



شركة السينما الكويتية الوطنية  
KUWAIT NATIONAL CINEMA COMPANY...

**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 2024**  
**(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 2024

(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 2024 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.

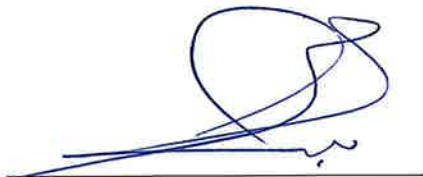
#### *Conclusion*

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 2024 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 2024, 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, 8 May 2024.


Interim Condensed Consolidated Statement of Financial Position as at 31 March 2024  
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	31 March 2024	31 December 2023 (Audited)	31 March 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	26,234,974	26,656,518	22,920,779
Investments properties	5	90,266,374	90,266,374	75,019,338
Right-of-use assets	6	15,084,369	15,582,038	16,652,879
Intangible assets		92,035	90,084	31,093
Investments in an associate	7	48,662,251	48,925,862	44,627,037
Investments at FVTOCI	8	8,018,616	6,664,310	6,865,050
Trade and other receivables	9	843,446	843,446	775,060
		<u>189,202,065</u>	<u>189,028,632</u>	<u>166,891,236</u>
<b>Current assets</b>				
Inventories		697,747	666,091	1,320,068
Trade and other receivables	9	2,993,052	779,597	2,611,898
Cash and cash equivalent	10	38,225,281	36,933,376	25,629,762
		<u>41,916,080</u>	<u>38,379,064</u>	<u>29,561,728</u>
<b>Total assets</b>		<u>231,118,145</u>	<u>227,407,696</u>	<u>196,452,964</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		16,590,250	16,590,250	15,487,507
Other reserves	12	23,048,533	20,686,182	20,452,517
Retained earnings		35,868,624	40,759,546	33,251,301
Equity attributable to the Parent Company's shareholders		<u>82,478,260</u>	<u>85,006,831</u>	<u>76,162,178</u>
Non-controlling interest		12,312	15,125	12,906
		<u>82,490,572</u>	<u>85,021,956</u>	<u>76,175,084</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Trade and other payables	13	8,659,609	11,334,400	8,578,440
Lease liabilities	6	26,256,713	26,472,308	29,167,054
Loans and bank facilities	14	59,810,250	56,910,250	41,920,000
Post-employment benefits		1,692,469	1,598,876	1,547,152
		<u>96,419,041</u>	<u>96,315,834</u>	<u>81,212,646</u>
<b>Current liabilities</b>				
Trade and other payables	13	25,009,297	18,332,662	15,925,664
Lease liabilities	6	1,928,975	3,178,052	1,300,220
Loans and bank facilities	14	25,270,260	24,559,192	21,839,350
		<u>52,208,532</u>	<u>46,069,906</u>	<u>39,065,234</u>
<b>Total liabilities</b>		<u>148,627,573</u>	<u>142,385,740</u>	<u>120,277,880</u>
<b>Total equity and liabilities</b>		<u>231,118,145</u>	<u>227,407,696</u>	<u>196,452,964</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 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended	
		31 March	
		2024	2023
Operating revenues	15	7,266,762	5,241,456
Operating costs	16	(4,498,338)	(4,167,814)
Gross profit		2,768,424	1,073,642
Other operating income		1,302,357	741,847
General and administrative expenses		(843,272)	(673,669)
Other operating expenses		(176,567)	(171,760)
Net gains/ (losses) of financial investments at FV through statement of income		7,539	(6,376)
Group's share in an associate results	7	1,220,846	1,512,212
Finance costs		(1,666,947)	(400,879)
<b>Net profit before deductions</b>		<b>2,612,380</b>	<b>2,075,017</b>
Contribution to Kuwait Foundation for the Advancement of Sciences		(13,664)	(4,488)
National Labor Support Tax		(67,020)	(52,876)
Zakat		(14,318)	(6,028)
<b>Net profit for the period</b>		<b>2,517,378</b>	<b>2,011,625</b>
<b>Attributable to:</b>			
Parent Company's shareholders		2,517,191	2,010,771
Non-controlling interest		187	854
		<u>2,517,378</u>	<u>2,011,625</u>
Earnings per share (fils)	17	<u>27.18</u>	<u>21.71</u>

