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 2023

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The Board of Directors

Livestock Transport and Trading Company K.P.S.C.
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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 2023 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 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 three month period ended 31 March 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.

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

8 May 2023
Kuwait

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Condensed consolidated interim statement of financial position (Unaudited)
As at 31 March 2023
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	**35,641,788**	35,541,399	34,356,148
Investment in an associate		**478,644**	463,707	482,350
Right-of-use assets		**853,014**	956,829	1,226,097
Financial assets at fair value through other comprehensive income	4	**990,586**	984,101	1,044,269
		37,964,032	37,946,036	37,108,864
Current assets				
Inventories	6	**5,717,913**	7,351,274	6,375,682
Trade and other receivables	7	**11,240,472**	10,502,354	13,176,099
Bank balances and cash	8	**6,421,095**	3,063,379	6,556,836
		23,379,480	20,917,007	26,108,617
Total assets		**61,343,512**	58,863,043	63,217,481
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	**168,073**	58,807	82,305
Accumulated losses		**(11,233,534)**	(10,987,395)	(6,219,078)
Net equity		**30,228,965**	30,365,838	35,157,653
Liabilities				
Non-current liabilities				
Employees' end of service benefits		**1,453,384**	1,399,238	1,436,051
Bank borrowing	11	**15,521,951**	15,521,951	16,621,951
Lease liabilities – non-current		**532,541**	662,688	857,695
		17,507,876	17,583,877	18,915,697
Current liabilities				
Bank borrowing	11	**2,131,759**	1,950,000	2,750,000
Bank overdraft	8	**6,846,447**	4,787,095	1,913,505
Trade and other payables	12	**4,357,075**	3,883,583	4,091,759
Lease liabilities – current		**271,390**	292,650	388,867
		13,606,671	10,913,328	9,144,131
Total liabilities		**31,114,547**	28,497,205	28,059,828
Total equity and liabilities		**61,343,512**	58,863,043	63,217,481

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 period ended 31 March 2023
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 31 March 2023 (Unaudited)	Three months ended 31 March 2022 (Unaudited)
Operating revenue		**12,120,284**	13,997,261
Operating costs		**(9,970,885)**	(12,327,064)
Gross profit		**2,149,399**	1,670,197
Other operating income		**199,605**	203,195
Marketing expenses		**(363,913)**	(434,230)
General and administrative expenses	13	**(1,259,789)**	(1,204,613)
Other operating expenses	18	**(538,567)**	-
Impairment of trade and other receivables		**(21,919)**	(19,876)
Operating profit		**164,816**	214,673
Net investment income		**5,787**	9,665
Group's share in an associate's results		**17,392**	11,421
Finance costs		**(225,001)**	(188,436)
Foreign currency exchange (loss) / gain		**(194,164)**	340,653
(Loss) / profit before subsidiaries' tax		**(231,170)**	387,976
(Income tax expense) / reversal of income tax on subsidiaries		**(14,969)**	9,403
(Loss) / profit after subsidiaries' tax		**(246,139)**	397,379
National Labour Support Tax ("NLST")		-	(9,934)
Zakat		-	(3,974)
Kuwait Foundation for the Advancement of Sciences ("KFAS")		-	(3,974)
(Loss) / profit for the period		**(246,139)**	379,497
Basic and diluted (loss) / earnings per share (fils)	14	**(1.18)**	1.81

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

Condensed consolidated interim statement of comprehensive income (Unaudited)
For the three month period ended 31 March 2023
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 31 March 2023 (Unaudited)	2022 (Unaudited)
(Loss) / profit for the period		**(246,139)**	379,497
Other comprehensive income:			
Items that may be reclassified to the condensed consolidated interim statement of income:			
Exchange differences on translation of foreign operations	10	**102,781**	(26,897)
Items that will not be reclassified to the condensed consolidated interim statement of income:			
Changes in fair value of financial assets at fair value through other comprehensive income	10	**6,485**	(24,304)
Other comprehensive income / (loss) for the period		**109,266**	(51,201)
Total comprehensive (loss) / income for the period		**(136,873)**	328,296

