



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 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 30 June 2023 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.

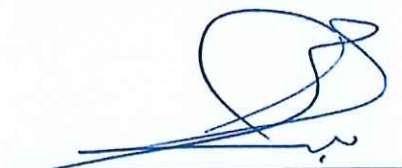
Conclusion

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 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 Six-month period ended 30 June 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 August 2023.

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	30 June 2023	31 December 2022 (Audited)	30 June 2022
ASSETS				
Non-current assets				
Property, plant and equipment	4	24,360,309	22,449,122	23,184,162
Investments properties	5	80,646,447	71,201,924	60,464,720
Right-of-use assets	6	16,058,635	17,233,289	20,017,033
Intangible assets		201,655	49,616	10,549
Investments in an associate	7	46,239,451	44,894,147	42,914,865
Investments at FVTOCI	8	7,471,334	8,899,352	6,959,820
Trade and other receivables	9	780,060	775,060	775,060
		<u>175,757,891</u>	<u>165,502,510</u>	<u>154,326,209</u>
Current assets				
Inventories		1,624,073	979,386	670,445
Trade and other receivables	9	777,067	490,528	2,506,600
Cash at banks, on hand and investment portfolios	10	23,559,906	24,919,713	21,460,967
		<u>25,961,046</u>	<u>26,389,627</u>	<u>24,638,012</u>
Total assets		<u>201,718,937</u>	<u>191,892,137</u>	<u>178,964,221</u>
Equity and liabilities				
Equity				
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	21,205,861	20,906,274	19,137,528
Retained earnings		36,783,226	36,796,616	34,850,684
Equity attributable to the Parent Company's shareholders		80,447,447	80,161,250	75,656,697
Non-controlling interest		13,532	13,927	11,754
		<u>80,460,979</u>	<u>80,175,177</u>	<u>75,668,451</u>
Liabilities				
Non-current liabilities				
Trade and other payables	13	9,366,981	7,947,423	6,244,523
Lease liabilities	6	28,456,853	29,785,070	30,870,384
Loans and bank facilities	14	49,920,000	41,920,000	34,051,941
Post-employment benefits		1,580,639	1,506,274	1,501,286
		<u>89,324,473</u>	<u>81,158,767</u>	<u>72,668,134</u>
Current liabilities				
Trade and other payables	13	11,315,465	10,258,938	11,292,786
Lease liabilities	6	1,827,702	1,730,644	2,325,830
Loans and bank facilities	14	18,790,318	18,568,611	17,009,020
		<u>31,933,485</u>	<u>30,558,193</u>	<u>30,627,636</u>
Total liabilities		<u>121,257,958</u>	<u>111,716,960</u>	<u>103,295,770</u>
Total equity and liabilities		<u>201,718,937</u>	<u>191,892,137</u>	<u>178,964,221</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 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2023	2022	2023	2022
Operating revenues	15	7,449,128	5,473,805	12,580,136	10,515,245
Operating costs	16	(5,070,584)	(4,056,071)	(9,169,128)	(7,873,829)
Gross profit		2,378,544	1,417,734	3,411,008	2,641,416
Other operating income		532,089	612,247	1,384,384	1,096,632
General and administrative expenses		(412,509)	(446,730)	(1,086,178)	(983,460)
Other operating expenses		(174,478)	(180,191)	(415,508)	(478,970)
Net profit of financial investments		222,985	209,055	216,609	207,501
Group's share in an associate results	7	1,545,398	1,812,367	3,057,610	3,278,986
Finance costs		(425,434)	(214,395)	(826,313)	(714,868)
Net Profit before deductions		3,666,595	3,210,087	5,741,612	5,047,237
Contribution to Kuwait Foundation for the Advancement of Sciences		(20,377)	(11,958)	(24,865)	(15,891)
National Labour Support Tax		(92,229)	(76,438)	(145,105)	(122,859)
Zakat		(21,438)	(12,451)	(27,466)	(16,354)
Net profit for the period		3,532,551	3,109,240	5,544,176	4,892,133
Attributable to:					
Parent Company's shareholders		3,531,925	3,109,302	5,542,696	4,892,366
Non-controlling interest		626	(62)	1,480	(233)
		3,532,551	3,109,240	5,544,176	4,892,133
Earnings per share (fils)	17	38.14	33.57	59.85	52.83

