



**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 2020



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

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and independent auditor's review report for the three month period ended 31 March 2020

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## The Board of Directors

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

### **Report on review of condensed consolidated interim financial information**

#### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2020, 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 other explanatory notes. The Parent Company's 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information 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.

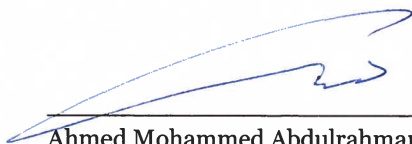
#### **Conclusion**

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 2020, 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 material violations during the three month period ended 31 March 2020 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations.



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Ahmed Mohammed Abdulrahman Al-Rasheed

License No. 39 A

PricewaterhouseCoopers  
(Al-Shatti & Co.)

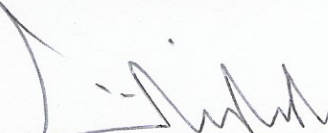
13 August 2020  
Kuwait

Condensed consolidated interim statement of financial position (unaudited)

As at 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	31 March 2020 (Unaudited)	31 December 2019 (Audited)	31 March 2019 (Unaudited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	39,447,428	23,732,113	40,535,468
Investment in an associate		405,178	444,539	363,175
Right-of-use assets		1,892,354	1,983,312	1,438,768
Financial assets at fair value through other comprehensive income	4	1,144,144	1,257,243	1,488,506
Financial assets at amortised costs	6	2,733,302	2,733,302	2,733,302
		<u>45,622,406</u>	<u>30,150,509</u>	<u>46,559,219</u>
<b>Current assets</b>				
Inventories	7	7,600,543	6,266,519	4,901,527
Trade and other receivables	8	15,556,515	16,962,171	17,714,452
Cash and cash equivalents	9	5,669,147	5,623,287	2,537,767
		<u>28,826,205</u>	<u>28,851,977</u>	<u>25,153,746</u>
<b>Total assets</b>		<u><b>74,448,611</b></u>	<u><b>59,002,486</b></u>	<u><b>71,712,965</b></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	10	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		4,489,130	4,489,130	4,489,130
Other reserves	11	(168,148)	(42,427)	(81,764)
Accumulated losses		(550,829)	(1,101,158)	(1,612,038)
<b>Net equity</b>		<u><b>40,575,449</b></u>	<u><b>40,150,841</b></u>	<u><b>39,600,624</b></u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		1,347,312	1,416,252	1,528,012
Long term borrowing	12	6,771,951	6,771,951	17,720,494
Lease liabilities - non-current		1,502,606	1,553,599	1,200,818
		<u>9,621,869</u>	<u>9,741,802</u>	<u>20,449,324</u>
<b>Current liabilities</b>				
Bank borrowing	12	1,900,000	1,900,000	2,500,000
Bank overdraft	9	15,703,080	115,045	1,289,941
Trade and other payables	13	6,274,956	6,701,628	7,623,978
Lease liabilities - current		373,257	393,170	249,098
		<u>24,251,293</u>	<u>9,109,843</u>	<u>11,663,017</u>
<b>Total liabilities</b>		<u><b>33,873,162</b></u>	<u><b>18,851,645</b></u>	<u><b>32,112,341</b></u>
<b>Total equity and liabilities</b>		<u><b>74,448,611</b></u>	<u><b>59,002,486</b></u>	<u><b>71,712,965</b></u>

  
Waleed Abdullah Al-Romi  
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 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended	
		31 March	
		2020 (Unaudited)	2019 (Unaudited)
Operating revenues		19,622,701	15,261,401
Operating costs		(16,869,468)	(13,107,325)
<b>Gross profit</b>		<b>2,753,233</b>	<b>2,154,076</b>
Other operating income		59,620	331,804
Marketing expenses		(420,935)	(385,077)
General and administrative expenses	14	(1,389,041)	(1,335,819)
Other operating expenses		(17,781)	(64,439)
Impairment of trade and other receivables		(292,065)	(11,773)
<b>Operating profit</b>		<b>693,031</b>	<b>688,772</b>
Net investment income		50,015	50,304
Group's share in an associate's results		6,376	(5,483)
Finance costs		(75,672)	(90,296)
Foreign currency exchange (loss) / gain		(103,461)	43,650
<b>Profit before subsidiaries' tax and deductions</b>		<b>570,289</b>	<b>686,947</b>
National Labour Support Tax ("NLST")		(14,257)	(17,175)
Zakat		(5,703)	(6,870)
<b>Profit for the period</b>		<b>550,329</b>	<b>662,902</b>
<b>Basic and diluted earnings per share (fils)</b>	15	<b>2.630</b>	<b>3.169</b>