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 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 31 March	
		2024	2023
<b>Net profit for the period</b>		<u>2,517,378</u>	<u>2,011,625</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		1,354,306	(474,302)
Group's share in an associates' change in fair value reserves	7	<u>763,026</u>	<u>19,738</u>
		<u>2,117,332</u>	<u>(454,564)</u>
<b>Items that may be reclassified subsequently to statement of income:</b>			
Group's share in an associate's reserve	7	2,517	940
Foreign currency translation differences of a subsidiary		<u>242,502</u>	<u>(133)</u>
		<u>245,019</u>	<u>807</u>
Other comprehensive income/ (expense) for the period		<u>2,362,351</u>	<u>(453,757)</u>
<b>Total comprehensive profit for the period</b>		<u>4,879,729</u>	<u>1,557,868</u>
<b>Attributable to:</b>			
Parent Company's shareholders		4,879,542	1,557,014
Non-controlling interest		<u>187</u>	<u>854</u>
		<u>4,879,729</u>	<u>1,557,868</u>

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

**Interim Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2024  
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Equity attributable to shareholders of the Parent Company							Non- controlling Interest	Total
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 12)	Retained earnings	Total		
<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	-	-	-	-	-	(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>	<b>10,106,250</b>	<b>(8,201,231)</b>	<b>5,065,834</b>	<b>15,487,507</b>	<b>20,452,517</b>	<b>33,251,301</b>	<b>76,162,178</b>	<b>12,906</b>	<b>76,175,084</b>
<b>Balance as at 1 January 2024</b>	<b>10,106,250</b>	<b>(8,201,231)</b>	<b>5,065,834</b>	<b>16,590,250</b>	<b>20,686,182</b>	<b>40,759,546</b>	<b>85,006,831</b>	<b>15,125</b>	<b>85,021,956</b>
Net profit for the period	-	-	-	-	-	2,517,191	2,517,191	187	2,517,378
Comprehensive profit for the period	-	-	-	-	2,362,351	-	2,362,351	-	2,362,351
Total comprehensive income for the period	-	-	-	-	2,362,351	2,517,191	4,879,542	187	4,879,729
Cash dividends (Note 21)	-	-	-	-	-	(7,408,113)	(7,408,113)	-	(7,408,113)
Cash dividends in subsidiaries	-	-	-	-	-	-	-	(3,000)	(3,000)
<b>Balance as at 31 March 2024</b>	<b>10,106,250</b>	<b>(8,201,231)</b>	<b>5,065,834</b>	<b>16,590,250</b>	<b>23,048,533</b>	<b>35,868,624</b>	<b>82,478,260</b>	<b>12,312</b>	<b>82,490,572</b>

