out and the details are highlighted under *Appendix - II*.

Compliance with the Companies Act of Bhutan 2016

We have checked the Company's compliances under the Companies Act of Bhutan, 2016 and our observations are highlighted in *Appendix - III A & III B*.

Adherence to Laws, Rules and Regulations:

The audit is governed by the Companies Act of Bhutan 2016, Internal Service manual, and Bhutanese Accounting Standards. The scope of audit is limited to examination and review of the financial statements prepared by the management. During our audit, we have considered the compliance of the provisions of the said Act, rules and regulations as well as the Bhutanese Accounting Standards.

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2026

TSHECHU & ASSOCIATES * CERTIFIED PRACTISING ACCOUNTANT *

FINANCIAL STATEMENTS

Bhutan Livestock Development Corporation Limited
Statement of Financial Position as at 31 December 2025

Particulars	Notes	31-Dec-2025	31-Dec-2024 Restated	1-Jan-2024 Restated
ASSETS - BLDCL				
CURRENT ASSETS - BLDCL		**137,688,510.81**	**140,490,741.09**	**36,791,711.49**
Asset Held for Sale - BLDCL		39,835.00	-	-
BRS Unreconciled Account - BLDCL		(17,188,991.99)	(4,700,474.51)	525,140.68
Bank Accounts - BLDCL	6	11,706,257.30	64,289,842.88	(40,302,069.82)
Cash in Hand - BLDCL	7	180,108.40	75,288.40	-
Deposits - BLDCL	8	1,056,171.55	1,072,391.55	1,036,391.55
Inventory Account - BLDCL	9	47,949,914.67	23,114,504.10	13,798,696.84
Other Receivables & Advances - BLDCL	11	6,145,199.27	11,036,815.38	24,251,239.75
Trade Receivables - BLDCL	10	87,800,016.61	45,602,373.29	37,482,312.49
NON-CURRENT ASSETS - BLDCL		**437,901,498.62**	**453,439,715.65**	**443,632,801.34**
Biological Assets - BLDCL	4	38,382,641.44	36,343,053.61	19,333,279.33
Capital Work in Progress - BLDCL	5	8,340,589.30	6,119,727.40	20,232,802.00
Intangible Assets - BLDCL	3	2,129,562.92	2,605,445.19	3,187,668.43
Property, Plant & Equipment - BLDCL	3	389,048,704.96	408,371,489.45	400,879,051.58
Total Asset		**575,590,009.43**	**593,930,456.74**	**480,424,512.83**
LIABILITIES - BLDCL				
Current Liabilities - BLDCL		**189,664,939.44**	**175,269,140.34**	**186,603,236.86**
Employee-Related Payables - BLDCL	12	4,693,960.06	4,583,874.23	3,406,037.85
Other Payables & Advances - BLDCL	13	144,453,484.33	144,277,664.69	150,817,399.64
Security Payable - BLDCL	14	2,838,749.69	3,478,712.91	5,199,835.34
Statutory Deduction - BLDCL	15	114,028.16	562,238.08	962,658.77
Temporary - BLDCL	16	(1,104,417.08)	948,248.49	1,781,056.90
Trade Payables - BLDCL	17	38,669,134.28	21,418,401.94	24,436,248.36
Non-Current Liabilities - BLDCL		**21,200,672.11**	**65,756,074.48**	**37,281,021.48**
Bank OD - BLDCL	18	(910,757.58)	31,368,924.10	-
Loans (Liability) - BLDCL	19	15,000,000.00	18,750,000.00	19,051,297.66
Long-Term Provisions - BLDCL	20	8,115,151.11	7,813,308.54	10,708,122.18
Deferred Tax Liabilities - BLDCL		(1,003,721.42)	7,823,841.84	7,521,601.64
Total Liability		**210,865,611.55**	**241,025,214.82**	**223,884,258.34**
Net Asset		**364,724,397.88**	**352,905,241.92**	**256,540,254.49**
EQUITY - BLDCL				
Capital Accounts - BLDCL	SoCE	657,400,711.99	574,180,711.99	473,900,711.99
OCI Reserve - BLDCL	SoCE	52,716.99	521,597.80	32,482.42
Reserves & Surplus - BLDCL	SoCE	22,659,539.25	22,619,704.25	17,148,755.53
Retained Earnings (Deficit) - BLDCL	SoCE	(315,388,570.35)	(244,416,772.12)	(234,541,695.45)
Total Equity		**364,724,397.88**	**352,905,241.92**	**256,540,254.49**

The above Statement of Financial Position should be read in conjunction with the accompanying notes 1 to 37.

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/3/2026

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANTS

For Bhutan Livestock Development Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

Krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development Corporation Limited
Thimphu : Bhutan

Bhutan Livestock Development Corporation Limited
Statement of Comprehensive Income
For the Year Ended 31 December 2025

Particulars	Notes	31-Dec-2025	31-Dec-2024
			Restated
REVENUE - BLDCL		**326,645,265.73**	**142,474,495.30**
Fair Value (FV) Gain on Biological Assets - BLDCL	21	16,325,866.53	22,720,363.70
Sales Revenue - BLDCL	22	310,319,399.20	119,754,131.60
COST OF SALES - BLDCL		**305,018,813.83**	**110,210,555.26**
Biological Production Cost - BLDCL	23	68,887,775.79	79,347,616.67
Cost of Goods Sold - BLDCL		230,826,674.81	29,401,078.14
Fair Value (FV) Loss on Biological Assets - BLDCL	24	138,122.02	-
Stock Adjustment - BLDCL		5,166,241.21	1,461,860.45
Gross Profit		**21,626,451.90**	**32,263,940.04**
INDIRECT INCOME - BLDCL		**3,462,442.37**	**55,848,315.36**
Income From Other Source - BLDCL	25	3,462,442.37	55,848,315.36
INDIRECT EXPENSES - BLDCL		**104,214,807.32**	**97,823,047.49**
Administrative Expenses - BLDCL	26	16,521,467.32	13,980,427.79
Governance & Board Expenses - BLDCL		616,160.00	97,100.00
Insurance Expenses - BLDCL		-	1,509.00
Office & General Administration Expenses - BLDCL		8,394,846.27	7,742,406.28
Rent & Occupancy Expenses - BLDCL		1,559,002.80	1,243,687.02
Safety & Compliance Expenses - BLDCL		267,934.52	23,220.00
Taxes, Duties & Regulatory Expenses - BLDCL		1,005,608.98	1,570,614.88
Travel & Hospitality Expenses - BLDCL		2,065,858.00	1,263,727.00
Utilities & Communication Expenses - BLDCL		1,742,259.75	1,661,493.11
Welfare & Corporate Events Expenses - BLDCL		869,797.00	376,670.50
Depreciation & Amortization - BLDCL	27	22,170,693.22	23,888,144.46
Finance Cost - BLDCL	28	23,402.52	5,162,960.14
Marketing & Advertisement - BLDCL	29	18,360.00	106,404.78
Operation & Maintenances - BLDCL	30	4,656,662.42	3,919,807.35
Other Expenses - BLDCL	31	9,997,965.67	5,937,507.62
Professional Fees - BLDCL	32	1,018,525.00	517,956.00
Staff Cost - BLDCL	33	49,489,006.17	43,995,457.35
Training & HR Development - BLDCL	34	318,725.00	314,382.00
Profit Before Taxes		**(79,125,913.05)**	**(9,710,792.09)**
Tax expenses		**(8,695,314.82)**	**164,284.59**
Current Tax Expense		-	-
Deferred Tax Expense (Income)	35	(8,695,314.82)	164,284.59
Net Profit for the year		**(70,430,598.23)**	**(9,875,076.68)**
Other Comprehensive Income (loss):		**(468,880.82)**	**489,115.38**
Actuarial gains (loss) on measurement of defined benefit plan		(601,129.25)	627,071.00
(Less) Deferred Tax		132,248.44	(137,955.62)
Total comprehensive income (loss) for the year		**(70,899,479.04)**	**(9,385,961.30)**
Earnings per share (EPS)		(10.78)	(1.63)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes 1 to 37.

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2026

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANT

For Bhutan Livestock Development Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development Corporation Limited
Thimphu : Bhutan

Bhutan Livestock Development Corporation Limited
Statement of Cash Flows
For the Year Ended 31 December 2025

PARTICULARS		31-Dec-2025	31-Dec-2024 Restated
Net Profit during the year		**(70,430,598.23)**	**(9,875,076.68)**
Adjustments for:			
Depreciation & Amortization		22,170,693.22	23,888,144.46
Loss (Gain) on disposal of PPE (Net)		(31,399.74)	(489,633.45)
Loss from Scrapping of PPE		-	-
FV Gain on Biological Assets (Net)		(16,187,744.51)	(21,848,685.50)
Operating Loss before working capital changes		**(64,479,049.26)**	**(8,325,251.17)**
Changes in working capital:			
Increase in Inventories		(24,835,410.57)	(9,315,807.26)
Decrease (Increase) in receivables and other current assets		(37,306,027.21)	10,283,978.76
Increase (Decrease) in payables and other current liabilities		14,395,799.10	(11,334,096.52)
Decrease in long-term liabilities		(8,525,720.69)	(2,592,573.43)
Cash generated from operations		**(120,750,408.63)**	**(21,283,749.62)**
Dividends paid		-	-
Income taxes paid		-	-
Net cash used in operating activities	**(A)**	**(120,750,408.63)**	**(21,283,749.62)**
Cash flows from investing activities			
Investment in Biological Assets		14,148,156.68	4,838,911.22
Movement in CWIP		(2,220,861.90)	14,113,074.60
Acquisition of PPE		(2,340,626.72)	(30,308,725.64)
Net cash used in investing activities	**(B)**	**9,586,668.06**	**(11,356,739.82)**
Cash flows from financing activities			
Proceeds from issue of share capital		83,220,000.00	100,280,000.00
Proceeds (Repayment) from long-term borrowings		(36,029,681.68)	31,067,626.44
Movement under reserves		39,835.00	5,470,948.72
Net cash generated from financing activities	**(C)**	**47,230,153.32**	**136,818,575.16**
Net increase (decrease) in cash and cash equivalents	**(A+B+C)**	**(63,933,587.25)**	**104,178,085.72**
Cash and cash equivalents at beginning of period		**64,365,131.28**	**(40,302,069.82)**
Cash and cash equivalents at end of period		**11,886,365.70**	**64,365,131.28**

The above Statement of Cash Flow should be read in conjunction with the accompanying notes 1 to 37.