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 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	For the three months ended 31 March	
	2020 (Unaudited)	2019 (Unaudited)
<b>Profit for the period</b>	<b>550,329</b>	662,902
<b>Other comprehensive (loss)/ income:</b>		
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>		
Exchange differences on translation of foreign operations	<b>(85,354)</b>	(41,807)
<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	<b>(40,367)</b>	101,942
<b>Other comprehensive (loss) / income for the period</b>	<b>(125,721)</b>	60,135
<b>Total comprehensive income for the period</b>	<b>424,608</b>	723,037

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 2020

(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 2020</b>	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	(42,427)	(1,101,158)	40,150,841
Profit for the period	-	-	-	-	-	-	550,329	550,329
Other comprehensive loss for the period	-	-	-	-	-	(125,721)	-	(125,721)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(125,721)	550,329	424,608
<b>At 31 March 2020 (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>(168,148)</b>	<b>(550,829)</b>	<b>40,575,449</b>
<b>At 1 January 2019</b>	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	(141,899)	(2,274,940)	38,877,587
Profit for the period	-	-	-	-	-	-	662,902	662,902
Other comprehensive income for the period	-	-	-	-	-	60,135	-	60,135
Total comprehensive income for the period	-	-	-	-	-	60,135	662,902	723,037
<b>At 31 March 2019 (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>(81,764)</b>	<b>(1,612,038)</b>	<b>39,600,624</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 three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended 31 March	
		2020 (Unaudited)	2019 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit for the period		550,329	662,902
<b>Adjustments for:</b>			
Depreciation		876,375	765,494
Interests on deposits and call accounts		(13,474)	(3,833)
Interest expense – lease liability		26,719	17,914
Impairment of trade and other receivables		292,065	11,773
Net investment income		(36,541)	(46,472)
Group's share in an associate's results		(6,376)	5,483
Foreign currency exchange loss / (gain)		103,461	(43,650)
Employees' end of service benefits		51,816	48,071
		<b>1,844,374</b>	<b>1,417,682</b>
<b>Changes in working capital:</b>			
Inventories		(1,334,024)	(838,696)
Trade and other receivables		1,113,591	(2,637,652)
Trade and other payables		(529,784)	17,212
<b>Cash generated from / (used in) operations</b>		<b>1,094,157</b>	<b>(2,041,454)</b>
Employees' end of service benefits paid		(122,198)	(14,216)
<b>Net cash flows generated from / (used in) operating activities</b>		<b>971,959</b>	<b>(2,055,670)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(16,666,816)	(315,829)
Financial assets at fair value through other comprehensive income		72,732	417,332
Interest received on deposits and call accounts		13,474	3,833
Investment income received		36,541	46,472
<b>Net cash flows (used in) / generated from investing activities</b>		<b>(16,544,069)</b>	<b>151,808</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(349)	(1,170)
Principal elements of lease payments		(102,071)	(77,243)
<b>Net cash flows used in financing activities</b>		<b>(102,420)</b>	<b>(78,413)</b>
Net foreign exchange differences		132,355	(47,687)
<b>Net decrease in cash and cash equivalents</b>		<b>(15,542,175)</b>	<b>(2,029,962)</b>
Cash and cash equivalents at beginning of the period		5,508,242	3,277,788
<b>Cash and cash equivalents at end of the period</b>	9	<b>(10,033,933)</b>	<b>1,247,826</b>
<b>Non-cash transaction:</b>			
Right-of-use assets		-	(2,408,632)
Lease liabilities		-	2,408,632

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 three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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**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 Sulaihiya, Agricultural Area, Block 12, Kuwait. Kuwait Investment Authority is the principal shareholder in the Parent Company. The Parent Company is listed on Kuwait Stock Exchange.