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 2024  
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	2,517,378	2,011,625
<i>Adjustments:</i>		
Depreciation and amortization	458,792	478,784
Depreciation of right-of-use leased assets	497,669	580,410
Gains from disposal of property, plant and equipment	(616,052)	-
Interest income	(325,506)	(234,623)
Waiver of lease payments	(24,816)	(27,141)
Net losses from investments at FVTOCI	(7,539)	-
Group's share in an associate's results	(1,220,846)	(1,512,212)
Reverse of allowance for expected credit losses	(14,728)	-
Post-employment benefits	97,703	102,228
Finance costs	1,447,931	168,302
Interest portion of lease liability	219,016	232,577
Operating profit before changes in operating assets and liabilities	3,029,002	1,799,950
Change in inventories	(31,656)	(340,682)
Change in trade and other receivables	293,775	(321,503)
Change in trade and other payables	(4,188,691)	584,882
Cash (used in)/ generated from operating activities	(897,570)	1,722,647
Post-employment benefits paid	(4,110)	(61,350)
Net cash (used in)/ generated from operating activities	(901,680)	1,661,297
<b>Cash flows from investment activities</b>		
Paid for purchase of property, plant and equipment	(237,150)	(912,468)
Paid for acquisition of investment properties	-	(3,647,827)
Paid for purchase of intangible assets	(1,951)	(19,450)
Net interest received	325,506	234,623
Proceeds from the sale of property, plant and equipment	815,954	-
Dividends received	7,539	-
Proceeds from sale of investments at FVTOCI	-	1,560,000
Net cash generated from/ (used in) investing activities	909,898	(2,785,122)
<b>Cash flows from financing activities</b>		
Net proceed from loans and bank facilities	3,611,068	3,270,739
Finance costs paid	(645,756)	(150,877)
Repayment of lease liability	(1,439,856)	(1,021,299)
Repayment of interest of lease liability	(219,016)	(232,577)
Dividends paid	(22,753)	(32,112)
Net cash generated from financing activities	1,283,687	1,833,874
Net change in cash and cash equivalents	1,291,905	710,049
<b>Cash and cash equivalents at the beginning of the period</b>	<b>36,937,818</b>	<b>24,924,155</b>
<b>Cash and cash equivalents at the end of the period (note 10)</b>	<b>38,229,723</b>	<b>25,634,204</b>

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 2024**

**(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 Boursa 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

The interim condensed consolidated financial information for the three months ended 31 March 2024 was authorized for issuance by the Board of Directors on 8 May 2024.

**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 2024 are not necessarily indicative of results that may be expected for the year ending 31 December 2024. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2023.

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

The accounting policies used in the preparation of this 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, in addition to the policies mentioned below and except for the adoption of the new and revised IFRS which are effective from 1 January 2024 and did not result in any impact on the interim condensed consolidated financial information of the Group.

The Group has not early adopted any standards, interpretations and amendments that had been issued but is not yet effective.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024

## (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

**Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

**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.

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 2024	31 December 2023	31 March 2023				
<b>Equity instruments designated as FVTOCI</b>							
Quoted shares	7,783,192	6,598,116	6,798,856	Level 1	N/A	Last bid price	N/A
Unquoted shares	6,873	52,832	52,832	Level 3	Discount rate		Higher discount results in value decline
Unquoted shares	218,551	3,362	3,362	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	10,000	10,000	10,000	Level 3	N/A	Adjusted book value	N/A

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 2024 (KD 6,416,490 as at 31 December 2023, KD 6,416,490 as at 31 March 2023).

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

## 4. Property, plant and equipment

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Net carrying value at the beginning of the period / year	26,656,518	22,449,122	22,449,122
Additions during the period / year	237,150	7,433,744	912,468
Transferred from investment properties	-	610,734	-
Revaluation of lands	-	20,000	-
Disposals during the period / year	(456,706)	(873,889)	-
Depreciation of disposals during the period / year	256,804	841,180	-
Depreciation during the period / year	(458,792)	(2,680,814)	(440,811)
Impairment	-	(1,143,559)	-
Net carrying value at the end of the period / year	26,234,974	26,656,518	22,920,779

## 5. Investment properties

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Investment properties	90,266,374	90,266,374	4,754,416
Investment properties under development	-	-	70,264,922
	90,266,374	90,266,374	75,019,338

Movement on investment properties are as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Balance at the beginning of the period/year	90,266,374	71,201,924	71,201,924
Additions during the period/year	-	19,426,053	3,817,414
Transferred to property, plant and equipment's	-	(610,734)	-
Transferred to Right-of-use assets	-	(525,825)	-
Change in fair value	-	774,956	-
Balance at the end of the period/year	90,266,374	90,266,374	75,019,338

