

Bahrain Cinema Company B.S.C.

Condensed consolidated interim financial
information for the three months period
ended 31 March 2017 (Unaudited)

Bahrain Cinema Company B.S.C.
Condensed consolidated interim financial information
for the three months period ended 31 March 2017
(Unaudited)

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Bahrain Cinema Company B.S.C.
Administration and contact details as at 31 March 2017

Commercial registration no	1192 obtained on 11 August 1968	
Directors	Dr Esam Abdulla Yusuf Fakhro Ali Yusuf Ali Ubaydli Fareed Yusuf Khalil Almoayyed Jehad Yusuf Abdulla Amin Jalal Mohamed Yusuf Jalal Mohamed Ebrahim Khalil Kanoo Shawqi Ali Yusuf Fakhro	- Chairman - Vice-Chairman
Chief Executive Officer	Ahmad A. Rashed	
Audit committee	Shawqi Ali Yusuf Fakhro Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal	- Chairman
Registered office	Floor 27 Building 470, Road 1010 Block 410 Fakhro Tower PO Box 26573 Sanabis Kingdom of Bahrain	
Bankers	National Bank of Bahrain Bank of Bahrain and Kuwait Ahli United Bank National Bank of Kuwait Mashreq Bank Arab Bank	
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Diplomatic Area Kingdom of Bahrain	
Registrars	Karvy Computer Share W.L.L. PO Box 514 Manama Kingdom of Bahrain	

Review report on the condensed consolidated interim financial information to the Board of Directors of Bahrain Cinema Company B.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Bahrain Cinema Company B.S.C. ("the Company") and its subsidiary (together referred to as "the Group") as at 31 March 2017, and the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in shareholders' equity and the condensed interim consolidated statement of cash flow for the three months period then ended, and selected explanatory notes. The Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim 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 condensed consolidated interim 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 condensed consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the three months period ended in accordance with International Financial Reporting Standard IAS 34 - "Interim Financial Reporting".

BDO

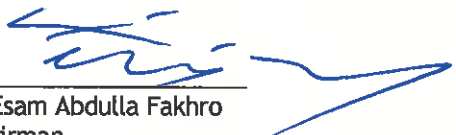
Manama, Kingdom of Bahrain
23 April 2017



Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of financial position as at 31 March 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	31 March 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	13,773,949	14,037,312
Capital work-in progress	5	6,000,918	4,316,533
Investment properties	6	7,758,015	7,758,015
Investment in joint ventures	7	3,794,163	3,902,871
Financial assets at fair value through profit or loss	8	<u>8,093,020</u>	<u>8,059,021</u>
		<u>39,420,065</u>	<u>38,073,752</u>
Current assets			
Inventories		508,602	522,210
Trade and other receivables	9	3,415,976	2,874,753
Financial assets at fair value through profit or loss	8	285,865	248,259
Short-term fixed deposits		1,000,000	5,000,000
Cash and bank balances		<u>3,988,278</u>	<u>470,021</u>
		<u>9,198,721</u>	<u>9,115,243</u>
Total assets		<u>48,618,786</u>	<u>47,188,995</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	6,609,876	6,609,876
Share premium		1,084,396	1,084,396
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		3,304,938	3,304,938
Charity reserve		243,635	215,335
Retained earnings		25,918,822	27,565,993
Treasury shares	10	<u>(276,781)</u>	<u>(276,781)</u>
		<u>41,442,328</u>	<u>43,061,199</u>
Non-current liabilities			
Employees' terminal benefits		<u>314,850</u>	<u>296,299</u>
Current liabilities			
Trade and other payables		<u>6,861,608</u>	<u>3,831,497</u>
Total equity and liabilities		<u>48,618,786</u>	<u>47,188,995</u>

The unaudited condensed consolidated interim financial statements, set out on pages 4 to 18, were approved and authorised for issue by the Board of Directors on 23 April 2017 and signed on behalf by:



 Dr Esam Abdulla Fakhro
 Chairman


 Ali Yousuf Ubaydli
 Vice-Chairman

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of profit or loss and other comprehensive income
for the three months period ended 31 March 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Three months period ended 31 March 2017</u>	<u>Three months period ended 31 March 2016</u>
Operating income		5,177,092	5,412,220
Operating costs		<u>(3,475,408)</u>	<u>(3,257,186)</u>
Operating gross profit for the period		<u>1,701,684</u>	<u>2,155,034</u>
Other operating income	12	103,876	176,951
General and administrative expenses		(663,757)	(535,935)
Write-off of property, plant & equipment		<u>-</u>	<u>(216,758)</u>
Profit from operations		<u>1,141,803</u>	<u>1,579,292</u>
Net share of profit from investment in joint ventures	7	81,119	190,925
Income/(loss) from investments	11	344,025	(1,314,681)
Finance cost		<u>(19,270)</u>	<u>(21,467)</u>
		<u>405,874</u>	<u>(1,145,223)</u>
Net profit and other comprehensive income for the period		<u>1,547,677</u>	<u>434,069</u>
Basic earnings per share	13	<u>24fils</u>	<u>7fils</u>

The unaudited condensed consolidated interim financial statements, set out on pages 4 to 18, were approved and authorised for issue by the Board of Directors on 23 April 2017 and signed on behalf by:



 Dr Esam Abdulla Fakhro
 Chairman



 Ali Yousuf Ubaydli
 Vice-Chairman

Bahrain Cinema Company B.S.C.
 Condensed consolidated interim statement of changes in shareholders' equity for the three months period ended 31 March 2017
 (Unaudited)
 (Expressed in Bahrain Dinars)

	Share capital	Share premium	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
At 31 December 2015 -audited	6,609,876	1,507,536	4,557,442	3,304,938	116,375	25,981,244	(238,429)	41,838,982
Dividends for 2015	-	-	-	-	-	(3,185,725)	-	(3,185,725)
Transferred to charity reserve	-	-	-	-	31,500	(31,500)	-	-
Net profit and other comprehensive income for the period	-	-	-	-	-	434,069	-	434,069
At 31 March 2016 - unaudited	<u>6,609,876</u>	<u>1,507,536</u>	<u>4,557,442</u>	<u>3,304,938</u>	<u>147,875</u>	<u>23,198,088</u>	<u>(238,429)</u>	<u>39,087,326</u>
At 31 December 2016 -audited	6,609,876	1,084,396	4,557,442	3,304,938	215,335	27,565,993	(276,781)	43,061,199
Dividends for 2016	-	-	-	-	-	(3,166,548)	-	(3,166,548)
Transferred to charity reserve	-	-	-	-	28,300	(28,300)	-	-
Net profit and other comprehensive income for the period	-	-	-	-	-	1,547,677	-	1,547,677
At 31 March 2017 - unaudited	<u>6,609,876</u>	<u>1,084,396</u>	<u>4,557,442</u>	<u>3,304,938</u>	<u>243,635</u>	<u>25,918,822</u>	<u>(276,781)</u>	<u>41,442,328</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows
for the three months period ended 31 March 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Three months period ended 31 March 2017</u>	<u>Three months period ended 31 March 2016</u>
Operating activities			
Net profit for the period		1,547,677	434,069
Adjustments for:			
Depreciation	4	305,475	219,517
Write-off of property, plant & equipment		-	216,758
Net share of profit from investment in joint ventures	7	(81,119)	(190,925)
Dividend income	11	(244,152)	(89,809)
Unrealised (gain) / loss on financial assets at fair value through profit or loss	11	(63,545)	616,365
Profit from fixed deposit	11	(35,375)	(22,922)
Interest income from trading of bonds and sukuku	11	(284)	(18,029)
Realised (gains)/losses on sale of financial assets at fair value through profit or loss		(669)	829,076
Gain on sale of property, plant and equipment		-	(87,119)
Finance costs		19,270	21,467
Changes in operating assets and liabilities:			
Inventories		13,608	(43,860)
Trade and other receivables		(541,223)	694,005
Employees terminal benefits		18,551	13,076
Trade and other payables		<u>(127,001)</u>	<u>(1,765,898)</u>
Net cash generated by operating activities		<u>811,213</u>	<u>825,771</u>
Investing activities			
Purchase of property, plant and equipment	4	(42,112)	(397,930)
Additions to capital work-in progress	5	(1,684,385)	(819,327)
Proceeds from sale of property, plant and equipment		-	87,124
Purchase of financial assets at fair value through profit or loss	8	(9,148)	(42,744)
Proceeds from sale of financial assets at fair value through profit or loss		1,757	5,474,356
Net movement in short term fixed deposits		4,000,000	(2,400,000)
Profit from fixed deposit received	11	35,375	22,922
Interest income from trading of bonds received	11	284	18,029
Dividend received from joint ventures	7	189,827	356,037
Dividend income received	11	<u>244,152</u>	<u>89,809</u>
Net cash provided by investing activities		<u>2,735,750</u>	<u>2,388,276</u>
Financing activities			
Dividends paid		(9,436)	(339,605)
Finance costs paid		<u>(19,270)</u>	<u>(21,467)</u>
Net cash used in financing activities		<u>(28,706)</u>	<u>(361,072)</u>
Net increase in cash and cash equivalents		3,518,257	2,852,975
Cash and cash equivalents, beginning of the period		<u>470,021</u>	<u>1,122,564</u>
Cash and cash equivalents, end of the period		<u><u>3,988,278</u></u>	<u><u>3,975,539</u></u>