The notes on pages 7 to 19 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 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
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	-	-	-	-	-	-	(246,139)	(246,139)
Other comprehensive income for the period	-	-	-	-	-	109,266	-	109,266
Total comprehensive income / (loss) for the period	-	-	-	-	-	109,266	(246,139)	(136,873)
At 31 March 2023 (Unaudited)	**21,659,057**	**4,967,805**	**(1,647,126)**	**11,825,560**	**4,489,130**	**168,073**	**(11,233,534)**	**30,228,965**
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**

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

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Condensed consolidated interim statement of cash flows (Unaudited)
For the three month period ended 31 March 2023
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended 31 March 2023 (Unaudited)	2022 (Unaudited)
Cash flows from operating activities			
Loss / (profit) for the period		**(246,139)**	379,497
Adjustments for:			
Depreciation – property, plant and equipment	5	**1,022,423**	987,669
Depreciation – right of use assets		**102,118**	97,643
Loss on sale of property, plant and equipment		**1,290**	-
Net investment income		**(5,787)**	(9,665)
Interest expense – lease iability		**16,790**	18,438
Interest expense – bank borrowing and overdraft		**208,211**	169,998
Impairment losses on financial assets		**21,919**	19,876
Group's share in associate's results		**(17,392)**	(11,421)
Foreign currency exchange (gain) / loss		**194,164**	(340,653)
Employees' end of service benefits		**62,710**	56,195
		1,360,307	1,367,577
Changes in working capital:			
Inventories		**1,633,361**	141,152
Trade and other receivables		**(761,005)**	(1,097,615)
Trade and other payables		**279,532**	(374,330)
Cash generated from operations		**2,512,195**	36,784
Employees' end of service benefits paid		**(8,679)**	(20,024)
Net cash flows generated from operating activities		**2,503,516**	16,760
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(1,148,777)**	(284,910)
Proceeds from disposal of property, plant and equipment		**1,200**	-
Redemption for financial assets at amortised cost		**-**	305,950
Investment income received		**5,787**	9,665
Net cash flows (used in) / generated from investing activities		**(1,141,790)**	30,705
Cash flows from financing activities			
Interest paid on bank borrowings and overdraft		**(26,452)**	(169,998)
Dividends paid		**(204)**	(1,034)
Principal element of lease payments		**(166,197)**	(141,340)
Net cash flows used in financing activities		**(192,853)**	(312,372)
Net increase / (decrease) in cash and cash equivalents		**1,168,873**	(264,907)
Cash and cash equivalents at beginning of the period	8	**(1,723,716)**	5,029,997
Effects of exchange rate changes on cash and cash equivalents		**129,491**	(121,759)
Cash and cash equivalents at end of the period	8	**(425,352)**	4,643,331

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

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 our 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.

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"):

	Shareholding interest (%)				
Name of subsidiaries	**31 March 2023 (Unaudited)**	**31 December 2022 (Audited)**	**31 March 2022 (Unaudited)**	**Activity**	**Country of incorporation**
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	-	Sea transportation of miscellaneous goods	Kuwait
Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.	**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 31 March 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 31 March 2023.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 8 May 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 three month period ended 31 March 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.

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 correspoding 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.

4. FAIR VALUE ESTIMATION (Continued)

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

31 March 2023 (Unaudited)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets at fair value through other comprehensive income	**706,526**	**22,259**	**261,801**	**990,586**

31 December 2022 (Audited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	693,493	23,480	267,128	984,101

31 March 2022 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	715,206	22,117	306,946	1,044,269

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 2023 (Unaudited)	**31 December 2022 (Audited)**	**31 March 2022 (Unaudited)**
Opening balance	**267,128**	324,131	324,131
Disposals	**-**	-	-
Change in fair value	**(5,327)**	(57,003)	(17,185)
Ending balance	**261,801**	267,128	306,946

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Opening balance	**35,541,399**	34,975,954	34,975,954
Additions	**1,148,777**	4,329,981	284,910
Disposals	**(3,425)**	(486,206)	-
Depreciation relating to disposals	**935**	466,412	-
Depreciation charge	**(1,022,423)**	(3,657,444)	(987,669)
Foreign currency translation differences	**(23,475)**	(87,298)	82,953
	35,641,788	35,541,399	34,356,148

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Operating costs	**880,670**	3,130,222	857,958
Marketing expenses	**22,004**	106,057	26,107
General and administrative expenses (Note 13)	**119,749**	421,165	103,604
	1,022,423	3,657,444	987,669

Machinery and equipment included in property, plant and equipment with a carrying value of KD 23,105 as at 31 March 2023 (31 December 2022: KD 25,816; 31 March 2022: KD 36,008) are mortgaged as a security against long term borrowing (Note 11).