The Parent Company's objectives are as follows:

1. To carry out all operations of producing, transporting and trading in all kinds of meat within the State of Kuwait and abroad.
2. To construct and buy farms, pastures, barns, land and real estate deemed necessary to achieve the Parent Company's objectives within the State of Kuwait or abroad, especially barns mentioned in the memorandum of association and in the way stated therein.
3. To carry out all transportation operations deemed necessary for the Parent Company's business or for others similar businesses whether within the State of Kuwait or abroad.
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 for the same inside or outside the State of Kuwait.
5. To run any business or processing activity relating to meat production and transportation, wool and leather trade within the State of Kuwait or abroad.
6. To own, lease and rent of real estates, buildings, workshops, docks and stores deemed necessary to achieve Parent Company's objectives.
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. In addition, the Parent Company may have an interest or establish, own, contribute or participate in any way with other entities that practice business activities similar to its own or which may help the Parent Company in achieving its objectives inside and outside Kuwait, the Parent Company has the right to buy such entities or affiliate the same to it.
10. Utilisation of financial surplus through investment in portfolios managed by specialised Companies and Authorities.

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

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**1. INCORPORATION AND ACTIVITIES (Continued)**

Name of subsidiaries	Shareholding interest (%)			Activity	Country of incorporation
	31 March 2020 (Unaudited)	31 December 2019 (Audited)	31 March 2019 (Unaudited)		
Rural Export and Trading (WA) PTY Ltd.	100	100	100	Trade in livestock and meat	Australia
Trans Emirates Livestock Trading Company L.L.C.	100	100	100	Trade in livestock and meat	UAE
Al Shuwaikh Company for Managing and Establishing Commercial and Industrial Projects S.P.C.	100	100	100	Establishment and management of commercial and industrial projects	Kuwait
Al Mawashi (PTY) Ltd.	100	100	100	Trade in livestock and meat	South Africa

The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 31 March 2020.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 13 August 2020.

**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 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2019.

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

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 2019.

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(a) *New standards, amendments and interpretations effective for the financial period beginning on 1 January 2020*

There are no amendments that have significant effect on the Group's financial statements. There are no other standards that were effective for the first time for the financial year beginning on 1 January 2020.

(b) *New standards and amendments not yet effective for the financial period beginning on 1 January 2020 and have not been early adopted by the Group*

There are no applicable new standards and amendments to published standards that have been issued but are not effective for the first time for the Group's financial year beginning on 1 January 2020 and are expected to have a significant impact on the Group's financial statements.

(c) *New standards and amendments effective and adopted by the Group*

In the condensed consolidated interim statement of cash flows, cash and cash equivalents includes cash on hand and at banks net of bank overdraft. In the condensed consolidated interim statement of financial position, bank overdraft is shown as a separate line within current liabilities.

**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 2019.

**3.1 Implications of COVID-19**

The economic fallout of COVID-19 crisis is expected to be significant in the region the Group operates and is rapidly evolving. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. However, due to the nature of the services the Group provides, there is no direct impact of COVID-19 on the business. The Group is continuously monitoring the indirect impact of the pandemic on the business, operations and its finances.

The Group is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the business disruption resulted from COVID-19 outbreak in order to boost the liquidity and sustain the business.

**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 liabilities in market that is not active. Inputs other than quoted prices that are observable assets and liabilities.
- **Level 3:** Inputs for the asset or liabilities that are not based on observable market data.

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

For the three month period ended 31 March 2020

(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>31 March 2020 (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>640,185</b>	<b>23,436</b>	<b>480,523</b>	<b>1,144,144</b>
<b>31 December 2019 (Audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>
Financial assets at fair value through other comprehensive income	738,422	35,649	483,172	1,257,243
<b>31 March 2019 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>
Financial assets at fair value through other comprehensive income	1,000,433	33,119	454,954	1,488,506

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, 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 as the future financial flows of which are unpredictable.

The fair value of the financial assets and liabilities other than those mentioned above are not materially different than their carrying value.