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2026

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANT

For Bhutan Livestock Development Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

Krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development Corporation Limited
Thimphu : Bhutan

Bhutan Livestock Development Corporation Limited
Statement of Changes in Equity
For the Year Ended 31 December 2025

Year 2025

Particulars	Share Capital	OCI Reserve	Retained Deficit	Capital Reserve	Total
Balance at 1 Jan 2025	**574,180,711.99**	**521,597.80**	**(244,416,772.12)**	**22,619,704.25**	**352,905,241.92**
Profit for 2025			(70,430,598.23)		(70,430,598.23)
Actuarial Gain/(Loss) 2025		(468,880.82)			(468,880.82)
Capital Injection (83,220,000)	83,220,000.00				83,220,000.00
Change in Reserve				39,835.00	39,835.00
Balance at 31 Dec 2025	**657,400,711.99**	**52,716.99**	**(314,847,370.35)**	**22,659,539.25**	**365,265,597.88**

Year 2024 (Restated)

Particulars	Share Capital	OCI Reserve	Retained Deficit	Capital Reserve	Total
Restated Balance at 1 Jan 2024	**473,900,711.99**	**32,482.42**	**(234,541,695.45)**	**17,148,755.53**	**256,540,254.49**
Issuance of Shares	100,280,000.00				100,280,000.00
Profit for 2024			(9,875,076.68)		(9,875,076.68)
Change in Reserve				5,470,948.72	5,470,948.72
Actuarial Gain/(Loss) 2024		489,115.38			489,115.38
Balance at 31 Dec 2024 (Restated)	**574,180,711.99**	**521,597.80**	**(244,416,772.12)**	**22,619,704.25**	**352,905,241.92**

Restatement - 1-Jan-2024

Particulars	Share Capital	OCI Reserve	Retained Deficit	Capital Reserve	Total
Balance at 31 Dec 2023 (Previously Reported)	**473,900,711.99**	**(69,384.68)**	**(225,236,761.41)**	**705,345.36**	**249,299,911.26**
Adjustment - Difference in Prior period Adjustment			(178,177.14)		(178,177.14)
Adjustment - Error 2022 period closing			250,640.69		250,640.69
Adjustment - Omitted 2023 Period Closing			(1,670,645.87)		(1,670,645.87)
Adjustment - OCI Reserve		101,867.10			101,867.10
Adjustment - Capital Reserve				16,443,410.17	16,443,410.17
Adjustment - Omitted Depreciation Entry for few assets			(170,065.08)		(170,065.08)
Adjustment - Incorrect Earned Leave Balance			(15,085.00)		(15,085.00)
Adjustment - Recognition of Deferred Tax Liability			(7,521,601.64)		(7,521,601.64)
Restated Balance at 1-1-2024	**473,900,711.99**	**32,482.42**	**(234,541,695.45)**	**17,148,755.53**	**256,540,254.49**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes 1 to 37.

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2026

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANT

For Bhutan Livestock Development Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

Krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development Corporation Limited
Thimphu : Bhutan

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1A. BACKGROUND

Bhutan Livestock Development Corporation Limited (the 'Company') was incorporated and registered under The Companies Act of Bhutan, 2016 on March 15, 2017 with limited liability of Nu. 1000 million of which 60% is owned by the Ministry of Finance. The registered corporate head office is located at Namtog Lam, Khangkhulu, Thimphu with its production units at Samrang, Samdrup Jongkhar; Relangthang, Sarpang and Serbithang, Thimphu.

The main mandate of the company is to complement the developmental needs of the livestock sector in the country to enhance livestock production and achieve self-sufficiency in inputs and products through business principles and stratagem. Besides the production of livestock inputs, BLDCL will embark on value addition, internal marketing and export of products of the farmers and youth entrepreneurs through contract farming system.

1B. ADOPTION OF BHUTANESE ACCOUNTING STANDARD (BAS):

The Ministry of Finance (MoF), Royal Government of Bhutan embarked on the process of developing accounting standards to promote quality financial reporting system in the country, which is consistent with international practices. Pursuant to this, the Ministry of Economic Affairs (MoEA), Royal Government of Bhutan issued the Accounting Standard Rules for Companies in Bhutan, in 2012, notifying that companies in Bhutan shall implement Bhutanese Accounting Standards ('BAS') in three phases (I, II and III) with effect from January 1, 2013. As BAS has been aligned with the International Financial Reporting Standard (IFRS), all the financial statements adopted by the State-Owned Enterprises and Listed Companies in Bhutan are prepared in compliance to BAS.

BLDCL has also adopted the BAS, assimilating all relevant amendments and interpretations for its effective and efficient operations.

1C. SIGNIFICANT ACCOUNTING POLICIES

1C.1 Basis of preparation

All the financial statements are prepared in accordance with the Bhutanese Accounting Standards (BAS) issued by Auditing and Accounting Standard Board of Bhutan (AASBB) and all relevant provisions of the Companies Act of Bhutan, 2016 to the extent applicable to the Company are included on the accrual basis of accounting with the historical cost convention and going concern basis except as stated otherwise in the financial statements.

The preparation of financial statements, in conformity with BAS, requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed at each Statement of Financial Position date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

1C.2 Functional and Presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The functional currency and presentation currency of the Company is Bhutanese Ngultrum (Nu.).

1C.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits and other short term highly liquid investments with original maturities of three months or less.

1C.4 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Repairs and maintenance costs are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is computed using the diminishing-line method over the estimated useful lives of the assets. The estimated useful lives of the assets as per the evaluation performed by the Company as well as in reference to Ministry of Finance are as follows:

The cost and the accumulated depreciation for property, plant and equipment sold, scrapped, retired or otherwise disposed of are eliminated from the financial statements and the resulting gains and losses are included in the Statement of

Comprehensive Income.

Particular		Useful Life
Property	Land	Not depreciated
	Buildings & Transformer	30 years (3.33% p.a.)
	Semi-permanent buildings	10 years (10.00% p.a.)
	Irrigation structures and facilities	7 years (14.29% p.a.)
	Furniture and Fixtures	10 years (10.00% p.a.)
	Vehicles	15 years (6.67% p.a.)
	Computers & Office Equipment	5 years (20.00% p.a.)
Plant	Biological Asset	2 years (50.00% p.a.)
Equipment	Tools	5 years (20.00% p.a.)
	Farm machinery and equipment	Not depreciated

1C.5 Intangible assets

Intangible assets include computer software and licences with finite useful lives and are stated at cost of acquisition/implementation less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated useful life of 5 years as estimated by the

Company. The useful life is reviewed at each Statement of Financial Position date and any change therein is treated as change in accounting estimates and dealt with prospectively.

1C.6 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred all risks substantially and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1C.6.1 Trade and other receivables

Trade and other receivables are amounts due from customers and other parties in the ordinary course of business. Trade and other receivables are initially recognised at the sale/recoverable value and are assessed at each Statement of Financial Position date for un-collectability and necessary provision is made, if required. Trade and other receivables are classified under current assets if payment is recoverable within one year or less as at Statement of Financial Position date, if not, they are classified under non-current assets.

1C.6.2 Loans and advances

Loans and advances represent advances given to suppliers, contractors and others in the ordinary course of the business activities of the Company. Loan and advances are initially recognized at the value of cash advanced and are assessed at each Statement of Financial Position date for realisability and the provision is recognised when it is more likely that the Company will not be able to collect the same. Loans and advances are classified under current assets if payment is recoverable within one year or less as at Statement of Financial Position date, if not, they are classified under non-current assets.

1C.6.3 Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of live animal, animal feeds, fertilizers, chemicals and other goods and services that have been acquired / availed in the ordinary course of business. Trade payables are classified under current liabilities, if payment is due within 12 months as at Statement of Financial Position date, if not, they are classified under non-current liabilities.

1C.7 Biological Assets

BLDCL is a company engaged in integrated livestock farming. Its first and foremost mandate is production of quality inputs to be supplied to the farmers and livestock entrepreneurs in the country and act as an aggregator to market their products, with the end result of fully developed value chains. Secondly, some products will be produced by the company to complement their products in the market for consistency and price stabilization. This process requires the Company to procure parent stock animals periodically and maintain them in our respective farms for the above stated products. As such, all the costs involved for their daily maintenances like feeds, medical treatments, biosecurity aspects and unexpected costs pertaining to it are treated as Animal Development cost.

