



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

**And its subsidiaries**

**State of Kuwait**

**Interim Condensed Consolidated Financial Information  
and Review Report**

**For the six months ended 30 June 2022**

**(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 six months ended 30 June 2022

(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 30 June 2022 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the Six-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 Six-month period ended 30 June 2022 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 Six-month period ended 30 June 2022, 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.

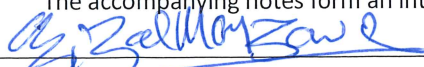
Kuwait, 8 August 2022

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2022  
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	30 June 2022	31 December 2021 (Audited)	30 June 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	23,184,162	23,003,423	42,268,804
Investments properties	5	60,464,720	49,157,893	4,656,722
Right-of-use assets	6	20,017,033	20,936,692	19,990,838
Intangible assets		10,549	10,628	22,185
Investments in an associate	7	42,914,865	41,322,455	38,171,644
Investments at FVTOCI	8	6,959,820	6,929,794	5,950,775
Trade and other receivables		775,060	727,513	727,063
		<u>154,326,209</u>	<u>142,088,398</u>	<u>111,788,031</u>
<b>Current assets</b>				
Inventories		670,445	827,932	674,334
Trade and other receivables		2,506,600	280,059	400,392
Cash at banks, on hand and investment portfolios	9	21,460,967	20,102,191	20,040,885
		<u>24,638,012</u>	<u>21,210,182</u>	<u>21,115,611</u>
<b>Total assets</b>		<u>178,964,221</u>	<u>163,298,580</u>	<u>132,903,642</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		10,106,250	10,106,250	10,106,250
Treasury shares	10	(8,201,231)	(8,201,231)	(8,201,231)
Statutory reserve		5,065,834	5,065,834	5,065,834
Voluntary reserve		14,697,632	14,697,632	14,241,729
Other reserves	11	19,137,528	18,918,829	17,518,482
Retained earnings		34,850,684	32,736,361	28,576,039
Equity attributable to the Parent Company's shareholders		75,656,697	73,323,675	67,307,103
Non-controlling interest		11,754	15,736	14,729
		<u>75,668,451</u>	<u>73,339,411</u>	<u>67,321,832</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Trade and other payables	12	6,244,523	3,696,364	2,571,155
Lease liabilities	6	30,870,384	31,447,275	18,980,044
Loans and bank facilities	13	34,051,941	23,174,496	14,400,000
Post-employment benefits		1,501,286	1,424,061	1,449,746
		<u>72,668,134</u>	<u>59,742,196</u>	<u>37,400,945</u>
<b>Current liabilities</b>				
Trade and other payables	12	11,292,786	11,078,300	8,690,188
Lease liabilities	6	2,325,830	2,130,754	1,492,839
Loans and bank facilities	13	17,009,020	17,007,919	17,997,838
		<u>30,627,636</u>	<u>30,216,973</u>	<u>28,180,865</u>
<b>Total liabilities</b>		<u>103,295,770</u>	<u>89,959,169</u>	<u>65,581,810</u>
<b>Total equity and liabilities</b>		<u>178,964,221</u>	<u>163,298,580</u>	<u>132,903,642</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 six months ended 30 June 2022**  
**(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
Operating revenues		3,513,476	969,102	6,670,412	1,603,434
Operating costs		(3,336,435)	(1,621,225)	(6,459,539)	(3,113,579)
Gross profit /(loss)		177,041	(652,123)	210,873	(1,510,145)
Other operating income	14	2,572,576	1,046,579	4,941,465	1,659,566
General and administrative expenses		(446,730)	(498,209)	(983,460)	(921,004)
Other operating expenses	14	(899,827)	(480,274)	(1,893,260)	(959,731)
Net profit /(loss) of financial investments		209,055	(1,168)	207,501	(2,361)
Group's share in an associate results	7	1,812,367	1,050,730	3,278,986	2,027,839
Finance costs		(214,395)	(185,602)	(714,868)	(521,112)
<b>Net Profit/ (loss) before deductions</b>		<b>3,210,087</b>	<b>279,933</b>	<b>5,047,237</b>	<b>(226,948)</b>
Contribution to Kuwait Foundation for the Advancement of Sciences		(11,958)	-	(15,891)	-
National Labour Support Tax		(76,438)	-	(122,859)	-
Zakat		(12,451)	-	(16,354)	-
<b>Net profit/ (loss) for the period</b>		<b>3,109,240</b>	<b>279,933</b>	<b>4,892,133</b>	<b>(226,948)</b>
<b>Attributable to:</b>					
Parent Company's shareholders		3,109,302	279,305	4,892,366	(230,211)
Non-controlling interest		(62)	628	(233)	3,263
		<b>3,109,240</b>	<b>279,933</b>	<b>4,892,133</b>	<b>(226,948)</b>
Earnings/ (loss) per share (fils)	15	<b>33.58</b>	<b>3.01</b>	<b>52.83</b>	<b>(2.49)</b>

