



**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 nine month period ended 30 September 2023

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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 30 September 2023 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and nine-month periods then ended and the statements of changes in equity and cash flows for the nine-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 nine-month period ended 30 September 2023, 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 nine-month period ended 30 September 2023 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.



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

12 November 2023  
Kuwait


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**Condensed consolidated interim statement of financial position (Unaudited)**

As at 30 September 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	34,553,938	35,541,399	35,926,330
Investment in an associate		482,287	463,707	434,948
Right-of-use assets		703,056	956,829	1,045,656
Financial assets at fair value through other comprehensive income	4	290,095	984,101	1,041,506
		<u>36,029,376</u>	<u>37,946,036</u>	<u>38,448,440</u>
<b>Current assets</b>				
Inventories	6	4,784,667	7,351,274	3,677,576
Trade and other receivables	7	12,714,077	10,502,354	11,239,485
Bank balances and cash	8	2,585,621	3,063,379	6,450,309
		<u>20,084,365</u>	<u>20,917,007</u>	<u>21,367,370</u>
<b>Total assets</b>		<u>56,113,741</u>	<u>58,863,043</u>	<u>59,815,810</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	9	(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	10	184,184	58,807	207,862
Accumulated losses		(12,212,168)	(10,987,395)	(9,692,932)
<b>Net equity</b>		<u>29,266,442</u>	<u>30,365,838</u>	<u>31,809,356</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		1,558,802	1,399,238	1,399,893
Bank borrowing	11	14,500,000	15,521,951	14,821,951
Lease liabilities – non-current		418,888	662,688	734,726
		<u>16,477,690</u>	<u>17,583,877</u>	<u>16,956,570</u>
<b>Current liabilities</b>				
Bank borrowing	11	2,198,085	1,950,000	3,600,000
Bank overdraft	8	2,751,506	4,787,095	2,297,541
Trade and other payables	12	5,156,585	3,883,583	4,854,447
Lease liabilities – current		263,433	292,650	297,896
		<u>10,369,609</u>	<u>10,913,328</u>	<u>11,049,884</u>
<b>Total liabilities</b>		<u>26,847,299</u>	<u>28,497,205</u>	<u>28,006,454</u>
<b>Total equity and liabilities</b>		<u>56,113,741</u>	<u>58,863,043</u>	<u>59,815,810</u>

  
Nael Mohammad AlHumoud  
Chairman

  
Osama Khaled Bodai  
Chief Executive Officer

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated interim statement of income (Unaudited)**

For the three month and nine month period ended 30 September 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Operating revenue		8,236,831	7,130,435	33,668,054	31,544,207
Operating costs		(7,734,286)	(7,028,603)	(28,853,000)	(29,452,688)
<b>Gross profit</b>		<b>502,545</b>	<b>101,832</b>	<b>4,815,054</b>	<b>2,091,519</b>
Other operating income		214,162	300,761	609,379	782,006
Marketing expenses		(383,110)	(395,724)	(1,131,093)	(1,265,587)
General and administrative expenses	13	(1,350,125)	(1,123,525)	(3,965,721)	(3,385,471)
Other operating expenses	18	(11,905)	(369,771)	(1,029,275)	(391,181)
Impairment of trade and other receivables		(49,724)	(15,328)	(95,392)	(53,126)
<b>Operating loss</b>		<b>(1,078,157)</b>	<b>(1,501,755)</b>	<b>(797,048)</b>	<b>(2,221,840)</b>
Net investment income		2,400	5,997	29,340	28,220
Group's share in an associate's results		15,417	(5,003)	40,927	24,970
Finance costs		(248,518)	(184,969)	(711,349)	(572,241)
Foreign currency exchange income / (loss)		229,700	(459,020)	205,342	(412,902)
<b>Loss before subsidiaries' tax</b>		<b>(1,079,158)</b>	<b>(2,144,750)</b>	<b>(1,232,788)</b>	<b>(3,153,793)</b>
(Income tax expense) / reversal of income tax on subsidiaries		(6,081)	13,999	8,015	59,436
<b>Loss for the period</b>		<b>(1,085,239)</b>	<b>(2,130,751)</b>	<b>(1,224,773)</b>	<b>(3,094,357)</b>
<b>Basic and diluted loss per share (fils)</b>	14	<b>(5.19)</b>	<b>(10.19)</b>	<b>(5.85)</b>	<b>(14.79)</b>

