



**Kuwait National Cinema Company K.P.S.C.**  
**And its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Financial Information**  
**and Review Report**  
**For the three months ended 31 March 2023**  
**(Unaudited)**



**Kuwait National Cinema Company K.P.S.C.**  
And its Subsidiaries  
State of Kuwait

Interim Condensed Consolidated Financial Information  
and Review Report  
For the three months ended 31 March 2023  
(Unaudited)

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**Kuwait National Cinema Company K.P.S.C**

State of Kuwait

**Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait National Cinema 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 interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated 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 condensed consolidated 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.

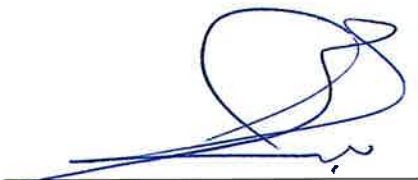
*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulation, as amended, or 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 on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2023, that might have had a material effect on the business of Group or on its consolidated financial position.



**Bader A. Al-Wazzan**

**Licence No. 62 A**

**Deloitte & Touche - Al-Wazzan & Co.**

Kuwait, 9 May 2023

Interim Condensed Consolidated Statement of Financial Position as at 31 March 2023  
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	31 March 2023	31 December 2022 (Audited)	31 March 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	22,920,779	22,449,122	23,183,332
Investments properties	5	75,019,338	71,201,924	55,637,063
Right-of-use assets	6	16,652,879	17,233,289	20,618,153
Intangible assets		31,093	49,616	10,549
Investments in an associate	7	44,627,037	44,894,147	41,255,644
Investments at FVTOCI	8	6,865,050	8,899,352	7,823,306
Trade and other receivables	9	775,060	775,060	775,060
		<u>166,891,236</u>	<u>165,502,510</u>	<u>149,303,107</u>
<b>Current assets</b>				
Inventories		1,320,068	979,386	1,145,521
Trade and other receivables	9	2,611,898	490,528	2,510,638
Cash and cash equivalent	10	25,629,762	24,919,713	21,236,411
		<u>29,561,728</u>	<u>26,389,627</u>	<u>24,892,570</u>
<b>Total assets</b>		<u>196,452,964</u>	<u>191,892,137</u>	<u>174,195,677</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		10,106,250	10,106,250	10,106,250
Treasury shares	11	(8,201,231)	(8,201,231)	(8,201,231)
Statutory reserve		5,065,834	5,065,834	5,065,834
Voluntary reserve		15,487,507	15,487,507	14,697,632
Other reserves	12	20,452,517	20,906,274	20,149,769
Retained earnings		33,251,301	36,796,616	31,741,382
Equity attributable to the Parent Company's shareholders		<u>76,162,178</u>	<u>80,161,250</u>	<u>73,559,636</u>
Non-controlling interest		12,906	13,927	11,816
		<u>76,175,084</u>	<u>80,175,177</u>	<u>73,571,452</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Trade and other payables	13	8,578,440	7,947,423	5,524,310
Lease liabilities	6	29,167,054	29,785,070	31,013,934
Loans and bank facilities	14	41,920,000	41,920,000	29,435,686
Post-employment benefits		1,547,152	1,506,274	1,481,850
		<u>81,212,646</u>	<u>81,158,767</u>	<u>67,455,780</u>
<b>Current liabilities</b>				
Trade and other payables	13	15,925,664	10,258,938	13,913,223
Lease liabilities	6	1,300,220	1,730,644	2,245,207
Loans and bank facilities	14	21,839,350	18,568,611	17,010,015
		<u>39,065,234</u>	<u>30,558,193</u>	<u>33,168,445</u>
<b>Total liabilities</b>		<u>120,277,880</u>	<u>111,716,960</u>	<u>100,624,225</u>
<b>Total equity and liabilities</b>		<u>196,452,964</u>	<u>191,892,137</u>	<u>174,195,677</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

  
Abdulaziz Dawoud Marzouq Al-Marzouq  
Chairman

  
Hisham Fahad Al-Ghanim  
Vice Chairman

Interim Condensed Consolidated Statement of Income for the three months ended 31 March 2023

