



**Livestock Transport and Trading Company K.P.S.C.
and its subsidiaries
State of Kuwait**

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the three month period ended 31 March 2022



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The Board of Directors

Livestock Transport and Trading Company K.P.S.C. State of Kuwait

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2022 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three month period ended 31 March 2022, that might have had a material effect on the business of the Group or its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any violations during the three month period ended 31 March 2022 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Group or its consolidated financial position.

Khalid Ebrahim Al-Shatti
Licence No. 175 A
PricewaterhouseCoopers (Al-Shatti & Co.)

12 May 2022
Kuwait

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Condensed consolidated interim statement of financial position (Unaudited)

As at 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	34,356,148	34,975,954	37,710,448
Investment in an associate		482,350	454,529	492,255
Right-of-use assets		1,226,097	1,295,800	1,565,170
Financial assets at fair value through other comprehensive income	4	1,044,269	1,068,573	924,456
		<u>37,108,864</u>	<u>37,794,856</u>	<u>40,692,329</u>
Current assets				
Financial assets at amortised cost	6	-	305,950	1,933,302
Inventories	7	6,375,682	6,516,834	7,301,494
Trade and other receivables	8	13,176,099	12,100,284	12,900,329
Bank balances and cash	9	6,556,836	5,265,765	5,090,495
		<u>26,108,617</u>	<u>24,188,833</u>	<u>27,225,620</u>
Total assets		<u>63,217,481</u>	<u>61,983,689</u>	<u>67,917,949</u>
Equity and liabilities				
Equity				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	10	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		4,489,130	4,489,130	4,489,130
Other reserves	11	82,305	133,506	45,302
Accumulated losses		(6,219,078)	(6,598,575)	(1,257,862)
Net equity		<u>35,157,653</u>	<u>34,829,357</u>	<u>40,081,866</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,436,051	1,399,205	1,442,311
Long term borrowing	12	16,621,951	16,621,951	4,871,951
Lease liabilities – non-current		857,695	967,830	1,233,069
		<u>18,915,697</u>	<u>18,988,986</u>	<u>7,547,331</u>
Current liabilities				
Bank borrowing	12	2,750,000	2,750,000	1,900,000
Bank overdraft	9	1,913,505	235,768	11,682,264
Trade and other payables	13	4,091,759	4,807,776	6,319,555
Lease liabilities – current		388,867	371,802	386,933
		<u>9,144,131</u>	<u>8,165,346</u>	<u>20,288,752</u>
Total liabilities		<u>28,059,828</u>	<u>27,154,332</u>	<u>27,836,083</u>
Total equity and liabilities		<u>63,217,481</u>	<u>61,983,689</u>	<u>67,917,949</u>



Nael Mohammad AlHumoud
Chairman



Osama Khaled Bodai
Chief Executive Officer

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of income (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended	
	31 March	
Notes	2022 (Unaudited)	2021 (Unaudited)
Operating revenue	13,997,261	14,138,382
Operating costs	<u>(12,327,064)</u>	<u>(12,675,870)</u>
Gross profit	1,670,197	1,462,512
Other operating income	203,195	382,772
Marketing expenses	(434,230)	(378,678)
General and administrative expenses	14 (1,204,613)	(1,062,244)
Impairment of trade and other receivables	<u>(19,876)</u>	<u>(1,595,564)</u>
Operating profit / (loss)	214,673	(1,191,202)
Net investment income	9,665	42,637
Group's share in an associate's results	11,421	(1,149)
Finance costs	(188,436)	(135,077)
Foreign currency exchange gain	<u>340,653</u>	<u>137,093</u>
Profit / (loss) before subsidiaries' tax and deductions	387,976	(1,147,698)
Reversal of income tax on subsidiaries	9,403	24,874
Profit / (loss) after subsidiaries' tax and before deductions	397,379	(1,122,824)
National Labour Support Tax ("NLST")	(9,934)	-
Zakat	(3,974)	-
Kuwait Foundation for the Advancement of Sciences ("KFAS")	<u>(3,974)</u>	<u>-</u>
Profit / (loss) for the period	379,497	(1,122,824)
Basic and diluted earnings / (loss) per share (fils)	15 1.814	(5.367)

