

# **National Hotels Company B.S.C.**

## **CONDENSED INTERIM FINANCIAL INFORMATION**

**31 March 2023**

**NATIONAL HOTELS COMPANY B.S.C.**

**CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the three months ended 31 March 2023**

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# Independent auditors' report on review of condensed interim financial information

**To the Board of Directors**  
**National Hotels Company B.S.C.**  
**Kingdom of Bahrain**

## Introduction

We have reviewed the accompanying 31 March 2023 condensed interim financial information of National Hotels Company B.S.C. (the "Company"), which comprises:

- the condensed statement of financial position as at 31 March 2023;
- the condensed statement of profit or loss for the three-month ended 31 March 2023;
- the condensed statement of comprehensive income for the three-month period ended 31 March 2023;
- the condensed statement of changes in equity for the three-month period ended 31 March 2023;
- the condensed statement of cash flows for the three-month period ended 31 March 2023; and
- notes to the condensed interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 31 March 2023 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

11 May 2023

## NATIONAL HOTELS COMPANY B.S.C.

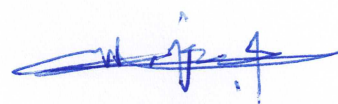
CONDENSED STATEMENT OF FINANCIAL POSITION  
as at 31 March 2023

Bahraini Dinars

|                                      | Note | 31 March<br>2023<br>(reviewed) | 31 December<br>2022<br>(audited) |
|--------------------------------------|------|--------------------------------|----------------------------------|
| <b>ASSETS</b>                        |      |                                |                                  |
| <b>Non-current assets</b>            |      |                                |                                  |
| Property, plant and equipment        |      | 33,142,317                     | 33,287,725                       |
| Investment property                  |      | 28,421,375                     | 28,541,903                       |
| Investment in an associate           | 3    | 5,754,298                      | 6,685,897                        |
| Investment securities                | 4    | 5,291,527                      | 5,269,709                        |
| <b>Total non-current assets</b>      |      | <b>72,609,517</b>              | <b>73,785,234</b>                |
| <b>Current assets</b>                |      |                                |                                  |
| Inventories                          |      | 87,277                         | 84,211                           |
| Investment securities                | 4    | 1,053,596                      | 1,072,911                        |
| Trade receivables and other assets   |      | 949,483                        | 679,801                          |
| Bank deposits                        |      | 800,000                        | 5,000,000                        |
| Cash and cash equivalents            | 5    | 6,248,052                      | 1,948,604                        |
| <b>Total current assets</b>          |      | <b>9,138,408</b>               | <b>8,785,527</b>                 |
| <b>Total assets</b>                  |      | <b>81,747,925</b>              | <b>82,570,761</b>                |
| <b>LIABILITIES AND EQUITY</b>        |      |                                |                                  |
| <b>Non-current liabilities</b>       |      |                                |                                  |
| Employees' end of service benefits   |      | 251,978                        | 242,152                          |
| <b>Total non-current liabilities</b> |      | <b>251,978</b>                 | <b>242,152</b>                   |
| <b>Current liabilities</b>           |      |                                |                                  |
| Trade and other payables             |      | 1,268,050                      | 1,594,151                        |
| <b>Total current liabilities</b>     |      | <b>1,268,050</b>               | <b>1,594,151</b>                 |
| <b>Total liabilities</b>             |      | <b>1,520,028</b>               | <b>1,836,303</b>                 |
| <b>EQUITY</b>                        |      |                                |                                  |
| Share capital                        |      | 12,127,500                     | 12,127,500                       |
| Treasury shares                      |      | (30,547)                       | (46,451)                         |
| Statutory reserve                    |      | 6,011,069                      | 6,011,069                        |
| General reserve                      |      | 1,087,579                      | 1,087,579                        |
| Property revaluation reserve         |      | 14,418,702                     | 14,418,702                       |
| Investments fair value reserve       |      | 2,012,161                      | 2,000,347                        |
| Share of reserves of associate       |      | 226,297                        | 223,037                          |
| Retained earnings                    |      | 44,375,136                     | 44,912,675                       |
| <b>Total equity</b>                  |      | <b>80,227,897</b>              | <b>80,734,458</b>                |
| <b>Total liabilities and equity</b>  |      | <b>81,747,925</b>              | <b>82,570,761</b>                |