(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended	
		31 March	
		2023	2022
Operating revenues	15	5,131,008	5,041,440
Operating costs	16	(4,098,544)	(3,817,758)
Gross profit		1,032,464	1,223,682
Other operating income		852,295	484,385
General and administrative expenses		(673,669)	(536,730)
Other operating expenses		(241,030)	(298,779)
Net losses of financial investments		(6,376)	(1,554)
Group's share in an associate results	7	1,512,212	1,466,619
Finance costs		(400,879)	(500,473)
<b>Net profit before deductions</b>		<b>2,075,017</b>	<b>1,837,150</b>
Contribution to Kuwait Foundation for the Advancement of Sciences		(4,488)	(3,933)
National Labor Support Tax		(52,876)	(46,421)
Zakat		(6,028)	(3,903)
<b>Net profit for the period</b>		<b>2,011,625</b>	<b>1,782,893</b>
<b>Attributable to:</b>			
Parent Company's shareholders		2,010,771	1,783,064
Non-controlling interest		854	(171)
		<b>2,011,625</b>	<b>1,782,893</b>
Earnings per share (fils)	17	21.71	19.26

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2023  
(Unaudited)

(All amounts are in Kuwaiti Dinar)

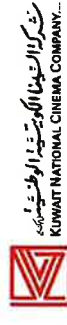
	Note	Three months ended 31 March	
		2023	2022
<b>Net profit for the period</b>		<u>2,011,625</u>	<u>1,782,893</u>
<b>Other comprehensive income items:</b>			
<b>Items that will not be reclassified subsequently to statement of income:</b>			
Net changes in fair value of financial investments at FVTOCI		(474,302)	893,513
Group's share in an associates' change in fair value reserves	7	<u>19,738</u>	<u>258,716</u>
		<u>(454,564)</u>	<u>1,152,229</u>
<b>Items that may be reclassified subsequently to statement of income:</b>			
Group's share in an associate's reserve	7	940	7,854
Foreign currency translation differences of a subsidiary		<u>(133)</u>	<u>70,857</u>
		<u>807</u>	<u>78,711</u>
Other comprehensive (loss)/ profit for the period		<u>(453,757)</u>	<u>1,230,940</u>
<b>Total comprehensive profit for the period</b>		<u>1,557,868</u>	<u>3,013,833</u>
<b>Attributable to:</b>			
Parent Company's shareholders		1,557,014	3,014,004
Non-controlling interest		<u>854</u>	<u>(171)</u>
		<u>1,557,868</u>	<u>3,013,833</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Kuwait National Cinema Company K.P.S.C.**

And Its Subsidiaries

State of Kuwait



**Interim Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2023  
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Share capital	Equity attributable to shareholders of the Parent Company					Non-controlling Interest	Total	
		Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 12)	Retained earnings			
<b>Balance as at 1 January 2022</b>	10,106,250	(8,201,231)	5,065,834	14,697,632	18,918,829	32,736,361	73,323,675	15,736	73,339,411
Net profit for the period	-	-	-	-	-	1,783,064	1,783,064	(171)	1,782,893
Comprehensive profit for the period	-	-	-	-	1,230,940	-	1,230,940	-	1,230,940
Total comprehensive profit for the period	-	-	-	-	1,230,940	1,783,064	3,014,004	(171)	3,013,833
Cash dividends	-	-	-	-	-	(2,778,043)	(2,778,043)	-	(2,778,043)
Cash dividends in subsidiaries	-	-	-	-	-	-	-	(3,749)	(3,749)
<b>Balance as at 31 March 2022</b>	10,106,250	(8,201,231)	5,065,834	14,697,632	20,149,769	31,741,382	73,559,636	11,816	73,571,452
<b>Balance as at 1 January 2023</b>	10,106,250	(8,201,231)	5,065,834	15,487,507	20,906,274	36,796,616	80,161,250	13,927	80,175,177
Net profit for the period	-	-	-	-	-	2,010,771	2,010,771	854	2,011,625
Comprehensive profit for the period	-	-	-	-	(453,757)	-	(453,757)	-	(453,757)
Total comprehensive income for the period	-	-	-	-	(453,757)	2,010,771	1,557,014	854	1,557,868
Cash dividends (Note 21)	-	-	-	-	-	(5,556,086)	(5,556,086)	-	(5,556,086)
Cash dividends in subsidiaries	-	-	-	-	-	-	-	(1,875)	(1,875)
<b>Balance as at 31 March 2023</b>	10,106,250	(8,201,231)	5,065,834	15,487,507	20,452,517	33,251,301	76,162,178	12,906	76,175,084

The accompanying notes form an integral part of this interim condensed consolidated financial information.