Currently, the 'Biological Assets' is valued at fair value less costs to sell on existing animals, based on the animal species' present conditions/stages, as on the reporting date.

The 'Biological Assets' is carried in the Statement of Financial Position at fair value less costs to sell and is not amortized. It is re-measured at each reporting date, with the resulting gain or loss arising from changes in fair value less costs to sell recognized in the statements.

1C.8 Inventories

Inventories consist of stores and spares held for farm operations and maintenance, construction material, agriculture products (products harvested from live animals, excluding live animals themselves) and finished value-added products and unsold goods in the farm stores.

Inventories of stores and spares for farm operations and maintenance and construction material along with unsold goods at farm stores are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost formula and comprises cost of purchases and other incidental expenses incurred in its acquisition. Net realizable value is the estimated selling price less applicable selling expenses. If the carrying value exceeds net realizable value, a write down is recognized. The write down may be reversed in a subsequent period if the circumstances, which caused it no longer, exist.

The agriculture products are those harvested products from biological assets to be sold, measured at fair value less costs to sell at the point of harvest. This amount becomes the cost for subsequent accounting, and the same is included in 'Inventories'.

Inventories of Finished value-added products are those finished items/goods which has completed the production procedure but held for sales in the ordinary course of business in the commencing financial period.

1C.9 Employee benefits

Employee benefits liabilities are recognized when the Company has a present obligation (legal or constructive) as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Liability towards Gratuity is considered as the defined benefit plan and is provided based on actuarial valuation as at the Statement of Financial Position date. The liability is discounted to present value applying the rate of the benchmark interest rate at the accounting date and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long-term basis. Increase in the liability due to passage of time is recognized as interest expense. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Earned Leave is en-cashable when employee accumulates more than 30 days but not more than 90 days of leave balance in succeeding year and as such considered as short-term employee benefit and is recognized in the period during which services are rendered by the employees.

The benefits in the form of contribution to Provident Fund administered by National Provident and Pension Fund is considered a defined contribution plan and is charged to Statement of Comprehensive Income as and when they fall due.

1C.10 Impairment of assets

The Company assesses at each Statement of Financial Position date whether there is any indication that property, plant, machinery, equipment and intangible assets may be impaired based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of asset/cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

1C.11 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A contingent liability is only disclosed in the notes to the account if an outflow of resources embodying economic benefits is possible.

1C.12 Revenue

Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer, to the extent that it is probable that the associated economic benefits will flow to the Company, and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1C.13 Government Grants/ Assistance

Government Grants/ Assistance (Grant) are recognized at their fair value where there is a reasonable assurance that the Grant will be received and the Company will comply with the conditions attached to them.

Grants relating to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the Grants are intended to compensate. Grants relating to assets are presented as deferred income in the Balance Sheet and are recognized in profit or loss on a systematic basis over the useful life of the related assets.

1C.14 Taxes on Income

Taxes on income comprise of current taxes and deferred taxes. Current Tax in the statement of profit and loss is determined as the amount of income-tax payable/recoverable in respect of the taxable income for the current period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred Tax is recognized on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred Tax Assets are recognized subject to the consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity net of tax respectively.

Note No. 3

Property, Plant & Equipment

(Amount in Nu.)

Asset Category	Useful Life	Opening Gross	Addition Gross	Adjustment Gross	Total Gross	Opening Deprn	Addition Deprn	Adjustment Deprn	Total Deprn	2025_NBV
Building	30	286,710,810.69	9,884,055.18	-	296,594,865.87	42,783,436.79	7,372,518.61	-	50,155,955.40	246,438,910.47
Cold Storage Facilities	5	8,048,227.32	771,735.00	-	8,819,962.32	4,503,633.64	683,625.30	-	5,187,258.94	3,632,703.38
Computer & Peripherals	5	5,984,098.01	-	-	5,984,098.01	3,551,413.90	444,326.31	-	3,995,740.21	1,988,357.80
Farm Equipment	5	105,086,805.60	1,179,557.00	1,381,060.59	104,885,302.01	73,018,286.03	5,926,579.83	967,552.18	77,977,313.68	26,907,988.33
Fencing	30	44,989,950.95	-	-	44,989,950.95	8,176,451.90	1,089,346.35	-	9,265,798.25	35,724,152.70
Furniture & Fixture	10	2,100,445.49	759,600.00	99,997.50	2,760,047.99	821,878.88	187,419.36	56,854.05	952,444.19	1,807,603.80
Hardware Tools	2	4,057,819.46	98,064.00	315,062.00	3,840,821.46	3,889,990.23	25,273.90	296,243.96	3,619,020.17	221,801.29
Irrigation structure & Facilities	7	68,211,616.30	-	-	68,211,616.30	44,168,161.67	3,158,290.52	-	47,326,452.19	20,885,164.11
Office Equipment	5	1,858,401.26	114,614.00	-	1,973,015.26	1,212,805.81	126,747.91	-	1,339,553.72	633,461.54
Pond	30	16,811,000.00	-	-	16,811,000.00	3,312,663.80	399,428.55	-	3,712,092.35	13,098,907.65
Road	30	6,526,711.58	-	-	6,526,711.58	1,286,110.34	155,074.35	-	1,441,184.69	5,085,526.89
Software Application	5	3,900,000.00	-	-	3,900,000.00	1,294,554.81	475,882.27	-	1,770,437.08	2,129,562.92
Transformer	30	21,138,454.98	-	9,264,622.81	11,873,832.17	5,713,629.57	437,994.96	2,027,311.66	4,124,312.87	7,749,519.30
Vehicle	14	44,219,172.34	-	7,810,223.00	36,408,949.34	14,933,561.97	1,688,185.00	5,087,405.33	11,534,341.64	24,874,607.70
Grand Total	30	619,643,513.98	12,807,625.18	18,870,965.90	613,580,173.26	208,666,579.34	22,170,693.22	8,435,367.18	222,401,905.38	391,178,267.88

Asset Category	Useful Life	Opening Gross	Addition Gross	Adjustment Gross	Total Gross	Opening Deprn	Addition Deprn	Adjustment Deprn	Total Deprn	2024_NBV
Building	30	286,710,810.69	9,884,055.18	-	296,594,865.87	42,783,436.79	7,372,518.61	-	50,155,955.40	246,438,910.47
Cold Storage Facilities	5	8,048,227.32	771,735.00	-	8,819,962.32	4,503,633.64	683,625.30	-	5,187,258.94	3,632,703.38
Computer & Peripherals	5	5,984,098.01	-	-	5,984,098.01	3,551,413.90	444,326.31	-	3,995,740.21	1,988,357.80
Farm Equipment	5	105,086,805.60	1,179,557.00	1,381,060.59	104,885,302.01	73,018,286.03	5,926,579.83	967,552.18	77,977,313.68	26,907,988.33
Fencing	30	44,989,950.95	-	-	44,989,950.95	8,176,451.90	1,089,346.35	-	9,265,798.25	35,724,152.70
Furniture & Fixture	10	2,100,445.49	759,600.00	99,997.50	2,760,047.99	821,878.88	187,419.36	56,854.05	952,444.19	1,807,603.80
Hardware Tools	2	4,057,819.46	98,064.00	315,062.00	3,840,821.46	3,889,990.23	25,273.90	296,243.96	3,619,020.17	221,801.29
Irrigation structure & Facilities	7	68,211,616.30	-	-	68,211,616.30	44,168,161.67	3,158,290.52	-	47,326,452.19	20,885,164.11
Office Equipment	5	1,753,854.26	50,816.00	-	1,804,670.26	1,161,269.47	111,440.04	-	1,272,709.51	531,960.75
Grand Total	30	526,943,628.08	12,743,827.18	1,796,120.09	537,891,335.17	182,074,522.51	18,998,820.22	1,320,650.19	199,752,692.54	338,138,642.63

Software Application	5	3,900,000.00	-	-	3,900,000.00	712,331.57	582,223.24	-	1,294,554.81	2,605,445.19
Transformer	30	21,138,454.98	-	-	21,138,454.98	5,243,276.40	470,353.17	-	5,713,629.57	15,424,825.41
Vehicle	14	44,219,172.34	-	-	44,219,172.34	13,117,958.49	1,815,603.48	-	14,933,561.97	29,285,610.37
Grand Total	30	588,845,154.89	30,798,359.09	-	619,643,513.98	184,778,434.88	23,888,144.46	-	208,666,579.34	410,976,934.64

Note No. 4 (Amount in Nu.)