The following table represents the changes in Level 3 instruments:

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Opening balance	483,172	793,128	793,128
Disposals	-	(347,957)	(347,957)
Change in fair value	(2,649)	38,001	9,783
<b>Ending balance</b>	<b>480,523</b>	<b>483,172</b>	<b>454,954</b>

**5. PROPERTY, PLANT AND EQUIPMENT**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Opening balance	23,732,113	40,910,431	40,910,431
Additions	16,666,816	1,567,073	315,829
Disposals	-	(15,884,464)	-
Depreciation relating to disposals	-	47,309	-
Depreciation charge	(772,114)	(2,879,935)	(695,017)
Foreign currency translation differences	(179,387)	(28,301)	4,225
	<b>39,447,428</b>	<b>23,732,113</b>	<b>40,535,468</b>

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**5. PROPERTY, PLANT AND EQUIPMENT (Continued)**

For the period ended 31 March 2020, depreciation expenses amounting to KD 338,619, KD 44,428 and KD 389,067 (31 December 2019: KD 2,338,095, KD 172,622 and KD 369,218; 31 March 2019: KD 285,864, KD 49,082 and KD 360,071) were charged to operating costs, marketing expenses and general and administrative expenses, respectively.

Machinery and equipment included in property, plant and equipment with a carrying value of KD 70,034 (31 December 2019: KD 74,619; 31 March 2019: KD 100,146) are mortgaged as a security against long term borrowing.

During the period, the Group purchased a new vessel named Ocean Shearer for an amount of KD 16,371,965 (USD 53,000,000).

**6. FINANCIAL ASSETS AT AMORTISED COSTS**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Local bonds and Sukuk	<b>2,733,302</b>	2,733,302	2,733,302

During the period ended 31 March 2020, the Group has local Sukuk at annual yield rates ranging from 6.25% to 6.50% and local bonds at annual interest rates ranging from 6.25% to 6.50%. Bonds are classified as non-current on the basis of their maturities. The local bonds and sukuk mature within the range of May 2026 and September 2026.

**7. INVENTORIES**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Livestock and meat (net)	<b>3,530,171</b>	4,503,148	2,795,042
Fodder	<b>109,571</b>	94,101	59,633
Intestine	-	-	2,579
Medicines, fertilisers and others	<b>512,232</b>	423,623	484,847
	<b>4,151,974</b>	5,020,872	3,342,101
Production materials and spare parts	<b>755,832</b>	1,245,647	1,559,426
Goods in transit	<b>2,692,737</b>	-	-
	<b>7,600,543</b>	6,266,519	4,901,527

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**8. TRADE AND OTHER RECEIVABLES**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Trade receivables	<b>8,413,898</b>	8,840,553	10,534,457
Accrued Government subsidy*	<b>16,330,630</b>	16,330,630	16,330,630
	<b>24,744,528</b>	25,171,183	26,865,087
Provision for doubtful debts	<b>(12,332,648)</b>	(12,040,583)	(12,938,239)
	<b>12,411,880</b>	13,130,600	13,926,848
Advances to suppliers	<b>1,330,370</b>	3,188,421	2,904,047
Prepaid expenses	<b>1,466,589</b>	221,080	457,692
Refundable deposits	<b>111,662</b>	106,624	37,743
Deferred tax assets	-	-	117,084
Staff advance	<b>25,120</b>	35,059	44,022
Others	<b>210,894</b>	280,387	227,016
	<b>15,556,515</b>	16,962,171	17,714,452

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

The Government subsidy due from Ministry of Commerce and Industry (the "Ministry") as a result of the subsidy granted to the Parent Company to meet the increased prices of certain foodstuff and consumer goods in accordance with the previous ministerial Decrees' amounted to KD 16,330,630 as at 31 March 2020 (KD 16,330,630 as at 31 December 2019, KD 16,330,630 as at 31 March 2019). 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 court had appointed experts to look into the matter related to one of the legal cases.

On 26 November 2019, a verdict was issued by the Court of appeal in favour of the Parent Company in relation to this legal case for an amount of KD 2,294,156 upholding the earlier decision of the court of first instances. Management has appealed against the verdict demanding the full amount of KD 3,462,353 relating to this legal case which is currently pending. As at 31 March 2020, the provision for impairment maintained against the total accrued Government subsidy balance amounted to KD 11,146,796 (KD 11,146,796 as at 31 December 2019, KD 12,730,079 as at 31 March 2019).