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2017
(Unaudited)
(Expressed in Bahrain Dinars)

1 Organisation and activities

Bahrain Cinema Company B.S.C. (“the Company”) and its subsidiary comprise “the Group”. The Company is a public Bahraini shareholding company incorporated under Royal Decree dated 30 November 1967, is registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 1192 obtained on 11 August 1968.

The principal activities of the Company are the screening of films, advertisements and operation of restaurants and providing leisure and amusement related services.

The registered office of the Company is in the Kingdom of Bahrain.

These condensed consolidated interim financial statements include assets liabilities and the result of operations of the branches which operate under commercial registration numbers 1192-1, 1192-2, 1192-9, 1192-16, 1192-18, 1192-19, 1192-20, 1192-21, 1192-22, 1192-23, 1192-24, 1192-25, 1192-26 and 1192-27.

These condensed consolidated interim financial statements also include results of Saar Cinema Complex which is not an independent entity with no separate commercial registration number and operates under commercial registration number 1192-19 of Bahrain Cinema Company (please see Note 2 for details).

2 Structure of the Group

The structure of the Group is as follows:

Subsidiary company

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Effective ownership interest	Effective ownership interest
			<u>2017</u>	<u>2016</u>
Aradous Properties Management W.L.L.*	Kingdom of Bahrain	Managing and leasing of properties	100%	100%

* 2% of the shares in the entity, although registered in the names of related parties, are held on behalf, and for the beneficial interest, of the Group.

The total assets and net profit/(loss) for the period of the above subsidiary have been extracted from the unaudited financial statements prepared as at, and for the period ended, 31 March 2017.

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Selected explanatory notes to the condensed consolidated interim financial information
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2 Structure of the Group (continued)

Joint ventures

<u>Name of joint ventures</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2017</u>	<u>Effective ownership interest 2016</u>
Saar Cinema Complex	Kingdom of Bahrain	Screening of films	31%	31%
Qatar Bahrain International Cinema W.L.L.	State of Qatar	Screening of films	23%	23%
Al Murjan Restaurant Management W.L.L.	State of Qatar	Restaurant operations	50%	50%

The Group is a party to joint arrangements with the above entities, as arrangement confers joint control over the operations and the decision making process.

3 Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements of the Group for the year ended 31 December 2016. The interim condensed consolidated financial information should be read in conjunction with the 2016 annual audited consolidated financial statements.

Improvements/amendments to IFRS 2014/2016 cycle

Improvements/amendments to IFRS/IAS issued in 2014/2016 cycles contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Group's annual audited consolidated financial statements beginning on or after 1 January 2017 and subsequent periods with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments except for IFRS 9 - Financial Instruments which was early adopted by the Group from 1 January 2014.

