



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 six months ended 30 June 2024
(Unaudited)**



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Contents	Page
Independent Auditor's Review Report	
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	6-14

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 2024 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 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 six-month period ended 30 June 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 August 2024.

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	30 June 2024	31 December 2023 (Audited)	30 June 2023
Assets				
Non-current assets				
Property, plant and equipment	4	25,387,033	26,656,518	24,360,309
Investment properties	5	90,266,374	90,266,374	80,646,447
Right-of-use leased assets	6	14,573,554	15,582,038	16,058,635
Intangible assets		216,126	90,084	201,655
Investment in an associate	7	49,700,396	48,925,862	46,239,451
Investments at fair value through other comprehensive income ("FVTOCI")	8	7,474,818	6,664,310	7,471,334
Trade and other receivables	9	843,446	843,446	780,060
		<u>188,461,747</u>	<u>189,028,632</u>	<u>175,757,891</u>
Current assets				
Inventories		863,316	666,091	1,624,073
Trade and other receivables	9	690,364	779,597	777,067
Cash and cash equivalents	10	37,385,586	36,933,376	23,559,906
		<u>38,939,266</u>	<u>38,379,064</u>	<u>25,961,046</u>
Total assets		<u>227,401,013</u>	<u>227,407,696</u>	<u>201,718,937</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		16,590,250	16,590,250	15,487,507
Other reserves	12	21,792,070	20,686,182	21,205,861
Retained earnings		40,910,453	40,759,546	36,783,226
Equity attributable to shareholders of the Parent Company		<u>86,263,626</u>	<u>85,006,831</u>	<u>80,447,447</u>
Non-controlling interests		14,130	15,125	13,532
		<u>86,277,756</u>	<u>85,021,956</u>	<u>80,460,979</u>
Liabilities				
Non-current liabilities				
Trade and other payables	13	8,293,079	11,334,400	9,366,981
Lease liabilities	6	24,857,797	26,472,308	28,456,853
Loans and bank facilities	14	62,950,000	56,910,250	49,920,000
Post-employment benefits		1,689,450	1,598,876	1,580,639
		<u>97,790,326</u>	<u>96,315,834</u>	<u>89,324,473</u>
Current liabilities				
Trade and other payables	13	18,130,316	18,332,662	11,315,465
Lease liabilities	6	3,181,052	3,178,052	1,827,702
Loans and bank facilities	14	22,021,563	24,559,192	18,790,318
		<u>43,332,931</u>	<u>46,069,906</u>	<u>31,933,485</u>
Total liabilities		<u>141,123,257</u>	<u>142,385,740</u>	<u>121,257,958</u>
Total equity and liabilities		<u>227,401,013</u>	<u>227,407,696</u>	<u>201,718,937</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 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2024	2023	2024	2023
Operating revenues	15	11,576,515	7,591,210	18,843,277	12,832,666
Operating costs	16	(7,305,034)	(5,134,458)	(11,803,372)	(9,302,272)
Gross profit		4,271,481	2,456,752	7,039,905	3,530,394
Other operating income		529,992	424,804	1,832,349	1,166,651
General and administrative expenses		(571,905)	(410,228)	(1,415,177)	(1,083,897)
Other operating expenses		(135,248)	(147,682)	(311,815)	(319,442)
Net gain from financial investments		368,748	222,985	376,287	216,609
Group's share in business results of an associate	7	1,754,829	1,545,398	2,975,675	3,057,610
Finance interests		(995,503)	(425,434)	(2,662,450)	(826,313)
Net Profit before deductions		5,222,394	3,666,595	7,834,774	5,741,612
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(28,667)	(20,377)	(42,331)	(24,865)
National labour support tax ("NLST")		(121,467)	(92,229)	(188,487)	(145,105)
Zakat		(28,614)	(21,438)	(42,932)	(27,466)
Net profit for the period		5,043,646	3,532,551	7,561,024	5,544,176
Attributable to:					
Shareholders of the Parent Company		5,041,828	3,531,925	7,559,019	5,542,696
Non-controlling interest		1,818	626	2,005	1,480
		5,043,646	3,532,551	7,561,024	5,544,176
Earnings per share (fils)	17	54.45	38.14	81.63	59.85