**Condensed consolidated interim statement of comprehensive income (Unaudited)**

For the three month and nine month period ended 30 September 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
<b>Loss for the period</b>	<b>(1,085,239)</b>	<b>(2,130,751)</b>	<b>(1,224,773)</b>	<b>(3,094,357)</b>
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>				
Exchange differences on translation of foreign operations	(18,834)	106,999	139,146	139,114
<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	(1,184)	(15,918)	(13,769)	(64,758)
<b>Other comprehensive (loss) / income for the period</b>	<b>(20,018)</b>	<b>91,081</b>	<b>125,377</b>	<b>74,356</b>
<b>Total comprehensive loss for the period</b>	<b>(1,105,257)</b>	<b>(2,039,670)</b>	<b>(1,099,396)</b>	<b>(3,020,001)</b>

**Condensed consolidated interim statement of changes in equity (Unaudited)**

For the nine month period ended 30 September 2023

(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
<b>At 1 January 2023</b>	<b>21,659,057</b>	<b>4,967,805</b>	<b>(1,647,126)</b>	<b>11,825,560</b>	<b>4,489,130</b>	<b>58,807</b>	<b>(10,987,395)</b>	<b>30,365,838</b>
Loss for the period	-	-	-	-	-	-	(1,224,773)	(1,224,773)
Other comprehensive income for the period	-	-	-	-	-	125,377	-	125,377
Total comprehensive income / (loss) for the period	-	-	-	-	-	125,377	(1,224,773)	(1,099,396)
<b>At 30 September 2023 (Unaudited)</b>	<b>21,659,057</b>	<b>4,967,805</b>	<b>(1,647,126)</b>	<b>11,825,560</b>	<b>4,489,130</b>	<b>184,184</b>	<b>(12,212,168)</b>	<b>29,266,442</b>
<b>At 1 January 2022</b>	<b>21,659,057</b>	<b>4,967,805</b>	<b>(1,647,126)</b>	<b>11,825,560</b>	<b>4,489,130</b>	<b>133,506</b>	<b>(6,598,575)</b>	<b>34,829,357</b>
Loss for the period	-	-	-	-	-	-	(3,094,357)	(3,094,357)
Other comprehensive income for the period	-	-	-	-	-	74,356	-	74,356
Total comprehensive income / (loss) for the period	-	-	-	-	-	74,356	(3,094,357)	(3,020,001)
<b>At 30 September 2022 (Unaudited)</b>	<b>21,659,057</b>	<b>4,967,805</b>	<b>(1,647,126)</b>	<b>11,825,560</b>	<b>4,489,130</b>	<b>207,862</b>	<b>(9,692,932)</b>	<b>31,809,356</b>

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated interim statement of cash flows (Unaudited)**