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 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2023	2022	2023	2022
Net profit for the period		<u>3,532,551</u>	<u>3,109,240</u>	<u>5,544,176</u>	<u>4,892,133</u>
Other comprehensive income items:					
Items that will not be reclassified subsequently to statement of income:					
Net changes in fair value of financial investments at fair value through OCI		606,284	(863,487)	131,982	30,026
Group's share in an associates' change in fair value reserves	7	<u>65,073</u>	<u>(169,614)</u>	<u>84,811</u>	<u>89,102</u>
		<u>671,357</u>	<u>(1,033,101)</u>	<u>216,793</u>	<u>119,128</u>
Items that may be reclassified subsequently to statement of income:					
Group's share in an associate's reserve	7	1,943	16,468	2,883	24,322
Foreign currency translation differences of a subsidiary		<u>80,044</u>	<u>4,392</u>	<u>79,911</u>	<u>75,249</u>
		<u>81,987</u>	<u>20,860</u>	<u>82,794</u>	<u>99,571</u>
Other comprehensive profit / (loss) for the period		<u>753,344</u>	<u>(1,012,241)</u>	<u>299,587</u>	<u>218,699</u>
Total comprehensive profit for the period		<u>4,285,895</u>	<u>2,096,999</u>	<u>5,843,763</u>	<u>5,110,832</u>
Attributable to:					
Parent Company's shareholders		4,285,269	2,097,061	5,842,283	5,111,065
Non-controlling interest		<u>626</u>	<u>(62)</u>	<u>1,480</u>	<u>(233)</u>
		<u>4,285,895</u>	<u>2,096,999</u>	<u>5,843,763</u>	<u>5,110,832</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 2023
(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		
Balance as at 1 January 2022	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	-	-	-	-	-	(2,778,043)	-	(2,778,043)
Cash dividends in subsidiary	-	-	-	-	-	-	(3,749)	(3,749)
Balance as at 30 June 2022	10,106,250	(8,201,231)	5,065,834	14,697,632	19,137,528	34,850,684	11,754	75,668,451
Balance as at 1 January 2023	10,106,250	(8,201,231)	5,065,834	15,487,507	20,906,274	36,796,616	13,927	80,175,177
Net profit for the period	-	-	-	-	-	5,542,696	1,480	5,544,176
Other comprehensive income for the period	-	-	-	-	299,587	-	-	299,587
Total comprehensive income for the period	-	-	-	-	299,587	5,542,696	1,480	5,843,763
Cash dividends (Note 21)	-	-	-	-	-	(5,556,086)	-	(5,556,086)
Cash dividends in subsidiary	-	-	-	-	-	-	(1,875)	(1,875)
Balance as at 30 June 2023	10,106,250	(8,201,231)	5,065,834	15,487,507	21,205,861	36,783,226	13,532	80,460,979

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 2023****(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)*

	Six months ended	
	30 June	
	2023	2022
Cash flows from operating activities		
Net profit for the period	5,544,176	4,892,133
<i>Adjustments:</i>		
Depreciation and amortization	933,672	818,679
Depreciation of right-of-use leased assets	1,174,654	1,200,984
Interest income	(389,673)	-
Waiver of lease payments	(68,650)	(57,209)
Net profit from investments at FVTOCI	(216,609)	(207,501)
Group's share in an associate's results	(3,057,610)	(3,278,986)
Post-employment benefits	141,835	112,796
Finance costs	361,697	270,789
Interest portion of lease liability	464,616	444,079
Operating profit before changes in operating assets and liabilities	4,888,108	4,195,764
Change in inventories	(644,687)	157,487
Change in trade and other receivables	(211,628)	(412,732)
Change in trade and other payables	2,844,303	2,135,389
Cash generated from operating activities	6,876,096	6,075,908
Post-employment benefits paid	(67,470)	(35,571)
Net cash generated from operating activities	6,808,626	6,040,337
Cash flows from investment activities		
Paid for purchase of property, plant and equipment	(2,801,372)	(985,447)
Paid for purchase of investment properties	(9,671,553)	(10,739,293)
Paid for purchase of intangible assets	(195,526)	-
Interest income collected	389,673	-
Proceeds from sale of investments at FVTOCI	1,560,000	-
Dividends received	2,016,609	207,501
Net cash used in investing activities	(8,702,169)	(11,517,239)
Cash flows from financing activities		
Net proceed from loans and bank facilities	8,221,707	10,878,546
Finance costs paid	(450,185)	(285,918)
Repayment of lease liability	(1,162,509)	(605,930)
Repayment of interest of lease liability	(464,616)	(444,079)
Dividends paid	(5,610,661)	(2,706,941)
Net cash generated from financing activities	533,736	6,835,678
Net change in cash and cash equivalents	(1,359,807)	1,358,776
Cash and cash equivalents at the beginning of the period	24,924,155	20,106,633
Cash and cash equivalents at the end of the period (note 10)	23,564,348	21,465,409

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 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":

	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 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 retail activity of gifts and luxuries, as well as the number of members of the Board of Directors and their remunerations.

