



**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 six month period ended 30 June 2024



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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 June 2024 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and six-month periods then ended and the statements of changes in equity and cash flows for the six-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 six month period ended 30 June 2024, 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 six month period ended 30 June 2024 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
PricewaterhouseCoopers (Al-Shatti & Co.)

13 August 2024
Kuwait

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Condensed consolidated interim statement of financial position (Unaudited)

As at 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	32,884,069	34,230,657	35,208,516
Investment in an associate		541,487	527,223	485,823
Right-of-use assets		1,208,208	1,435,154	810,845
Financial assets at fair value through other comprehensive income	4	289,718	289,744	431,359
		<u>34,923,482</u>	<u>36,482,778</u>	<u>36,936,543</u>
Current assets				
Inventories	6	4,170,533	5,403,031	6,681,291
Trade and other receivables	7	11,440,642	10,752,940	12,726,600
Bank balances and cash	8	2,542,403	2,513,507	3,554,227
		<u>18,153,578</u>	<u>18,669,478</u>	<u>22,962,118</u>
Total assets		<u>53,077,060</u>	<u>55,152,256</u>	<u>59,898,661</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	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	136,398	227,268	204,202
Accumulated losses		(10,455,445)	(10,869,121)	(11,126,929)
Net equity		<u>30,975,379</u>	<u>30,652,573</u>	<u>30,371,699</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,729,321	1,598,123	1,513,776
Bank borrowing	11	12,700,000	13,600,000	14,500,000
Lease liabilities – non-current		703,454	1,008,357	534,833
		<u>15,132,775</u>	<u>16,206,480</u>	<u>16,548,609</u>
Current liabilities				
Bank borrowing	11	1,817,835	1,940,667	2,048,045
Bank overdraft	8	-	1,509,832	4,941,465
Trade and other payables	12	4,680,588	4,424,078	5,746,526
Lease liabilities – current		470,483	418,626	242,317
		<u>6,968,906</u>	<u>8,293,203</u>	<u>12,978,353</u>
Total liabilities		<u>22,101,681</u>	<u>24,499,683</u>	<u>29,526,962</u>
Total equity and liabilities		<u>53,077,060</u>	<u>55,152,256</u>	<u>59,898,661</u>


Nael Mohammad AlHumoud
Chairman


Ahmed Al Majed
Acting Chief Executive Officer

The notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of income (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Operating revenue		13,490,742	13,310,939	25,811,216	25,431,223
Operating costs		(11,636,797)	(11,147,829)	(21,423,026)	(21,118,714)
Gross profit		1,853,945	2,163,110	4,388,190	4,312,509
Other operating income		307,532	195,612	442,193	395,217
Marketing expenses		(471,663)	(384,070)	(865,841)	(747,983)
General and administrative expenses	13	(1,348,572)	(1,355,807)	(2,844,998)	(2,615,596)
Other operating expenses	18	(49,479)	(478,803)	(115,105)	(1,017,370)
Impairment of trade and other receivables		(18,987)	(23,749)	(40,449)	(45,668)
Operating profit		272,776	116,293	963,990	281,109
Net investment income		(4,733)	21,153	130	26,940
Group's share in an associate's results		14,946	8,118	29,430	25,510
Finance costs		(193,616)	(237,830)	(386,591)	(462,831)
Foreign currency exchange loss		42,486	169,806	(139,890)	(24,358)
Profit before subsidiaries' tax		131,859	77,540	467,069	(153,630)
(Income tax expense) / reversal of income tax on subsidiaries		(46,027)	29,065	(38,389)	14,096
Profit / (loss) after subsidiaries' tax		85,832	106,605	428,680	(139,534)
National Labour Support Tax ("NLST")		(2,146)	-	(10,717)	-
Zakat		(859)	-	(4,287)	-
Profit / (loss) for the period		82,827	106,605	413,676	(139,534)
Basic and diluted earnings / (loss) per share (fils)	14	0.40	0.51	1.98	(0.67)

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Profit / (loss) for the period		82,827	106,605	413,676	(139,534)
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	10	(88,829)	55,199	(90,844)	157,980
<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	10	(55)	(19,070)	(26)	(12,585)
Other comprehensive (loss) / income for the period		(88,884)	36,129	(90,870)	145,395
Total comprehensive (loss) / income for the period		(6,057)	142,734	322,806	5,861

The notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of changes in equity (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Accumulated losses	Net equity
At 1 January 2024	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	227,268	(10,869,121)	30,652,573
Profit for the period	-	-	-	-	-	-	413,676	413,676
Other comprehensive loss for the period	-	-	-	-	-	(90,870)	-	(90,870)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(90,870)	413,676	322,806
At 30 June 2024 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	136,398	(10,455,445)	30,975,379
At 1 January 2023	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	58,807	(10,987,395)	30,365,838
Loss for the period	-	-	-	-	-	-	(139,534)	(139,534)
Other comprehensive income for the period	-	-	-	-	-	145,395	-	145,395
Total comprehensive income / (loss) for the period	-	-	-	-	-	145,395	(139,534)	5,861
At 30 June 2023 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	204,202	(11,126,929)	30,371,699

The notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the six months ended 30	
		June	
		2024	2023
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit / (loss) for the period		413,676	(139,534)
Adjustments for:			
Depreciation – property, plant and equipment	5	2,140,237	2,068,490
Depreciation – right of use assets		219,975	205,708
Gain on sale of property, plant and equipment		(4,443)	(8,026)
Net investment income		(130)	(26,940)
Interest expense – lease liability		42,668	31,671
Interest expense – bank borrowing and overdraft		343,923	431,161
Impairment of trade and other receivables		40,449	45,668
Group's share in associate's results		(29,430)	(25,510)
Foreign currency exchange loss		139,890	24,358
Employees' end of service benefits		162,352	131,329
		<u>3,469,167</u>	<u>2,738,375</u>
Changes in working capital:			
Inventories		1,232,498	669,983
Trade and other receivables		(728,290)	(2,272,843)
Trade and other payables		117,361	1,838,981
Cash generated from operations		<u>4,090,736</u>	<u>2,974,496</u>
Employees' end of service benefits paid		(31,052)	(17,180)
Net cash flows generated from operating activities		<u>4,059,684</u>	<u>2,957,316</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(839,652)	(1,772,203)
Proceeds from disposal of property, plant and equipment		18,497	10,516
Financial assets at fair value through other comprehensive income		-	540,157
Redemption for financial assets at amortised cost		-	-
Investment income received		130	26,940
Net cash flows used in investing activities		<u>(821,025)</u>	<u>(1,194,590)</u>
Cash flows from financing activities			
Repayment of bank borrowing		(1,021,951)	(950,000)
Interest paid on bank borrowings and overdraft		(344,804)	(405,067)
Dividends paid		(741)	(396)
Principal element of lease payments		(288,809)	(270,170)
Net cash flows used in financing activities		<u>(1,656,305)</u>	<u>(1,625,633)</u>
Net increase in cash and cash equivalents		<u>1,582,354</u>	<u>137,093</u>
Cash and cash equivalents at beginning of the period	8	1,003,675	(1,723,716)
Effects of exchange rate changes on cash and cash equivalents		(43,626)	199,385
Cash and cash equivalents at end of the period	8	<u>2,542,403</u>	<u>(1,387,238)</u>

The notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(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.

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

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(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 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (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 June 2024.

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 June 2024.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 13 August 2024.

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 IFRS Accounting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(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 2023 and the corresponding interim reporting period. Also see (a) and (b) below.

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

The Group has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2024, and have no impact on the Group:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

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) Impact of new standards (issued but not yet adopted by the Group):

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. The standards, interpretations and amendments issued relevant to the Group, but are not yet effective are disclosed below:

- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability

The Group is in the process of evaluating the impact of these standards and they 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 2023.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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.

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

30 June 2024 (Unaudited)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>
Financial assets at fair value through other comprehensive income	1,228	22,064	266,426	289,718
31 December 2023 (Audited)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>
Financial assets at fair value through other comprehensive income	1,233	22,085	266,426	289,744
30 June 2023 (Unaudited)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>
Financial assets at fair value through other comprehensive income	147,264	22,294	261,801	431,359

Financial assets at fair value through other comprehensive income comprise the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Quoted securities	1,228	1,233	147,264
Unquoted foreign securities	22,064	22,085	22,294
Unquoted local securities	266,426	266,426	261,801
	289,718	289,744	431,359

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.

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Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION (Continued)

The following table represents the changes in Level 3 instruments:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Opening balance	266,426	267,128	267,128
Change in fair value	-	(702)	(5,327)
Ending balance	266,426	266,426	261,801

5. PROPERTY, PLANT AND EQUIPMENT

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Opening balance	34,230,657	35,541,399	35,541,399
Additions	839,652	3,000,836	1,772,203
Disposals	(338,091)	(22,578)	(3,425)
Depreciation relating to disposals	324,037	19,951	935
Depreciation charge	(2,140,237)	(4,307,997)	(2,068,490)
Foreign currency translation differences	(31,949)	(954)	(34,106)
	32,884,069	34,230,657	35,208,516

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Operating costs	1,813,534	3,675,233	1,755,186
Marketing expenses	102,134	158,752	64,074
General and administrative expenses (Note 13)	224,569	474,012	249,230
	2,140,237	4,307,997	2,068,490

Machinery and equipment included in property, plant and equipment with a carrying value of KD 11,591 as at 30 June 2024 (31 December 2023: KD 15,414; 30 June 2023: KD 20,432) are mortgaged as a security against long term borrowing (Note 11).