For the nine month period ended 30 September 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the nine months ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operating activities</b>			
Loss for the period		(1,224,773)	(3,094,357)
<b>Adjustments for:</b>			
Depreciation - Property, plant and equipment	5	3,214,096	2,655,819
Depreciation - right of use assets		309,650	301,847
Gain on sale of property, plant and equipment		(9,135)	(56,171)
Interest expense – lease liability		53,703	55,471
Interest expense – bank borrowing and bank overdraft		657,647	516,768
Net investment income		(29,340)	(28,220)
Group’s share in associate’s results		(40,927)	(24,970)
Impairment of trade and other receivables		95,392	53,126
Foreign currency exchange loss / (gain)		(205,342)	412,902
Employees’ end of service benefits		204,462	183,990
		<u>3,025,433</u>	<u>976,205</u>
<b>Changes in working capital:</b>			
Inventories		2,566,607	2,839,258
Trade and other receivables		(2,317,516)	795,893
Trade and other payables		1,478,873	(364,951)
		<u>4,753,397</u>	<u>4,246,405</u>
<b>Cash generated from operations</b>			
Employees’ end of service benefits paid		(46,251)	(186,736)
		<u>4,707,146</u>	<u>4,059,669</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(2,307,090)	(3,760,888)
Proceeds from disposal of property, plant and equipment		11,669	70,006
Financial assets at fair value through other comprehensive income		680,237	(37,691)
Redemption for financial assets at amortised cost		-	305,950
Investment income received		29,340	28,220
		<u>(1,585,844)</u>	<u>(3,394,403)</u>
<b>Cash flows from financing activities</b>			
Repayment of bank borrowing		(950,000)	(950,000)
Interest paid on bank borrowing and bank overdraft		(481,513)	(516,768)
Dividends paid		(529)	(1,280)
Principal element of lease payments		(389,478)	(413,333)
		<u>(1,821,520)</u>	<u>(1,881,381)</u>
<b>Cash flows used in financing activities</b>			
Net foreign exchange differences		258,049	338,886
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>1,557,831</u>	<u>(877,229)</u>
Cash and cash equivalents at beginning of the period	8	(1,723,716)	5,029,997
<b>Cash and cash equivalents at end of the period</b>	8	<u>(165,885)</u>	<u>4,152,768</u>
<b>Non-cash transactions:</b>			
Right-of-use assets		(62,955)	(39,784)
Lease liabilities		62,955	39,784

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information (Unaudited)**

For the nine month period ended 30 September 2023

(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 butcheries and exhibitions of selling meat and its products of all kinds.

**Notes to the condensed consolidated interim financial information (Unaudited)**

For the nine month period ended 30 September 2023

(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
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (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
Al Messilah United for Sea and Shore Shipping Company W.L.L.	100	100	100	Sea transportation of miscellaneous goods	Kuwait
Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.	100	100	100	Sea transportation of miscellaneous goods	Kuwait

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. The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 30 September 2023.

During September 2022, the Parent Company incorporated two new subsidiaries "Al Messilah United for Sea and Shore Shipping Company W.L.L." and "Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.". The two subsidiaries did not start operations and their share capital has not been paid as at 30 September 2023.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 12 November 2023.

**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 nine month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2022.



**Notes to the condensed consolidated interim financial information (Unaudited)**

For the nine month period ended 30 September 2023  
(All amounts are in Kuwaiti Dinar unless otherwise stated)

**2. BASIS OF PREPARATION (Continued)**

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 2022 and the corresponding interim reporting period. Also see (a) and (b) below.

*(a) New and amended standards adopted by the Group:*

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

*(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2023 and have not been early adopted by the Group:*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretations and amendments which will be adopted in the Group's consolidated financial statement as and when they are applicable.

**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 2022.

**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 nine month period ended 30 September 2023  
(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:

<b>30 September 2023 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>
<b>Financial assets at fair value through other comprehensive income</b>	<b>6,565</b>	<b>22,432</b>	<b>261,098</b>	<b>290,095</b>
<b>31 December 2022 (Audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>
<b>Financial assets at fair value through other comprehensive income</b>	<b>693,493</b>	<b>23,480</b>	<b>267,128</b>	<b>984,101</b>
<b>30 September 2022 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>
<b>Financial assets at fair value through other comprehensive income</b>	<b>698,610</b>	<b>22,637</b>	<b>320,259</b>	<b>1,041,506</b>

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:

	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>	<b>30 September 2022 (Unaudited)</b>
Opening balance	267,128	324,131	324,131
Change in fair value	(6,030)	(57,003)	(3,872)
<b>Ending balance</b>	<b>261,098</b>	<b>267,128</b>	<b>320,259</b>

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Opening balance	35,541,399	34,975,954	34,975,954
Additions	2,307,090	4,329,981	3,760,888
Disposals	(10,846)	(486,206)	(475,464)
Depreciation charge	(3,214,096)	(3,657,444)	(2,655,819)
Depreciation relating to disposals	8,312	466,412	461,629
Foreign currency translation differences	(77,921)	(87,298)	(140,858)
	<b>34,553,938</b>	<b>35,541,399</b>	<b>35,926,330</b>