## Interim Condensed Consolidated Statement of Cash Flows for the three months ended 31 March 2023

(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Three months ended 31 March	
	2023	2022
<b>Cash flows from operating activities</b>		
Net profit for the period	2,011,625	1,782,893
<i>Adjustments:</i>		
Depreciation and amortization	478,784	369,290
Depreciation of right-of-use leased assets	580,410	599,863
Interest income	(234,623)	-
Waiver of lease payments	(27,141)	(22,883)
Net losses from investments at FVTOCI	-	1,554
Group's share in an associate's results	(1,512,212)	(1,466,619)
Post-employment benefits	102,228	81,301
Finance costs	168,302	276,049
Interest portion of lease liability	232,577	224,424
Operating profit before changes in operating assets and liabilities	1,799,950	1,845,872
Change in inventories	(340,682)	(317,589)
Change in trade and other receivables	(321,503)	(388,023)
Change in trade and other payables	584,882	1,221,750
Cash generated from operating activities	1,722,647	2,362,010
Post-employment benefits paid	(61,350)	(23,512)
Net cash generated from operating activities	1,661,297	2,338,498
<b>Cash flows from investment activities</b>		
Paid for purchase of property, plant and equipment	(912,468)	143,512
Paid for acquisition of investment properties	(3,647,827)	(6,479,170)
Paid for purchase of intangible assets	(19,450)	-
Dividends received	234,623	-
Proceeds from sale of investments at FVTOCI	1,560,000	-
Net cash used in investing activities	(2,785,122)	(6,335,658)
<b>Cash flows from financing activities</b>		
Net proceed from loans and bank facilities	3,270,739	6,263,286
Finance costs paid	(150,877)	(307,902)
Repayment of lease liability	(1,021,299)	(577,329)
Repayment of interest of lease liability	(232,577)	(224,424)
Dividends paid	(32,112)	(22,251)
Net cash generated from financing activities	1,833,874	5,131,380
Net change in cash and cash equivalents	710,049	1,134,220
<b>Cash and cash equivalents at the beginning of the period</b>	24,924,155	20,106,633
<b>Cash and cash equivalents at the end of the period (note 10)</b>	25,634,204	21,240,853

The accompanying notes form an integral part of this interim condensed consolidated financial information.



**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023****(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***1. Company's incorporations**

Kuwait National Cinema Company K.P.S.C. "the Parent Company" is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 5 October 1954 and is licensed to engage in all activities relating to the cinema industry, entertainment, and cultural events.

The Parent Company is listed on Bursa Kuwait.

The Parent Company's address is Old Khaitan area, block number 9, building Number 164, second floor, office (1+2), P.O. Box 502 Safat, 13006 Safat, Kuwait.

This Consolidated financial information includes the financial information of the Parent Company and the financial information of its following subsidiaries together referred to as "the Group":

	<b>Ownership percentage (%)</b>	<b>Activity</b>	<b>Incorporation country</b>
International Film Distribution Company K.S.C.C.	99.25	Publishing and film distribution	Kuwait
Al-Kout Film Production and Distribution Company S.A.E.	100	Production and film distribution	Egypt

On 30 March 2023, the extraordinary general assembly of the shareholders of the parent company approved the amendment of the memorandum of association and articles of association of the parent company by adding the activity of by adding the activity of retailing gifts and luxuries, as well as number of members of the Board of Directors and their remuneration.

The interim condensed consolidated financial information for the three months ended 31 March 2023 was authorized for issuance by the Board of Directors on 9 May 2023.