Adel Nahabah Hamadeh  
Vice Chairman and Managing  
Director



Abdulaziz Abdulla Alisa  
Director

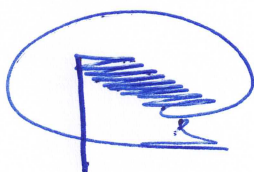
The accompanying notes 1 to 12 form an integral part of this condensed interim financial information.

## NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF PROFIT OR LOSS  
for the three months ended 31 March 2023

Bahraini Dinars

|   | Note | 31 March<br>2023<br>(reviewed) | 31 March<br>2022<br>(reviewed) |
|---|------|--------------------------------|--------------------------------|
| Revenue from contracts with customers                                       | 6    | 1,998,787                      | 1,548,358                      |
| Operating costs   |      | (1,122,115)                    | (896,910)                      |
| <b>GROSS PROFIT</b>   |      | <b>876,672</b>                 | <b>651,448</b>                 |
| Share of profit of an associate   | 3    | 465,141                        | 509,592                        |
| Dividend income   | 7    | 116,741                        | 113,704                        |
| Interest income   |      | 106,505                        | 55,254                         |
| Change in fair value of investments at fair value through<br>profit or loss | 4    | (1,520)                        | 338                            |
| Other income  |      | 2,030                          | 2,200                          |
| Depreciation  |      | (537,478)                      | (635,409)                      |
| General and administration expenses   |      | (129,565)                      | (69,843)                       |
| <b>Profit for the period</b>  |      | <b>898,526</b>                 | <b>627,284</b>                 |
| <b>Basic and diluted earnings per share (in fils)</b>                       | 10   | <b>7</b>                       | <b>5</b>                       |



Adel Nahabah Hamadeh  
Vice Chairman and Managing  
Director



Abdulaziz Abdulla Alisa  
Director

The accompanying notes 1 to 12 form an integral part of this condensed interim financial information.

## NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
for the three months ended 31 March 2023

Bahraini Dinars

|  | Note | 31 March<br>2023<br>(reviewed) | 31 March<br>2022<br>(reviewed) |
|--|------|--------------------------------|--------------------------------|
| Profit for the period  |      | 898,526                        | 627,284                        |
| <b>Other comprehensive income</b>  |      |                                |                                |
| <b>Items that will not be reclassified to profit or loss in subsequent periods:</b>                            |      |                                |                                |
| - Net movement in fair value of Investments at fair value through other comprehensive income during the period | 4    | 11,814                         | 22,079                         |
| - Share in associates' other comprehensive income  | 3    | 3,260                          | 33,152                         |
| <b>Other comprehensive income for the period</b>   |      | <b>15,074</b>                  | 55,231                         |
| <b>Total comprehensive income for the period</b>   |      | <b>913,600</b>                 | 682,515                        |

The accompanying notes 1 to 12 form an integral part of these condensed interim financial information.

## NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF CHANGES IN EQUITY  
for the three months ended 31 March 2023

Bahraini Dinars

| 2023 (reviewed)                                  | Share capital     | Treasury shares | Statutory reserve | General reserve  | Property revaluation reserve | Investments fair value reserve | Share of reserves of associate | Retained earnings | Total             |
|--|-------------------|-----------------|-------------------|------------------|------------------------------|--------------------------------|--------------------------------|-------------------|-------------------|
| At 1 January 2023                                | 12,127,500        | (46,451)        | 6,011,069         | 1,087,579        | 14,418,702                   | 2,000,347                      | 223,037                        | 44,912,675        | 80,734,458        |
| - Profit for the period                          | -                 | -               | -                 | -                | -                            | -                              | -                              | 898,526           | 898,526           |
| - Other comprehensive income for the period      | -                 | -               | -                 | -                | -                            | 11,814                         | 3,260                          | -                 | 15,074            |
| <b>Total comprehensive income for the period</b> | -                 | -               | -                 | -                | -                            | <b>11,814</b>                  | <b>3,260</b>                   | <b>898,526</b>    | <b>913,600</b>    |
| Sale of treasury shares                          | -                 | 15,904          | -                 | -                | -                            | -                              | -                              | 14,346            | 30,250            |
| Dividends declared for 2022                      | -                 | -               | -                 | -                | -                            | -                              | -                              | (1,450,411)       | (1,450,411)       |
| <b>Balance at 31 March 2023</b>                  | <b>12,127,500</b> | <b>(30,547)</b> | <b>6,011,069</b>  | <b>1,087,579</b> | <b>14,418,702</b>            | <b>2,012,161</b>               | <b>226,297</b>                 | <b>44,375,136</b> | <b>80,227,897</b> |
| 2022 (reviewed)                                  | Share capital     | Treasury shares | Statutory reserve | General reserve  | Property revaluation reserve | Investments fair value reserve | Share of reserves of associate | Retained earnings | Total             |
| At 1 January 2022                                | 12,127,500        | (94,726)        | 5,724,191         | 1,087,579        | 13,043,666                   | 2,008,947                      | 188,025                        | 43,496,145        | 77,581,327        |
| - Profit for the period                          | -                 | -               | -                 | -                | -                            | -                              | -                              | 627,284           | 627,284           |
| - Other comprehensive income for the period      | -                 | -               | -                 | -                | -                            | 22,079                         | 33,152                         | -                 | 55,231            |
| Total comprehensive income for the period        | -                 | -               | -                 | -                | -                            | 22,079                         | 33,152                         | 627,284           | 682,515           |
| Dividends declared for 2021                      | -                 | -               | -                 | -                | -                            | -                              | -                              | (1,200,762)       | (1,200,762)       |
| Balance at 31 March 2022                         | 12,127,500        | (94,726)        | 5,724,191         | 1,087,579        | 13,043,666                   | 2,031,026                      | 221,177                        | 42,922,667        | 77,063,080        |

The accompanying notes 1 to 12 form an integral part of these condensed interim financial information.