Standards, amendments and interpretations effective and adopted in 2017

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning 1 January 2017 and has been adopted in the preparation of these condensed consolidated financial statements:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of Cash Flows	1 January 2017

Bahrain Cinema Company B.S.C.
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3 Basis of preparation (continued)

Standards, amendments and interpretations effective and adopted in 2017 (continued)

On January 7, 2016, the IASB issued amendments to IAS 7- Disclosure Initiative. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. One way to meet this new disclosure requirement is to provide reconciliation between the opening and closing balances for liabilities from financing activities. The Group has adopted the amendments to IAS 7 in its condensed consolidated interim financial statements for the period beginning on 1 January 2017.

Standards, amendments and interpretations issued and effective in 2017 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2017 or subsequent periods, but is not relevant to the Group's operations:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 12	Income taxes	1 January 2017
IFRS 12	Disclosure of interests in other entities	1 January 2017

Standards, amendments and interpretations issued but not yet effective in 2017

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2017. They have not been adopted in preparing the consolidated financial statements for the period ended 31 March 2017 and will or may have an effect on the Group's future financial statements. In all cases, the Group intends to apply these standards from application date as indicated in the table below:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 1	First time adoption of International Financial Reporting Standards	1 January 2018
IAS 28	Investment in associates	1 January 2018
IAS 40	Investment properties	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018
IFRS 16	Leases	1 January 2019

There would have been no change in the operational results of the Group for the period ended 31 March 2017 had the Group early adopted any of the above standards applicable to the Group except for IFRS15, the impact of which is being assessed by the Group.

Early adoption of amendments or standards in 2017

The Group did not early-adopt any new or amended standards in 2017.

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
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4 Property, plant and equipment

	<u>Freehold land and buildings</u>	<u>Building on leasehold land/leasehold improvements</u>	<u>Fixtures, furniture and office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
<i>Cost or valuation</i>					
At 31 December 2015	5,210,784	2,598,389	13,213,821	189,311	21,212,305
Additions	821,716	-	806,993	25,572	1,654,281
Transfers from capital work-in-progress (Note 5)	-	-	1,883,952	-	1,883,952
Disposals	-	-	-	(24,192)	(24,192)
Write-off - Tagging*	-	-	(1,332,071)	-	(1,332,071)
Write-off - Awal**	<u>(539,906)</u>	<u>-</u>	<u>(1,328,910)</u>	<u>-</u>	<u>(1,868,816)</u>
At 31 December 2016 (audited)	5,492,594	2,598,389	13,243,785	190,691	21,525,459
Additions	<u>-</u>	<u>-</u>	<u>37,912</u>	<u>4,200</u>	<u>42,112</u>
At 31 March 2017 (unaudited)	<u>5,492,594</u>	<u>2,598,389</u>	<u>13,281,697</u>	<u>194,891</u>	<u>21,567,571</u>
<i>Accumulated depreciation</i>					
At 31 December 2015	483,432	1,400,710	7,480,743	101,447	9,466,332
Charge for the year	11,369	123,247	908,251	31,640	1,074,507
On disposals	-	-	-	(24,190)	(24,190)
Write-off - Tagging*	-	-	(1,293,367)	-	(1,293,367)
Write-off - Awal**	<u>(483,432)</u>	<u>-</u>	<u>(1,251,703)</u>	<u>-</u>	<u>(1,735,135)</u>
At 31 December 2016 (audited)	11,369	1,523,957	5,843,924	108,897	7,488,147
Charge for the period	<u>10,272</u>	<u>30,812</u>	<u>255,672</u>	<u>8,719</u>	<u>305,475</u>
At 31 March 2017 (unaudited)	<u>21,641</u>	<u>1,554,769</u>	<u>6,099,596</u>	<u>117,616</u>	<u>7,793,622</u>
<i>Net book value</i>					
At 31 March 2017 (unaudited)	<u>5,470,953</u>	<u>1,043,620</u>	<u>7,182,101</u>	<u>77,275</u>	<u>13,773,949</u>
At 31 December 2016 (audited)	<u>5,481,225</u>	<u>1,074,432</u>	<u>7,399,861</u>	<u>81,794</u>	<u>14,037,312</u>

*During 2016, the management has completed physical verification and tagging of its fixed assets which resulted in write-off of BD1,332,071 in costs and BD1,293,367 in accumulated depreciation. The corresponding net loss on write-off amounted to BD38,704 was presented separately in the consolidated statement of profit or loss for the year ended 31 December 2016.