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the three month and three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

		Three months ended	
		31 March	
		2022	2021
		(Unaudited)	(Unaudited)
Profit / (loss) for the period		379,497	{1,122,824}
Other comprehensive income:			
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>			
Exchange differences on translation of foreign operations	11	(26,897)	(61,070)
<i>Items that will not be reclassified to the condensed consolidated interim statement of income:</i>			
Changes in fair value of financial assets at fair value through other comprehensive income	11	(24,304)	[26,219]
Other comprehensive loss for the period		(51,201)	(87,289)
Total comprehensive income / (loss) for the period		328,296	{1,210,113}

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of changes in equity (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Accumulated losses	Total equity
At 1 January 2022	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	133,506	(6,598,575)	34,829,357
Profit for the period	-	-	-	-	-	-	379,497	379,497
Other comprehensive loss for the period	-	-	-	-	-	(51,201)	-	(51,201)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(51,201)	379,497	328,296
At 31 March 2022 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	82,305	(6,219,078)	35,157,653
At 1 January 2021	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	132,591	(135,038)	41,291,979
Loss for the period	-	-	-	-	-	-	(1,122,824)	(1,122,824)
Other comprehensive loss for the period	-	-	-	-	-	(87,289)	-	(87,289)
Total comprehensive loss for the period	-	-	-	-	-	(87,289)	(1,122,824)	(1,210,113)
At 31 March 2021 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	45,302	(1,257,862)	40,081,866

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended 31	
		March	
		2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Profit / (loss) for the period		379,497	(1,122,824)
Adjustments for:			
Depreciation		1,085,312	1,109,658
Investment income		(9,665)	(42,637)
Interest expense – lease liability		18,438	20,462
Impairment losses on financial assets		19,876	1,595,564
Group's share in associate's results		(11,421)	1,149
Foreign currency exchange gain		(340,653)	(137,093)
Employees' end of service benefits		56,195	53,391
		<u>1,197,579</u>	<u>1,477,670</u>
Changes in working capital:			
Inventories		141,152	262,958
Trade and other receivables		(1,097,615)	39,821
Trade and other payables		(374,330)	(330,142)
Cash (used in) / generated from operations		<u>(133,214)</u>	<u>1,450,307</u>
Employees' end of service benefits paid		(20,024)	(7,436)
Net cash flows (used in) / generated from operating activities		<u>(153,238)</u>	<u>1,442,871</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(284,910)	(855,763)
Proceeds from disposal of property, plant and equipment		-	177,230
Redemption for financial assets at amortised cost		305,950	800,000
Investment income received		9,665	42,637
Net cash flows generated from investing activities		<u>30,705</u>	<u>164,104</u>
Cash flows from financing activities			
Dividends paid		(1,034)	(431)
Principal element of lease payments		(141,340)	(106,412)
Net cash flows used in financing activities		<u>(142,374)</u>	<u>(106,843)</u>
Net foreign exchange differences		(121,759)	(21,784)
Net (decrease) / increase in cash and cash equivalents		<u>(386,666)</u>	<u>1,478,348</u>
Cash and cash equivalents at beginning of the period	9	5,029,997	(8,070,117)
Cash and cash equivalents at end of the period	9	<u>4,643,331</u>	<u>(6,591,769)</u>

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") was incorporated in accordance with the memorandum of association authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department under No. 70 /D/Vol. 2 on 24 November 1973. On 20 January 1974, the Parent Company has been incorporated in accordance with the resolution of the founders' General Assembly meeting of the Parent Company.

The head office of the Parent Company is located at Sulaibiya, Agricultural Area, Block 12, Kuwait. Kuwait Investment Authority is the principal shareholder in the Parent Company. The Parent Company is listed on Boursa Kuwait.