Biological Assets - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Biological Asset-Cold Water Aquaculture - BLDCL	BTN	5,352,550.00	2,348,394.83	2,180,511.73
Biological Asset-Dairy Cattle - BLDCL	BTN	511,502.66	2,100,668.33	2,843,875.33
Biological Asset-Dairy Goat - BLDCL	BTN	457,618.41	318,820.87	265,576.74
Biological Asset-Layer Birds - BLDCL	BTN	9,621,212.45	20,337,699.98	7,603,291.82
Biological Asset-Piggery - BLDCL	BTN	22,002,089.90	5,260,924.76	1,777,881.39
Biological Asset-Warm Water Aquaculture - BLDCL	BTN	537,273.00	947,166.31	611,075.04
Biological Asset-XDisabled Accounts - BLDCL	BTN	(99,605.00)	5,029,378.53	4,051,067.28
Total		**38,382,641.44**	**36,343,053.61**	**19,333,279.33**

Biological assets represent livestock and aquaculture resources held for breeding, production and sale in the ordinary course of the Company's livestock development operations.
The Company's biological assets consist primarily of the following categories:

Category	Description
Layer Birds	Poultry used for egg production
Cold Water Fisheries	Fish species such as trout cultivated in cold-water environments
Warm Water Fisheries	Fish species cultivated in warm-water ponds
Piggery	Pigs held for breeding and meat production
Cattle	Dairy and breeding cattle
Goat	Goat livestock used for breeding and sale

These biological assets are used to produce agricultural produce such as eggs, fish and livestock products which are subsequently sold in the market.
Biological assets are measured at Fair Value Less Costs to Sell (FVLCTS) in accordance with Bhutanese Accounting Standard (BAS) 41 – Agriculture. Fair value is determined based on expected selling market price less estimated selling costs. Estimated selling costs include transportation, handling and other costs necessary to bring the biological assets to market. Due to the absence of active observable markets for most livestock categories in Bhutan, fair value measurements are determined using Level 3 inputs within the fair value hierarchy.

During the year, the Company undertook a baseline reset of biological assets following the reconfiguration of its Enterprise Resource Planning (ERP) system. Historically, biological asset events such as birth, mortality, harvest, sale and stage transitions were recorded operationally but did not automatically trigger accounting entries in the financial records. As a result, biological asset balances were not fully integrated with the general ledger.

To improve the reliability of biological asset accounting and align the accounting records with the enhanced ERP configuration, the Company carried out a comprehensive baseline reset. The reset involved physical verification of all biological assets across operational units, identification and classification of livestock by category, determination of age, weight and biological stage, and estimation of Fair Value Less Costs to Sell for each category based on expected selling market price less estimated selling costs. The exercise was carried out with the assistance of an independent consultant.

Following the ERP reconfiguration, the current system reporting functionality reflects biological asset balances based on the report viewing date, displaying the total count and valuation as of that date. However, the system does not currently generate detailed movement-based reconciliation of biological assets (including opening balances, additions, disposals, mortality and fair value changes) as required by BAS 41.
Enhancement of ERP reporting functionality to enable detailed biological asset movement reconciliation has been communicated to the ERP developer and is expected to be implemented in 2026, after which the Company will disclose movement reconciliation in accordance with BAS 41 requirements.

Note No. 5 (Amount in Nu.)

Capital Work in Progress - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
CWIP-Cold Store with PUF Panel, OPD - BLDCL	BTN	-	-	8,712,597.25
CWIP-ESP Quarter,OPD - BLDCL	BTN	(550,000.00)	5,804,890.40	5,202,614.88
CWIP-Parent Stock Shed, OPD - BLDCL	BTN	5,415,562.00	-	6,317,589.87
CWIP-Upgradation of Piggery Farm ILPD - BLDCL	BTN	3,475,027.30	314,837.00	-
Total		**8,340,589.30**	**6,119,727.40**	**20,232,802.00**

Note No. 6 (Amount in Nu.)

Bank Accounts - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Current Account 0100127772001 (BNBL) - BLDCL	BTN	-	-	(51,046,390.32)
Current Account 200574603 (BOBL)-BLDCL - BLDCL	BTN	1,829,413.14	3,638,936.60	8,723,754.78
Current Account 201800016501 (BDBL) - BLDCL	BTN	5,739.96	5,739.96	1,263.20
Current Account 201800016502 (BDBL) - BLDCL	BTN	-	-	8,676.76
Current Account 202385399 (SHFP & ECP) (BOBL) - BLDCL	BTN	728,668.70	284,687.21	984,954.82
Current Account 204865827 Bailout (BOBL) - BLDCL	BTN	1,765.77	4,516,117.73	3,537.45
Current Account 204866127 (Samrang) (BOBL) - BLDCL	BTN	58,108.28	109,261.43	210,652.30
Current Account 204866218 ILPD Piggery (BOBL) - BLDCL	BTN	21,760.98	4,547,703.96	34.77
Current Account 204866252 Gyalsung Aggregation (BOBL) - BLDCL	BTN	(1.68)	26,415,119.92	4,243.49
Current Account 204866412 (BABESA LAMWOG) (BOBL) - BLDCL	BTN	2,027,581.11	100.00	493.52
Current Account 204866445 ILPD Poultry (BOBL) - BLDCL	BTN	673,003.19	1,148.14	3,378.00
Current Account 204866478 Sales & Dealership (BOBL) - BLDCL	BTN	4,810,861.68	617,510.22	399,322.56
Current Account 204866490 Working Capital (BOBL) - BLDCL	BTN	264.39	12,795,923.80	1,011.32
Current Account 208510074 (Haa Farm) (BoBL)- BLDCL	BTN	(219,062.53)	228,061.63	21,918.60
Account 208510085 (LPVAD)(BoBL)- BLDCL - BLDCL	BTN	833,261.73	9,205,714.29	129,470.70
Current Account 208510096 (CLPD, Relangthang)(BoBL) - BLDCL	BTN	212,802.19	265,357.79	231,872.98
Current Account 208510121 (CPPF, Yusipang)(BoBL) - BLDCL	BTN	722,090.39	1,658,460.20	19,735.25
Total		**11,706,257.30**	**64,289,842.88**	**(40,302,069.82)**

Note No. 7 (Amount in Nu.)

Cash in Hand - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Bank Draft - BLDCL	BTN	115,000.00	-	-
Cash-in-Hand - BLDCL	BTN	65,108.40	75,288.40	-
Total		**180,108.40**	**75,288.40**	**-**

Note No. 8 (Amount in Nu.)

Deposits - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Security Deposits - BLDCL	BTN	1,056,171.55	1,072,391.55	1,036,391.55
Total		**1,056,171.55**	**1,072,391.55**	**1,036,391.55**

Note No. 9 (Amount in Nu.)

Inventory Accounts - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Accounts Unit Warehouse - BLDCL	BTN	-	-	4,200.00
Administration Unit Warehouse - BLDCL	BTN	19,398.00	2,311.00	4,043.00
CLPD Warehouse, Relangthang - BLDCL	BTN	812,986.97	299,239.88	439,071.53
CPPF Warehouse, Yusipang - BLDCL	BTN	372,138.66	138,630.40	360,243.45
CRTF Warehouse, Haa - BLDCL	BTN	1,007,484.32	2,294,415.30	2,288,095.00
Dairy Farm Unit Warehouse, Samrang - BLDCL	BTN	253,338.60	234,376.32	632,538.82
ER Finance & HR ADM Unit Warehouse - BLDCL	BTN	30,796.00	3,125.00	38,817.00
Finish Goods Warehouse, Serbithang - BLDCL	BTN	-	766,012.19	894,758.46
Finish Product Warehouse - BLDCL	BTN	1,861,840.54	-	-
Fishery Unit Warehouse, Samrang - BLDCL	BTN	90,568.86	(67,505.64)	(24,299.14)
Goat Farm Unit Warehouse, Samrang - BLDCL	BTN	76,000.00	-	-
Gyalposhing Ware house (Aggregation) - BLDCL	BTN	33,498.05	-	-
HR Section - BLDCL	BTN	-	20,000.00	20,000.00
ICT Unit Warehouse - BLDCL	BTN	300.00	-	-
ILPD Sales and Marketing Warehouse - BLDCL	BTN	44,706.31	-	-
Institutional Supplies Unit Warehouse - BLDCL	BTN	-	-	15,590.00
Internal Audit Unit Warehouse - BLDCL	BTN	-	32.00	1,742.38
LPVAD Serbithang Outlet - BLDCL	BTN	23,896.98	(246,652.56)	(220,684.33)
LPVAD Warehouse, Serbithang - BLDCL	BTN	7,955,679.18	6,109,682.40	4,165,991.26
OCOE - BLDCL	BTN	184.10	-	-
Piggery Warehouse, Samrang - BLDCL	BTN	629,480.00	297,028.00	105,000.00
Poultry Farm Unit Warehouse, Samrang - BLDCL	BTN	1,481,110.54	988,546.10	446,983.15
Procurement & Stores Unit Warehouse - BLDCL	BTN	69,890.00	97,867.50	77,800.63
Raw Material Chilling Warehouse - BLDCL	BTN	3,631,226.05	1,367,510.70	390,632.48
Raw Material Warehouse - BLDCL	BTN	-	2,333,530.40	1,910,919.56
Raw Product Sourcing Warehouse - BLDCL	BTN	8,962,962.94	-	-
Relangthang Poultry/Layer Sheds - BLDCL	BTN	676,203.00	-	-
Sales & Dealership Warehouse-LPVAD - BLDCL	BTN	4,042,746.00	386.35	1,099,561.24
Sales & Dealership Warehouse-NorzinLam - BLDCL	BTN	7,890,093.89	7,787,275.61	1,165,730.73
Samrang Poultry Sheds - BLDCL	BTN	161,268.00	-	-
Samrang Warehouse (Aggregation) - BLDCL	BTN	1,113,060.39	153,610.36	-
Samtse Warehouse (Aggregation) - BLDCL	BTN	24,546.65	55,572.46	-
Sarpang Warehouse (Aggregation) - BLDCL	BTN	-	52,800.00	-
WIP Warehouse, Serbithang - BLDCL	BTN	-	9,183.60	(18,038.38)
Wangdue Warehouse (Aggregation) - BLDCL	BTN	6,684,510.64	417,526.73	-
Total		**47,949,914.67**	**23,114,504.10**	**13,798,696.84**

Inventories comprise feed and farm consumables, stores and spare parts, agricultural produce, finished livestock products and trading goods held for sale in the ordinary course of the Company's operations.