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 2024
 (Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
Net profit for the period		5,043,646	3,532,551	7,561,024	5,544,176
Other comprehensive income items:					
Items that may not be reclassified subsequently to statement of income:					
Net change in fair value of financial investments at FVTOCI		(543,798)	606,284	810,508	131,982
Group's share from change in fair value reserves of an associate	7	(713,779)	65,073	49,247	84,811
		(1,257,577)	671,357	859,755	216,793
Items that may be reclassified subsequently to statement of income:					
Group's share from foreign currency reserves of an associate	7	(2,905)	1,943	(388)	2,883
Exchange differences on translation of a subsidiary		4,019	80,044	246,521	79,911
		1,114	81,987	246,133	82,794
Other comprehensive (loss)/ profit for the period		(1,256,463)	753,344	1,105,888	299,587
Total comprehensive profit for the period		3,787,183	4,285,895	8,666,912	5,843,763
Attributable to:					
Shareholders of the Parent Company		3,785,365	4,285,269	8,664,907	5,842,283
Non-controlling interests		1,818	626	2,005	1,480
		3,787,183	4,285,895	8,666,912	5,843,763

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 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Equity attributable to shareholders of the Parent Company						Non- controlling interests	Total
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 12)	Retained earnings		
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
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	-	-	-	-	-	(5,556,086)	-	(5,556,086)
Cash dividends in a 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
Balance as at 1 January 2024	10,106,250	(8,201,231)	5,065,834	16,590,250	20,686,182	40,759,546	15,125	85,021,956
Net income for the period	-	-	-	-	-	7,559,019	2,005	7,561,024
Comprehensive income for the period	-	-	-	-	1,105,888	-	-	1,105,888
Total comprehensive income for the period	-	-	-	-	1,105,888	7,559,019	2,005	8,666,912
Cash dividends (Note 21)	-	-	-	-	-	(7,408,112)	-	(7,408,112)
Cash dividends in a subsidiary	-	-	-	-	-	-	(3,000)	(3,000)
Balance as at 30 June 2024	10,106,250	(8,201,231)	5,065,834	16,590,250	21,792,070	40,910,453	14,130	86,277,756

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

**Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2024
 (Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Six months ended 30 June	
	2024	2023
Cash flows from operating activities		
Net profit for the period	7,561,024	5,544,176
<i>Adjustments:</i>		
Depreciation and amortization	1,102,835	933,672
Impairment of property, plant and equipment	470,000	-
Depreciation of right-of-use leased assets	1,008,484	1,174,654
Interest income	(592,185)	(389,673)
Gains from disposal of property, plant and equipment	(616,052)	-
Net profits from investments at FVTOCI	(376,287)	(216,609)
Group's share in business results of an associate	(2,975,675)	(3,057,610)
Post-employment benefits	135,494	141,835
Provided of provision for expected credit losses	(15,155)	-
Finance interests	2,225,762	361,697
Interests on lease liabilities	436,688	464,616
Operating profit before changes in operating assets and liabilities	8,364,933	4,956,758
Change in inventories	(197,225)	(644,687)
Change in trade and other receivables	952,451	(211,628)
Change in trade and other payables	(3,516,599)	2,844,303
Cash generated from operating activities	5,603,560	6,944,746
Post-employment benefits paid	(44,920)	(67,470)
Net cash generated from operating activities	5,558,640	6,877,276
Cash flows from investment activities		
Paid for purchase of property, plant and equipment	(513,336)	(2,801,372)
Paid for acquisition of investment properties	-	(9,671,553)
Paid for purchase of intangible assets	(126,042)	(195,526)
interest income received	592,185	389,673
Proceeds from sale of property, plant and equipment	826,038	-
Proceeds from sale of investments at FVTOCI	-	1,560,000
Cash dividends received	2,626,287	2,016,609
Net cash generated from / (used in) investing activities	3,405,132	(8,702,169)
Cash flows from financing activities		
Net proceeds from loans and bank facilities	3,502,121	8,221,707
Finance interests paid	(2,252,792)	(450,185)
Repayment of lease liabilities	(2,048,201)	(1,231,159)
Repayment of interest of lease liabilities	(436,688)	(464,616)
Dividends paid	(7,276,002)	(5,610,661)
Net cash (used in) / generated from financing activities	(8,511,562)	465,086
Net change in cash and cash equivalents	452,210	(1,359,807)
Cash and cash equivalents at the beginning of the period	36,937,818	24,924,155
Cash and cash equivalents at the end of the period (Note 10)	37,390,028	23,564,348

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 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":

	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

The interim condensed consolidated financial information for the six months ended 30 June 2024 was authorized for issuance by the Board of Directors on 8 August 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 ("IFRS").