The interim condensed consolidated financial information for the six months ended 30 June 2023 was authorized for issuance by the Board of Directors on 9 August 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 30 June 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 2022, 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 six months ended 30 June 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
	30 June 2023	31 December 2022	30 June 2022				
Equity Instruments designated as FVTOCI							
Quoted shares	7,405,140	7,273,158	6,024,423	Level 1	N/A	Last bid price	N/A
Unquoted shares	56,194	56,194	56,194	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	10,000	1,570,000	879,203	Level 3	N/A	Net adjusted book value	N/A
	<u>7,471,334</u>	<u>8,899,352</u>	<u>6,959,820</u>				

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 2023	31 December 2022 (Audited)	30 June 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	2,801,372	1,671,530	985,447
Revaluation of lands	-	67,469	-
Disposals during the period / year	(835,589)	(116,960)	-
Depreciation of disposals during the period/year	835,589	116,960	-
Depreciation during the period/year	(890,185)	(1,745,267)	(804,708)
Impairment	-	(548,033)	-
Net carrying value at the end of the period / year	<u>24,360,309</u>	<u>22,449,122</u>	<u>23,184,162</u>

5. Investment properties

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Investment properties	4,754,416	4,754,416	4,673,005
Investment properties under development	75,892,031	66,447,508	55,791,715
	<u>80,646,447</u>	<u>71,201,924</u>	<u>60,464,720</u>

Movement on investment properties are as follows:

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Balance at the beginning of the period/year	71,201,924	49,157,893	49,157,893
Additions during the period/year	9,444,523	22,609,532	11,306,827
Impact of lease contract modification	-	(879,665)	-
Change in fair value	-	314,164	-
Balance at the end of the period/year	<u>80,646,447</u>	<u>71,201,924</u>	<u>60,464,720</u>

- The projects under progress represents in the construction works of a commercial, entertainment and cultural complex in the South Sabahiya area and 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. The project is in its final stages and it is expected that the construction works of the project will be completed during the third quarter of 2023.

- During current period, finance costs with an amount of KD 1,217,985 has been capitalized to investment property under development (KD 1,299,888 for the year ended 31 December 2022, KD 387,079 for the period ended 30 June 2022).

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

- Investments properties under development include advance payment to contractors amount to KD 207,866 as at 30 June 2023 (KD 697,508 as at 31 December 2022, KD 1,619,205 as at 30 June 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.

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Net book value as on 1 January	17,233,289	20,936,692	20,936,692
Additions	-	281,324	281,324
Amortization	(1,174,654)	(2,382,760)	(1,200,983)
Disposal	-	(1,601,967)	-
Net book value as at end of the period/ year	<u>16,058,635</u>	<u>17,233,289</u>	<u>20,017,033</u>

	30 June 2023	31 December 2022 (Audited)	30 June 2022
<u>Non-Current lease liabilities</u>			
Amounts due for settlement after 12 months	28,456,853	29,785,070	30,870,384
<u>Current lease liabilities</u>			
Amounts due for settlement within 12 months	<u>1,827,702</u>	<u>1,730,644</u>	<u>2,325,830</u>
	<u>30,284,555</u>	<u>31,515,714</u>	<u>33,196,214</u>

Maturity analysis

Maturity dates of undiscounted lease liabilities are as follows:

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Not later than 1 year	1,827,702	1,730,644	2,325,830
Later than 1 year and not later than 5 years	11,625,252	14,322,589	14,134,564
Later than 5 years	26,077,138	25,620,211	23,330,924
	<u>39,530,092</u>	<u>41,673,444</u>	<u>39,791,318</u>

Movement on lease liabilities during the year is as follows:

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Balance as at the beginning of the period/ year	31,515,714	33,578,029	33,578,029
Addition	-	281,324	281,325
Interest expense	464,616	871,612	444,079
Lease Payment	(1,627,125)	(2,198,286)	(1,050,010)
Impact of lease contracts modification waiver of lease payments	-	(879,665)	-
	(68,650)	(137,300)	(57,209)
Balance at the end of the period/ year	<u>30,284,555</u>	<u>31,515,714</u>	<u>33,196,214</u>