## 6. Right-of-use assets

The Group as a lessee has leased several assets including buildings and lands. The average lease term is from 2 till 17 years. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	31 March 2024	31 December 2023 (Audited)	31 March 2023
<b>Net carrying amount</b>			
Balance at the beginning of the period	15,582,038	17,233,289	17,233,289
Additions	-	525,825	-
Amortization	(497,669)	(2,177,076)	(580,410)
As at end of the period/ year	15,084,369	15,582,038	16,652,879

## Lease liabilities

	31 March 2024	31 December 2023 (Audited)	31 March 2023
<b>Non-Current lease liabilities</b>			
Amounts due for settlement after 12 months	26,256,713	26,472,308	29,167,054
<b>Current lease liabilities</b>			
Amounts due for settlement within 12 months	1,928,975	3,178,052	1,300,220
	28,185,688	29,650,360	30,467,274

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**Maturity analysis**

Maturity dates of undiscounted lease liabilities are as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Not later than 1 year	1,928,975	3,178,052	1,300,220
Later than 1 year and not later than 5 years	12,846,737	11,855,679	13,769,363
Later than 5 years	23,871,584	23,871,584	25,411,141
	<u>38,647,296</u>	<u>38,905,315</u>	<u>40,480,724</u>

Movement on lease liabilities during the year is as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Balance as at the beginning of the period/ year	29,650,360	31,515,714	31,515,714
Interest expense	219,016	919,099	232,577
Lease Payment	(1,658,872)	(2,784,453)	(1,253,876)
waiver of lease payments	(24,816)	-	(27,141)
Balance at the end of the period/ year	<u>28,185,688</u>	<u>29,650,360</u>	<u>30,467,274</u>

All above movements have been eliminated during the preparation of consolidated statement of cash flows as they are non-cash transactions except for the lease payments.

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

	Three months ended 31 March	
	2024	2023
Amortization on right-of-use assets	497,669	580,410
Interest on lease liabilities	219,016	232,578
Relating to short-term leases (included in operating costs)	7,976	3,988
Relating to variable lease payments not included in the measurement of the lease liability (included in operating costs)	168,608	269,715
	<u>893,269</u>	<u>1,086,691</u>

**7. Investments in an associate**

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

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Balance as at the beginning of the period/ year	48,925,862	44,894,147	44,894,147
Group's share in an associate's results	1,220,846	5,516,166	1,512,212
Group's share in changes in fair value reserves	763,026	315,549	19,738
Group's share from difference of foreign currency translation reserve	2,517	-	940
Dividends	(2,250,000)	(1,800,000)	(1,800,000)
Balance at the end of the period/ year	<u>48,662,251</u>	<u>48,925,862</u>	<u>44,627,037</u>

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

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Quoted shares	7,783,192	6,598,116	6,798,856
Unquoted shares	235,424	66,194	66,194
	<u>8,018,616</u>	<u>6,664,310</u>	<u>6,865,050</u>

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024  
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

9. Trade and other receivables

	31 March 2024	31 December 2023 (Audited)	31 March 2023
<u>Non-current</u>			
Refundable deposits	843,446	843,446	775,060
<u>Current</u>			
Trade receivables	780,162	1,145,175	768,648
Due from related parties (note 19)	-	-	1,615
Advances to suppliers	258,451	17,633	248,652
Prepaid expenses	-	-	175,289
Staff receivables	547,746	474,824	485,932
Accrued income	2,250,000	-	1,800,000
	<u>3,836,359</u>	<u>1,637,632</u>	<u>3,480,136</u>
Provision for expected credit losses	(843,307)	(858,035)	(868,238)
	<u>2,993,052</u>	<u>779,597</u>	<u>2,611,898</u>
	<u>3,836,498</u>	<u>1,623,043</u>	<u>3,386,958</u>

