

National Hotels Company B.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION

30 June 2023

CONDENSED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 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 30 June 2023 condensed interim financial information of National Hotels Company B.S.C. (the "Company"), which comprises:

- the condensed statement of financial position as at 30 June 2023;
- the condensed statement of profit or loss for the three-month and six-month periods ended 30 June 2023;
- the condensed statement of comprehensive income for the three-month and six-month periods ended 30 June 2023;
- the condensed statement of changes in equity for the six-month period ended 30 June 2023;
- the condensed statement of cash flows for the six-month period ended 30 June 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 30 June 2023 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

24 July 2023

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

Bahraini Dinars

	Note	30 June 2023 (reviewed)	31 December 2022 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		33,612,384	33,287,725
Investment property		30,289,708	28,541,903
Investment in an associate	3	6,175,451	6,685,897
Investment securities	4	5,086,143	5,269,709
Total non-current assets		75,163,686	73,785,234
Current assets			
Inventories		89,095	84,211
Investment securities	4	1,094,719	1,072,911
Trade receivables and other assets		738,461	679,801
Bank deposits		800,000	5,000,000
Cash and cash equivalents	5	4,317,349	1,948,604
Total current assets		7,039,624	8,785,527
Total assets		82,203,310	82,570,761
LIABILITIES AND EQUITY			
Non-current liabilities			
Employees' end of service benefits		260,655	242,152
Total non-current liabilities		260,655	242,152
Current liabilities			
Trade and other payables		1,346,734	1,594,151
Total current liabilities		1,346,734	1,594,151
Total liabilities		1,607,389	1,836,303
EQUITY			
Share capital		12,127,500	12,127,500
Treasury shares		(12,814)	(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		1,814,567	2,000,347
Share of reserves of associate		206,201	223,037
Retained earnings		44,943,117	44,912,675
Total equity		80,595,921	80,734,458
Total liabilities and equity		82,203,310	82,570,761


Faisal Ahmed Al Zayani
Chairman

Adel Nahabah Hamadeh
Vice Chairman and
Managing 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 six months ended 30 June 2023

Bahraini Dinars

	Note	Six months ended 30 June		Three months ended 30 June	
		2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)
Revenue from contracts with customers	6	3,750,832	3,173,355	1,752,045	1,624,997
Operating costs		(2,226,058)	(1,964,681)	(1,103,943)	(1,067,771)
GROSS PROFIT		1,524,774	1,208,674	648,102	557,226
Share of profit of an associate	3	906,390	913,715	441,249	404,123
Dividend income	7	140,741	113,704	24,000	-
Interest income		189,334	119,598	82,829	64,344
Change in fair value of investments at fair value through profit or loss	4	39,603	(2,947)	41,123	(3,285)
Other income		3,648	4,036	1,618	1,836
Depreciation		(1,087,664)	(1,272,183)	(550,186)	(636,774)
General and administration expenses		(269,404)	(139,437)	(139,839)	(69,594)
Profit for the period		1,447,422	945,160	548,896	317,876
Basic and diluted earnings per share (fils)	10	11.98	7.86	4.54	2.64


Faisal Ahmed Al Zayani
Chairman

Adel Nahabah Hamadeh
Vice Chairman and
Managing 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 six months ended 30 June 2023

Bahraini Dinars

	Note	Six months ended 30 June		Three months ended 30 June	
		2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)
Profit for the period		1,447,422	945,160	548,896	317,876
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods:					
- Net movement in fair value of Investments at fair value through other comprehensive income during the period	4	(185,780)	6,740	(197,594)	(15,339)
- Share in associates' other comprehensive income	3	(16,836)	26,040	(20,096)	(37,693)
Total other comprehensive income for the period		(202,616)	32,780	(217,690)	(53,032)
Total comprehensive income for the period		1,244,806	977,940	331,206	264,844

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 six months ended 30 June 2023

Bahraini Dinars

	Share capital	Treasury shares	Statutory reserve	General reserve	Property revaluation reserve	Investments fair value reserve	Share of reserves of associate	Retained earnings	Total
2023 (reviewed)									
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	-	-	-	-	-	-	-	1,447,422	1,447,422
- Other comprehensive income for the period	-	-	-	-	-	(185,780)	(16,836)	-	(202,616)
Total comprehensive income for the period	-	-	-	-	-	(185,780)	(16,836)	1,447,422	1,244,806
Sale of treasury shares	-	33,637	-	-	-	-	-	33,431	67,068
Dividends declared for 2022	-	-	-	-	-	-	-	(1,450,411)	(1,450,411)
Balance at 30 June 2023	12,127,500	(12,814)	6,011,069	1,087,579	14,418,702	1,814,567	206,201	44,943,117	80,595,921
2022 (reviewed)									
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	-	-	-	-	-	-	-	945,160	945,160
- Other comprehensive income for the period	-	-	-	-	-	6,740	26,040	-	32,780
Total comprehensive income for the period	-	-	-	-	-	6,740	26,040	-	32,780
Sale of treasury shares	-	21,316	-	-	-	-	-	14,954	36,270
Dividends declared for 2021	-	-	-	-	-	-	-	(1,200,762)	(1,200,762)
Balance at 30 June 2022	12,127,500	(73,410)	5,724,191	1,087,579	13,043,666	2,015,687	214,065	43,255,497	77,394,775