## NATIONAL HOTELS COMPANY B.S.C.

**CONDENSED STATEMENT OF CASH FLOWS**  
**for the three months ended 31 March 2023**

Bahraini Dinars

|  | Note | 31 March<br>2023<br>(reviewed) | 31 March<br>2022<br>(reviewed) |
|--|------|--------------------------------|--------------------------------|
| <b>OPERATING ACTIVITIES</b>                            |      |                                |                                |
| Profit for the period                                  |      | 898,526                        | 627,284                        |
| Adjustments for:                                       |      |                                |                                |
| Depreciation   |      | 537,478                        | 635,410                        |
| Share of profit of an associate                        | 3    | (465,141)                      | (509,592)                      |
| Change in fair value on investments at FVTPL           | 4    | 1,520                          | (338)                          |
| Dividend income  | 7    | (116,741)                      | (113,704)                      |
| Interest income  |      | (106,505)                      | (55,254)                       |
| Impairment on financial assets                         |      | (8,931)                        | 520                            |
| Provision for employees' benefits                      |      | 14,834                         | 14,094                         |
| <i>Operating profit before working capital changes</i> |      | 755,040                        | 598,420                        |
| Change in inventories                                  |      | (3,066)                        | 12,535                         |
| Change in trade receivables and other assets           |      | (157,797)                      | (81,091)                       |
| Change in trade and other payables                     |      | (116,101)                      | 216,350                        |
|  |      | <b>478,076</b>                 | 746,214                        |
| Employees' end of service benefits paid                |      | (5,008)                        | (19,420)                       |
| Directors' remuneration paid                           | 9    | (210,000)                      | (53,100)                       |
| <b>Net cash from operating activities</b>              |      | <b>263,068</b>                 | 673,694                        |
| <b>INVESTING ACTIVITIES</b>                            |      |                                |                                |
| Purchase of property, plant and equipment              |      | (195,770)                      | (16,262)                       |
| Purchase of investment property                        |      | (75,772)                       | (6,532)                        |
| Purchase of investments at amortised cost              |      | -                              | (692,210)                      |
| Bank deposits  |      | 4,200,000                      | (500,000)                      |
| Disposal of investments at FVTPL                       |      | -                              | 51,977                         |
| Dividends received from an associate                   | 3    | 1,400,000                      | 1,500,000                      |
| Dividend received                                      |      | 116,741                        | 21,000                         |
| Interest received                                      |      | 11,342                         | 23,514                         |
| <b>Net cash from investing activities</b>              |      | <b>5,456,541</b>               | 381,487                        |
| <b>FINANCING ACTIVITIES</b>                            |      |                                |                                |
| Dividend paid  |      | (1,450,411)                    | -                              |
| Treasury shares  |      | 30,250                         | -                              |
| <b>Net cash used in financing activities</b>           |      | <b>(1,420,161)</b>             | -                              |
| <b>Net increase in cash and cash equivalents</b>       |      | <b>4,299,448</b>               | 1,055,181                      |
| Cash and cash equivalents at 1 January                 |      | 1,948,604                      | 2,340,595                      |
| <b>Cash and cash equivalents at 31 March</b>           |      | <b>6,248,052</b>               | 3,395,776                      |

The accompanying notes 1 to 12 form an integral part of these condensed interim financial information.



**NATIONAL HOTELS COMPANY B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023**

Bahraini Dinars

**1. REPORTING ENTITY**

National Hotels Company B.S.C. (the "Company") is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 1665. The address of the registered office of the Company is P.O. Box 5243, Building 59, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain. The Company owns the Diplomat Radisson Blu Hotel, Residence & Spa (the "Hotel" & "Residence"), which is managed by Radisson Hotel Group (the "Radisson") under a management agreement up to 31 December 2030. In 2012, the Company commenced the operations of its office towers, which are managed by the Company directly. The Company operates solely in the Kingdom of Bahrain. The condensed interim financial information were approved by the board of directors on 11 May 2023.

**Associate:**

The Company has a 33.33% interest in African & Eastern (Bahrain) W.L.L. (2022: 33.33%).

**2. ACCOUNTING POLICIES****Basis of preparation**

The condensed interim financial information for the three months ended 31 March 2023 has been prepared in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". The condensed interim financial information does not contain all information and disclosures required for the full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as at 31 December 2022. In addition, results for the three months ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. In preparing these condensed interim financial information, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were similar to those applied to the financial statements as at and for the year ended 31 December 2022.

The condensed interim financial information are reviewed, not audited. The comparatives for the condensed statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2022 and comparatives for the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the reviewed condensed interim financial information of the Company for the three month period ended 31 March 2022.

**Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2022.

**New and amended standards and interpretations**

A number of new standards, amendments and interpretations were issued under International Financial Reporting Standards, which are effective as of 1 January 2023. However, these do not have a significant impact on the interim financial information of the Company.

**Significant accounting policies**

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022.