The Parent Company's objectives are as follows:

1. To carry out all operations of producing, transporting and trading in all kinds of meat.
2. To construct and buy farms, pastures, barns, land and real estate deemed necessary to achieve the Parent Company's objectives.
3. To carry out all transportation operations deemed necessary or for others similar businesses.
4. To own, buy and utilize means of marine and land transportation necessary to achieve the Parent Company's objectives. In addition, utilize air transport necessary.
5. To run any business or processing activity relating to meat production and transportation, wool and leather trade.
6. To own, lease and rent of real estates, buildings, workshops, docks and stores.
7. To import and export marine equipment necessary for the Parent Company's vessels.
8. To import, export and manufacture all kinds of fodder.
9. The Parent Company may conduct all transactions and all other actions necessary to facilitate achieving its objectives.
10. Utilisation of financial surplus through investment in portfolios managed by specialised Companies and Authorities.
11. To run any trade or industry for food processing, opening restaurants and preparing healthy food.
12. To run any trade or manufacture of foodstuffs.
13. To run any trade or manufacture of fertilizers.
14. Import, export, breeding and sale of livestock.
15. Importing, exporting, manufacturing and selling medicines, veterinary tools and supplies, and veterinary medicine.
16. To run any trade or manufacture of animal and pet food.
17. Agricultural Contracting.
18. Delivery of consumer and food orders.
19. To run any trade or industry related to supermarkets and/or mini supermarkets and/or groceries.
20. To run the activities of butchery and butchereries and exhibitions of selling meat and its products of all kinds.

The Group operates in four countries; Kuwait, United Arab Emirates ("UAE"), Australia and South Africa and transports and sells livestock to certain countries in the Middle East.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES (Continued)

The condensed consolidated interim financial information includes the financial information of the Parent Company and its subsidiaries (together referred to as the "Group"):

Name of subsidiaries	Shareholding interest (%)			Activity	Country of incorporation
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)		
Rural Export and Trading (WA) PTY Ltd.	100	100	100	Trade in livestock and meat	Australia
Trans Emirates Livestock Trading Company L.L.C.	100	100	100	Trade in livestock and meat	UAE
Al Shuwaikh Company for Managing and Establishing Commercial and Industrial Projects S.P.C.	100	100	100	Establishment and management of commercial and industrial projects	Kuwait
Al Mawashi (PTY) Ltd.	100	100	100	Trade in livestock and meat	South Africa

The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 31 March 2022.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 12 May 2022.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the three month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2021.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2021 and the corresponding interim reporting period. Also see (a) and (b) below.

2. BASIS OF PREPARATION (Continued)

(a) *New standards, amendments and interpretations effective for the financial period beginning on 1 January 2022:*

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has adopted all standards, amendments and improvements which came effective for the first time for the financial period beginning on or after 1 January 2022 and none resulted in a significant impact on the consolidated financial statements.

(b) *New standards and amendments not yet effective for the financial period beginning on 1 January 2022 and have not been early adopted by the Group:*

Certain new accounting standards and interpretations have been published that are not mandatory for annual reporting periods ending 31 December 2022 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. JUDGEMENT AND ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2021.

4. FAIR VALUE ESTIMATION

The fair values of financial assets and liabilities are estimated as follows:

- **Level 1:** Quoted prices in active markets for quoted financial instruments.
- **Level 2:** Quoted prices in active markets for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- **Level 3:** Inputs for the asset or liabilities that are not based on observable market data.

Notes to the condensed consolidated interim financial information (Unaudited)
For the three month period ended 31 March 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION (Continued)

The following table shows the fair value measurement hierarchy of the Group's financial assets recorded at fair value:

	Level 1	Level 2	Level 3	Total fair value
31 March 2022 (Unaudited)				
Financial assets at fair value through other comprehensive income	715,206	22,117	306,946	1,044,269
31 December 2021 (Audited)				
Financial assets at fair value through other comprehensive income	722,450	21,992	324,131	1,068,573
31 March 2021 (Unaudited)				
Financial assets at fair value through other comprehensive income	578,048	22,278	324,130	924,456

The method of valuation used in Level 3 has been consistent with that used in the recent annual consolidated financial statements, which is measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