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 six months ended 30 June 2023

Bahraini Dinars

	Note	30 June 2023 (reviewed)	30 June 2022 (reviewed)
OPERATING ACTIVITIES			
Profit for the period		1,447,422	945,160
Adjustments for:			
Depreciation		1,087,664	1,272,183
Share of profit of an associate	3	(906,390)	(913,715)
Change in fair value on investments at FVTPL	4	(39,603)	2,947
Dividend income	7	(140,741)	(113,704)
Interest income		(189,334)	(119,598)
Impairment on financial assets		(6,173)	7,394
Provision for employees' benefits		27,398	32,145
<i>Operating profit before working capital changes</i>		1,280,243	1,112,812
Change in inventories		(4,884)	(5,211)
Change in trade receivables and other assets		(31,372)	(165,513)
Change in trade and other payables		2,583	97,729
<i>Cash flows from operations</i>		1,246,570	1,039,817
Employees' end of service benefits paid		(8,895)	(27,964)
Directors' remuneration paid	9	(210,000)	(53,100)
Charitable contributions paid		(40,000)	(36,500)
Net cash from operating activities		987,675	922,253
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,010,405)	(84,321)
Purchase of investment property		(2,149,723)	(6,533)
Purchase of investments at amortised cost		-	(684,419)
Bank deposits		4,200,000	500,000
Disposal of investments at FVTPL		-	53,553
Dividends received from an associate	3	1,400,000	1,500,000
Dividend received		140,741	113,704
Interest received		183,800	139,526
Net cash from investing activities		2,764,413	1,531,510
FINANCING ACTIVITIES			
Dividend paid		(1,450,411)	(1,200,762)
Treasury shares		67,068	36,270
Net cash used in financing activities		(1,383,343)	(1,164,492)
Net increase in cash and cash equivalents		2,368,745	1,289,271
Cash and cash equivalents at 1 January		1,948,604	2,340,595
Cash and cash equivalents at 30 June		4,317,349	3,629,866

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 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 24 July 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 six months ended 30 June 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 six months ended 30 June 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 six month period ended 30 June 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
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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:

	30 June 2023 (reviewed)	31 December 2022 (audited)
At 1 January	6,685,897	6,822,279
Share of profit for the period / year	906,390	2,028,606
Share in associate's other comprehensive income	(16,836)	45,106
Adjustment to the associate's reserve	-	(10,094)
Dividends received during the period / year	(1,400,000)	(2,200,000)
	6,175,451	6,685,897

Based on the reviewed condensed interim financial information of African & Eastern (Bahrain) W.L.L., profit of BD 2,719,176 was recognised by the associate for the six months ended 30 June 2023 (six months ended 30 June 2022: BD 2,741,144). The Company has recognised its share of profit of BD 906,390 (six months ended 30 June 2022: BD 913,715) in these condensed interim financial information.

4. INVESTMENT SECURITIES

	30 June 2023 (reviewed)	31 December 2022 (audited)
Equity investments at FVOCI	2,464,939	2,632,924
Debt investment at amortised cost	2,621,204	2,636,785
	5,086,143	5,269,709
Equity investments at FVTPL	1,094,719	1,072,911
	6,180,862	6,342,620

a) Equity investments at FVOCI

	30 June 2023 (reviewed)	31 December 2022 (audited)
Quoted equity investments	2,089,872	2,270,227
Unquoted equity investments	375,067	362,697
	2,464,939	2,632,924

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2023

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4. INVESTMENT SECURITIES (continued)

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

	30 June 2023 (reviewed)	31 December 2022 (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	(185,780)	(8,600)
	2,464,939	2,632,924

b) Equity investments at FVTPL

	30 June 2023 (reviewed)	31 December 2022 (audited)
Quoted equity investment	1,094,719	1,072,911
	1,094,719	1,072,911

Quoted equity investment of BD 1,094,719 (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:

	30 June 2023 (reviewed)	31 December 2022 (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	39,603	(81,752)
	1,094,719	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

	30 June 2023 (reviewed)	31 December 2022 (audited)
Quoted debt securities	2,621,204	2,636,785
	2,621,204	2,636,785

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2023

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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**

	30 June 2023 (reviewed)	31 December 2022 (audited)
Cash on hand	10,224	8,082
Bank balances	4,307,125	1,940,522
	4,317,349	1,948,604

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 4.2% (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**

	30 June 2023 (reviewed)	30 June 2022 (reviewed)
Hotel Services Revenue	3,081,834	2,589,313
Commercial Offices Rental Revenue	668,998	584,042
	3,750,832	3,173,355

7. **SEASONALITY OF RESULTS**

Dividend income of BD 140,741 for the six months ended 30 June 2023 (for the six months ended 30 June 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 six months ended 30 June 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.
Real estate properties	Rental income from offices and commercial property.
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.