Vessel included in property, plant and equipment with a carrying value of KD 12,118,026 as at 30 June 2024 (31 December 2023: KD 12,624,335; 30 June 2023: KD 13,137,759) is mortgaged as a security against long term borrowing (Note 11).

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

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

6. INVENTORIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Livestock and meat	2,071,792	1,552,397	4,272,454
Fodder	106,955	156,657	490,064
Medicines, fertilisers and others	1,124,963	914,254	795,793
	3,303,710	2,623,308	5,558,311
Goods in transit	-	1,955,728	-
Production materials and spare parts	866,823	823,995	1,122,980
	4,170,533	5,403,031	6,681,291

7. TRADE AND OTHER RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Trade receivables	8,917,740	7,887,442	9,239,654
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	25,248,370	24,218,072	25,570,284
Loss allowance	(16,374,587)	(16,341,427)	(16,355,212)
	8,873,783	7,876,645	9,215,072
Advances to suppliers	1,263,435	1,397,645	1,199,892
Prepaid expenses	458,402	353,131	551,508
Refundable deposits	127,978	101,765	126,935
Staff receivables	24,669	22,286	22,980
Others	692,375	1,001,468	1,610,213
	11,440,642	10,752,940	12,726,600

* 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 (31 December 2023: KD 16,330,630, 30 June 2023: KD 16,330,630). The Group's subsidy was not approved by the Ministry due to a dispute regarding the subsidy per head. Further, there were two legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount.

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7. TRADE AND OTHER RECEIVABLES (Continued)

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 2023: KD 33,500, 30 June 2023: 33,500) was maintained against the remaining government subsidy balance amounting to KD 3,105,426 (31 December 2023: KD 3,105,426, 30 June 2023: KD 3,105,426) as this amount was not part of the dispute.

As at 30 June 2024, the loss allowance maintained against the total accrued government subsidy balance amounted to KD 13,258,704 (31 December 2023: KD 13,258,704, 30 June 2023: KD 13,225,204).

8. CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Cash on hand and at banks	2,516,715	2,487,458	2,960,659
Cash at investment portfolios	25,688	26,049	593,568
Bank balances and cash	2,542,403	2,513,507	3,554,227
Less: bank overdraft	-	(1,509,832)	(4,941,465)
Cash and cash equivalents	2,542,403	1,003,675	(1,387,238)

9. TREASURY SHARES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (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	804,135	722,984	722,984

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.

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10. OTHER RESERVES

	<u>Change in fair value reserve</u>	<u>Foreign currency translation reserve</u>	<u>Total</u>
At 1 January 2024	(59,901)	287,169	227,268
Change in fair value of financial assets at fair value through other comprehensive income	(26)	-	(26)
Foreign currency translation differences	-	(90,844)	(90,844)
30 June 2024 (Unaudited)	<u>(59,927)</u>	<u>196,325</u>	<u>136,398</u>
At 1 January 2023	(45,781)	104,588	58,807
Change in fair value of financial assets at fair value through other comprehensive income	(12,585)	-	(12,585)
Foreign currency translation differences	-	157,980	157,980
30 June 2023 (Unaudited)	<u>(58,366)</u>	<u>262,568</u>	<u>204,202</u>

11. BANK BORROWING

	<u>30 June 2024 (Unaudited)</u>	<u>31 December 2023 (Audited)</u>	<u>30 June 2023 (Unaudited)</u>
Current portion	1,817,835	1,940,667	2,048,045
Non-current portion	12,700,000	13,600,000	14,500,000

Current portion includes accrued interest amounting to KD 17,835 (31 December 2023: KD 18,716 and, 30 June 2023: KD 26,094).

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% (31 December 2023: 3.5%, 30 June 2023: 3.5%) per annum. The bank borrowing is used to finance purchasing 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%).

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11. BANK BORROWING (Continued)

Bank borrowings are secured by machinery and equipment and vessels included in property, plant and equipment amounting to KD 11,591 and KD 12,118,026 respectively (31 December 2023: KD 15,414 and KD 12,624,335, 30 June 2023: KD 25,816 and KD 13,642,516) (Note 5).