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**9. CASH AND CASH EQUIVALENTS**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Cash on hand and at banks	2,717,919	2,824,811	2,450,536
Time deposits maturing within 3 months from placement date	2,872,650	2,746,610	-
Cash at investment portfolios	78,578	51,866	87,231
	<b>5,669,147</b>	<b>5,623,287</b>	<b>2,537,767</b>
Less: bank overdraft	<b>(15,703,080)</b>	<b>(115,045)</b>	<b>(1,289,941)</b>
<b>Cash and cash equivalents</b>	<b>(10,033,933)</b>	<b>5,508,242</b>	<b>1,247,826</b>

**10. TREASURY SHARES**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Number of shares	7,377,383	7,377,383	7,377,383
Percentage of issued shares (%)	3.41%	3.41%	3.41%
Market value	1,320,552	1,291,042	1,276,287

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

**11. OTHER RESERVES**

	<b>Change in fair value reserve</b>	<b>Foreign currency translation reserve</b>	<b>Total</b>
<b>At 1 January 2020</b>	<b>111,789</b>	<b>(154,216)</b>	<b>(42,427)</b>
Change in fair value of financial assets at fair value through other comprehensive income	(40,367)	-	(40,367)
Foreign currency translation differences	-	(85,354)	(85,354)
<b>31 March 2020 (Unaudited)</b>	<b>71,422</b>	<b>(239,570)</b>	<b>(168,148)</b>
<b>At 1 January 2019</b>	<b>(32,564)</b>	<b>(109,335)</b>	<b>(141,899)</b>
Change in fair value of financial assets at fair value through other comprehensive income	101,942	-	101,942
Foreign currency translation differences	-	(41,807)	(41,807)
<b>31 March 2019 (Unaudited)</b>	<b>69,378</b>	<b>(151,142)</b>	<b>(81,764)</b>

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**12. BORROWING**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Current portion	<b>1,900,000</b>	1,900,000	2,500,000
Non-current portion	<b>6,771,951</b>	6,771,951	17,720,494

Borrowing obtained from a local bank and carry a profit rate of 3.5% (3.5% as at 31 December 2019, 3.5% as at 31 March 2019) per annum. Payment is on semi-annual basis till June 2024.

**13. TRADE AND OTHER PAYABLES**

	<b>31 March 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>	<b>31 March 2019 (Unaudited)</b>
Trade payables	<b>2,326,443</b>	2,676,564	4,100,447
Advances from customers	<b>878,090</b>	27,461	18,527
Dividends payable (Note 17)	<b>46,644</b>	46,993	70,199
Accrued expenses	<b>2,443,425</b>	3,271,419	2,566,022
Refundable deposits	<b>169,839</b>	180,179	205,185
Provision for NLST, Zakat and KFAS	<b>40,215</b>	8,008	24,045
Other payables	<b>370,300</b>	491,004	639,553
	<b><u>6,274,956</u></b>	<u>6,701,628</u>	<u>7,623,978</u>

**14. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Three months ended 31 March</b>	
	<b>2020 (Unaudited)</b>	<b>2019 (Unaudited)</b>
Staff costs	<b>559,174</b>	624,984
Depreciation	<b>389,067</b>	360,071
Insurance	<b>40,047</b>	34,540
Professional fees	<b>41,542</b>	24,622
Maintenance and repair	<b>212,248</b>	157,352
Rent	<b>5,018</b>	9,967
Other expenses	<b>141,945</b>	124,283
	<b><u>1,389,041</u></b>	<u>1,335,819</u>



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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**15. BASIC AND DILUTED EARNINGS PER SHARE**

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

	Three months ended 31 March	
	2020 (Unaudited)	2019 (Unaudited)
Profit for the period	550,329	662,902
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192
Earnings per share (KWD)	2.630	3.169

The Parent Company had no outstanding dilutive shares.

**16. CONTINGENT LIABILITIES**

	31 March 2020 (Unaudited)	31 December 2019 (Audited)	31 March 2019 (Unaudited)
Letters of guarantee	750,694	1,304,795	1,342,822

**17. RELATED PARTY TRANSACTIONS AND BALANCES**

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

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

Transactions	Three months ended 31 March	
	2020 (Unaudited)	2019 (Unaudited)
Key management benefits	66,854	73,586

Balances	31 March 2020 (Unaudited)	31 December 2019 (Audited)	31 March 2019 (Unaudited)
	Key management long term balances – included in employees' end of service benefits	225,692	43,265
Key management short term balances – included in accrued expenses	47,996	211,632	54,813
Dividends payable (Note 13)	46,644	46,993	70,199