	Hotel business		Real estate properties		Investments and corporate		Total	
	2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)
Six months ended 30 June								
Hotel Services Revenue	3,081,834	2,589,313	-	-	-	-	3,081,834	2,589,313
Rental Income	-	-	668,998	584,042	-	-	668,998	584,042
Gross operating costs	(2,084,468)	(1,834,113)	(141,590)	(130,568)	-	-	(2,226,058)	(1,964,681)
Gross operating profit	997,366	755,200	527,408	453,474	-	-	1,524,774	1,208,674
Investment income - net*	-	-	-	-	1,276,068	1,144,070	1,276,068	1,144,070
Other income	-	-	-	-	3,648	4,036	3,648	4,036
Depreciation	(685,750)	(886,619)	(401,914)	(385,564)	-	-	(1,087,664)	(1,272,183)
General and administration expenses	-	-	-	-	(269,404)	(139,437)	(269,404)	(139,437)
Profit / (loss) for the period	311,616	(131,419)	125,494	67,910	1,010,312	1,008,669	1,447,422	945,160

* 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		Real estate properties		Investments and corporate		Total	
	30 June 2023 (reviewed)	31 December 2022 (audited)	30 June 2023 (reviewed)	31 December 2022 (audited)	30 June 2023 (reviewed)	31 December 2022 (audited)	30 June 2023 (reviewed)	31 December 2022 (audited)
Total assets	34,167,642	33,786,897	30,482,130	28,691,824	17,553,538	20,092,040	82,203,310	82,570,761
Total liabilities	1,273,930	1,509,927	36,541	41,323	296,918	285,053	1,607,389	1,836,303

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2023

Bahraini Dinars

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:

30 June 2023 (reviewed)	Share of profit	Purchases	Management fees	Other expenses	Revenues
Shareholder	-	-	-	-	300,138
Associate	906,390	40,573	-	-	2,622
Management company (Radisson)	-	-	65,441	20,076	-
Directors	-	-	-	125,936	4,048
	906,390	40,573	65,441	146,012	306,808
30 June 2022 (reviewed)	Share of profit	Purchases	Management fees	Other expenses	Revenues
Shareholder	-	-	-	-	306,372
Associate	913,715	42,126	-	-	2,370
Management company (Radisson)	-	-	56,502	18,871	-
Directors	-	-	-	35,680	2,077
	913,715	42,126	56,502	54,551	310,819

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

	30 June 2023 (reviewed)	31 December 2022 (audited)
Assets		
<i>Trade receivable and other assets</i>		
- Associate	597	815
- Directors	2,067	1,315
<i>Investments at FVTPL</i>		
- Investment managed by Shareholder	1,094,719	1,055,116

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
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9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	30 June 2023 (reviewed)	31 December 2022 (audited)
Liabilities		
<i>Trade and other payables</i>		
- Associate	17,079	15,323
- Management Company (Radisson)	74,254	105,902
- Directors	76,772	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 30 June 2023 amounted to BD 76,772 (30 June 2022: BD Nil). Further, the directors' remuneration related to year ended 31 December 2022 paid during the period amounted to BD 210,000 (30 June 2022: BD 53,100 related to year ended 31 December 2021).

During the period, the Company purchased a real estate property (Building) from a shareholder for BD 2,060,988. The property is located in Manama, Kingdom of Bahrain. The Company classified the building as investment property as at reporting date.

Compensation of key management personnel

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

	30 June 2023 (reviewed)	30 June 2022 (reviewed)
Short-term benefits	135,644	112,650
Post-employment benefits	5,031	5,203
	140,675	117,853

10. EARNINGS PER SHARE

	30 June 2023 (reviewed)	30 June 2022 (reviewed)
Profit for the period	1,447,422	945,160
Weighted average number of equity shares	120,870,254	120,225,299
Basic earnings per share in fils	11.98	7.86

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2023

Bahraini Dinars

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:

30 June 2023 (reviewed)	Level 1	Level 2	Level 3	Total
Investments at FVOCI	2,089,872	-	375,067	2,464,939
Investments at FVTPL	-	1,094,719	-	1,094,719
31 December 2022 (audited)	Level 1	Level 2	Level 3	Total
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 2,621,204 (2022: BD 2,636,758) is BD 2,462,917 (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.