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 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 six months ended 30 June 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
	30 June 2024	31 December 2023	30 June 2023				
Equity instruments designated as FVTOCI							
Quoted shares	7,163,741	6,598,116	7,405,140	Level 1	N/A	Last bid price	N/A
Unquoted shares	6,873	52,832	52,832	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	294,204	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 liabilities approximately equal its book value as at the interim condensed consolidated financial information date.

The balance of accumulated profits related to disposed investments held in the fair value reserve amounted to KD 6,416,490 as at 30 June 2024, 31 December 2023, and 30 June 2023.

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Adjustment for determining the fair value of level 3 of equity instruments is as follows:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Balance as at the beginning of the period / year	66,194	1,626,194	1,626,194
Disposals	-	(1,560,000)	(1,560,000)
Change in fair value	244,883	-	-
Balance as at the end of the period / year	311,077	66,194	66,194

4. Property, plant and equipment

	30 June 2024	31 December 2023 (Audited)	30 June 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	513,336	7,433,744	2,801,372
Transferred from investment properties	-	610,734	-
Revaluation of lands	-	20,000	-
Disposals during the period / year (net)	(209,986)	(32,709)	-
Depreciation during the period / year	(1,102,835)	(2,680,814)	(890,185)
Impairment	(470,000)	(1,143,559)	-
Balance as at the end of the period / year	25,387,033	26,656,518	24,360,309

The Group assessed impairment of property, plant and equipment of an operating location based on value-in-use method. The Group concluded that recoverable amount is less than carrying value of KD 470,000 for the six months ended 30 June 2024. Impact of such impairment was recognized under operating cost.

5. Investment properties

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Investment properties	90,266,374	90,266,374	4,754,416
Investment properties under development	-	-	75,892,031
Balance as at the end of the period / year	90,266,374	90,266,374	80,646,447

Movement on investment properties is as follows:

	30 June 2024	31 December 2023 (Audited)	30 June 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	9,444,523
Transferred to property, plant and equipment's	-	(610,734)	-
Transferred to right-of-use leased assets	-	(525,825)	-
Change in fair value	-	774,956	-
Balance at the end of the period/year	90,266,374	90,266,374	80,646,447

6. Right-of-use leased assets

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

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Net carrying value as at 1 January	15,582,038	17,233,289	17,233,289
Depreciation	(1,008,484)	(2,177,076)	(1,174,654)
Transferred from investment properties	-	525,825	-
Net carrying value as at the end of the period / year	14,573,554	15,582,038	16,058,635

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Non-current lease liabilities			
Amounts due for settlement after 12 months	24,857,797	26,472,308	28,456,853
Current lease liabilities			
Amounts due for settlement within 12 months	3,181,052	3,178,052	1,827,702
	<u>28,038,849</u>	<u>29,650,360</u>	<u>30,284,555</u>

Maturity analysis

Maturity dates of undiscounted lease liabilities are as follows:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Not later than 1 year	3,181,052	3,178,052	1,827,702
Later than 1 year and not later than 5 years	10,268,894	11,855,679	11,625,252
Later than 5 years	23,131,064	23,871,584	26,077,138
	<u>36,581,010</u>	<u>38,905,315</u>	<u>39,530,092</u>

Movement on lease liabilities during the year is as follows:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Balance as at the beginning of the period / year	29,650,360	31,515,714	31,515,714
Finance interests	436,688	919,099	464,616
Lease payments	(2,048,199)	(2,784,453)	(1,627,125)
waiver of lease payments	-	-	(68,650)
Balance at the end of the period / year	<u>28,038,849</u>	<u>29,650,360</u>	<u>30,284,555</u>

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

The following table shows the different types of expenses related to leases and recognized in the statement of income:

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Amortization of right-of-use assets	510,815	594,245	1,008,484	1,174,654
Interests on lease liabilities	217,672	232,038	436,688	464,616
Leases less than one year	-	-	3,988	3,988
Variable leases not included in measurement of lease liabilities	361,362	382,972	529,970	652,687
	<u>1,089,849</u>	<u>1,209,255</u>	<u>1,979,130</u>	<u>2,295,945</u>

7. Investment in an associate

This represents the Group's investments in Tamdeen Shopping Centers Company K.S.C. (Closed) at 30%.