Vessel included in property, plant and equipment with a carrying value of KD 13,391,457 as at 31 March 2023 (31 December 2022: KD 13,642,516; 31 March 2021: KD 14,491,013) is mortgaged as a security against long term borrowing (Note 11).

6. INVENTORIES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Livestock and meat (net)	**3,877,874**	5,429,829	4,633,711
Fodder	**259,364**	96,463	167,382
Medicines, fertilisers and others	**684,386**	754,599	670,443
	4,821,624	6,280,891	5,471,536
Goods in transit	**-**	34,858	-
Production materials and spare parts	**896,289**	1,035,525	904,146
	5,717,913	7,351,274	6,375,682

7. TRADE AND OTHER RECEIVABLES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Trade receivables	**8,322,724**	7,621,130	8,684,512
Accrued Government subsidy*	**16,330,630**	16,330,630	16,330,630
	24,653,354	23,951,760	25,015,142
Loss allowance	**(16,329,502)**	(16,306,615)	(15,575,774)
	8,323,852	7,645,145	9,439,368
Advances to suppliers	**1,072,843**	1,154,469	1,801,812
Prepaid expenses	**479,074**	375,809	310,780
Refundable deposits	**112,533**	117,451	135,862
Staff receivables	**23,534**	19,606	-
Others	**1,228,636**	1,189,874	1,488,277
	11,240,472	10,502,354	13,176,099

* 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 (2021: 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.

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.

No individual loss allowance was maintained against the remaining government subsidy balance amounting to KD 3,105,426 (2021: KD 3,105,426, 31 March 2022: KD 3,105,426) as this amount was not part of the dispute.

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

8. CASH AND CASH EQUIVALENTS

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Cash on hand and at banks	**3,450,610**	3,006,451	6,178,081
Time deposits maturing within 3 months	**2,931,200**	-	-
Cash at investment portfolios	**39,285**	56,928	378,755
Bank balances and cash	**6,421,095**	3,063,379	6,556,836
Less: bank overdraft	**(6,846,447)**	(4,787,095)	(1,913,505)
Cash and cash equivalents	**(425,352)**	(1,723,716)	4,643,331

9. TREASURY SHARES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 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	**759,870**	796,757	1,224,646

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
At 1 January 2023	**(45,781)**	**104,588**	**58,807**
Change in fair value of financial assets at fair value through other comprehensive income	6,485	-	6,485
Foreign currency translation differences	-	102,781	102,781
31 March 2023 (Unaudited)	**(39,296)**	**207,369**	**168,073**
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**

11. BANK BORROWING

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Current portion	**2,131,759**	1,950,000	2,750,000
Non-current portion	**15,521,951**	15,521,951	16,621,951

Current portion includes accrued interest amounting to KD 181,759 (31 December 2022: Nil and, 31 March 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% (2021: 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 loans with original due date of 15 December 2022, 15 June 2023, 15 December 2023 and 15 June 2024 and total amount of KD 3,500,000 to the years 2028 to 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 23,105 and KD 13,391,457 respectively (31 December 2022: KD 25,816 and KD 13,642,516, 31 March 2022: KD 36,008 and KD 14,491,013) (Note 5).

12. TRADE AND OTHER PAYABLES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Trade payables	**2,095,671**	1,440,740	1,255,893
Advances from customers	**153,243**	30,530	153,584
Dividends payable (Note 16)	**42,492**	42,696	43,120
Accrued expenses	**1,590,685**	1,925,972	2,177,659
Refundable deposits	**109,654**	110,274	102,427
Provision for NLST, Zakat and KFAS	**16,807**	16,807	34,689
Other payables	**348,523**	316,564	324,387
	4,357,075	3,883,583	4,091,759

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2023 (Unaudited)	**2022 (Unaudited)**
Staff costs	**589,728**	545,176
Depreciation - property, plant and equipment (Note 5)	**119,749**	103,604
Depreciation - right-of-use assets	**57,560**	53,103
Insurance	**43,526**	39,403
Professional fees	**79,955**	66,107
Maintenance, repair and utilities	**165,809**	131,315
Transportation expenses	**7,173**	38,312
Stationary and office supplies	**9,489**	27,217
Bank charges	**54,278**	18,310
Rent	**3,079**	1,745
Other expenses	**129,443**	180,321
	1,259,789	1,204,613