**NATIONAL HOTELS COMPANY B.S.C.**
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023**

Bahraini Dinars

**3. INVESTMENT IN AN ASSOCIATE**

The Company has a 33.33% (2022: 33.33%) interest in African & Eastern (Bahrain) W.L.L., which is incorporated in the Kingdom of Bahrain and is involved in the business of importing and selling consumer products. African & Eastern (Bahrain) W.L.L. is a private entity that is not listed on any public exchange. The Company's interest in African & Eastern (Bahrain) W.L.L. is accounted for using the equity method in these condensed interim financial information. Movements in the carrying value of the investment were as follows:

|   | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|---|---|----------------------------------|
| At 1 January                                    | 6,685,897                               | 6,822,279                        |
| Share of profit for the period / year           | 465,141                                 | 2,028,606                        |
| Share in associate's other comprehensive income | 3,260                                   | 45,106                           |
| Adjustment to the associate's reserve           | -                                       | (10,094)                         |
| Dividends received during the period / year     | (1,400,000)                             | (2,200,000)                      |
|   | <b>5,754,298</b>                        | 6,685,897                        |

Based on the reviewed condensed interim financial information of African & Eastern (Bahrain) W.L.L., profit of BD 1,395,425 was recognised by the associate for the three months ended 31 March 2023 (three months ended 31 March 2022: BD 1,528,777). The Company has recognised its share of profit of BD 465,141 (three months ended 31 March 2022: BD 509,592) in these condensed interim financial information.

**4. INVESTMENT SECURITIES**

|                                   | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|-----------------------------------|---|----------------------------------|
| Equity investments at FVOCI       | 2,662,533                               | 2,632,924                        |
| Debt investment at amortised cost | 2,628,994                               | 2,636,785                        |
|                                   | <b>5,291,527</b>                        | 5,269,709                        |
| Equity investments at FVTPL       | 1,053,596                               | 1,072,911                        |
|                                   | <b>6,345,123</b>                        | 6,342,620                        |

**a) Equity investments at FVOCI**

|                             | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|-----------------------------|---|----------------------------------|
| Quoted equity investments   | 2,287,466                               | 2,270,227                        |
| Unquoted equity investments | 375,067                                 | 362,697                          |
|                             | <b>2,662,533</b>                        | 2,632,924                        |

**NATIONAL HOTELS COMPANY B.S.C.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023**

Bahraini Dinars

4. *INVESTMENT SECURITIES (continued)*

The movement in the equity investments of FVOCI is as follow:

|   | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|---|---|----------------------------------|
| At 1 January                                  | 2,632,924                               | 2,641,524                        |
| Addition during the period / year             | 17,795                                  | -                                |
| Change in fair value during the period / year | 11,814                                  | (8,600)                          |
|   | <b>2,662,533</b>                        | 2,632,924                        |

b) Equity investments at FVTPL

|                          | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|--------------------------|---|----------------------------------|
| Quoted equity investment | 1,053,596                               | 1,072,911                        |
|                          | <b>1,053,596</b>                        | 1,072,911                        |

Quoted equity investment of BD 1,053,596 (2022: 1,055,116) is being managed by external fund manager (refer note 9). The movement in the fair value of the investments at FVTPL is as follow:

|   | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|---|---|----------------------------------|
| Balance at 1 January                          | 1,072,911                               | 74,666                           |
| Addition during the period / year             | -                                       | 1,133,550                        |
| Transfer / disposal during the period / year  | (17,795)                                | (53,553)                         |
| Change in fair value during the period / year | (1,520)                                 | (81,752)                         |
|   | <b>1,053,596</b>                        | 1,072,911                        |

During the period, the Company reviewed its FVTPL investment and transferred BD 17,795 to the FVOCI.

c) Debt investment at amortised cost

|                        | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|------------------------|---|----------------------------------|
| Quoted debt securities | 2,628,994                               | 2,636,785                        |
|                        | <b>2,628,994</b>                        | 2,636,785                        |