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

Interim Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2022  
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
<b>Net profit/ (loss) for the period</b>		3,109,240	279,933	4,892,133	(226,948)
<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 fair value through OCI		(863,487)	791,551	30,026	409,866
Group's share in an associates' change in fair value reserves	7	(169,614)	425,077	89,102	(47,789)
		<u>(1,033,101)</u>	<u>1,216,628</u>	<u>119,128</u>	<u>362,077</u>
<b>Items that may be reclassified subsequently to statement of income:</b>					
Group's share in an associate's reserve	7	16,468	(8,667)	24,322	(14,268)
Foreign currency translation differences of a subsidiary		4,392	335	75,249	2,730
		<u>20,860</u>	<u>(8,332)</u>	<u>99,571</u>	<u>(11,538)</u>
Other comprehensive (loss) / profit for the period		<u>(1,012,241)</u>	<u>1,208,296</u>	<u>218,699</u>	<u>350,539</u>
<b>Total comprehensive profit for the period</b>		<u>2,096,999</u>	<u>1,488,229</u>	<u>5,110,832</u>	<u>123,591</u>
<b>Attributable to:</b>					
Parent Company's shareholders		2,097,061	1,487,601	5,111,065	120,328
Non-controlling interest		(62)	628	(233)	3,263
		<u>2,096,999</u>	<u>1,488,229</u>	<u>5,110,832</u>	<u>123,591</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 six months ended 30 June 2022**  
**(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 11)	Retained earnings		
<b>Balance as at 1 January 2021</b>	10,106,250	(8,201,231)	5,065,834	14,241,729	17,167,943	28,806,250	18,215	67,204,990
Net loss for the period	-	-	-	-	-	(230,211)	3,263	(226,948)
Other comprehensive income for the period	-	-	-	-	350,539	-	-	350,539
Total comprehensive income for the period	-	-	-	-	350,539	(230,211)	3,263	123,591
Cash dividends in subsidiary	-	-	-	-	-	-	(6,749)	(6,749)
<b>Balance as at 30 June 2021</b>	<u>10,106,250</u>	<u>(8,201,231)</u>	<u>5,065,834</u>	<u>14,241,729</u>	<u>17,518,482</u>	<u>28,576,039</u>	<u>14,729</u>	<u>67,321,832</u>
<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	15,736	73,339,411
Net profit for the period	-	-	-	-	-	4,892,366	(233)	4,892,133
Other comprehensive income for the period	-	-	-	-	218,699	-	-	218,699
Total comprehensive income for the period	-	-	-	-	218,699	4,892,366	(233)	5,110,832
Cash dividends (Note 19)	-	-	-	-	-	(2,778,043)	-	(2,778,043)
Cash dividends in subsidiary	-	-	-	-	-	-	(3,749)	(3,749)
<b>Balance as at 30 June 2022</b>	<u>10,106,250</u>	<u>(8,201,231)</u>	<u>5,065,834</u>	<u>14,697,632</u>	<u>19,137,528</u>	<u>34,850,684</u>	<u>11,754</u>	<u>75,668,451</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 Cash Flows for the six months ended 30 June 2022****(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)*