Inventories are measured at cost using the Moving Average Price (MAP) method in accordance with Bhutanese Accounting Standard (BAS) 2 – Inventories. Cost includes purchase price and other costs incurred in bringing the inventories to their present location and condition.

Agricultural produce harvested from biological assets is initially recognised at Fair Value Less Costs to Sell (FVLCTS) at the point of harvest in accordance with BAS 41 – Agriculture. After initial recognition, such produce is transferred to inventories and subsequently measured in accordance with BAS 2.

During the year, the Company conducted a review of inventories held at outlets that were closed or no longer operational. Based on management approval and operational review, inventories that were determined to be expired, obsolete or no longer recoverable were written off. The write-off has been recognised in the Statement of Comprehensive Income as part of operating expenses for the year.

Management periodically reviews inventory balances for slow-moving, obsolete or damaged items based on operational assessments. Based on this review and recent sales experience, management believes that the carrying value of inventories does not materially exceed their estimated net realisable value.

Note No. 10

(Amount in Nu.)

Trade Receivables - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Agent & Dealership - BLDCL	BTN	11,969,540.71	9,126,635.75	6,003,369.70
Sundry Debtor Employees - BLDCL	BTN	(29,068.79)	403.76	(19,267.59)
Sundry Debtors Contract Farmers - BLDCL	BTN	22,263,349.59	24,697,446.65	27,310,132.65
Sundry Debtors Customers - BLDCL	BTN	51,645,538.35	11,030,792.06	3,675,248.53
TDS by Customer - BLDCL	BTN	1,950,656.75	747,095.07	512,829.20
Total		**87,800,016.61**	**45,602,373.29**	**37,482,312.49**

Reconciliation of Receivables and Unidentified Bank Receipts

During the year, management noted that certain bank receipts deposited into the Company's bank accounts could not be immediately matched with corresponding customer invoices. These receipts have therefore been temporarily recorded under a suspense account titled "BRS – Unreconciled" pending identification and allocation to the respective customer accounts.

The unidentified receipts may represent:

- Settlement of outstanding trade receivables
- Customer advances
- Other operational receipts

Management is undertaking a detailed review to identify the nature of these receipts and allocate them to the appropriate accounts.

Receivable Confirmation

Due to the presence of unidentified bank receipts and historical system limitations, confirmation of certain customer balances remains in progress. Management believes that once the reconciliation process is completed and the unidentified receipts are allocated appropriately, a portion of the outstanding receivable balances will be adjusted accordingly.

Credit Risk Assessment

The Company assesses the recoverability of trade receivables based on available information, historical collection experience and management review of customer accounts.

At the reporting date, management has not identified any specific receivable balances requiring impairment. However, the reconciliation of unidentified receipts may result in adjustments to receivable balances in future periods.

Note No. 11

(Amount in Nu.)

Other Receivables & Advances - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Advance to Supplier - BLDCL	BTN	2,106,501.13	5,668,158.53	11,654,884.08
Advances to Employee - BLDCL	BTN	2,995,966.38	2,367,264.95	1,930,704.39
Livestock Product Value Addition Division - BLDCL	BTN	(11,044.07)	(11,044.07)	(7,144.09)

Other Advances - BLDCL	BTN	1,053,775.83	3,012,435.97	10,672,795.37
Total		**6,145,199.27**	**11,036,815.38**	**24,251,239.75**

Note No. 12 (Amount in Nu.)

Employee-Related Payables - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
LTC Payable - BLDCL	BTN	1,824,866.15	2,237,164.22	1,330,858.75
PF Recovery Account from NPPF - BLDCL	BTN	830,998.90	(51,553.00)	-
Payable to employees - BLDCL	BTN	194,064.66	194,064.66	272,221.33
Salary Payable - BLDCL	BTN	1,204,504.15	1,204,504.15	1,239,807.57
TA / DA Payable - BLDCL	BTN	639,526.20	999,694.20	563,150.20
Total		**4,693,960.06**	**4,583,874.23**	**3,406,037.85**

Note No. 13 (Amount in Nu.)

Other Payables & Advances - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Advance Received from Contractor - BLDCL	BTN	1,184,421.00	-	-
Advance from Customer - BLDCL	BTN	-	664,865.00	-
Economic Contingency Plan - BLDCL	BTN	93,145,903.87	93,145,903.87	100,248,580.87
Employees loan remittance to Bank - BLDCL	BTN	282,999.95	-	-
GISL - Payable to Ex-Employee - BLDCL		12,902.00	12,902.00	-
Payable to Ex-Employee - BLDCL	BTN	462,269.78	989,006.09	318,083.04
SSS-ME - BLDCL	BTN	28,551.00	28,551.00	56,323.00
SWS Loan Payable - BLDCL	BTN	-	-	24,268.00
School & Hospital Feeding Program - BLDCL		48,777,771.73	48,777,771.73	49,763,797.73
Staff Welfare Fund - BLDCL	BTN	558,665.00	658,665.00	335,447.00
Staff Welfare Fund Payable - BLDCL	BTN	-	-	70,900.00
Total		**144,453,484.33**	**144,277,664.69**	**150,817,399.64**

Note No. 14 (Amount in Nu.)

Security Payable - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
10% Security Deposit	BTN	2,718,749.69	3,408,712.91	5,129,835.34
Security from Dealers	BTN	120,000.00	70,000.00	70,000.00
Total		**2,838,749.69**	**3,478,712.91**	**5,199,835.34**

Note No. 15 (Amount in Nu.)

Statutory Deduction - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
2% TDS - BLDCL	BTN	(65,926.69)	211,240.62	860,931.04
3% TDS - BLDCL	BTN	(2.96)	2,997.04	(2.96)
5% TDS - BLDCL	BTN	14,729.60	15,130.27	12,119.89
5% GST Outward - BLDCL	BTN	1,637.00	-	-
GIS - BLDCL	BTN	176,333.48	177,339.15	175,039.15
GISL Payable - BLDCL	BTN	(30,244.27)	-	105,551.46
Health Contribution - BLDCL	BTN	(24,152.00)	10,666.00	(52,577.25)
Provident Fund Payable - BLDCL	BTN	47,367.00	47,367.00	20,344.35
Salary Tax - BLDCL	BTN	(5,713.00)	97,498.00	(158,746.91)
Total		**114,028.16**	**562,238.08**	**962,658.77**

Note No. 16 (Amount in Nu.)

Temporary - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Stock Assets - BLDCL	BTN	(1,100,634.06)	544,557.10	-
Stock Received But Not Billed - BLDCL	BTN	(3,783.02)	403,691.39	1,781,056.90
Total		**(1,104,417.08)**	**948,248.49**	**1,781,056.90**

Note No. 17 (Amount in Nu.)

Trade Payables - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Provision Payable to Suppliers - BLDCL	BTN	(226,969.00)	(355,569.00)	(133,096.00)
Sundry Creditors - BLDCL	BTN	38,896,103.28	21,773,970.94	24,569,344.36
Total		**38,669,134.28**	**21,418,401.94**	**24,436,248.36**

Note No. 18 (Amount in Nu.)

Bank OD - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
OD 403800016501 - BLDCL	BTN	-	-	-
OD BDBL 403800016502 - BLDCL	BTN	(910,757.58)	31,368,924.10	-
Total		**(910,757.58)**	**31,368,924.10**	**-**

Note No. 19 (Amount in Nu.)

Loans (Liability) - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Borrowed from MoAF - BLDCL	BTN	15,000,000.00	18,750,000.00	20,000,000.00
Financial Institution Loan - BLDCL	BTN	-	-	(985,102.34)
SWS Loan - BLDCL	BTN	-	-	36,400.00
Total		**15,000,000.00**	**18,750,000.00**	**19,051,297.66**

Note No. 20 (Amount in Nu.)

Long-Term Provisions - BLDCL		31-Dec-2025	31-Dec-2024	1-Jan-2024
Leave Encashment Payable - BLDCL	BTN	2,841,538.71	3,120,380.33	4,168,723.80
Provision for Carriage Charges Payable - BLDCL	BTN	472,829.42	378,593.68	560,383.31
Provision for Gratuity - BLDCL	BTN	4,384,871.16	3,964,041.57	5,458,294.56
Provision for Transfer Grant Payable - BLDCL	BTN	415,911.82	350,292.96	520,720.51
Total		**8,115,151.11**	**7,813,308.54**	**10,708,122.18**

(Amount in Nu.)

Current/ Non-Current Portion		31-Dec-2025	31-Dec-2024
Current Portion	BTN	1,104,406.96	681,379.88
Non-Current Portion	BTN	7,010,744.15	7,131,928.66
Total		**8,115,151.11**	**7,813,308.54**

There are no plan assets held against these obligations. Accordingly, the net defined benefit liability is equal to the present value of the obligations.
Amounts recognised in profit or loss and other comprehensive income during the year are as follows:

(Amount in Nu.)

Benefit	Profit or Loss 2025 (Nu.)	OCI 2025 (Nu.)
Gratuity	1,222,390.69	260,066.58
Transfer Grant	164,914.65	245,414.21
Carriage Charge	209,958.62	95,648.46
Earned Leave	1,775,045.21	-
Total	**3,372,309.17**	**601,129.25**

Actuarial gains and losses are recognised in Other Comprehensive Income and are not reclassified to profit or loss in subsequent periods.