10. Cash and cash equivalent

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Cash on hand	132,695	70,419	271,595
Banks' current accounts	26,800,830	21,746,214	7,372,468
Time deposits (less than three months)	8,670,000	12,500,000	1,837,800
Cash in investment portfolios	2,626,198	2,621,185	16,152,341
Cash and cash equivalent	<u>38,229,723</u>	<u>36,937,818</u>	<u>25,634,204</u>
Expected credit losses	(4,442)	(4,442)	(4,442)
	<u>38,225,281</u>	<u>36,933,376</u>	<u>25,629,762</u>

The yield rate on time deposits is 3.9% as at 31 March 2024 (4.17% as at 31 December 2023 , 3.4% as at 31 March 2023)

11. Treasury shares

	31 March 2024	31 December 2023 (Audited)	31 March 2023
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	12,538,198	9,898,578	8,460,323

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.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

12. Other reserves

	Land revaluation reserve	Change in fair value reserve	Foreign currency translation reserve	Treasury shares reserve	Total
<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>
<b>Balance at 1 January 2024</b>	11,757,139	8,163,646	638,304	127,093	20,686,182
Changes in fair value of financial investments at FVTOCI	-	2,117,332	-	-	2,117,332
Foreign currency translation reserve	-	-	245,019	-	245,019
Other comprehensive loss for the period	-	2,117,332	245,019	-	2,362,351
<b>Balance at 31 March 2024</b>	<u>11,757,139</u>	<u>10,280,978</u>	<u>883,323</u>	<u>127,093</u>	<u>23,048,533</u>

Land revaluation reserve includes the following:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Revaluation reserve for land within property, plant and equipment	8,287,163	8,287,163	8,267,163
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>11,757,139</u>	<u>11,757,139</u>	<u>11,737,139</u>

13. Trade and other payables

	31 March 2024	31 December 2023 (Audited)	31 March 2023
<u>Non-current</u>			
Retention payable	3,229,465	5,692,748	4,959,598
Others' deposits	5,430,144	5,641,652	3,618,842
	<u>8,659,609</u>	<u>11,334,400</u>	<u>8,578,440</u>
<u>Current</u>			
Trade payables	4,520,986	4,729,517	4,085,211
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payable	8,460,718	1,072,358	6,667,594
Construction contracts liabilities of investment properties	5,829,402	7,147,998	692,133
Expenses and accrued leaves	2,426,665	1,748,842	1,435,518
Deferred income	1,153,731	1,010,182	777,055
Due to related parties (Note 19)	-	7,814	-
Board of Directors' remuneration	-	35,000	8,000
Contribution to KFAS	13,664	53,118	4,489
NLST	339,339	272,319	52,876
Zakat	71,903	61,910	14,140
Other payables	38,824	39,539	34,583
	<u>25,009,297</u>	<u>18,332,662</u>	<u>15,925,664</u>
	<u>33,668,906</u>	<u>29,667,062</u>	<u>24,504,104</u>

## Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

## 14. Loans and bank facilities

	31 March 2024	31 December 2023 (Audited)	31 March 2023
<b>Long term</b>			
Islamic finance	59,810,250	56,910,250	41,920,000
	<u>59,810,250</u>	<u>56,910,250</u>	<u>41,920,000</u>
<b>Short term</b>			
Islamic finance	17,109,904	16,718,269	-
Short term loans	7,000,000	7,000,000	18,000,000
Banks - overdraft	1,160,356	840,923	3,839,350
	<u>25,270,260</u>	<u>24,559,192</u>	<u>21,839,350</u>
	<u>85,080,510</u>	<u>81,469,442</u>	<u>63,759,350</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 6 years.
- The effective interest rate on loans and bank facilities was 1.04% during three month ended 31 March 2024 (1.02% during year 2023, 1.17% during three month ended 31 March 2023).