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

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**18. OPERATING SEGMENTS**

**18.1 Geographical 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 geographical segments:

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

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

**18.1.1. Segments revenues (Unaudited)**

	Commercial segment		Food processing segment		Investments segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	KD 000's							
Kuwait	11,287	11,882	2,333	410	37	-	13,657	12,405
UAE	2,868	2,465	-	-	-	-	2,868	2,465
Australia	749	727	-	-	-	-	749	727
South Africa	2,405	-	-	-	-	-	2,405	-
<b>Total</b>	<b>17,309</b>	<b>15,074</b>	<b>2,333</b>	<b>410</b>	<b>37</b>	<b>-</b>	<b>19,679</b>	<b>15,597</b>
<b>Unallocated items:</b>								
Miscellaneous revenues							95	100
<b>Total segment revenue</b>							<b>19,774</b>	<b>15,697</b>
Intersegment eliminations							(35)	(10)
<b>Total</b>							<b>19,739</b>	<b>15,687</b>

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**18. OPERATING SEGMENTS**

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

**18.1.2.Segments results (Unaudited)**

	Commercial segment		Food processing segment		Investments segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	KD 000's							
Kuwait	412	430	113	48	37	(64)	562	414
UAE	(3)	22	-	-	-	-	(3)	22
Australia	31	169	-	-	-	-	31	169
South Africa	(20)	(8)	-	-	-	-	(20)	(8)
<b>Total</b>	<b>420</b>	<b>613</b>	<b>113</b>	<b>48</b>	<b>37</b>	<b>(64)</b>	<b>570</b>	<b>597</b>
<b>Unallocated items:</b>								
Other unallocated revenues							-	90
Other unallocated costs							(10)	(11)
<b>Profit for the period</b>							<b>560</b>	<b>676</b>
Intersegment eliminations							(10)	(13)
<b>Total</b>							<b>550</b>	<b>663</b>

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**18. OPERATING SEGMENTS (Continued)**

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

	Commercial segment			Food processing segment			Investments segment			Total		
	31 March 2020 (Unaudited)	31 December 2019 (Audited)	31 March 2019 (Unaudited)	31 March 2020 (Unaudited)	December 2019 (Audited)	31 March 2019 (Unaudited)	31 March 2020 (Unaudited)	31 December 2019 (Audited)	31 March 2019 (Unaudited)	31 March 2020 (Unaudited)	December 2019 (Audited)	31 March 2019 (Unaudited)
	KD 000's											
<b>Assets</b>	<b>58,439</b>	43,116	59,973	<b>6,463</b>	6,462	5,036	<b>9,547</b>	9,424	6,704	<b>74,449</b>	59,002	71,713
<b>Liabilities</b>	<b>33,613</b>	18,591	31,952	<b>260</b>	261	160	-	-	-	<b>33,873</b>	18,852	32,112

Intersegment assets and liabilities are eliminated on consolidation.

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

For the three month period ended 31 March 2020

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**18. OPERATING SEGMENTS (Continued)**

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

	31 March 2020 (Unaudited)					Total
	Kuwait	UAE	Australia	South Africa	Eliminations	
	KD 000's					
Assets	63,546	7,535	2,802	588	(22)	74,449
Liabilities	32,068	503	456	855	(9)	33,873

	31 December 2019 (Audited)					Total
	Kuwait	UAE	Australia	South Africa	Eliminations	
	KD 000's					
Assets	48,021	7,055	2,907	1,032	(13)	59,002
Liabilities	15,985	1,252	505	1,137	(27)	18,852

	31 March 2019 (Unaudited)				Total
	Kuwait	UAE	Australia	Eliminations	
	KD 000's				
Assets	63,687	5,018	3,031	(23)	71,713
Liabilities	25,962	5,525	680	(55)	32,112

**19. ANNUAL GENERAL ASSEMBLY MEETING**

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 8 March 2020, approved the annual consolidated financial statements for the financial year ended 31 December 2019.

**20. GOVERNEMENTAL SUBSIDY**

Based on the Ministry of Commerce and Industry resolution No. 80 dated 27 March 2020, companies and individuals importing live sheep shipments are given financial support in the form of a government subsidy of KD 5 per head, with a maximum of 300,000 livesheep head allowed, valid till 30 April 2020. On 27 April 2020, the Ministry of Commerce and Industry issued resolution No. 100 extending the validity of resolution No. 80 till 31 May 2020. As on 31 March 2020, no livesheep shipments were received.