**2. Basis of preparation and significant accounting policies****2.1 Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 31 March 2023 are not necessarily indicative of results that may be expected for the year ending 31 December 2023. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2022.

**2.2 Summary of changes in significant accounting policies**

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2023 and which did not result in any material impact on the interim condensed consolidated financial information of the Group.

**3. Fair value estimation**

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

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market 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 three: valuation techniques that are not based on observable market data.

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023

## (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

	Fair value as at			Fair value hierarchy	Significant unobservable inputs	Valuation technique(s) and Key input(s)	Relation of unobservable inputs to fair value
	31 March 2023	31 December 2022	31 March 2022				
<b>Equity instruments designated as FVTOCI</b>							
Quoted shares	6,798,856	7,273,158	6,859,256	Level 1	N/A	Last bid price	N/A
Unquoted shares	52,832	52,832	52,832	Level 3	Discount rate		Higher discount results in value decline
Unquoted shares	3,362	3,362	32,016	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	10,000	1,570,000	879,202	Level 3	N/A	Adjusted book value	N/A
	<u>6,865,050</u>	<u>8,899,352</u>	<u>7,823,306</u>				

The fair value of other financial assets and financial liabilities approximately equal its book value as at the interim financial information date.

The accumulated balance of profits related to disposed investments held in the fair value reserve amounted to KD 6,416,490 as at 31 March 2023 (KD 6,416,490 as at 31 December 2022, KD 6,416,490 as at 31 March 2022).

## 4. Property, plant and equipment

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Net carrying value at the beginning of the period / year	22,449,122	23,003,423	23,003,423
Additions during the period / year	912,468	1,671,530	569,919
Revaluation of lands	-	67,469	-
Disposals during the period / year	-	(116,960)	-
Depreciation of disposals during the period / year	-	116,960	-
Depreciation during the period / year	(440,811)	(1,745,267)	(390,010)
Impairment	-	(548,033)	-
Net carrying value at the end of the period / year	<u>22,920,779</u>	<u>22,449,122</u>	<u>23,183,332</u>

## 5. Investment properties

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Investment properties	4,754,416	4,754,416	4,673,005
Investment properties under development	70,264,922	66,447,508	50,964,058
	<u>75,019,338</u>	<u>71,201,924</u>	<u>55,637,063</u>

Movement on investment properties are as follows:

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Balance at the beginning of the period/year	71,201,924	49,157,893	49,157,893
Additions during the period/year	3,817,414	22,609,532	6,479,170
Impact of lease contract modification	-	(879,665)	-
Change in fair value	-	314,164	-
Balance at the end of the period/year	<u>75,019,338</u>	<u>71,201,924</u>	<u>55,637,063</u>

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023

## (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

- Investment properties under development are constructed on leased land from Government of State of Kuwait "Lessor" according to a lease contract for the period end in March 2043 (subject to renewal based on approval from both parties). At the end of the contract, the investment property ownership will be transferred to the lessor.
- During current period, capitalized financing costs within investment properties under development amounted to KD 550,559 (KD 1,299,888 during year ended 31 December 2022, nil KD during period ended 31 March 2022).
- Investments properties under development include advance payment to contractors amount to KD 522,515 as at 31 March 2023 (KD 697,508 as at 31 December 2022, KD 2,042,562 as at 31 March 2022).

## 6. Right-of-use assets

The Group as a lessee has leased several assets including buildings and lands. The average lease term is 20 years. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	31 March 2023	31 December 2022 (Audited)	31 March 2022
<b>Net carrying amount</b>			
Balance at the beginning of the period	17,233,289	20,936,692	20,936,692
Additions	-	281,324	281,324
Amortization	(580,410)	(2,382,760)	(599,863)
Disposal	-	(1,601,967)	-
As at end of the period/ year	<u>16,652,879</u>	<u>17,233,289</u>	<u>20,618,153</u>
<b>Lease liabilities</b>			
	31 March 2023	31 December 2022 (Audited)	31 March 2022
<b>Non-Current lease liabilities</b>			
Amounts due for settlement after 12 months	29,167,054	29,785,070	31,013,934
<b>Current lease liabilities</b>			
Amounts due for settlement within 12 months	1,300,220	1,730,644	2,245,207
	<u>30,467,274</u>	<u>31,515,714</u>	<u>33,259,141</u>