**NATIONAL HOTELS COMPANY B.S.C.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023**

Bahraini Dinars

**4. INVESTMENT SECURITIES (continued)**

Quoted debt securities consist of the following bonds:

| Issuer                                   | Face Value    | Maturity        | Coupon rate            |
|--|---------------|-----------------|------------------------|
| National Oil & Gas Authority             | USD 2,300,000 | 25 October 2027 | 7.5% semi-annual basis |
| Ministry of Finance and National Economy | USD 2,400,000 | 12 October 2028 | 7% semi-annual basis   |
| Government Development Bonds             | BD 700,000    | 17 March 2025   | 4.2% semi-annual basis |

**5. CASH AND CASH EQUIVALENTS**

|               | <b>31 March<br/>2023<br/>(reviewed)</b> | <b>31 December<br/>2022<br/>(audited)</b> |
|---------------|---|---|
| Cash on hand  | 6,971                                   | 8,082                                     |
| Bank balances | 6,241,081                               | 1,940,522                                 |
|               | <b>6,248,052</b>                        | <b>1,948,604</b>                          |

Bank deposits of BD 800,000 (2022: BD 5,000,000) have an original maturity date of more than three months. The average interest rate of these deposits for the period was 5.07% (2022: 3.5%). The Company has an unused overdraft facility of BD 0.5 million to finance working capital requirements granted by a financial institution in the Kingdom of Bahrain. The facility bears interest of 4.5% per annum above one month Bahrain Interbank Offered Rate.

**6. REVENUE FROM CONTRACTS WITH CUSTOMERS**

|                                   | <b>31 March 2023<br/>(reviewed)</b> | <b>31 March<br/>2022<br/>(reviewed)</b> |
|-----------------------------------|-------------------------------------|---|
| Hotel Services Revenue            | 1,678,145                           | 1,259,249                               |
| Commercial Offices Rental Revenue | 320,642                             | 289,109                                 |
|                                   | <b>1,998,787</b>                    | <b>1,548,358</b>                        |

**7. SEASONALITY OF RESULTS**

Dividend income of BD 116,741 for the three months ended 31 March 2023 (for the three months ended 31 March 2022: BD 113,704) maybe of a seasonal nature due to usual timing of payments.

## NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023

Bahraini Dinars

## 8. SEGMENT INFORMATION

The Company's operating businesses are organised into the following segments:

|                           |  |
|---------------------------|--|
| Hotel business            | Room rental, food and beverage sales, conferences and events.  |
| Office towers             | Office rental from commercial towers.  |
| Investments and corporate | Income from investments including the associate, equity investments and bank deposits, and head office expenses. |

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories, investments and accounts receivable. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two segments is allocated to segments on a reasonable basis. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued liabilities.

## Three months ended 31 March

|                                     | Hotel business     |                    | Office towers      |                    | Investments and corporate |                    | Total              |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|--------------------|--------------------|--------------------|
|                                     | 2023<br>(reviewed) | 2022<br>(reviewed) | 2023<br>(reviewed) | 2022<br>(reviewed) | 2023<br>(reviewed)        | 2022<br>(reviewed) | 2023<br>(reviewed) | 2022<br>(reviewed) |
| Hotel Services Revenue              | 1,678,145          | 1,259,249          | -                  | -                  | -                         | -                  | 1,678,145          | 1,259,249          |
| Commercial Offices Rental Revenue   | -                  | -                  | 320,642            | 289,109            | -                         | -                  | 320,642            | 289,109            |
| Gross operating costs               | (1,046,842)        | (831,954)          | (75,273)           | (64,956)           | -                         | -                  | (1,122,115)        | (896,910)          |
| Gross operating profit              | 631,303            | 427,295            | 245,369            | 224,153            | -                         | -                  | 876,672            | 651,448            |
| Investment income - net*            | -                  | -                  | -                  | -                  | 686,867                   | 678,888            | 686,867            | 678,888            |
| Other income                        | -                  | -                  | -                  | -                  | 2,030                     | 2,200              | 2,030              | 2,200              |
| Depreciation                        | (341,182)          | (442,628)          | (196,296)          | (192,781)          | -                         | -                  | (537,478)          | (635,409)          |
| General and administration expenses | -                  | -                  | -                  | -                  | (129,565)                 | (69,843)           | (129,565)          | (69,843)           |
| Profit / (loss) for the period      | 290,121            | (15,333)           | 49,073             | 31,372             | 559,332                   | 611,245            | 898,526            | 627,284            |