The following table represents the changes in Level 3 instruments:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Opening balance	324,131	395,042	395,042
Disposals	-	(97,065)	(97,065)
Change in fair value	(17,185)	26,154	26,153
Ending balance	306,946	324,131	324,130

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Opening balance	34,975,954	37,881,803	37,881,803
Additions	284,910	1,313,201	855,763
Disposals	-	(48,125)	-
Depreciation relating to disposals	-	47,352	-
Depreciation charge	(987,669)	(4,119,217)	(996,968)
Foreign currency translation differences	82,953	(99,060)	(30,150)
	<u>34,356,148</u>	<u>34,975,954</u>	<u>37,710,448</u>

For the period ended 31 March 2022, depreciation expenses amounting to KD 857,958, KD 26,107 and KD 103,604 (31 December 2021: KD 3,598,363, KD 142,031 and KD 378,823; 31 March 2021: KD 553,293, KD 41,232 and KD 402,443) were charged to operating costs, marketing expenses and general and administrative expenses, respectively.

Machinery and equipment included in property, plant and equipment with a carrying value of KD 36,008 as at 31 March 2022 (31 December 2021: KD 39,661; 31 March 2021: KD 50,878) are mortgaged as a security against long term borrowing.

Vessel included in property, plant and equipment with a carrying value of KD 14,491,013 as at 31 March 2022 (31 December 2021: KD 14,660,697; 31 March 2021: Nil) is mortgaged as a security against long term borrowing (Note 12).

6. FINANCIAL ASSETS AT AMORTISED COST

The Group had local Sukuk at annual yield rates of 6.50%. Local Sukuk matured during March 2022.

7. INVENTORIES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Livestock and meat (net)	4,633,711	5,028,819	5,530,543
Fodder	167,382	221,574	283,980
Medicines, fertilisers and others	670,443	682,577	774,793
	<u>5,471,536</u>	<u>5,932,970</u>	<u>6,589,316</u>
Goods in transit	-	38,620	712,178
Production materials and spare parts	904,146	545,244	-
	<u>6,375,682</u>	<u>6,516,834</u>	<u>7,301,494</u>

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. TRADE AND OTHER RECEIVABLES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Trade receivables	8,684,512	8,375,349	8,518,336
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	<u>25,015,142</u>	<u>24,705,979</u>	<u>24,848,966</u>
Loss allowance	(15,575,774)	(15,553,974)	(14,322,990)
	<u>9,439,368</u>	<u>9,152,005</u>	<u>10,525,976</u>
Advances to suppliers	1,801,812	1,220,512	1,413,883
Prepaid expenses	310,780	89,060	261,796
Refundable deposits	135,862	113,672	112,085
Staff receivables	-	25,200	-
Others	1,488,277	1,499,835	586,589
	<u>13,176,099</u>	<u>12,100,284</u>	<u>12,900,329</u>

* Pursuant to Council of Ministers resolution No. 1308 dated 11 September 2011 regarding the Parent Company's purchase and transfer of livestock to Kuwait port (CIF) and selling the same at cost plus 15% margin, the Ministerial Decree No. 409 which was issued on 8 July 2012 regarding the Ministry of Commerce and Industry's financial support of KD 16.835 per head of sheep live or chilled or completely frozen which was entered into Kuwait from whatever source or means, and in effect until 1 November 2012.

The Government subsidy due from Ministry of Commerce and Industry (the "Ministry") as a result of the subsidy granted to the Parent Company to meet the increased prices of certain foodstuff and consumer goods in accordance with the previous ministerial Decrees' amounted to KD 16,330,630 as at 31 March 2022 (KD 16,330,630 as at 31 December 2021, KD 16,330,630 as at 31 March 2022). To date, the Group's subsidy has not been approved by the Ministry due to a dispute regarding the subsidy per head. Further, there are legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount.