## Maturity analysis

Maturity dates of undiscounted lease liabilities are as follows:

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Not later than 1 year	1,300,220	1,730,644	2,245,207
Later than 1 year and not later than 5 years	13,769,363	14,322,589	13,348,161
Later than 5 years	25,411,141	25,620,211	25,453,803
	<u>40,480,724</u>	<u>41,673,444</u>	<u>41,047,171</u>

Movement on lease liabilities during the year is as follows:

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Balance as at the beginning of the period/ year	31,515,714	33,578,029	33,578,029
Addition	-	281,324	281,324
Interest expense	232,577	871,612	224,424
Lease Payment	(1,253,876)	(2,198,286)	(801,753)
Impact of lease contracts modification	-	(879,665)	-
waiver of lease payments	(27,141)	(137,300)	(22,883)
Balance at the end of the period/ year	<u>30,467,274</u>	<u>31,515,714</u>	<u>33,259,141</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023**

**(Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

The breakdown of related lease amounts recognised in profit and loss is as follows:

	Three months ended 31 March	
	2023	2022
Amortization on right-of-use assets	580,410	599,863
Interest on lease liabilities	232,578	224,424
Relating to short-term leases (included in operating costs)	3,988	3,987
Relating to variable lease payments not included in the measurement of the lease liability (included in operating costs)	269,715	281,125
	<u>1,086,691</u>	<u>1,109,399</u>

**7. Investments in an associate**

This represents the Group's investment in Tamdeen Shopping Center K.S.C. (Closed) at 30%.

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Balance as at the beginning of the period/ year	44,894,147	41,322,455	41,322,455
Group's share in an associate's results	1,512,212	5,484,069	1,466,619
Group's share in changes in fair value reserves	19,738	(130,620)	258,716
Group's share from difference of foreign currency translation reserve	940	18,243	7,854
Dividends	(1,800,000)	(1,800,000)	(1,800,000)
Balance at the end of the period/ year	<u>44,627,037</u>	<u>44,894,147</u>	<u>41,255,644</u>

**8. Investments at fair value through statement of other comprehensive income**

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Quoted shares	6,798,856	7,273,158	6,859,256
Unquoted shares	66,194	1,626,194	964,050
	<u>6,865,050</u>	<u>8,899,352</u>	<u>7,823,306</u>

**9. Trade and other receivables**

	31 March 2023	31 December 2022 (Audited)	31 March 2022
<u>Non-current</u>			
Refundable deposits	775,060	775,060	775,060
<u>Current</u>			
Trade receivables	768,648	792,846	978,275
Due from related parties (note 19)	1,615	-	1,108
Advances to suppliers	248,652	89,493	261,659
Prepaid expenses	175,289	-	-
Staff receivables	485,932	476,427	355,926
Accrued income	1,800,000	-	1,800,000
	<u>3,480,136</u>	<u>1,358,766</u>	<u>3,396,968</u>
Provision for expected credit losses	(868,238)	(868,238)	(886,330)
	<u>2,611,898</u>	<u>490,528</u>	<u>2,510,638</u>
	<u>3,386,958</u>	<u>1,265,588</u>	<u>3,285,698</u>

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

## 10. Cash and cash equivalent

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Cash on hand	271,595	242,804	45,078
Banks' current accounts	7,372,468	2,401,575	7,154,894
Time deposits (less than three months)	1,837,800	7,837,800	-
Cash in investment portfolios	16,152,341	14,441,976	14,040,881
Cash and cash equivalent	25,634,204	24,924,155	21,240,853
Expected credit losses	(4,442)	(4,442)	(4,442)
	<u>25,629,762</u>	<u>24,919,713</u>	<u>21,236,411</u>

## 11. Treasury shares

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Number of treasury shares (share)	8,460,323	8,460,323	8,460,323
Percentage to issued shares (%)	8.37	8.37	8.37
Market value	8,460,323	8,451,863	7,614,291