Note No. 21 (Amount in Nu.)

Fair Value (FV) Gain on Biological Assets - BLDCL		31-Dec-2025	31-Dec-2024
FV Gain from Biological Growth / Stage Progression	BTN	11,464,667.98	-
FV Gain on Agricultural Produce - BLDCL	BTN	2,596,214.65	22,720,363.70
Gain on Disposal of Biological Assets - BLDCL	BTN	2,264,983.90	-
Total		**16,325,866.53**	**22,720,363.70**

Note No. 22 (Amount in Nu.)

Sales Revenue - BLDCL		31-Dec-2025	31-Dec-2024
Income From Sales - BLDCL	BTN	156,450,790.73	65,999,701.36
Table Eggs (OCOE) - BLDCL	BTN	62,127,480.00	-
Income from Sales & Dealership - BLDCL	BTN	48,217,435.00	50,809,965.88
Sales Account - BLDCL	BTN	43,489,393.47	2,944,464.36
Sales of Farm Manure - BLDCL	BTN	34,300.00	-
Total		**310,319,399.20**	**119,754,131.60**

Note No. 23 (Amount in Nu.)

Biological Production Cost - BLDCL		31-Dec-2025	31-Dec-2024
Animal Development Cost - BLDCL	BTN	67,999,131.21	75,538,619.72
Farmer Support Livestock Input - BLDCL	BTN	2.83	-
Harvesting Charges – Biological Assets - BLDCL	BTN	243,600.00	299,600.00
Livestock Inputs - BLDCL	BTN		-
Product packaging materials - BLDCL	BTN	1,252,975.06	2,527,489.29
Resale Product Cost - BLDCL	BTN	5,950.45	382,882.03
Value Additional Cost - BLDCL	BTN	(613,883.76)	599,025.63
Total		**68,887,775.79**	**79,347,616.67**

Note No. 24 (Amount in Nu.)

Fair Value (FV) Loss on Biological Assets - BLDCL		31-Dec-2025	31-Dec-2024
Fair Value loss on Production - BLDCL	BTN	138,122.02	-
Total		**138,122.02**	-

Note No. 25 (Amount in Nu.)

Income From Other Source - BLDCL		31-Dec-2025	31-Dec-2024
Deduction From Benefit - BLDCL	BTN	237,446.00	295,974.56
Discount Receipt - BLDCL	BTN	-	70,545.40
Gain from Government Grant - BLDCL	BTN	-	54,039,490.99
House Rent Deduction - BLDCL	BTN	825,585.51	797,610.00
Income from Asset Disposal - BLDCL	BTN	31,399.75	489,633.45
Income from Hiring Out - BLDCL	BTN	125,529.00	195,265.00
Liquidity Damage Recovery - BLDCL	BTN	891,024.36	-
Rental Income - BLDCL	BTN	1,222,127.89	1,305,549.80
Reverse Excess Booking of Previous Yr - BLDCL	BTN	(27,832.00)	(1,345,753.84)

Tax Rebate - BLDCL	BTN	145,661.86	-
Tender Fees - BLDCL	BTN	11,500.00	-
Total		**3,462,442.37**	**55,848,315.36**

Note No. 26 (Amount in Nu.)

Administrative Expenses - BLDCL		31-Dec-2025	31-Dec-2024
Governance & Board Expenses - BLDCL	BTN	**616,160.00**	**97,100.00**
Board Meeting Cost - BLDCL	BTN	37,100.00	-
Meeting Cost-ESP - BLDCL	BTN	259,435.00	-
Sitting Fee for Board - BLDCL	BTN	319,625.00	97,100.00
Insurance Expenses - BLDCL	BTN	-	**1,509.00**
Insurance - BLDCL	BTN	-	1,509.00
Office & General Administration Expenses - BLDCL	BTN	**8,394,846.27**	**7,742,406.28**
Extension Kits - BLDCL	BTN	20,020.00	4,200.00
General expenses - BLDCL	BTN	-	28,500.00
Printing & Press - BLDCL	BTN	9,450.00	20,527.32
Rest Room Supplies - BLDCL	BTN	23,994.00	23,955.20
Services Charges - BLDCL	BTN	1,800.00	-
Stationeries - BLDCL	BTN	373,449.50	162,382.82
Transportation / Hiring Expenses - BLDCL	BTN	873,864.31	2,923,248.50
Vehicle Running Expenses (PoL) - BLDCL	BTN	7,092,268.46	4,579,592.44
Rent & Occupancy Expenses - BLDCL	BTN	**1,559,002.80**	**1,243,687.02**
Parking fee - BLDCL	BTN	4,500.00	15,950.00
Rent for Space - BLDCL	BTN	1,554,502.80	1,223,737.02
Rental charges for Parking Vehicle - BLDCL	BTN	-	4,000.00
Safety & Compliance Expenses - BLDCL	BTN	**267,934.52**	**23,220.00**
Field Dress - BLDCL	BTN	22,734.52	-
Safety PPE- BLDCL	BTN	245,200.00	23,220.00
Taxes, Duties & Regulatory Expenses - BLDCL	BTN	**1,005,608.98**	**1,570,614.88**
Fees and Permit - BLDCL	BTN	2,500.00	300.00
Land Tax - BLDCL	BTN	921,294.98	941,694.36
Renewal of License - BLDCL	BTN	12,300.00	18,650.00
Renewal of Vehicle Blue Book - BLDCL	BTN	48,814.00	8,961.00
Tax & Duties (Import & Export) - BLDCL	BTN	20,700.00	601,009.52
Travel & Hospitality Expenses - BLDCL	BTN	**2,065,858.00**	**1,263,727.00**
Hospitality & Entertainment - BLDCL	BTN	49,450.00	4,495.00
Travel In Country BLDCL - BLDCL	BTN	1,995,108.00	1,193,644.00
Travel Out Country BLDCL - BLDCL	BTN	21,300.00	65,588.00
Utilities & Communication Expenses - BLDCL	BTN	**1,742,259.75**	**1,661,493.11**
Electricity Bill - BLDCL	BTN	1,254,251.79	1,203,953.91
Internet / Broadband Charges - BLDCL	BTN	467,161.65	434,342.00
Telephone Bill - BLDCL	BTN	7,946.65	17,839.20
Water & Sewerage Bill - BLDCL	BTN	12,899.66	5,358.00
Welfare & Corporate Events Expenses - BLDCL	BTN	**869,797.00**	**376,670.50**
Chadi/Remdrow/Picnic Expenses - BLDCL	BTN	148,957.00	49,090.00
Refreshment Expenses - BLDCL	BTN	720,840.00	327,580.50

Total		**16,521,467.32**	**13,980,427.79**

Note No. 27 (Amount in Nu.)

Depreciation & Amortization - BLDCL		31-Dec-2025	31-Dec-2024
Depreciation - Building - BLDCL	BTN	7,372,518.61	7,457,699.87
Depreciation - Cold Storage Facilities - BLDCL	BTN	683,625.30	792,087.83
Depreciation - Computer & Peripherals - BLDCL	BTN	444,326.31	542,851.07
Depreciation - Farm Equipment - BLDCL	BTN	5,926,579.83	6,572,383.65
Depreciation - Fencing - BLDCL	BTN	1,089,346.35	1,122,563.60
Depreciation - Furniture & Fixture - BLDCL	BTN	187,419.36	132,309.72
Depreciation - Hardware Tools - BLDCL	BTN	25,273.90	48,507.80
Depreciation - Irrigation structure & Facilities - BLDCL	BTN	3,158,290.52	3,635,884.39
Depreciation - Office Equipment - BLDCL	BTN	126,747.91	144,265.37
Depreciation - Pond - BLDCL	BTN	399,428.55	411,608.27
Depreciation - Road - BLDCL	BTN	155,074.35	159,803.00
Depreciation - Software Application - BLDCL	BTN	475,882.27	582,223.24
Depreciation - Transformer - BLDCL	BTN	437,994.96	470,353.17
Depreciation - Vehicle - BLDCL	BTN	1,688,185.00	1,815,603.48
Total		**22,170,693.22**	**23,888,144.46**

Note No. 28 (Amount in Nu.)

Finance Cost - BLDCL		31-Dec-2025	31-Dec-2024
Bank Charges - BLDCL	BTN	23,402.52	14,410.25
Interest on Loan - BLDCL	BTN	-	5,148,549.89
Total		**23,402.52**	**5,162,960.14**

Note No. 29 (Amount in Nu.)

Marketing & Advertisement - BLDCL		31-Dec-2025	31-Dec-2024
Announcement/Publicity - BLDCL	BTN	15,360.00	41,800.00
Marketing Expenses - BLDCL	BTN		35,000.00
Promotional Expenses - BLDCL	BTN	3,000.00	29,604.78
Total		**18,360.00**	**106,404.78**

Note No. 30 (Amount in Nu.)