	Six months ended	
	30 June	
	2022	2021
<b>Cash flows from operating activities</b>		
Net profit/ (loss) for the period	4,892,133	(226,948)
<i>Adjustments:</i>		
Depreciation and amortization	818,679	891,367
Depreciation of right-of-use leased assets	1,200,984	979,027
Waiver of lease payments	(57,209)	(376,870)
Gain from disposals of right of use assets	-	(66,437)
Net profit/ (losses) from investments at FVTOCI	(207,501)	2,361
Group's share in an associate's results	(3,278,986)	(2,027,839)
Post-employment benefits	112,796	61,534
Finance costs	270,789	206,963
Interest portion of lease liability	444,079	314,149
Operating profit /(loss) before changes in operating assets and liabilities	4,195,764	(242,693)
Change in inventories	157,487	216,816
Change in trade and other receivables	(412,732)	37,461
Change in trade and other payables	2,135,389	235,950
Cash generated from operating activities	6,075,908	247,534
Post-employment benefits paid	(35,571)	(73,824)
Net cash generated from operating activities	6,040,337	173,710
<b>Cash flows from investment activities</b>		
Paid for purchase of property, plant and equipment	(985,447)	(1,473,798)
Paid for purchase of investment properties	(10,739,293)	(6,340,598)
Paid for purchase of intangible assets	-	(251,424)
Dividends received	207,501	-
Net cash used in investing activities	(11,517,239)	(8,065,820)
<b>Cash flows from financing activities</b>		
Net proceed from loans and bank facilities	10,878,546	8,551,826
Finance costs paid	(285,918)	(181,914)
Repayment of lease liability	(605,930)	(414,080)
Repayment of interest of lease liability	(444,079)	(314,149)
Dividends paid	(2,706,941)	(30,289)
Net cash generated from financing activities	6,835,678	7,611,394
Net change in cash and cash equivalents	1,358,776	(280,716)
<b>Cash and cash equivalents at the beginning of the period</b>	20,106,633	20,326,043
<b>Cash and cash equivalents at the end of the period (note 9)</b>	21,465,409	20,045,327

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



**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2022  
(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":

	Ownership percentage (%)	Activity	Incorporation country
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 2022, 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 owning movables and real estate necessary to carry out its activities within the permissible limits according to the law.

The interim condensed consolidated financial information for the six months ended 30 June 2022 was authorized for issuance by the Board of Directors on 8 August 2022.

**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 30 June 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

**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 2021, 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 2022 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 six months ended 30 June 2022  
(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
	30 June 2022	31 December 2021	30 June 2021				
<b>Equity instruments designated as FVTOCI</b>							
Quoted shares	6,024,423	5,965,744	5,035,109	Level 1	N/A	Last bid price	N/A
Investment funds	-	-	4,168	Level 2	N/A	Net assets value	N/A
Unquoted shares	52,832	52,832	52,832	Level 3	Discount rate	Market multiply	Higher discount results in value decline
Unquoted shares	3,363	32,016	32,016	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	879,202	879,202	826,650	Level 3	N/A	Net adjusted book value	N/A

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

**4. Property, plant and equipment**

	30 June 2022 (unaudited)	31 December 2021 (Audited)	30 June 2021 (unaudited)
Net carrying value at the beginning of the period / year	23,003,423	34,420,143	34,420,143
Additions during the period / year	985,447	22,371,464	8,509,923
Revaluation of lands	-	6,600	-
Transferred to investments Properties	-	(32,426,194)	-
Disposals during the period / year	-	(1,317,498)	(1,296,171)
Depreciation of disposals during the period/year	-	1,296,632	1,296,171
Depreciation during the period / year	(804,708)	(1,347,724)	(661,262)
Net carrying value at the end of the period / year	23,184,162	23,003,423	42,268,804

**5. Investment properties**

	30 June 2022 (unaudited)	31 December 2021 (Audited)	30 June 2021 (unaudited)
Investment properties	4,673,005	4,673,005	4,656,722
Investment properties under development	55,791,715	44,484,888	-
	60,464,720	49,157,893	4,656,722

Movement on investment properties are as follows:

	30 June 2022 (unaudited)	31 December 2021 (Audited)	30 June 2021 (unaudited)
Balance at the beginning of the period/year	49,157,893	4,656,722	4,656,722
Additions during the period/year	11,306,827	-	-
Transferred from property, plant and equipment	-	32,426,194	-
Transferred from right of use of leased assets	-	11,958,694	-
Change in fair value	-	116,283	-
Balance at the end of the period/year	60,464,720	49,157,893	4,656,722

- The projects under progress represents in the construction works of a commercial, entertainment and cultural complex in the South Sabahiya area.
- During current period, finance costs with an amount of KD 387,079 has been capitalized to investment property under development (KD 555,719 for the year ended 31 December 2021, KD 165,146 for the period ended 30 June 2021).