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Balance as at the beginning of the period/ year	48,925,862	44,894,147	44,894,147
Group's share in business results of an associate	2,975,675	5,516,166	3,057,610
Group's share from change in fair value reserve	49,247	315,549	84,811
Group's share from foreign currency translation reserve	(388)	-	2,883
Dividends	(2,250,000)	(1,800,000)	(1,800,000)
Balance at the end of the period / year	<u>49,700,396</u>	<u>48,925,862</u>	<u>46,239,451</u>

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. Investments at fair value through statement of other comprehensive income	30 June 2024	31 December 2023 (Audited)	30 June 2023
Quoted shares	7,163,741	6,598,116	7,405,140
Unquoted shares	311,077	66,194	66,194
	<u>7,474,818</u>	<u>6,664,310</u>	<u>7,471,334</u>
9. Trade and other receivables	30 June 2024	31 December 2023 (Audited)	30 June 2023
<u>Non-current</u>			
Refundable deposits	843,446	843,446	780,060
<u>Current</u>			
Trade receivables	692,605	1,145,175	836,795
Due from related parties (Note 19)	165,371	-	-
Prepaid expenses and others	130,580	17,633	304,815
Staff receivables	544,688	474,824	493,397
	<u>1,533,244</u>	<u>1,637,632</u>	<u>1,635,007</u>
Provision for expected credit losses	(842,880)	(858,035)	(857,940)
	<u>690,364</u>	<u>779,597</u>	<u>777,067</u>
	<u>1,533,810</u>	<u>1,623,043</u>	<u>1,557,127</u>
10. Cash and cash equivalents	30 June 2024	31 December 2023 (Audited)	30 June 2023
Cash on hand	35,233	70,419	407,517
Banks' current accounts	13,161,423	21,746,214	18,702,932
Time deposits (less than three months)	21,199,281	12,500,000	1,837,800
Cash at investment portfolios	2,994,091	2,621,185	2,616,099
Cash and cash equivalents	<u>37,390,028</u>	<u>36,937,818</u>	<u>23,564,348</u>
Expected credit losses	(4,442)	(4,442)	(4,442)
	<u>37,385,586</u>	<u>36,933,376</u>	<u>23,559,906</u>
11. Treasury shares	30 June 2024	31 December 2023 (Audited)	30 June 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	9,433,260	9,898,578	8,164,212

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 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
Balance at 1 January 2023					
Change in fair value of investments through OCI	11,737,139	8,524,856	517,186	127,093	20,906,274
Foreign currency translation reserve	-	216,793	-	-	216,793
Other comprehensive income items for the period	-	-	82,794	-	82,794
Balance at 30 June 2023	-	216,793	82,794	-	299,587
	<u>11,737,139</u>	<u>8,741,649</u>	<u>599,980</u>	<u>127,093</u>	<u>21,205,861</u>
Balance at 1 January 2024	11,757,139	8,163,646	638,304	127,093	20,686,182
Change in fair value of investments through OCI	-	859,755	-	-	859,755
Foreign currency translation reserve	-	-	246,133	-	246,133
Other comprehensive income items for the period	-	859,755	246,133	-	1,105,888
Balance at 30 June 2024	<u>11,757,139</u>	<u>9,023,401</u>	<u>884,437</u>	<u>127,093</u>	<u>21,792,070</u>

Land revaluation reserve includes the following:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Valuation reserve for land within property, plant and equipment	8,287,163	8,287,163	8,267,163
Valuation reserve for land reclassified to investment properties	2,363,735	2,363,735	2,363,735
Valuation 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

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Non-current			
Retention payable to contractors	2,797,609	5,692,748	5,326,701
Others' deposits	5,495,470	5,641,652	4,040,280
	<u>8,293,079</u>	<u>11,334,400</u>	<u>9,366,981</u>
Current			
Trade payables	6,109,623	4,729,517	5,506,820
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payable	1,207,471	1,072,358	1,089,045
Construction contracts liabilities of investment properties	5,347,260	7,147,998	-
Expenses and accrued leaves	1,853,854	1,748,842	1,428,349
Deferred income	1,137,428	1,010,182	890,412
Due to related parties (Note 19)	-	7,814	7,400
Board of Directors' remuneration	-	35,000	-
Contribution to KFAS	42,331	53,118	24,865
Taxes and deductions	188,487	272,319	145,105
Zakat	42,932	61,910	27,466
Other payables	46,865	39,539	41,938
	<u>18,130,316</u>	<u>18,332,662</u>	<u>11,315,465</u>
	<u>26,423,395</u>	<u>29,667,062</u>	<u>20,682,446</u>