**The Group has commenced residential/commercial project on the Awal property and accordingly the assets having net book value of BD133,681 relating to Awal Cinema and the Takatak restaurant previously located on Awal property have been written off/disposed during 2016. The net loss is presented separately in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2016.

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5 Capital work-in-progress

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
Opening balance	4,316,533	1,199,950
Additions during the period/year	1,684,385	5,000,535
Transfer to property, plant and equipment (Note 4)	<u>-</u>	<u>(1,883,952)</u>
Closing balance	<u>6,000,918</u>	<u>4,316,533</u>

Capital work-in-progress includes costs incurred for the residential/commercial project on the Awal property which is expected to be completed by third quarter of the year 2017 and cost incurred for the renovation of cinemas in City Centre mall which is expected to be completed by second quarter of year 2017.

6 Investment properties

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
Opening balance	7,758,015	7,687,510
Unrealised fair value gains for the period/year	<u>-</u>	<u>70,505</u>
Closing balance	<u>7,758,015</u>	<u>7,758,015</u>

7 Investment in joint ventures

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
Cost		
Opening balance	686,886	583,170
Additions of investment in Al Murjan Restaurants Management	<u>-</u>	<u>103,716</u>
Closing balance	<u>686,886</u>	<u>686,886</u>
Retained earnings		
Opening balance	3,215,985	3,265,576
Share of profit for the year from		
Qatar Bahrain International Cinema W.L.L.	96,325	413,943
Share of profit from Saar Cinema Complex	6,355	68,993
Share of loss of Al Murjan Restaurant	(21,561)	(145,480)
Dividend from Saar Cinema Complex	-	(62,000)
Dividend from Qatar Bahrain International Cinema W.L.L.	<u>(189,827)</u>	<u>(325,047)</u>
Closing balance	<u>3,107,277</u>	<u>3,215,985</u>
Net book value		
Closing balance	<u>3,794,163</u>	<u>3,902,871</u>

The above financial information relating to the Group's investment in joint ventures has been extracted from management accounts prepared as at, and for the period ended 31 March 2017.

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8 Financial assets at fair value through profit or loss

	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Quoted equity investments	6,219,103	6,065,112
Unquoted equity investments and managed funds	1,873,917	1,993,909
Bonds and Sukuks	<u>285,865</u>	<u>248,259</u>
	<u>8,378,885</u>	<u>8,307,280</u>
Movement during the period/year		
Opening balance	8,307,280	15,146,930
Additions	9,148	281,433
Disposals	(1,088)	(6,545,915)
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss	<u>63,545</u>	<u>(575,168)</u>
Closing balance	<u>8,378,885</u>	<u>8,307,280</u>
	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Non-current assets	8,093,020	8,059,021
Current assets	<u>285,865</u>	<u>248,259</u>
	<u>8,378,885</u>	<u>8,307,280</u>

The management has classified the quoted and unquoted equity investments as non-current as it has an intention to hold these for long term. Whereas, bonds and sukuks are classified as current assets as these may be realised as and when funds are required.

9 Trade and other receivables

	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Trade receivables	1,475,324	1,030,903
Provision for doubtful trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	1,463,793	1,019,372
Interest free loans to employees for purchase of company shares	399,026	319,797
Deposits / rental advance	568,589	758,078
Advances to suppliers	633,039	490,247
Amounts due from related parties	51,834	32,753
Prepayments	195,640	57,175
Other receivables	<u>104,055</u>	<u>197,331</u>
	<u>3,415,976</u>	<u>2,874,753</u>

Trade receivables are generally on 30 to 90 days credit terms.

Deposits mainly represent amounts paid for securing the lease rights at City Centre Mall and Wadi Al Sail Mall.

Amounts due from related parties are unsecured, bear no interest and have no fixed repayment terms and are realisable by the Group's management.