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2022**  
**(Unaudited)**

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

**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.

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
Net book value as on 1 January	20,936,692	22,199,940	22,199,940
Additions	281,324	13,865,256	-
Amortization	(1,200,983)	(1,939,735)	(979,027)
Transferred to investments properties	-	(11,958,694)	-
Disposal	-	(1,230,075)	(1,230,075)
Net book value as at end of the period/ year	<u>20,017,033</u>	<u>20,936,692</u>	<u>19,990,838</u>

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
<b><u>Non-Current lease liabilities</u></b>			
Amounts due for settlement after 12 months	30,870,384	31,447,275	18,980,044
<b><u>Current lease liabilities</u></b>			
Amounts due for settlement within 12 months	<u>2,325,830</u>	<u>2,130,754</u>	<u>1,492,839</u>
	<u>33,196,214</u>	<u>33,578,029</u>	<u>20,472,883</u>

**Maturity analysis**

Maturity dates of undiscounted lease liabilities are as follows:

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
Not later than 1 year	2,325,830	2,130,754	1,492,839
Later than 1 year and not later than 5 years	14,134,564	14,787,839	9,012,000
Later than 5 years	<u>23,330,924</u>	<u>24,640,385</u>	<u>9,968,044</u>
	<u>39,791,318</u>	<u>41,558,978</u>	<u>20,472,883</u>

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

	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>	<b>2021</b>	<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Amortization expense on right-of-use assets	601,121	437,564	1,200,984	979,027
Interest expense on lease liabilities	219,654	151,116	444,078	314,149
Expense relating to short-term leases	-	27,501	3,987	106,014
Expense relating to variable lease payments not included in the measurement of the lease liability	295,134	103,370	576,259	108,102
	<u>1,115,909</u>	<u>719,551</u>	<u>2,225,308</u>	<u>1,507,292</u>

Revenue exemptions granted by lessors during six months ended 30 June 2022 of KD 57,209 (KD 376,870 during six months ended 30 June 2021).

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2022  
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**7. Investments in an associate**

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

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
Balance as at the beginning of the period/ year	41,322,455	36,205,862	36,205,862
Group's share in an associate's results	3,278,986	4,723,121	2,027,839
<b>Group's share from an associate's reserve:</b>			
Change in fair value reserve	89,102	393,472	(47,789)
Foreign currency translation reserve	24,322	-	(14,268)
Dividends	(1,800,000)	-	-
Balance at the end of the period/ year	<u>42,914,865</u>	<u>41,322,455</u>	<u>38,171,644</u>

**8. Investments at FVTOCI**

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
Quoted shares	6,024,423	5,965,744	5,035,109
Unquoted shares	935,397	964,050	911,498
Investment funds	-	-	4,168
	<u>6,959,820</u>	<u>6,929,794</u>	<u>5,950,775</u>

Fair value is determined based on valuation techniques disclosed in (Note 3).

**9. Cash at banks, on hand and investment portfolios**

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
Cash on hand	47,198	33,520	32,067
Banks' current accounts	7,015,566	6,093,340	6,095,684
Cash in investment portfolios	14,402,645	13,979,773	13,917,576
Cash and cash equivalents	21,465,409	20,106,633	20,045,327
Expected credit losses	(4,442)	(4,442)	(4,442)
	<u>21,460,967</u>	<u>20,102,191</u>	<u>20,040,885</u>

**10. Treasury shares**

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
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	7,360,481	7,453,545	7,089,750

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 six months ended 30 June 2022  
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(All amounts are in Kuwaiti Dinar unless otherwise stated)