The depreciation charge for the year has been allocated in the condensed consolidated interim statement of income as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Operating costs	2,704,913	3,130,222	2,217,241
Marketing expenses	111,965	106,057	92,155
General and administrative expenses (Note 13)	397,218	421,165	346,423
	<b>3,214,096</b>	<b>3,657,444</b>	<b>2,655,819</b>

Machinery and equipment included in property, plant and equipment with a carrying value of KD 17,907 as at 30 September 2023 (31 December 2022: KD 25,816; 30 September 2022: KD 28,588) are mortgaged as a security against long term borrowing (Note 11).

Vessel included in property, plant and equipment with a carrying value of KD 12,880,972 as at 30 September 2023 (31 December 2022: KD 13,642,516; 30 September 2022: KD 13,899,153) is mortgaged as a security against long term borrowing (Note 11).

6. INVENTORIES

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Livestock and meat (net)	2,919,560	5,429,829	1,728,128
Fodder	379,516	96,463	234,655
Medicines, fertilisers and others	701,135	754,599	744,501
	<b>4,000,211</b>	<b>6,280,891</b>	<b>2,707,284</b>
Goods in transit	-	34,858	-
Production materials and spare parts	784,456	1,035,525	970,292
	<b>4,784,667</b>	<b>7,351,274</b>	<b>3,677,576</b>



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**7. TRADE AND OTHER RECEIVABLES**

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Trade receivables	8,636,253	7,621,130	7,175,155
Accrued government subsidy*	16,330,630	16,330,630	16,330,630
	<b>24,966,883</b>	23,951,760	23,505,785
Loss allowance	<b>(16,411,826)</b>	(16,306,615)	(15,618,880)
	<b>8,555,057</b>	7,645,145	7,886,905
Advances to suppliers	1,993,516	1,154,469	1,465,322
Prepaid expenses	514,513	375,809	358,851
Refundable deposits	112,395	117,451	115,942
Staff receivables	30,685	19,606	3,828
Others	1,507,911	1,189,874	1,408,637
	<b>12,714,077</b>	10,502,354	11,239,485

\* 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 30 September 2023 (KD 16,330,630 as at 31 December 2022, KD 16,330,630 as at 30 September 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.

The outcome of the two legal cases was not in favour of the Parent Company, accordingly management had appealed against the verdict. On 28 December 2022, a verdict was issued by the Court of cassation to refuse the appeal and uphold the earlier decision of the court.

No additional loss allowance was charged as a result of the final outcome of the two legal cases, as full loss allowance was maintained during the prior years.

Loss allowance of KD 33,500 (31 December 2022: KD Nil, 30 September 2022: KD Nil) was aintained against the remaining government subsidy balance amounting to KD 3,105,426 (31 December 2022: KD 3,105,426, 30 September 2022: KD 3,105,426).

As at 30 September 2023, the loss allowance maintained against the total accrued government subsidy balance amounted to KD 13,258,704 (31 December 2022: KD 13,225,204, 30 September 2022: KD 13,225,204).



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## 8 CASH AND CASH EQUIVALENTS

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Cash on hand and at banks	2,559,291	3,006,451	4,210,983
Time deposits maturing within 3 months	-	-	2,196,354
Cash at investment portfolios	26,330	56,928	42,972
<b>Bank balances and cash</b>	<b>2,585,621</b>	<b>3,063,379</b>	<b>6,450,309</b>
Less: bank overdraft	(2,751,506)	(4,787,095)	(2,297,541)
<b>Cash and cash equivalents</b>	<b>(165,885)</b>	<b>(1,723,716)</b>	<b>4,152,768</b>

## 9. TREASURY SHARES

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (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	789,380	796,757	848,399

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.