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
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10 Share capital

	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Authorised		
100,000,000 ordinary shares of 100 fils each (2016: 100,000,000 ordinary shares of 100 fils each)	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and fully paid-up:		
66,098,760 ordinary shares of 100 fils each (2016: 66,098,760 ordinary shares of 100 fils each)	<u>6,609,876</u>	<u>6,609,876</u>
Treasury shares		
2,767,801 ordinary shares of 100 fils each (2016: 2,767,801 ordinary shares of 100 fils each)	<u>276,781</u>	<u>276,781</u>

Treasury shares

During 2016, 383,522 treasury shares were acquired having nominal value of BD38,352 at rate of BD1.2 for BD461,492 (2015: 2,175,139 shares at nominal value of BD217,515 acquired at rates ranging from BD1.35 to BD1.62 for BD3,453,552) according to Article 8 of Articles of Association of the Company which allows a purchase up to 10% of the Company's issued and fully paid-up share capital. The nominal value of these shares has been disclosed as deduction from reserves. Whereas, the difference, between the nominal value of the acquired shares, and the purchase price, amounting to BD423,140 (2015: BD3,236,037) has been adjusted against share premium. The Company holds 2,767,801 (4.19% of the total issued and paid-up share capital) as treasury shares as at 31 March 2017 (2016: 4.19% of the total issued and paid-up share capital).

11 Income/(loss) from investments

	Three months period ended 31 March 2017 <u>(Unaudited)</u>	Three months period ended 31 March 2016 <u>(Unaudited)</u>
Dividend income	244,152	89,809
Unrealised gains/(losses) on financial assets at fair value through profit or loss	63,545	(616,365)
Profit from fixed deposits	35,375	22,922
Realised gains/(losses) on sale of financial assets at fair value through profit or loss	669	(829,076)
Interest income from sukuks and bonds	<u>284</u>	<u>18,029</u>
	<u>344,025</u>	<u>(1,314,681)</u>

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12 Other operating income

	Three months period ended 31 March 2017 (Unaudited)	Three months period ended 31 March 2016 (Unaudited)
Income from rental properties	31,500	31,500
Virtual print fees	29,705	29,562
Management fee	15,450	7,080
Foreign exchange gain	3,710	2,260
Profit on sale of property, plant and equipment	-	87,119
Awal car parking collection	-	292
Miscellaneous income	<u>23,511</u>	<u>19,138</u>
	<u>103,876</u>	<u>176,951</u>

13 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares issued during the period.

	Three months period ended 31 March 2017	Three months period ended 31 March 2016
Net profit attributable to the shareholders (unaudited)	<u>BD1,547,677</u>	<u>BD434,069</u>
Weighted average number of ordinary shares issued	<u>63,330,950</u>	<u>63,714,481</u>
Basic earnings per share	<u>24fils</u>	<u>7fils</u>

The Group does not have any potentially dilutive ordinary shares hence the diluted earnings and basic earnings per share are identical.

14 Transactions with related parties

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. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group.

Related parties consist of the joint ventures, the Directors of the Group companies, their close family members and businesses under their control. The Group's transactions with related parties are authorised by the management and conducted on an arm's length basis or on normal commercial terms.

Trading transactions, where customers or suppliers are controlled or significantly influenced by the directors of the Group, are conducted on an arm's length basis or on normal commercial terms. Further, there are no loans due to or from any of the directors of the Group.

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14 Transactions with related parties (continued)

A summary of related party balances as at 31 March/December is as follows:

	Related party relationship	Amount due from		Amount due to	
		31 March 2017 (unaudited)	31 December 2016 (audited)	31 March 2017 (unaudited)	31 December 2016 (audited)
Saar Cinema Complex	Joint venture	-	-	4,227	9,126
Qatar Bahrain International Cinema W.L.L.	Joint venture	36,491	21,235	-	-
Al Murjan Restaurant Management	Joint venture	15,343	11,518	-	-
Various entities*	Common directorship	-	-	21,967	12,702
		<u>51,834</u>	<u>32,753</u>	<u>26,194</u>	<u>21,828</u>

* These include balances with several related party companies whose individual balances are not material.