**11. Other reserves**

	Land revaluation reserve	Change in fair value reserve	Foreign currency translation reserve	Treasury shares reserve	Total
<b>Balance at 1 January 2021</b>	11,663,070	5,068,789	308,991	127,093	17,167,943
Changes in fair value of financial investments at FVTOCI	-	362,077	-	-	362,077
Foreign currency translation reserve	-	-	(11,538)	-	(11,538)
Other comprehensive loss for the period	-	362,077	(11,538)	-	350,539
<b>Balance at 30 June 2021</b>	<u>11,663,070</u>	<u>5,430,866</u>	<u>297,453</u>	<u>127,093</u>	<u>17,518,482</u>
<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	-	119,128	-	-	119,128
Foreign currency translation reserve	-	-	99,571	-	99,571
Other comprehensive loss for the period	-	119,128	99,571	-	218,699
<b>Balance at 30 June 2022</b>	<u>11,669,670</u>	<u>6,935,046</u>	<u>405,719</u>	<u>127,093</u>	<u>19,137,528</u>

Land revaluation reserve includes the following:

	30 June 2022 (unaudited)	31 December 2021 (Audited)	30 June 2021 (unaudited)
Revaluation reserve for Land within property, plant and equipment	8,199,694	8,199,694	8,193,094
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>11,669,670</u>	<u>11,669,670</u>	<u>11,663,070</u>

**12. Trade and other payables**

	30 June 2022 (unaudited)	31 December 2021 (Audited)	30 June 2021 (unaudited)
<b>Non-current</b>			
Retention payable	3,782,712	2,633,009	1,711,539
Others' deposits	2,461,811	1,063,355	859,616
	<u>6,244,523</u>	<u>3,696,364</u>	<u>2,571,155</u>
<b>Current</b>			
Trade payables	4,744,035	4,235,091	3,555,971
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payable	1,162,816	1,087,965	1,157,438
Construction contract payables	884,080	1,466,249	-
Expenses and accrued leaves	1,280,670	1,155,540	896,309
Deferred income	833,429	760,268	725,949
Due to related parties (Note 17)	32,524	-	165,304
Board of Directors' remuneration	-	60,000	-
Taxes and deductions	170,534	130,279	7,905
Other payables	30,633	28,843	27,247
	<u>11,292,786</u>	<u>11,078,300</u>	<u>8,690,188</u>
	<u>17,537,309</u>	<u>14,774,664</u>	<u>11,261,343</u>

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(Unaudited)**

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

**13. Loans and bank facilities**

	30 June 2022 (unaudited)	31 December 2021 (Audited)	30 June 2021 (unaudited)
<b><u>Long term</u></b>			
Long Term loans	31,000,000	21,200,000	14,400,000
Bank facilities	3,051,941	1,974,496	
	<u>34,051,941</u>	<u>23,174,496</u>	<u>14,400,000</u>
<b><u>Short term</u></b>			
Short term loans	17,000,000	17,000,000	17,000,000
Banks - overdraft	9,020	7,919	997,838
	<u>17,009,020</u>	<u>17,007,919</u>	<u>17,997,838</u>
	<u>51,060,961</u>	<u>40,182,415</u>	<u>32,397,838</u>

- Loans and bank facilities granted to the Group from local banks are pledged against commitments represents mainly in transferring the revenues of project under process to the company's accounts with those banks.
- The repayment period of long-term loans ranges between 2 to 8 years.
- The effective interest rate on loans and bank facilities was 3.31% during six month ended 30 June 2022 (2.65% during year 2021, 2.58% during six months ended 30 June 2021).

**14. Other operating income/expenses**

This item includes revenue/expenses of cinema's buffets and cafeterias, and any other revenue other than those resulted from the main activity.

**15. Earnings/ (loss) per share**

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

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
Net profit/ (loss) attributable to Parent Company's shareholders	3,109,302	279,305	4,892,366	(230,211)
Weighted average number of outstanding shares (share)	92,602,177	92,602,177	92,602,177	92,602,177
Earnings/ (loss) per share (fils)	<u>33.58</u>	<u>3.01</u>	<u>52.83</u>	<u>(2.49)</u>

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

**16. 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 theatres.
- Investments division: which represents investments in shares, funds and investment property.