## 10. OTHER RESERVES

	Change in fair value reserve	Foreign currency translation reserve	Total
<b>At 1 January 2023</b>	<b>(45,781)</b>	<b>104,588</b>	<b>58,807</b>
Change in fair value of financial assets at fair value through other comprehensive income	(13,769)	-	(13,769)
Foreign currency translation differences	-	139,146	139,146
<b>30 September 2023 (Unaudited)</b>	<b>(59,550)</b>	<b>243,734</b>	<b>184,184</b>
<b>At 1 January 2022</b>	<b>76,381</b>	<b>57,125</b>	<b>133,506</b>
Change in fair value of financial assets at fair value through other comprehensive income	(64,758)	-	(64,758)
Foreign currency translation differences	-	139,114	139,114
<b>30 September 2022 (Unaudited)</b>	<b>11,623</b>	<b>196,239</b>	<b>207,862</b>

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**11. BANK BORROWING**

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Current portion	2,198,085	1,950,000	3,600,000
Non-current portion	14,500,000	15,521,951	14,821,951

Current portion includes accrued interest amounting to KD 176,134 (31 December 2022: Nil and 30 September 2022 : Nil).

Bank borrowings represent two loans denominated in Kuwaiti Dinars ("KD") obtained from a local bank ("the lender") with a maximum limit amounting to KD 24,121,981 and carry an effective interest rate of 3.5% (2022: 3.5%) per annum. The bank borrowing is used to finance purchase of equipment and vessels.

During 2022, the Parent Company had requested from the lender to defer the first four instalments of one of the two loans. The original due dates of the deferred instalments were 15 December 2022, 15 June 2023, 15 December 2023 and 15 June 2024 with total amount of KD 3,500,000. The new due dates of the instalments are 15 December 2028, 15 June 2029, 15 December 2029, and 15 June 2030.

On 22 December 2022, the lender approved the Parent Company's request to defer the first four instalments amounting to KD 3,500,000 of one of the loans. The deferred instalments carry interest rate of 1% in addition to the original interest rate (3.5%).

Bank borrowings are secured by machinery and equipment and vessels included in property, plant and equipment amounting to KD 17,907 and KD 12,880,972, respectively (31 December 2022: KD 25,816 and KD 13,642,516, 30 September 2022 : KD 28,588 and KD 13,899,153) (Note 5).

**12. TRADE AND OTHER PAYABLES**

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Trade payables	2,573,141	1,440,740	1,949,035
Advances from customers	747,640	30,530	1,173,064
Dividends payable (Note 16)	42,167	42,696	42,874
Accrued expenses	1,531,607	1,925,972	1,443,241
Refundable deposits	76,125	110,274	79,601
Provision for NLST, Zakat and KFAS	-	16,807	16,807
Other payables	185,905	316,564	149,825
	<u>5,156,585</u>	<u>3,883,583</u>	<u>4,854,447</u>



Notes to the condensed consolidated interim financial information (Unaudited)  
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### 13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Staff costs	647,671	498,360	1,859,272	1,523,931
Depreciation - property, plant and equipment (Note 5)	147,988	117,206	397,218	346,423
Depreciation - right-of-use assets	59,402	58,424	176,029	165,968
Insurance	54,886	42,098	148,420	135,534
Professional fees	79,367	25,119	196,367	135,126
Maintenance, repair and utilities	178,850	244,848	572,422	511,990
Transportation expenses	7,000	16,846	36,306	45,582
Stationary and office supplies	6,195	6,504	25,293	16,642
Bank charges	5,357	21,273	79,543	57,155
Rent	2,277	1,619	10,093	5,012
Subscription, registration and certification fees	40,001	20,986	90,067	67,974
Other expenses	121,131	70,242	374,691	374,134
	<u>1,350,125</u>	<u>1,123,525</u>	<u>3,965,721</u>	<u>3,385,471</u>

### 14. BASIC AND DILUTED LOSS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Loss for the period	(1,085,239)	(2,130,751)	(1,224,773)	(3,094,357)
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192	209,213,192	209,213,192
Loss per share (fils)	<u>(5.19)</u>	<u>(10.19)</u>	<u>(5.85)</u>	<u>(14.79)</u>

The Parent Company had no outstanding dilutive shares.

### 15. CONTINGENT LIABILITIES

	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2022 (Unaudited)
Letters of guarantee	<u>1,563,194</u>	<u>1,521,065</u>	<u>1,484,515</u>



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## 16. 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 30 September.