The Parent Company should keep reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

## 12. Other reserves

	Land revaluation reserve	Change in fair value reserve	Foreign currency translation reserve	Treasury shares reserve	Total
<b>Balance at 1 January 2022</b>	11,669,670	6,815,918	306,148	127,093	18,918,829
Changes in fair value of financial investments at FVTOCI	-	1,152,229	-	-	1,152,229
Foreign currency translation reserve	-	-	78,711	-	78,711
Other comprehensive loss for the period	-	1,152,229	78,711	-	1,230,940
<b>Balance at 31 March 2022</b>	<u>11,669,670</u>	<u>7,968,147</u>	<u>384,859</u>	<u>127,093</u>	<u>20,149,769</u>
<b>Balance at 1 January 2023</b>	11,737,139	8,524,856	517,186	127,093	20,906,274
Changes in fair value of financial investments at FVTOCI	-	(454,564)	-	-	(454,564)
Foreign currency translation reserve	-	-	807	-	807
Other comprehensive loss for the period	-	(454,564)	807	-	(453,757)
<b>Balance at 31 March 2023</b>	<u>11,737,139</u>	<u>8,070,292</u>	<u>517,993</u>	<u>127,093</u>	<u>20,452,517</u>

Land revaluation reserve includes the following:

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Revaluation reserve for land within property, plant and equipment	8,267,163	8,267,163	8,199,694
Revaluation reserve for land within investment properties	2,363,735	2,363,735	2,363,735
Revaluation reserve for land sold to an associate	1,106,241	1,106,241	1,106,241
	<u>11,737,139</u>	<u>11,737,139</u>	<u>11,669,670</u>

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. Trade and other payables	31 March 2023	31 December 2022 (Audited)	31 March 2022
<u>Non-current</u>			
Retention payable	4,959,598	4,706,104	3,346,440
Others' deposits	3,618,842	3,241,319	2,177,870
	<u>8,578,440</u>	<u>7,947,423</u>	<u>5,524,310</u>
<u>Current</u>			
Trade payables	4,085,211	3,675,953	4,456,933
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payable	6,667,594	1,141,745	3,847,506
Construction contract payables	692,133	776,040	1,346,528
Expenses and accrued leaves	1,435,518	1,430,817	1,171,986
Deferred income	777,055	751,691	710,810
Due to related parties (Note 19)	-	1,690	11,776
Board of Directors' remuneration	-	35,000	50,000
Taxes and deductions	79,505	256,639	134,035
Other payables	34,583	35,298	29,584
	<u>15,925,664</u>	<u>10,258,938</u>	<u>13,913,223</u>
	<u>24,504,104</u>	<u>18,206,361</u>	<u>19,437,533</u>

14. Loans and bank facilities	31 March 2023	31 December 2022 (Audited)	31 March 2022
<u>Long term</u>			
Long term loans	41,920,000	41,920,000	26,200,000
Bank facilities	-	-	3,235,686
	<u>41,920,000</u>	<u>41,920,000</u>	<u>29,435,686</u>
<u>Short term</u>			
Short term loans	18,000,000	18,000,000	17,000,000
Banks - overdraft	3,839,350	568,611	10,015
	<u>21,839,350</u>	<u>18,568,611</u>	<u>17,010,015</u>
	<u>63,759,350</u>	<u>60,488,611</u>	<u>46,445,701</u>

- Loans and bank facilities -long term- granted to the Group from local banks against commitments from the Group represents mainly in transferring the revenues of investments under development to the company's accounts with those banks.
- The repayment period of long-term loans ranges between 2 to 7 years.
- The effective interest rate on loans and bank facilities was 5.17% during three month ended 31 March 2023 (4.67% during year 2022, 2.58% during three month ended 31 March 2022).