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

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 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 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Amortization expense on right-of-use assets	594,245	601,121	1,174,654	1,200,984
Interest expense on lease liabilities	232,038	219,654	464,616	444,079
Expense relating to short-term leases	-	-	3,988	3,987
Expense relating to variable lease payments not included in the measurement of the lease liability	382,972	295,134	652,687	576,259
	<u>1,209,255</u>	<u>1,115,909</u>	<u>2,295,945</u>	<u>2,225,309</u>

7. Investments in an associate

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

	30 June 2023	31 December 2022 (Audited)	30 June 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	3,057,610	5,484,069	3,278,986
Group's share from an associate's reserve:	84,811	(130,620)	89,102
Foreign currency translation reserve	2,883	18,243	24,322
Dividends	(1,800,000)	(1,800,000)	(1,800,000)
Balance at the end of the period/ year	<u>46,239,451</u>	<u>44,894,147</u>	<u>42,914,865</u>

8. Investments at FVTOCI

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Quoted shares	7,405,140	7,273,158	6,024,423
Unquoted shares	66,194	1,626,194	935,397
	<u>7,471,334</u>	<u>8,899,352</u>	<u>6,959,820</u>

9. Trade and other receivables

	30 June 2023	31 December 2022 (Audited)	30 June 2022
<u>Non-current</u>			
Refundable deposits	780,060	775,060	775,060
<u>Current</u>			
Trade receivables	836,795	792,846	954,594
Due from related parties (note 19)	-	-	90
Prepaid expenses	304,815	89,493	203,288
Staff receivables	493,397	476,427	433,602
Accrued income	-	-	1,800,000
	<u>1,635,007</u>	<u>1,358,766</u>	<u>3,391,574</u>
Provision for expected credit losses	(857,940)	(868,238)	(884,974)
	<u>777,067</u>	<u>490,528</u>	<u>2,506,600</u>
	<u>1,557,127</u>	<u>1,265,588</u>	<u>3,281,660</u>

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. Cash and cash equivalents

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Cash on hand	407,517	242,804	47,198
Banks' current accounts	4,748,039	2,401,575	7,015,566
Time deposits (less than three months)	1,837,800	7,837,800	-
Cash in investment portfolios	16,570,992	14,441,976	14,402,645
Cash and cash equivalents	23,564,348	24,924,155	21,465,409
Expected credit losses	(4,442)	(4,442)	(4,442)
	<u>23,559,906</u>	<u>24,919,713</u>	<u>21,460,967</u>

11. Treasury shares

	30 June 2023	31 December 2022 (Audited)	30 June 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	8,164,212	8,451,863	7,360,481

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
Balance at 1 January 2022	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 income for the period	-	119,128	99,571	-	218,699
Balance at 30 June 2022	<u>11,669,670</u>	<u>6,935,046</u>	<u>405,719</u>	<u>127,093</u>	<u>19,137,528</u>
Balance at 1 January 2023	11,737,139	8,524,856	517,186	127,093	20,906,274
Changes in fair value of financial investments at FVTOCI	-	216,793	-	-	216,793
Foreign currency translation reserve	-	-	82,794	-	82,794
Other comprehensive income for the period	-	216,793	82,794	-	299,587
Balance at 30 June 2023	<u>11,737,139</u>	<u>8,741,649</u>	<u>599,980</u>	<u>127,093</u>	<u>21,205,861</u>

Land revaluation reserve includes the following:

	30 June 2023	31 December 2022 (Audited)	30 June 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 six months ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. Trade and other payables	30 June 2023	31 December 2022 (Audited)	30 June 2022
Non-current			
Retention payable	5,326,701	4,706,104	3,782,712
Others' deposits	4,040,280	3,241,319	2,461,811
	<u>9,366,981</u>	<u>7,947,423</u>	<u>6,244,523</u>
Current			
Trade payables	5,506,820	3,675,953	4,744,035
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payable	1,089,045	1,141,745	1,162,816
Construction contract payables	-	776,040	884,080
Expenses and accrued leaves	1,428,349	1,430,817	1,280,670
Deferred income	890,412	751,691	833,429
Due to related parties (Note 19)	7,400	1,690	32,524
Board of Directors' remuneration	-	35,000	-
Taxes and deductions	203,549	256,639	170,534
Other payables	35,825	35,298	30,633
	<u>11,315,465</u>	<u>10,258,938</u>	<u>11,292,786</u>
	<u>20,682,446</u>	<u>18,206,361</u>	<u>17,537,309</u>