Operation & Maintenances - BLDCL		31-Dec-2025	31-Dec-2024
Annual Maintenance Cost ERP - BLDCL	BTN	541,200.00	720,000.00
Land Development - BLDCL	BTN	229,278.00	-
Maintenance of Farm Machinery/Tools/Equipment - BLDCL	BTN	2,838,733.25	467,582.30
Maintenance of Vehicle - BLDCL	BTN	248,794.00	1,583,493.57
Pasture Development - BLDCL	BTN	47,010.00	7,461.30
Refill Cylinder - BLDCL	BTN	281,681.70	55,444.00
Renovation & Maintenance of Building/Farm Structure/Plant - BLDCL	BTN	435,190.00	907,205.84
Renovation & Maintenance of Cold Storage/Blast freezer/Chiller - BLDC	BTN	86,257.00	52,650.00
Renovation & Maintenance of Electricity Line - BLDCL	BTN	-	20,055.00
Renovation & Maintenance of Fencing - BLDCL	BTN	66,647.70	-
Renovation & Maintenance of Fishery Pond - BLDCL	BTN	382,965.77	28,588.00

Renovation & Maintenance of Irrigation & Water Line - BLDCL	BTN	31,605.00	53,267.34
Seedling & Sapling - BLDCL	BTN	8,500.00	-
Tyres & Tube - BLDCL	BTN	-	24,060.00
Total		**5,197,862.42**	**3,919,807.35**

Note No. 31 (Amount in Nu.)

Other Expenses - BLDCL		31-Dec-2025	31-Dec-2024
Expenses Included in Asset Valuation	BTN		-
Expenses Included in Valuation	BTN		-
Fair Value Loss from BA - BLDCL	BTN	216,463.80	871,678.20
Fines & Penalty - BLDCL	BTN	16,789.73	135,761.34
Livestock Input - BLDCL	BTN		198,000.00
Loss on Asset Disposal - BLDCL	BTN	9,457,321.60	-
Other Adjustments - BLDCL	BTN	307,390.53	-
Rounding Difference - Loss - BLDCL	BTN	0.01	-
Written Off - BLDCL	BTN		4,732,068.08
Total		**9,997,965.67**	**5,937,507.62**

Note No. 32 (Amount in Nu.)

Professional Fees - BLDCL		31-Dec-2025	31-Dec-2024
Audit Expenses - BLDCL	BTN	13,385.00	206,956.00
Auditor's Fee - BLDCL	BTN	245,000.00	125,000.00
Consultancy Charges/Fee - BLDCL	BTN	760,140.00	186,000.00
Total		**1,018,525.00**	**517,956.00**

Note No. 33 (Amount in Nu.)

Staff Cost - BLDCL		31-Dec-2025	31-Dec-2024
Arrear Payment - BLDCL	BTN	110,207.00	42,451.00
Carriage Charges P/L - BLDCL	BTN	209,958.62	178,331.67
Contract Allowance - BLDCL	BTN	915,830.00	465,124.00
Daily Wages - BLDCL	BTN	35,900.00	13,300.00
Difficult Area Allowance - BLDCL	BTN	537,438.00	377,000.00
Donation & Semso - BLDCL	BTN	11,000.00	70,000.00
Fixed Allowance - BLDCL	BTN	12,481,769.00	12,447,587.10
Gratuity P/L - BLDCL	BTN	1,222,390.69	1,177,586.23
House Rent Allowance - BLDCL	BTN	4,912,633.00	4,636,898.00
Leave Encashment - BLDCL	BTN	1,775,045.21	319,788.62
Leave Travel Concession - BLDCL	BTN	97,247.50	1,296,773.75
Local Conveyance Allowance - BLDCL	BTN	197,372.00	176,661.00
Medical Expenses - BLDCL	BTN	-	36,900.00
Monthly LTC - BLDCL	BTN	1,328,978.00	1,179,425.00
Provident fund contribution - BLDCL	BTN	3,074,261.00	2,275,152.14
Salary - BLDCL	BTN	22,414,061.50	19,164,979.34
Transfer Grant P/L- BLDCL	BTN	164,914.65	137,499.50
Total		**49,489,006.17**	**43,995,457.35**

Note No. 34 (Amount in Nu.)

Training & HR Development - BLDCL		31-Dec-2025	31-Dec-2024
Training Ex-Country	BTN	19,500.00	-
Training In-Country	BTN	299,225.00	314,382.00
Total		**318,725.00**	**314,382.00**

Note No. 35

Deferred Tax (Amount in Nu.)

Sl.No.	Particulars	Carrying Amount of Assets/Liability as on 31.12.2025	Tax Base of Assets/Liability as on 31.12.2025	Temporary Difference	Deferred Tax Asset/(Liability)
1	Property, Plant & Equipment	391,178,267.88	387,625,486.84	(3,552,781.04)	(781,611.83)
2	Leave Encashment Payable - BLDCL	2,841,538.71	-	2,841,538.71	625,138.52
3	Provision for Carriage Charges Payable - BLDCL	472,829.42	-	472,829.42	104,022.47
4	Provision for Gratuity - BLDCL	4,384,871.16	-	4,384,871.16	964,671.66
5	Provision for Transfer Grant Payable - BLDCL	415,911.82	-	415,911.82	91,500.60
	Deferred Tax Liability in 2025	399,293,418.99	387,625,486.84	4,562,370.07	1,003,721.42
	Deferred Tax Liability in 2024				(7,823,841.84)
	Net Charged in 2025				**(8,827,563.26)**

Restated (Amount in Nu.)

Sl.No.	Particulars	Carrying Amount of Assets/Liability as on 31.12.2024	Tax Base of Assets/Liability as on 31.12.2024	Temporary Difference	Deferred Tax Asset/(Liability)
1	Property, Plant & Equipment	410,976,934.64	367,600,708.64	(43,376,226.00)	(9,542,769.72)
2	Leave Encashment Payable - BLDCL	3,120,380.33	-	3,120,380.33	686,483.67
3	Provision for Carriage Charges Payable - BLDCL	378,593.68	-	378,593.68	83,290.61
4	Provision for Gratuity - BLDCL	3,964,041.57	-	3,964,041.57	872,089.15
5	Provision for Transfer Grant Payable - BLDCL	350,292.96	-	350,292.96	77,064.45
	Deferred Tax Liability in 2024	418,790,243.18	367,600,708.64	(35,562,917.46)	(7,823,841.84)
	Deferred Tax Liability in 2023				(7,521,601.64)
	Net Charged in 2024				**302,240.21**

Restated (Amount in Nu.)

Sl.No.	Particulars	Carrying Amount of Assets/Liability as on 1.1.2023	Tax Base of Assets/Liability as on 1.1.2023	Temporary Difference	Deferred Tax Asset/(Liability)
1	Property, Plant & Equipment	404,066,720.01	359,169,499.49	(44,897,220.52)	(9,877,388.51)
2	Leave Encashment Payable - BLDCL	4,168,723.80	-	4,168,723.80	917,119.24
3	Provision for Carriage Charges Payable - BLDCL	560,383.31	-	560,383.31	123,284.33
4	Provision for Gratuity - BLDCL	5,458,294.56	-	5,458,294.56	1,200,824.80
5	Provision for Transfer Grant Payable - BLDCL	520,720.51	-	520,720.51	114,558.51
	Deferred Tax Liability in 2023	414,774,842.19	359,169,499.49	(34,189,098.34)	(7,521,601.64)
	Deferred Tax Liability in 2022				-
	Net Charged in 2023				**7,521,601.64**

Note No. 36
Share Capital
(a) Authorised Share Capital

The authorised share capital of the Company comprises 6,000,000 ordinary shares of Nu. 100 each, amounting to Nu. 60,000,000.

The Company has a single class of ordinary shares which carry equal voting rights and rights to dividends and return of capital.

(b) Issued, Subscribed and Fully Paid Share Capital

Particulars	Number of Shares	Amount (Nu.)
Balance at 1 January 2024	**4,739,007.11**	**473,900,711.99**
Shares issued during the year	1,002,800.00	100,280,000.00
Shares cancelled / reduced	-	-
Balance at 31 December 2024	**5,741,807.11**	**574,180,711.99**
Balance at 1 January 2025	5,741,807.11	574,180,711.99
Shares issued during the year	832,200.00	83,220,000.00
Shares cancelled / reduced	-	-
Balance at 31 December 2025	**6,574,007.11**	**657,400,711.99**

(c) Shareholding Structure

At incorporation, the shares of the Company were subscribed as follows:

Shareholder	Number of Shares	% Holding
Ministry of Finance, Royal Government of Bhutan	6,000,000.00	100%

The shares were issued at a par value of Nu. 100 per share, amounting to Nu. 600,000,000 of share capital.

(d) Rights Attached to Shares

The ordinary shares of the Company have the following rights:

• Each share carries one vote per share at general meetings.

• Shareholders are entitled to dividends as declared by the Company.

• In the event of liquidation, shareholders are entitled to a proportionate share of the Company's net assets after settlement of liabilities.

• There are no restrictions on distribution of dividends except those imposed by applicable laws and the Articles of Incorporation.

(e) Capital Risk Management

The Company manages its capital to ensure that it continues as a going concern while maximising returns to shareholders. The capital structure of the Company consists of issued share capital, reserves and retained earnings.

The Company is not subject to externally imposed capital requirements, except those arising from applicable corporate and regulatory laws of the Kingdom of Bhutan.

(f) Government Ownership

The Company is wholly owned by the Royal Government of Bhutan through the Ministry of Finance. The Government exercises shareholder oversight through the Board of Directors appointed in accordance with the Articles of Incorporation.

Note No. 37

Reconciliation of Retained Earnings

During the year ended 31 December 2025, management undertook a detailed review of historical accounting records and system data following the reconfiguration of the Company's ERP system. The review identified certain errors and omissions relating to prior periods, including incorrect balances, omitted period-closing entries, depreciation adjustments, employee benefit adjustments and recognition of deferred tax liabilities.