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

Transactions	Three months ended 30 September		Nine months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Key management benefits	144,088	119,723	377,133	351,498
<b>Balances</b>				
Key management long term balances - included in employees' end of service benefits		256,713	219,831	256,125
Key management short term balances - included in accrued expenses		66,036	53,761	72,964
Dividends payable (Note 12)		42,167	42,696	42,874

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

## 17 OPERATING SEGMENTS

### 17.1 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.

**Notes to the condensed consolidated interim financial information (Unaudited)**  
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## 17 OPERATING SEGMENTS (Continued)

### 17.1 Geographical and operational segments of the revenues, results, assets and liabilities (Continued)

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:

#### 17.1.1. Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	30 September		30 September		30 September		30 September	
	2023	2022	2023	2022	2023	2022	2023	2022
	KD 000's							
Kuwait	18,954	18,462	2,632	1,613	70	53	21,656	20,128
UAE	8,287	7,605	-	-	-	-	8,287	7,605
Australia	965	1,051	-	-	-	-	965	1,051
South Africa	3,673	3,257	-	-	-	-	3,673	3,257
<b>Total</b>	<b>31,879</b>	<b>30,375</b>	<b>2,632</b>	<b>1,613</b>	<b>70</b>	<b>53</b>	<b>34,581</b>	<b>32,041</b>
Intersegment eliminations							(20)	(15)
<b>Total*</b>							<b>34,561</b>	<b>32,026</b>

- \* Total reconciles to the following statement of income items:
- Operating revenue
  - Other operating income
  - Net investment income
  - Foreign currency exchange gain / (loss)
  - Reversal of tax on subsidiaries
  - Group's share in an associate's results



**Notes to the condensed consolidated interim financial information (Unaudited)**

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**17. OPERATING SEGMENTS (Continued)**

**17.1.2.Segments results (Unaudited)**

	Commercial segment		Food processing segment		Investments segment		Total	
	Nine months ended 30 September	2022	Nine months ended 30 September	2022	Nine months ended 30 September	2022	Nine months ended 30 September	2022
	2023	2022	2023	2022	2023	2022	2023	2022
	KD 000's							
Kuwait	(923)	(2,108)	267	(17)	29	28	(627)	(2,097)
UAE	(353)	(724)	-	-	-	-	(353)	(724)
Australia	(128)	(104)	-	-	-	-	(128)	(104)
South Africa	(103)	(153)	-	-	-	-	(103)	(153)
<b>Total</b>	<b>(1,507)</b>	<b>(3,089)</b>	<b>267</b>	<b>(17)</b>	<b>29</b>	<b>28</b>	<b>(1,211)</b>	<b>(3,078)</b>
Intersegment eliminations							(14)	(16)
<b>Total</b>							<b>(1,225)</b>	<b>(3,094)</b>

**17.1.3. Segmental distribution of assets and liabilities (Unaudited)**

	Commercial segment		Food processing segment		Investments segment		Total	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	2023	2022	2023	2022	2023	2022	2023	2022
	KD 000's							
Assets	53,567	52,196	2,257	5,683	290	1,042	56,114	58,863
Liabilities	26,673	28,400	174	97	-	-	26,847	28,497
				135			28,497	28,006

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**17. OPERATING SEGMENTS (Continued)**

**17.1.4. Geographical distribution of assets and liabilities (Unaudited)**

	30 September 2023 (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	45,733	6,546	2,303	1,532	56,114
Liabilities	24,994	1,231	478	144	26,847

	31 December 2022 (Audited) (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	48,614	6,596	2,336	1,317	58,863
Liabilities	26,905	1,059	435	98	28,497

	30 September 2022 (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	48,669	7,278	2,345	1,524	59,816
Liabilities	26,566	964	386	90	28,006

**18. OTHER OPERATING EXPENSES**

Other operating expenses represents expenses incurred while the vessels were idle.

**19. ANNUAL GENERAL ASSEMBLY MEETING**

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 13 April 2023, approved the annual consolidated financial statements for the financial year ended 31 December 2022.