On 26 November 2019, a verdict was issued by the Court of appeal in favour of the Parent Company in relation to this legal case for an amount of KD 2,294,156 upholding the earlier decision of the court of first instances. Management has appealed against the verdict demanding the full amount of KD 3,462,353 relating to this legal case. On 29 April 2021, a verdict was issued by the Court of cassation not in favour of the Parent Company. As at 31 March 2022, the provision for impairment maintained against the total accrued Government subsidy balance amounted to KD 13,225,204 (KD 13,225,204 as at 31 December 2021, KD 12,730,079 as at 31 March 2021).

9. CASH AND CASH EQUIVALENTS

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Cash on hand and at banks	6,178,081	3,392,053	1,914,983
Time deposits maturing within 3 months	-	1,808,759	2,124,188
Cash at investment portfolios	378,755	64,953	1,051,324
Bank balances and cash	<u>6,556,836</u>	<u>5,265,765</u>	<u>5,090,495</u>
Less: bank overdraft	(1,913,505)	(235,768)	(11,682,264)
Cash and cash equivalents	<u>4,643,331</u>	<u>5,029,997</u>	<u>(6,591,769)</u>

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. TREASURY SHARES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Number of shares	7,377,383	7,377,383	7,377,383
Percentage of issued shares (%)	3.41%	3.41%	3.41%
Market value	1,224,646	1,239,400	1,342,684

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

11. OTHER RESERVES

	Change in fair value reserve	Foreign currency translation reserve	Total
At 1 January 2022	76,381	57,125	133,506
Change in fair value of financial assets at fair value through other comprehensive income	(24,304)	-	(24,304)
Foreign currency translation differences	-	(26,897)	(26,897)
31 March 2022 (Unaudited)	52,077	30,228	82,305
At 1 January 2021	109,016	23,575	132,591
Change in fair value of financial assets at fair value through other comprehensive income	(26,219)	-	(26,219)
Foreign currency translation differences	-	(61,070)	(61,070)
31 March 2021 (Unaudited)	82,797	(37,495)	45,302

12. BORROWING

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Current portion	2,750,000	2,750,000	1,900,000
Non-current portion	16,621,951	16,621,951	4,871,951

Bank borrowing is denominated in Kuwaiti Dinars ("KD") obtained from a local bank with a total maximum limit amounted to KD 24,121,952 and carry an effective interest rate of 3.5% (3.5% as at 31 December 2021, 3.5% as at 31 March 2021) per annum. Payment is on semi-annual basis till 15 June 2030.

Bank borrowings are secured by machinery and equipment and vessels included in property, plant and equipment amounting to KD 36,008 and KD 14,491,013, respectively (31 December 2021: KD 39,661 and KD 14,660,697, 31 March 2021 : KD 50,878 and nil) (Note 5).

Notes to the condensed consolidated interim financial information (Unaudited)
For the three month period ended 31 March 2022
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13. TRADE AND OTHER PAYABLES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Trade payables	1,255,893	1,273,277	3,023,485
Contract liabilities	153,584	947,158	269,883
Dividends payable (Note 18)	43,120	44,154	45,239
Accrued expenses	2,177,659	2,168,469	2,227,716
Refundable deposits	102,427	72,991	49,171
Provision for NLST, Zakat and KFAS	34,689	75,734	47,127
Other payables	324,387	225,993	656,934
	<u>4,091,759</u>	<u>4,807,776</u>	<u>6,319,555</u>

14. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Staff costs	545,176	424,384
Depreciation (property, plant and equipment and right-of-use assets)	156,707	280,135
Insurance	39,403	36,022
Professional fees	66,107	25,784
Maintenance, repair and utilities	131,315	154,097
Transportation expenses	38,312	29,778
Stationary and office supplies	27,217	20,540
Bank charges	18,310	15,504
Rent	1,745	7,250
Other expenses	180,321	68,750
	<u>1,204,613</u>	<u>1,062,244</u>

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15. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Basic and diluted earnings / (loss) per share are calculated by dividing profit for the period by the weighted average number of shares outstanding (less treasury shares) during the period as follows:

	Three months ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Profit / (loss) for the period	379,497	(1,122,824)
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192
Earning / (loss) per share (fils)	1.814	(5.367)

The Parent Company had no outstanding dilutive shares.