Accordingly, adjustments were made to retained earnings to reflect the corrected balances.

(Amount in Nu.)

Particulars	Old	Recalculated	Difference (adjustment)	Balance
Balance at 31 Dec 2023 (Previously Reported)				**(225,236,761.41)**
Prior period adjustment – incorrect figures	1,207,142.41	1,028,965.27	(178,177.14)	(225,414,938.55)
Adjustment – error in 2022 period closing	(197,322,619.09)	(197,071,979.40)	250,640.69	(225,164,297.86)
Adjustment – omitted 2023 period closing	(29,121,283.73)	(30,791,929.60)	(1,670,645.87)	(226,834,943.73)
Adjustment – omitted depreciation entry and correction of migrated asset data	404,236,785.09	404,066,720.01	(170,065.08)	(227,005,008.81)
Adjustment – incorrect earned leave balance	4,153,638.80	4,168,723.80	(15,085.00)	(227,020,093.81)

Adjustment – recognition of deferred tax liability	-	(7,521,601.64)	(7,521,601.64)	(234,541,695.45)
Adjustment – deferred tax liability relating to 2024	-	(164,284.59)	(164,284.59)	(234,705,980.03)
Adjustment – omitted 2024 period closing	-	(9,710,792.09)	(9,710,792.09)	(244,416,772.12)
2025 Period Closing	-	(70,971,798.23)	(70,971,798.23)	**(315,388,570.35)**
Restated retained earnings (Deficit) balance:		**(315,388,570.35)**		

The adjustments made to retained earnings primarily relate to the following:

Correction of Historical Period Closings
Certain closing entries relating to the financial years 2022, 2023, 2024 and 2025 were not properly recorded in the accounting system. These have now been recognised to reflect the correct financial position.

Correction of Fixed Asset Records
During the review, discrepancies were identified in the migration of property, plant and equipment data, particularly in the gross book value and accumulated depreciation balances. Adjustments were made to reflect the correct depreciation entries and asset balances.

Employee Benefit Adjustment
The earned leave balance was adjusted based on the actuarial valuation of employee benefits, resulting in a correction to previously recorded balances.

Recognition of Deferred Tax Liability
Deferred tax liabilities arising from temporary differences between accounting and tax bases were recognised in accordance with the applicable accounting standards.

These adjustments were made as part of management's effort to improve the accuracy and reliability of financial reporting following ERP system improvements and reconciliation of historical balances.
Management has assessed the nature of these adjustments and concluded that they represent corrections of prior period errors, which have been recognised through retained earnings.

RATIO ANALYSIS

Bhutan Livestock Development Corporation Limited
Ratio Analysis

Ratio	31-Dec-25	31-Dec-24
Total Earnings Per Share	-10.80	-1.72
Net Profit Ratio	-21.73%	-6.95%
Return on Assets (ROA)	-16.52%	-2.21%
Return on Equity (ROE)	-19.46%	-2.80%
Dividend Coverage Ratio	Nil	Nil
Dividend Payout Ratio	Nil	Nil
Current Ratio	0.73	0.80

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2026

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANT

For Bhutan Livestock Development Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

Krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development Corporation Limited
Thimphu : Bhutan

COMPLIANCE CALENDER AND CHECKLIST

Bhutan Livestock Development Corporation Limited
Compliance Calendar
For The Year Ended On 31 December 2025

Sl No.	Activity	The Companies Act of Bhutan 2016	Timeliness	Remarks
1	Submission of Annual Return	267	On or before 31st July	4th June 2025
2	Annual General Meeting	177	On or Before 30th June	7th AGM on 24th July 2025
3	Notice Calling General Meeting	185	21 days before the AGM	
4	Payment of Dividend	204	Within 30 days of declaration in AGM	No
5	Presentation of B/S, P&L A/c and cash flow statement at every AGM	244	-	Yes
6	Filing of documents with registrar	247	-	4th June 2025
7	Appointment of Auditors	251	-	Yes
8	Consent to act as a directors	140	Within 30 days of appointment or reappointment with the registrar.	Yes
9	Board Meetings 37th Board Meeting 38th Board Meeting 39th Board Meeting 40th Board Meeting	146 & 149	At least two meetings in a year	✓ 19th Feb 2025 ✓ 2nd June 2025 ✓ 24th July 2025 ✓ 21st Jan 2025
10	Appointment of CEO	210	Every 3 years	Mr.Dophu Dukpa, CEO
11	Power of Regulatory Authority to accord approval	412	Approval of Regulatory Authority	Yes
12	Appointment of Company Secretary	213	As prescribed by MTI	Yes
13	Statutory Record and Inspection	228	All times	Yes

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2025

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANT

For Bhutan Livestock Development Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

Krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development Corporation Limited
Thimphu : Bhutan

CHECK LIST FOR COMPLIANCE TO PROVISION OF THE COMPANIES ACT OF BHUTAN, 2016

NAME OF COMPANY: BHUTAN LIVESTOCK DEVELOPMENT CORPORATION LIMITED						
REGISTRATION No.: L20170315BHU0392						
No .	**Ss.**	**INCORPORATION OF A COMPANY & SECURITIES**	**YES**	**NO**	**NA**	**REMARKS**
1	28	Changes to Articles/Approval		√		
2	47	Change of name/Approval		√		
3	123	Increase or consolidation of share capital	√			
4	124	Reduction of share capital		√		
5	82	License Copy and Share Certificate filing	√			Renewed from 19 March 2026 – 20 March 2026
6	107	Public offer of shares & Debentures-ROC Approval		√		
MANAGEMENT & ADMINISTRATION						
7	217	Registered Office of Company	√			Namtog Lam Khangkhulu, Thimphu,Post Box No-2078
		(Postal Address & Contact Number)	√			
8	221	Publication of name by Company (Letter Head, Seals and Sign Board)	√			
9	241	Financial Year of Companies as of 31st Dec.	√			
	242	Extension up to 15 months - ROC approval		√		
	243	Extension up to 18 months - Authority's approval		√		
10	245	Financial Statements to follow BAS	√			
11	267	Annual Return Submission On/before 31st May for listed; others 31st July	√			
12	**177**	Annual General Meeting (Minutes)	√			Held 8th – AGM on 30th June, 2026
13	180	Extraordinary General Meeting (Minutes)		√		
14	185	Notice for calling general meeting	√			
15	187	listed Co. - written as well as in media	√			
		Public Co/Private Co. - Written Notice	√			
16	190	Chairman of meeting (CEO cannot Chair)	√			Mr. Sherab Namgay, Chairperson of the Board
17	192	Representation of corporations at meetings (appointed by Board Directors)			√	
18	193	Ordinary and special resolutions (Minutes)			√	
19	195	Minutes of Annual General Meeting and Board Meetings (maintained ss.195-198)	√			

20	199	Declaration and payment of dividend(199-209)		√		
21	232	Books of account to be kept by company (location & time period)	√			
22		Board's report (signed by Chairman)	√			
23	252	Appointment and removal of Auditors (Need to re-appoint annually (251-259)	√			Auditors have been duly appointed by RAA
24	260	Resignation of Auditors from office (Annual Resignation)	√			
25	266	Auditing standards (Audit using Auditing Standards issued by AASSBB)	√			
26	133	Number of directors	√			
27	134	One third of all Public Companies shall be independent	√			
28	138	(Minimum No & Retirement on Rotation)	√			
29	139	Additional directors	√			
30	140	Consent to act as directors	√			
31	141	Certain persons not to be appointed as Directors	√			
32	142	Resignation by a director	√			
33	143	Removal of directors		√		
34	146	Board meetings (4 Meetings for Public Cos & 2 Meetings for Pvt.)	√			
35	152	General powers of the board	√			
36	156	Restriction on powers of Board	√			
37	210	Appointment of Chief Executive Officer (Max 5 years terms& 2 consecutive terms only)	√			
38	213	Company Secretary required in all Public Companies		√		Company Secretary resigned in 2023 and the post remained vacant till date.
39	414	Appointment of selling or buying agents (govt. Approval obtained or not)		√		
40	157	No loans to directors (only for Public Co.)		√		.
41	53	(investments to be disclosed) apply old rule		√		
42	158	Conflict of Interest Transactions by Board		√		
43	161	Standard of care required by directors (Reckless decision)		√		
STATUTORY RECORD AND INSPECTION						
44	228	Statutory record and inspection	√			
	(a)	Register of buy-back of shares	√			
	(b)	Register of transfers		√		

	(c)	Register of charges		√		
	(d)	Register of inter-corporate loans		√		
	(e)	Register of inter-corporate investments		√		
	(f)	Register of contracts in which directors are interested		√		
	(g)	Register of directors	√			
	(h)	Register of directors' shareholding			√	

For Tshechu & Associates
Certified Practising Accountants
Firm Empanelment No.: BH - 07

Tshechu, FCPA (Aust.)
(Membership No: 9798359)
Managing Partner
Place : Thimphu
Date: 30/7/2026

TSHECHU & ASSOCIATES CERTIFIED PRACTISING ACCOUNTANT

For Bhutan Livestock Development
Corporation Limited

Sherab Namgay
Chairperson

Dophu Dukpa
Chief Executive Officer

Krishna Prapan Adhikari
Chief Finance Officer
Bhutan Livestock Development
Corporation Limited
Thimphu : Bhutan

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Bhutan Livestock Development Corporation Ltd.