## 15. Operating income

	Three months ended 31 March	
	2024	2023
Revenue of cinema's and Buffets activities	3,554,460	5,131,008
Revenue of investment properties	3,712,302	110,448
	<u>7,266,762</u>	<u>5,241,456</u>

## 16. Operating costs

	Three months ended 31 March	
	2024	2023
Cost of cinema's and Buffets activities	3,470,115	4,098,544
Cost of investment properties	1,028,223	69,270
	<u>4,498,338</u>	<u>4,167,814</u>

## 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	
	2024	2023
Net profit / (loss) attributable to Parent Company's shareholders	2,517,191	2,010,771
Weighted average number of outstanding shares (share)	92,602,177	92,602,177
earnings/ (Losses) per share (fils)	<u>27.18</u>	<u>21.71</u>

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

## 18. Segments information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 "Operating Segments". IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the "Executive management" who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance. The Group CEO is identified as a chief operating decision maker for the Group and Segment performance is evaluated based on 'profit or loss for the period' as detailed in the following table.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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

The following is the segment information which is presented to the management:

- Cinema and Buffets Segment: Represents all activities related to cinema shows, films distribution as well as activities related to buffets supplemented to theatres.
- Investment Segment: Represents investment in equity, investment funds and investments in an associate.
- Investment properties Segment: Represents activities related to real estates including rental of investment properties.

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

	2024				
	Cinema & buffets Segment	Financials Investments Segment	Investment Properties Segment	Unallocated items	Total
Net revenues	3,554,460	1,228,385	3,712,302	1,302,357	9,797,504
Costs	(3,470,115)	-	(1,028,223)	(2,781,788)	(7,280,126)
Segment's profit/ (loss)	84,345	1,228,385	2,684,079	(1,479,431)	2,517,378
Assets	39,868,061	61,557,064	90,266,374	39,426,645	231,118,145

	2023				
	Cinema & buffets Segment	Financials Investments Segment	Investment Properties Segment	Unallocated items	Total
Net revenues	5,131,008	1,505,836	110,448	741,847	7,489,139
Costs	(4,098,544)	-	(69,270)	(1,309,700)	(5,477,514)
Segment's profit/ (loss)	1,032,464	1,505,836	41,178	(567,853)	2,011,625
Assets	37,379,086	55,658,615	75,019,338	28,395,925	196,452,964

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 2024	31 March 2023
<b>Related parties transactions</b>		
Key management compensation	75,419	47,088
Expenses (rents, consultancy and others)	209,125	307,665
Other income	29,219	30,104
Selling investments at FVTOCI	-	1,560,000

	31 March 2024	31 December 2023	31 March 2023
<b>Balances resulting from those transactions:</b>		(Audited)	
Due from related parties	-	-	1,615
Due to related parties	-	7,814	-
Cash at investment portfolios	2,626,198	2,279,362	2,392,573
Key management compensation balance long term	219,937	237,900	(224,939)

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 8,018,616 as at 31 March 2024 (KD 6,664,310 as at 31 December 2023, KD 6,865,050 as at 31 March 2023).

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



**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2024**

**(Unaudited)**

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

**20. Capital commitments and Contingent liabilities**

**20.1 Capital commitments**

	<b>31 March 2024</b>	<b>31 December 2023 (Audited)</b>	<b>31 March 2023</b>
Estimated capital expenditure contracted for at the consolidated financial position date	5,829,402	7,147,839	7,730,465
Future commitments for purchasing films	986,201	986,201	793,458

**20.2 Contingent liabilities**

letters of guarantee	2,298,462	2,300,762	2,386,680
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**21. Ordinary general assembly meeting**

The ordinary General Assembly of shareholders was held on 28 March 2024, and approved the financial statements for the year ended 31 December 2023. It also approved the distribution of cash dividends of 80 fils per share after deducting treasury shares, and proposed Board of Directors remuneration of KD 35,000 for the year 2023.

The accrued dividends are included in Trade and other payables.