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

Basic and diluted (loss) / earnings 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 31 March	
	2023 (Unaudited)	**2022 (Unaudited)**
(Loss) / profit for the period	**(246,139)**	379,497
Weighted average number of outstanding shares (less treasury shares)	**209,213,192**	209,213,192
(Loss) / earning per share (fils)	**(1.18)**	1.81

The Parent Company had no outstanding dilutive shares.

15. CONTINGENT LIABILITIES

	31 March 2023 (Unaudited)	**31 December 2022 (Audited)**	**31 March 2022 (Unaudited)**
Letters of guarantee	**1,500,014**	1,521,065	1,388,759

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 31 March.

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

Transactions	**Three months ended 31 March**	
	2023 (Unaudited)	**2022 (Unaudited)**
Key management benefits	**118,286**	185,460

Balances	**31 March 2023 (Unaudited)**	**31 December 2022 (Audited)**	**31 March 2022 (Unaudited)**
Key management long term balances - included in employees' end of service benefits	**228,417**	219,831	350,092
Key management short term balances - included in accrued expenses	**59,804**	53,761	82,621
Dividends payable (Note 12)	**42,492**	42,696	43,120

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:

17.1.1 Segments revenues (Unaudited)

	Commercial segment Three months ended 31 March		Food processing segment Three months ended 31 March		Investments segment Three months ended 31 March		Total Three months ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
				KD 000's				
Kuwait	**7,668**	10,530	**862**	380	**7**	10	**8,537**	10,920
UAE	**2,937**	2,656	**-**	-	**-**	-	**2,937**	2,656
Australia	**437**	449	**-**	-	**-**	-	**437**	449
South Africa	**231**	556	**-**	-	**-**	-	**231**	556
Total	**11,273**	14,191	**862**	380	**7**	10	**12,142**	14,581
Intersegment eliminations							**(25)**	(21)
Total*							**12,117**	14,560

* 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

17. OPERATING SEGMENTS (Continued)

17.1.2 Segments results (Unaudited)

	Commercial segment Three months ended 31 March		Food processing segment Three months ended 31 March		Investments segment Three months ended 31 March		Total Three months ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
				KD 000's				
Kuwait	**(219)**	562	**89**	(37)	**7**	10	**(123)**	535
UAE	**(31)**	(87)	**-**	-	**-**	-	**(31)**	(87)
Australia	**(30)**	(13)	**-**	-	**-**	-	**(30)**	(13)
South Africa	**(52)**	(24)	**-**	-	**-**	-	**(52)**	(24)
Total	**(332)**	438	**89**	(37)	**7**	10	**(236)**	411
Intersegment eliminations							**(10)**	(32)
Total							**(246)**	379

17.1.3 Segmental distribution of assets and liabilities (Unaudited)

	Commercial segment			Food processing segment			Investments segment			Total		
	31 March 2023	31 December 2022 (Audited)	31 March 2022	31 March 2023	31 December 2022 (Audited)	31 March 2022	31 March 2023	31 December 2022 (Audited)	31 March 2022	31 March 2023	31 December 2022 (Audited)	31 March 2022
						KD 000's						
Assets	**55,169**	52,196	57,027	**5,184**	5,683	5,146	**991**	984	1,044	**61,344**	58,863	63,217
Liabilities	**31,018**	28,400	28,001	**97**	97	59	**-**	-	-	**31,115**	28,497	28,060

17. OPERATING SEGMENTS (Continued)

17.1.4 Geographical distribution of assets and liabilities (Unaudited)

	31 March 2023 (KD 000's)				
	Kuwait	**UAE**	**Australia**	**South Africa**	**Total**
Assets	**50,504**	**7,072**	**2,424**	**1,344**	**61,344**
Liabilities	**29,356**	**1,035**	**482**	**242**	**31,115**

	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

	31 March 2022 (KD 000's)				
	Kuwait	**UAE**	**Australia**	**South Africa**	**Total**
Assets	51,956	6,287	3,188	1,786	63,217
Liabilities	25,802	1,173	443	642	28,060

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.