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

14. Loans and bank facilities

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Long term			
Islamic finance	62,950,000	56,910,250	49,920,000
	<u>62,950,000</u>	<u>56,910,250</u>	<u>49,920,000</u>
Short term			
Islamic finance	13,450,000	16,718,269	11,000,000
Loans	7,000,000	7,000,000	7,000,000
Banks-overdraft	1,571,563	840,923	790,318
	<u>22,021,563</u>	<u>24,559,192</u>	<u>18,790,318</u>
	<u>84,971,563</u>	<u>81,469,442</u>	<u>68,710,318</u>

- Long-term loans and bank facilities are granted to the Group from local banks against commitments from the Group represented mainly in transferring revenues of an investment properties under development to the Group'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 1.02% during the six months ended 30 June 2024 (1.02% during year 2023, 1.17% during the six months ended 30 June 2023).

15. Operating income

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Revenue of cinema and buffets activity	7,942,241	7,483,925	11,496,701	12,614,933
Rental Income from investment properties	3,634,274	107,285	7,346,576	217,733
	<u>11,576,515</u>	<u>7,591,210</u>	<u>18,843,277</u>	<u>12,832,666</u>

16. Operating costs

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Costs of cinema and buffets activity	5,908,326	5,105,381	9,378,441	9,203,925
Cost of investment property activity	1,396,708	29,077	2,424,931	98,347
	<u>7,305,034</u>	<u>5,134,458</u>	<u>11,803,372</u>	<u>9,302,272</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 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Net profit for the period attributable to Shareholders of the Parent Company	5,041,828	3,531,925	7,559,019	5,542,696
Weighted average number of outstanding shares (share)	92,602,177	92,602,177	92,602,177	92,602,177
Earnings per share (fils)	<u>54.45</u>	<u>38.14</u>	<u>81.63</u>	<u>59.85</u>

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

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2024

(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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.

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, profits and assets for each segment:

	Statement of segments activity as at 30 June 2024				
	Cinema & buffets segment	Financial investments segment	Investment properties segment	Unallocated items	Total
Net revenues	11,496,701	3,351,962	7,346,576	1,832,349	24,027,588
Costs	(9,378,441)	-	(2,424,931)	(4,663,192)	(16,466,564)
Segment's profits/ (losses)	2,118,260	3,351,962	4,921,645	(2,830,843)	7,561,024
Assets	38,953,271	60,169,305	90,266,374	38,012,063	227,401,013

	Statement of segments activity as at 30 June 2023				
	Cinema & buffets segment	Financial investments segment	Investment properties segment	Unallocated items	Total
Net revenues	12,614,933	3,274,219	217,733	1,166,651	17,273,536
Costs	(9,203,925)	-	(98,347)	(2,427,088)	(11,729,360)
Segment's profits/ (losses)	3,411,008	3,274,219	119,386	(1,260,437)	5,544,176
Assets	36,546,669	56,326,884	80,646,447	28,198,937	201,718,937

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 following is the statement of volume and nature of those transactions during the period:

Related parties' transactions	30 June 2024	30 June 2023
Key management compensation	131,068	111,657
Expenses (rents, consultancy and others)	673,323	720,753
Other income	56,247	55,743
Selling financial investments at fair value through statement of income	-	1,560,000

Balances resulting from those transactions:	30 June 2024	31 December 2023 (Audited)	30 June 2023
Due from related parties	165,371	-	-
Due to related parties	-	7,814	7,400
Cash at investment portfolios	2,994,091	2,279,362	2,616,099
Key management compensation - long term	224,348	237,900	178,277
Key management compensation - short term	49,959	-	46,126

Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2024

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

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 7,474,818 as at 30 June 2024 (KD 6,664,310 as at 31 December 2023, KD 7,471,334 as at 30 June 2023).

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

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

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Estimated capital expenditure	5,347,260	7,147,998	6,158,899
Future commitments for purchasing films	986,201	986,201	1,022,958

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 consolidated 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.