12. TRADE AND OTHER PAYABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Trade payables	2,409,111	1,897,967	2,251,224
Advances from customers	748,877	450,144	741,252
Dividends payable (Note 16)	41,120	41,861	42,300
Accrued expenses	1,057,802	1,774,973	2,370,118
Refundable deposits	216,881	155,230	105,343
Other payables	206,797	103,903	236,289
	4,680,588	4,424,078	5,746,526

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 June		Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Staff costs	606,788	621,873	1,259,186	1,211,601
Maintenance, repair and utilities	224,909	227,763	542,555	393,572
Depreciation - property, plant and equipment (Note 5)	88,441	129,481	224,569	249,230
Insurance	67,543	50,008	122,666	93,534
Depreciation - right-of-use asset	58,807	59,067	118,578	116,627
Professional fees	53,214	37,045	95,546	117,000
Subscription, registration and certification fees	54,734	27,355	82,554	50,066
Bank charges	25,478	19,908	59,390	74,186
Rent	24,560	4,737	38,062	7,816
Transportation expenses	11,447	22,133	23,705	29,306
Stationary and office supplies	3,793	9,609	9,600	19,098
Other expenses	128,858	146,828	268,587	253,560
	1,348,572	1,355,807	2,844,998	2,615,596

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

Basic and diluted earnings / (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 June		Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Profit / (loss) for the period	82,827	106,605	413,676	(139,534)
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192	209,213,192	209,213,192
Earnings / (loss) per share (fils)	0.40	0.51	1.98	(0.67)

The Parent Company had no outstanding dilutive shares.

15. CONTINGENT LIABILITIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Letters of guarantee	1,487,284	1,618,132	1,509,764

Letter of guarantees are issued by the Group to mainly governmental entities to ensure the fulfillment of the Group's contractual obligations towards governmental lessors and customers.

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 June.

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

Transactions	Three months ended 30 June		Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Key management benefits	124,833	114,759	249,667	233,045

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16. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Balances	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Key management long term balances - included in employees' end of service benefits	293,372	267,496	246,503
Key management short term balances - included in accrued expenses	72,688	129,007	66,634
Dividends payable (Note 12)	41,120	41,861	42,300

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.

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:

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17. OPERATING SEGMENTS (Continued)

17.1.1 Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023	2024	2023	2024	2023
	KD 000's							
Kuwait	13,295	16,882	724	1,661	14	26	14,033	18,569
UAE	7,991	6,110	-	-	-	-	7,991	6,110
Australia	589	732	-	-	29	26	618	758
South Africa	3,640	442	-	-	-	-	3,640	442
Total	25,515	24,166	724	1,661	43	52	26,282	25,879

* Total reconciles to the following statement of income items:

- Operating revenue
- Other operating income
- Net investment income
- Group's share in an associate's results

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17. OPERATING SEGMENTS (Continued)

17.1.2 Segments results (Unaudited)

	KD 000's							
	Commercial segment		Food processing segment		Investments segment		Total	
	Six months ended	30 June	Six months ended	30 June	Six months ended	30 June	Six months ended	30 June
	2024	2023	2024	2023	2024	2023	2024	2023
Kuwait	703	(213)	22	177	14	26	739	(10)
UAE	(266)	(3)	-	-	-	-	(266)	(3)
Australia	(192)	(64)	-	-	29	26	(163)	(38)
South Africa	104	(89)	-	-	-	-	104	(89)
Total	349	(369)	22	177	43	52	414	(140)

17.1.3 Segmental distribution of assets and liabilities (Unaudited)

	KD 000's							
	Commercial segment		Food processing segment		Investments segment		Total	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2024	2023	2024	2023	2024	2023	2024	2023
Assets	51,871	49,028	53,466	375	5,307	831	817	431
Liabilities	21,465	24,491	29,353	637	9	174	-	-
	December 2023 (Audited)		December 2023 (Audited)		December 2023 (Audited)		December 2023 (Audited)	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	51,871	49,028	53,466	375	5,307	831	817	431
	21,465	24,491	29,353	637	9	174	-	-
	53,077	55,152	59,899	22,102	24,500	29,527	55,152	24,500

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17. OPERATING SEGMENTS (Continued)

17.1.4 Geographical distribution of assets and liabilities (Unaudited)

	30 June 2024 (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	42,624	7,352	1,592	1,509	53,077
Liabilities	20,075	1,331	196	500	22,102

	31 December 2023 (Audited) (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	45,563	6,421	1,754	1,414	55,152
Liabilities	22,702	1,180	473	145	24,500

	30 June 2023 (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	46,811	7,489	2,190	3,409	59,899
Liabilities	27,957	1,221	303	46	29,527

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 28 March 2024, approved the annual consolidated financial statements for the financial year ended 31 December 2023.

20. SIGNIFICANT MATTERS DURING THE PERIOD

During the period ended 30 June 2024 the Group has fully settled one of its bank borrowings by paying the last installment amounting to KD 1,021,951. Furthermore, the Group has fully settled the bank overdraft balance.