

**Bahrain Family Leisure Company
B.S.C.**

**Agreed-upon procedures report relating
to proposed reduction in share capital of
the Company as at 31 March 2025**



July 2025

The Director
Ministry of Industry and Commerce
PO Box 5479
Manama
Kingdom of Bahrain

20 July 2025

Dear Sirs

Bahrain Family Leisure Company B.S.C.

Engagement to perform certain agreed-upon procedures relating to proposed reduction in share capital of the Company as at 31 March 2025

Purpose of this Agreed-Up-On Procedures Report

Our report is solely for the purpose of assisting Bahrain Family Leisure Company B.S.C. ("the Company") in performing certain agreed-upon procedures relating to proposed reduction in share capital of the Company as at 31 March 2025, as required by Article 132 of the Commercial Companies Law promulgated by Decree Law No. (21) of 2001, and may not be suitable for another purpose. This report is intended solely for the Company, the Ministry of Industry and Commerce ("MOIC"), the Bahrain Bourse and the Central Bank of Bahrain and should not be used by, or distributed to, any other parties.

Responsibilities of the management and Those Charged With Governance ("TCWG")

The management and TCWG has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The management and TCWG are responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standards on Related Services (ISRS) 4400 (revised), *Agreed-Up-On Procedures Engagement*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional ethics and quality management

We have complied with the ethical requirements in International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the independence requirements in accordance with Part 4A of the IESBA Code.

Our firm applies International Standard on quality management (ISQM) 1, Quality management for firms that perform audits and reviews of financial statements, and other assurance and related service engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



The Director
Ministry of Industry and Commerce

20 July 2025

Engagement to perform certain agreed-upon procedures relating to proposed reduction in share capital of the Company as at 31 March 2025 (continued)

Procedures performed

We have performed the procedures described in **Appendix A** to this report along with our findings to such procedures performed. These procedures which were agreed-upon with the Company in the terms of engagement dated 19 May 2025, with respect to perform certain agreed-upon procedures relating to proposed reduction in share capital of the Company as at 31 March 2025.

Restrictions on use and distribution of the report

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties beyond the intended users. This report relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole.

Yours faithfully



Manama, Kingdom of Bahrain

Enc: Appendix A and B

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

APPENDIX A TO BDO AGREED-UPON PROCEDURES REPORT RELATING TO PROPOSED REDUCTION IN SHARE CAPITAL OF THE COMPANY AS AT 31 MARCH 2025

	Procedures	Findings
1	We have obtained the capital reduction schedule (the "Schedule") prepared by the management (<i>Refer Appendix B</i>).	No exceptions were noted.
2	We have agreed the balances in the Schedule (<i>Refer Appendix B</i>) before the proposed capital reduction to the underlying records of the Company as at 31 March 2025.	No exceptions were noted.
3	We have checked the amount of reduction of share capital as reported under "proposed reductions" column in the Schedule (<i>Refer Appendix B</i>) to ensure its consistent with the resolution of the Company's Board of Directors for the proposed capital reduction dated xx May 2025.	<p>We have obtained the Board of Directors resolution dated 8 July 2025 towards absorption of the accumulated losses of the Company amounting to BD3,347,379 by way of the following proposal:</p> <ul style="list-style-type: none"> - to reduce the issued share capital before treasury shares from BD4,000,000 (40,000,000 shares @ 100 fils per share) to BD1,000,000 (10,000,000 shares @ 100 fils per share) by way of cancelling 30,000,000 shares @ 100 fils per share: • Further, the authorised share capital will be reduced from BD20,000,000 (200,000,000 shares @ 100 fils per share) to BD10,000,000 (100,000,000 shares @ 100 fils per share) by way of cancelling of 100,000,000 shares @ 100 fils per share. • Further, the treasury shares will be reduced from BD400,000 (4,000,000 shares @ 100 fils per share) to BD100,000 (1,000,000 shares @ 100 fils per share) by way of cancelling 3,000,000 shares @ 100 fils per share. - Further, transferring the capital reserve of BD51,184 to accumulated losses in respect of the treasury shares being cancelled; which pertains to proportionate amount of capital reserve originally created as an excess of nominal value of the shares over its purchase price of the treasury shares acquired. - Further, transferring statutory reserve of BD596,195 to accumulated losses. <p>No exceptions were noted.</p>
4	We have checked the arithmetically accuracy of the Schedule given in <i>Appendix B</i> .	No exceptions were noted.



BAHRAIN FAMILY LEISURE COMPANY B.S.C.
APPENDIX B TO BDO'S AGREED-UPON PROCEDURES REPORT

	<i>Amount before proposed capital reduction</i>	<i>Proposed reductions</i>	<i>Amount after proposed capital reduction</i>
	BD	BD	BD
ASSETS			
Property, plant and equipment	55,108	-	55,108
Right-of-use assets	463,524	-	463,524
Financial assets at fair value through profit and loss	709,985	-	709,985
NON CURRENT ASSETS	1,228,617	-	1,228,617
Inventories	22,659	-	22,659
Trade and other receivables	245,370	-	245,370
Term deposits	250,000	-	250,000
Cash and cash equivalents	82,453	-	82,453
CURRENT ASSETS	600,482	-	600,482
TOTAL ASSETS	1,829,099	-	1,829,099
CAPITAL AND RESERVE			
Share capital	4,000,000	3,000,000	1,000,000
Statutory reserves	794,927	596,195	198,732
Capital reserves	68,245	51,184	17,061
Accumulated losses	(3,389,397)	(3,347,379)	(42,018)
Treasury shares	(400,000)	(300,000)	(100,000)
TOTAL EQUITY	1,073,775	-	1,073,775
NON CURRENT LIABILITIES			
Employees' terminal benefits	45,669	-	45,669
Lease liability - non current	333,963	-	333,963
NON CURRENT LIABILITIES	379,632	-	379,632
Trade and other payables	222,370	-	222,370
Lease liability - current	153,322	-	153,322
CURRENT LIABILITIES	375,692	-	375,692
TOTAL EQUITY AND LIABILITIES	1,829,099	-	1,829,099

Abdul Latif Khalid Al Aujan
Chairman

Ahmed Janahi
Vice-Chairman