14. Loans and bank facilities	30 June 2023	31 December 2022 (Audited)	30 June 2022
Long term			
Long Term loans	49,920,000	41,920,000	31,000,000
Bank facilities	-	-	3,051,941
	<u>49,920,000</u>	<u>41,920,000</u>	<u>34,051,941</u>
Short term			
Short term loans	18,000,000	18,000,000	17,000,000
Banks - overdraft	790,318	568,611	9,020
	<u>18,790,318</u>	<u>18,568,611</u>	<u>17,009,020</u>
	<u>68,710,318</u>	<u>60,488,611</u>	<u>51,060,961</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 7 years.
- The effective interest rate on loans and bank facilities was 5.07% during six month ended 30 June 2023 (4.67% during year 2022, 3.31% during six months ended 30 June 2022).

15. operating revenues	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Revenue of cinema's activity	4,750,981	3,513,476	8,093,531	6,670,412
Revenue of concession activity	2,698,147	1,960,329	4,486,605	3,844,833
	<u>7,449,128</u>	<u>5,473,805</u>	<u>12,580,136</u>	<u>10,515,245</u>

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. Operating cost

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Cinema's activity cost	(3,925,174)	(3,067,160)	(7,030,292)	(5,926,619)
Concession activity cost	(1,145,410)	(988,911)	(2,138,836)	(1,947,210)
	<u>(5,070,584)</u>	<u>(4,056,071)</u>	<u>(9,169,128)</u>	<u>(7,873,829)</u>

17. Earnings per share

Basic and diluted earnings per share are computed by dividing earnings 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	
	2023	2022	2023	2022
Net profit attributable to Parent Company's shareholders	3,531,925	3,109,302	5,542,696	4,892,366
Weighted average number of outstanding shares (share)	<u>92,602,177</u>	<u>92,602,177</u>	<u>92,602,177</u>	<u>92,602,177</u>
Earnings per share (fiils)	<u>38.14</u>	<u>33.57</u>	<u>59.85</u>	<u>52.83</u>

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 theatres.
- 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 30 June 2023				
	Cinema division	Concession division	Investment division	Unallocated Items	Total
Net revenues	8,093,531	4,486,605	3,491,952	1,166,651	17,238,739
Costs	(7,030,292)	(2,138,836)	(98,347)	(2,427,088)	(11,694,563)
Segment's (loss)/ profit	<u>1,063,239</u>	<u>2,347,769</u>	<u>3,393,605</u>	<u>(1,260,437)</u>	<u>5,544,176</u>
Assets	<u>35,347,911</u>	<u>1,198,758</u>	<u>136,973,331</u>	<u>28,198,937</u>	<u>201,718,937</u>

	Divisions activity as at 30 June 2022				
	Cinema division	Concession division	Investment division	Unallocated Items	Total
Net revenues	6,670,412	3,844,833	3,706,280	876,839	15,098,364
Costs	(5,926,619)	(1,947,210)	(3,892)	(2,328,510)	(10,206,231)
Segment's (loss)/ profit	<u>743,793</u>	<u>1,897,623</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>

**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Related parties transactions

The related parties are shareholders who have representation on boards of directors, directors, directors and companies controlled by major shareholders. In Group's normal activities transactions were made with related parties during the period

The following is a statement of the size and nature of these transactions during the period:

	30 June 2023	30 June 2022
Related parties transactions		
Key management compensation	111,657	110,740
Expenses (rents, consultancy and others)	720,753	635,828
Other income	55,743	68,922
Selling investments at FVTOCI	1,560,000	-

	30 June 2023	31 December 2022 (Audited)	30 June 2022
Balances resulting from those transactions:			
Due from related parties	-	-	90
Due to related parties	7,400	1,690	32,524
Cash at investment portfolios	2,616,098	838,680	968,870
Key management compensation balance long term	(178,277)	(160,713)	(160,713)
Key management compensation balance short term	(46,126)	(44,769)	(44,769)

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 7,471,334 as at 30 June 2023 (KD 8,899,352 as at 31 December 2022, KD 6,959,820 as at 30 June 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

	30 June 2023 (un audited)	31 December 2022 (Audited)	30 June 2022 (un audited)
Estimated capital expenditure	6,158,899	14,896,365	14,618,843
Future commitments for purchasing films	1,022,958	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 consolidated 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 also approved the board of directors' remuneration in the amount of 35,000 Kuwaiti dinars for the year 2022.

22. Comparative figures

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