15. Operating income	Three months ended 31 March	
	2023	2022
Revenue of cinema's activity	3,342,550	3,156,936
Revenue of concession activity	1,788,458	1,884,504
	<u>5,131,008</u>	<u>5,041,440</u>

16. Operating costs	Three months ended 31 March	
	2023	2022
Cost of cinema's activity	3,358,143	3,123,104
Cost of concession activity	740,401	694,654
	<u>4,098,544</u>	<u>3,817,758</u>

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023

## (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**17. Earnings per share**

Basic and diluted earnings per share are computed by dividing profit during the period by the weighted average number of ordinary shares outstanding during the period as follows:

	Three months ended 31 March	
	2023	2022
Net profit / (loss) attributable to Parent Company's shareholders	2,010,771	1,783,064
Weighted average number of outstanding shares (share)	92,602,177	92,602,177
earnings/ (Losses) per share (fils)	21.71	19.26

Both basic and diluted earnings per share are equal since the Parent Company does not have diluted outstanding instruments.

**18. Segments information**

The main objective of the Group is to engage in all activities relating to the cinema industry, entertainment, and culture events. In addition, the Group invests its available excess funds through investment portfolios.

The following is the Group's segment information which consists with the internal reporting presented to management:

- Cinema division: which represents all activities related to cinema shows and movies selling.
- Concession division: which represents all activities related to concessions supplemented to theaters.
- Investments division: which represents investments in shares, funds and investment property.

The following schedule presents the information about revenues, profit, and assets for each division:

	Divisions activity as at 31 March 2023				
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	3,342,550	1,788,458	1,611,593	746,538	7,489,139
Costs	(3,358,143)	(740,401)	(69,270)	(1,309,700)	(5,477,514)
Segment's profit/ (loss)	(15,593)	1,048,057	1,542,323	(563,162)	2,011,625
Assets	36,170,305	1,208,781	130,677,953	28,395,925	196,452,964
	Divisions activity as at 31 March 2022				
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	3,156,936	1,884,504	1,570,701	380,303	6,992,444
Costs	(3,123,104)	(694,654)	(32,476)	(1,360,646)	(5,210,880)
Segment's profit/ (loss)	33,832	1,189,850	1,538,225	(980,343)	1,781,564
Assets	40,367,821	799,845	107,272,896	25,755,115	174,195,677

**19. Related parties transactions**

Related parties represent the shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies, which are controlled by the major shareholders. In the ordinary course of business, the Group entered into transactions with related parties during the period.

The volume and nature of those transactions during the period and the related balances:

	31 March 2023	31 March 2022
<b>Related parties transactions</b>		
Key management compensation	47,088	46,750
Expenses (rents, consultancy and others)	307,665	309,677
Other income	30,104	26,085
Selling investments at FVTOCI	1,560,000	-

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2023

**(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)*

	31 March 2023	31 December 2022 (Audited)	31 March 2022
<b>Balances resulting from those transactions:</b>			
Due from related parties	1,615	-	1,108
Due to related parties	-	1,690	11,776
Cash at investment portfolios	2,392,573	838,680	756,883
Key management compensation balance long term	(174,615)	(160,713)	(157,106)
Key management compensation balance short term	(50,324)	(44,769)	(47,154)

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 6,865,050 as at 31 March 2023 (KD 8,899,352 as at 31 December 2022, KD 7,823,306 as at 31 March 2022).

All transactions are subject to the approval of the shareholders in the General Assembly meeting.

**20. Capital commitments and Contingent liabilities****20.1 Capital commitments**

	31 March 2023	31 December 2022 (Audited)	31 March 2022
Estimated capital expenditure contracted for at the consolidated financial position date	7,730,465	14,896,365	17,061,841
Future commitments for purchasing films	793,458	793,458	377,431

**20.2 Contingent liabilities**

letters of guarantee	2,386,680	2,386,680	2,386,680
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**21. Ordinary general assembly meeting**

The ordinary General Assembly of shareholders was held on 30 March 2023, and approved the financial statements for the year ended 31 December 2022. It also approved the distribution of cash dividends of 60 fils per share after deducting treasury shares, with a total amount of 5,556,086 Kuwaiti dinars and proposed Board of Directors remuneration of KD 35,000 for the year 2022.

The accrued dividends are included in Trade and other payables.

**22. Comparative figures**

Certain prior period amounts have been reclassified to conform to current year presentation with no effect on net profit or equity.