16. CONTINGENT LIABILITIES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Letters of guarantee	1,388,759	2,003,890	1,349,144

17. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 31 March.

Detail of the significant related party transactions and balances are as follows:

Transactions	Three months ended 31 March		
	2022 (Unaudited)	2021 (Unaudited)	2021 (Unaudited)
Key management benefits	185,460	115,041	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2021 (Unaudited)
Balances			
Key management long term balances - included in employees' end of service benefits	350,092	337,636	304,716
Key management short term balances - included in accrued expenses	82,621	75,644	81,813
Dividends payable (Note 13)	43,120	44,154	45,239

All transactions with related parties are subject to the approval of Shareholders' General Assembly.

Notes to the condensed consolidated interim financial information (Unaudited)
For the three month period ended 31 March 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

18. OPERATING SEGMENTS

18.1 Geographical and operational segments of the revenues, results, assets and liabilities

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which separate financial information is available.

The Group conducts its activities through three main operational segments:

- Commercial segment includes purchasing, transporting, ranching and selling the live and slaughtered sheep and all skins, intestines and fertilizers. Purchasing and selling fodder and also purchasing and selling chilled and frozen meat in wholesale and retail.
- Food processing segment includes meat processing and its classification in all products and selling it in wholesale.
- Investments segment include investment portfolios managed by specialized companies, and deposits.

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the geographical locations where the Group conducts its activities. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of annual consolidated financial statements. Segment analysis in line with internal reports submitted to management is as follows:

18.1.1.Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2022	2021	2022	2021	2022	2021	2022	2021
	KD 000's							
Kuwait	10,530	9,981	380	788	10	43	10,920	10,812
UAE	2,656	2,454	-	-	-	-	2,656	2,454
Australia	449	560	-	-	-	-	449	560
South Africa	556	924	-	-	-	-	556	924
Total	14,191	13,919	380	788	10	43	14,581	14,750
Intersegment eliminations							(21)	(25)
Total*							14,560	14,725

*Total reconciles to the following statement of income items:

- Operating revenue
- Other operating income
- Net investment income
- Foreign currency exchange gain / (loss)
- Reversal of income tax on subsidiaries

Notes to the condensed consolidated interim financial information (Unaudited)
For the three month period ended 31 March 2022
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18. OPERATING SEGMENTS (Continued)

18.1.2. Segments results (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2022	2021	2022	2021	2022	2021	2022	2021
Kuwait	562	(1,407)	(37)	448	10	43	535	(916)
UAE	(87)	(170)	-	-	-	-	(87)	(170)
Australia	(13)	37	-	-	-	-	(13)	37
South Africa	(24)	(64)	-	-	-	-	(24)	(64)
Total	438	(1,604)	(37)	448	10	43	411	(1,113)
Intersegment eliminations							(32)	(10)
Total							379	(1,123)

18.1.3. Segmental distribution of assets and liabilities (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	31 March		31 December		31 March		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets	58,957	55,044	5,146	5,145	1,375	1,375	65,478	61,564
Liabilities	29,896	26,630	27,728	75	-	-	29,955	26,705
				108				9,547
				5,083				69,517
				1,375				27,836

Intersegment assets and liabilities are eliminated on consolidation.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

18. OPERATING SEGMENTS (Continued)

18.1.4. Geographical distribution of assets and liabilities (Unaudited)

31 March 2022						
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
KD 000's						
Assets	51,273	7,875	2,570	1,961	(462)	63,217
Liabilities	26,652	976	320	112	-	28,060

31 December 2021 (Audited)						
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
KD 000's						
Assets	50,561	6,894	2,540	2,085	(96)	61,984
Liabilities	25,426	1,060	458	217	(7)	27,154

31 March 2021						
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
KD 000's						
Assets	56,784	6,287	3,188	1,786	(127)	67,918
Liabilities	25,591	1,173	443	642	(13)	27,836

19. ANNUAL GENERAL ASSEMBLY MEETING

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 11 April 2022, approved the annual consolidated financial statements for the financial year ended 31 December 2021.