A summary of material transactions with related parties is as follows:

	Three months period ended 31 March 2017 (unaudited)	Three months period ended 31 March 2016 (unaudited)
<u>Saar Cinema Complex</u>		
Direct expenses	45,560	7,286
Staff and related costs	16,403	14,389
Management fees	1,500	1,500
Other expenses	10,110	12,740
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Staff and related costs	8,968	6,755
Other expenses	15,743	8,913
Management Fees	13,950	5,580
Concession counter purchases	-	31,989
<u>Al Murjan Restaurant Management W.L.L.</u>		
Other expenses	3,825	-
<u>Entities under common directorship</u>		
Direct expenses	18,463	19,059
Operating income from advertisement	7,500	4,000
Kiosk income	86,392	82,762
Other expenses	43,108	193,530
Rent expense for corporate office	31,031	24,852

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15 Segmental reporting

The primary segment information is presented in respect of the Group's business segments which are in accordance with the Group's management and internal reporting structure.

The Group's operations in Bahrain are organised under the following major business segments:

- Theatre operations
- Restaurants and concession counters
- Others, includes corporate office assets and vehicles

For the period ended 31 March 2017 (unaudited)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	3,079,211	1,800,089	297,792	5,177,092
Less: total variable cost	<u>(1,567,862)</u>	<u>(422,037)</u>	<u>-</u>	<u>(1,989,899)</u>
Segment results	<u>1,511,349</u>	<u>1,378,052</u>	<u>297,792</u>	<u>3,187,193</u>
Less: fixed cost				<u>(1,485,509)</u>
Operating profit				1,701,684
Other operating income				103,876
General and administrative expenses				<u>(663,757)</u>
Profit from operations				1,141,803
Share of profit on joint venture operations				81,119
Investment income				344,025
Finance cost				<u>(19,270)</u>
Net profit for the period				<u><u>1,547,677</u></u>

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15 Segmental reporting (continued)

For the period ended 31 March 2016 (unaudited)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	3,197,627	1,833,259	381,334	5,412,220
Less: total variable cost	<u>(1,657,160)</u>	<u>(410,306)</u>	<u>-</u>	<u>(2,067,466)</u>
Segment results	<u>1,540,467</u>	<u>1,422,953</u>	<u>381,334</u>	<u>3,344,754</u>
Less: fixed cost				<u>(1,189,720)</u>
Operating profit				2,155,034
Other operating income				199,873
General and administrative expenses				(535,935)
Write-off of property, plant & equipment				<u>(216,758)</u>
Profit from operations				1,602,214
Share of profit on joint venture operations				190,925
Investment loss				(1,337,603)
Finance cost				<u>(21,467)</u>
Net profit for the period				<u><u>434,069</u></u>

16 Capital Commitments

Capital expenditure contracted for the Awal development project at the consolidated statement of financial position date but not recognised in these condensed consolidated financial statements amounted to BD2,163,812 (31 December 2016: BD3,572,360).

17 Proposed sale of business operations

The Group has entered in to an agreement with Majid Al Futtaim Cinemas Bahrain Co. S.P.C. ("MAF") on 27 September 2016 to form a new company, Vox Cineco Cinemas Company W.L.L., in which the entire business of Bahrain City Centre will be transferred and the Group will sell 50% of its stake in the business and transfer control of this business in favour of MAF. This agreement was endorsed by the shareholders in an extraordinary general meeting held on 7 November 2016. Management of the Group has also signed, subsequently in the month of December 2016; a memorandum of understanding with the MAF to revise certain clauses of the original contract signed on 27 September 2016.

As at 31 March 2017, all closing conditions as mutually agreed by the parties in the agreement were not completed and hence transaction has not been finalised. The closing date to finalise the transaction as per the original agreement was 31 March 2017, however, during the period the closing date has been extended and as per the revised terms the agreement will be terminated if the transaction is not finalized by 25 May 2017.

18 Interim results

The interim net profit for the three months period ended 31 March 2017 may not represent a proportionate share of the annual net profit or loss due to the nature of the Group's activities and potential seasonal changes, timing of the receipt of dividend and investment income.