\* Including share of profit of associate, dividend income, interest income and change in fair value of investments at fair value through profit or loss.

|                   | Hotel business                 |                                  | Office towers                  |                                  | Investments and corporate      |                                  | Total                          |                                  |
|-------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|                   | 31 March<br>2023<br>(reviewed) | 31 December<br>2022<br>(audited) | 31 March<br>2023<br>(reviewed) | 31 December<br>2022<br>(audited) | 31 March<br>2023<br>(reviewed) | 31 December<br>2022<br>(audited) | 31 March<br>2023<br>(reviewed) | 31 December<br>2022<br>(audited) |
| Total assets      | 33,651,417                     | 33,786,897                       | 28,729,613                     | 28,691,824                       | 19,366,895                     | 20,092,040                       | 81,747,925                     | 82,570,761                       |
| Total liabilities | 1,221,018                      | 1,509,927                        | 30,930                         | 41,323                           | 268,080                        | 285,053                          | 1,520,028                      | 1,836,303                        |

## NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023

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## 9. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the associated company, major shareholders, directors and key management personnel of the Company, the operator of the hotel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are at agreed terms and approved by the Company's Board of Directors.

Transactions with related parties included in the condensed statement of profit or loss are as follows:

| <b>31 March 2023<br/>(reviewed)</b> | <b>Share of<br/>profit</b> | <b>Purchases</b> | <b>Management<br/>fees</b> | <b>Other<br/>expenses</b> | <b>Revenues</b> |
|-------------------------------------|----------------------------|------------------|----------------------------|---------------------------|-----------------|
| Shareholder                         | -                          | -                | -                          | -                         | 150,069         |
| Associate                           | 465,141                    | 23,226           | -                          | -                         | 4,357           |
| Management<br>company(Radisson)     | -                          | -                | 35,218                     | 23,914                    | -               |
| Directors                           | -                          | -                | -                          | 51,123                    | 2,476           |
|                                     | <b>465,141</b>             | <b>23,226</b>    | <b>35,218</b>              | <b>75,037</b>             | <b>156,902</b>  |

| <b>31 March 2022<br/>(reviewed)</b> | <b>Share of<br/>profit</b> | <b>Purchases</b> | <b>Management<br/>fees</b> | <b>Other<br/>expenses</b> | <b>Revenues</b> |
|-------------------------------------|----------------------------|------------------|----------------------------|---------------------------|-----------------|
| Shareholder                         | -                          | -                | -                          | -                         | 153,186         |
| Associate                           | 509,592                    | 20,930           | -                          | -                         | 1,194           |
| Management<br>company(Radisson)     | -                          | -                | 28,057                     | 3,245                     | -               |
| Directors                           | -                          | -                | -                          | 19,730                    | 1,275           |
|                                     | <b>509,592</b>             | <b>20,930</b>    | <b>28,057</b>              | <b>22,975</b>             | <b>155,655</b>  |

Balances with related parties included in the condensed statement of financial position are as follows:

|  | <b>31 March<br/>2023<br/>(reviewed)</b> | <b>31 December<br/>2022<br/>(audited)</b> |
|--|---|---|
| <b>Assets</b>                            |   |   |
| <i>Trade receivable and other assets</i> |   |   |
| - Associate                              | -                                       | 815                                       |
| - Directors                              | 1,441                                   | 1,315                                     |
| <i>Investments at FVTPL</i>              |   |   |
| - Investment managed by Shareholder      | 1,053,596                               | 1,055,116                                 |

## NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023

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## 9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

|                                 | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 December<br>2022<br>(audited) |
|---------------------------------|---|----------------------------------|
| <b>Liabilities</b>              |   |                                  |
| <i>Trade and other payables</i> |   |                                  |
| - Associate                     | 14,991                                  | 15,323                           |
| - Management Company (Radisson) | 70,569                                  | 105,902                          |
| - Directors                     | 23,243                                  | 210,000                          |

**Terms and conditions of transactions with related parties**

Outstanding balances arise in the normal course of business and are unsecured, interest free and settlement occurs in cash, and are usually settled within 30 days. There have been no guarantees received or provided for any related party payables and receivable balances.

The directors' remuneration charged to condensed statement of profit or loss during the period ended 31 March 2023 amounted to BD 23,243 (31 March 2022: BD Nil). Further, the directors' remuneration related to year ended 31 December 2022 paid during the period amounted to BD 210,000 (31 March 2022: BD 53,100 related to year ended 31 December 2021).

**Compensation of key management personnel**

The remuneration of key management personnel, other than directors, during the period were as follows:

|                          | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 March<br>2022<br>(reviewed) |
|--------------------------|---|--------------------------------|
| Short-term benefits      | 78,712                                  | 66,615                         |
| Post-employment benefits | 2,509                                   | 2,596                          |
|                          | <b>81,221</b>                           | <b>69,211</b>                  |

**10. EARNINGS PER SHARE**

|  | <b>31 March<br/>2023<br/>(reviewed)</b> | 31 March<br>2022<br>(reviewed) |
|--|---|--------------------------------|
| Profit for the period                    | <b>898,526</b>                          | 627,284                        |
| Weighted average number of equity shares | <b>120,796,475</b>                      | 120,092,219                    |
| Basic earnings per share in fils         | <b>7</b>                                | 5                              |

Diluted earnings per share is same as basic earnings per share as the Company does not have any potential dilutive instruments in issue.

**NATIONAL HOTELS COMPANY B.S.C.****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the three months ended 31 March 2023**

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**11. APPROPRIATIONS**

At the shareholders' annual general meeting held on 19 March 2023, the shareholders of the Company resolved to distribute cash dividends of 12 fils per share totaling BD 1,450,411 (2022: BD 1,200,762).

**12. FAIR VALUE MEASUREMENT**

As at reporting date, the Company held the following classes of assets measured at fair value:

| <b>31 March 2023<br/>(reviewed)</b>   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>     |
|---------------------------------------|----------------|----------------|----------------|------------------|
| Investments at FVOCI                  | 2,287,466      | -              | 375,067        | <b>2,662,533</b> |
| Investments at FVTPL                  | -              | 1,053,596      | -              | <b>1,053,596</b> |
| <b>31 December 2022<br/>(audited)</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>     |
| Investments at FVOCI                  | 2,270,227      | -              | 362,697        | 2,632,924        |
| Investments at FVTPL                  | 17,795         | 1,055,116      | -              | 1,072,911        |

Fair value of financial instruments is estimated based on the following methods and assumptions:

- The fair values of the quoted investments are determined by reference to published quotes in an active market, or its net asset value, which based on the fair value of the underlying assets.
- The fair values of unquoted equity investments have been estimated using other appropriate valuation techniques, and using of recent arm's length market transactions, or current fair value of another similar instrument as applicable.
- Cash and bank balances, term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these financial instruments.
- The fair value of the debt security at amortised cost with carrying value of BD 2,628,994 (2022: BD 2,636,758) is BD 2,479,011 (2022: BD 2,437,421). The fair value is classified as Level 1.

There is no movement in the unquoted equity shares and revalued freehold land, therefore, reconciliation of Level 3 fair value hierarchy is not disclosed. For fair value hierarchy and disclosure of fair value information for assets for which fair value is required to be disclosed, refer to note 4.