**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2022  
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The following schedule presents the information about revenues, profit, and assets for each division:

<b>Divisions activity as at 30 June 2022</b>					
	<b>Cinema division</b>	<b>Concession division</b>	<b>Investment division</b>	<b>Unallocated items</b>	<b>Total</b>
Net revenues	6,670,412	3,844,833	3,706,280	876,839	15,098,364
Costs	<u>(6,459,539)</u>	<u>(1,414,290)</u>	<u>(3,892)</u>	<u>(2,328,510)</u>	<u>(10,206,231)</u>
Segment's (loss)/ profit	<u>210,873</u>	<u>2,430,543</u>	<u>3,702,388</u>	<u>(1,451,671)</u>	<u>4,892,133</u>
Assets	<u>39,659,093</u>	<u>614,387</u>	<u>113,108,276</u>	<u>25,582,465</u>	<u>178,964,221</u>

<b>Divisions activity as at 30 June 2021</b>					
	<b>Cinema division</b>	<b>Concession division</b>	<b>Investment division</b>	<b>Unallocated items</b>	<b>Total</b>
Net revenues	1,603,434	921,048	2,178,896	587,461	5,290,839
Costs	<u>(3,113,579)</u>	<u>(666,763)</u>	<u>(24,886)</u>	<u>(1,712,559)</u>	<u>(5,517,787)</u>
Segment's (loss)/ profit	<u>(1,510,145)</u>	<u>254,285</u>	<u>2,154,010</u>	<u>(1,125,098)</u>	<u>(226,948)</u>
Assets	<u>36,138,595</u>	<u>609,727</u>	<u>49,537,299</u>	<u>46,618,021</u>	<u>132,903,642</u>

**17. Related parties transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Those transactions were conducted in the ordinary course of business and with the usual terms and conditions. Transactions with related parties are subject to the approval of the General Assembly of Shareholders. The table below shows the volume and nature of those transactions during the period and the related balances:

	<b>30 June 2022 (unaudited)</b>	<b>30 June 2021 (unaudited)</b>
<b>Related parties transactions</b>		
Key management compensation	110,740	66,899
Expenses (rents, consultancy and others)	635,828	152,094
Other income	68,922	61,200

	<b>30 June 2022 (unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021 (unaudited)</b>
<b>Balances resulting from those transactions:</b>			
Due from related parties	90	-	60
Due to related parties	32,524	-	165,304
Cash at investment portfolios	968,870	756,972	758,158
Key management compensation balance long term	(160,713)	(105,424)	(101,489)
Key management compensation balance short term	(44,769)	(16,923)	(22,308)

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 6,959,820 as at 30 June 2022 (KD 6,929,794 as at 31 December 2021, KD 5,946,607 as at 30 June 2021).

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 six months ended 30 June 2022  
(Unaudited)**

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

**18. Capital commitments and Contingent liabilities**

**18.1 Capital commitments**

	30 June 2022 (un audited)	31 December 2021 (Audited)	30 June 2021 (un audited)
Estimated capital expenditure contracted for at the consolidated financial position date	14,618,843	23,713,567	36,026,894
Future commitments for purchasing films	377,431	377,431	9,696

**18.2 Contingent liabilities**

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

The ordinary General Assembly of shareholders was held on 30 March 2022, and approved the consolidated financial statements for the year ended 31 December 2021. It also approved the distribution of cash dividends of 30 fils per share after deducting treasury shares, with a total amount of 2,778,043 Kuwaiti dinars.

**20. Impact of Covid-19**

The future dynamics of the COVID-19 pandemic remain uncertain due to its evolving nature (new ongoing waves of infection, new restrictions, new variants, vaccination efficacy and rollouts). The full extent of the impact of the crisis in the region and related policy and support measures is still not fully known.

The group restarted cinema activities on 12 May 2022 in accordance with the health requirements issued by the regulatory authorities in the State of Kuwait. The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in interim condensed consolidated financial information and explained the changes related to the critical judgement and estimates for the period ended 30 June 2022.

Further, management is aware that any further disruptions due to the emerging new covid variants could negatively impact the consolidated financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its industry reports and cash flows to minimize any negative impact on the Group.

**21. Comparative figures**

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