
National Hotels Company B.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

31 MARCH 2017 (REVIEWED)



Ernst & Young
P.O. Box 140
10th Floor, East Tower
Bahrain World Trade Center
Manama
Kingdom of Bahrain

Tel: +973 1753 5455
Fax: +973 1753 5405
manama@bh.ey.com
ey.com/mena
C.R. No. 6700 / 29977

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NATIONAL HOTELS COMPANY B.S.C.

Introduction

We have reviewed the accompanying interim condensed financial statements of National Hotels Company B.S.C. ("the Company") as at 31 March 2017, comprising of the interim statement of financial position as at 31 March 2017 and the related interim statement of profit or loss, interim statement of other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

20 April 2017
Manama, Kingdom of Bahrain

National Hotels Company B.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 31 March 2017 (Reviewed)

	Note	31 March 2017 Reviewed BD	31 December 2016 Audited BD
ASSETS			
Non-current assets			
Property, plant and equipment	3	70,377,596	70,818,396
Investment in an associate	4	6,936,902	7,571,085
Available-for-sale investments	5	4,765,099	4,857,136
Total non-current assets		82,079,597	83,246,617
Current assets			
Inventories		66,485	81,203
Held-for-trading investments		42,702	40,926
Trade and other receivables		683,094	579,092
Bank balances and cash	6	6,129,523	4,815,631
Total current assets		6,921,804	5,516,852
TOTAL ASSETS		89,001,401	88,763,469
EQUITY AND LIABILITIES			
Equity			
Share capital	8	11,025,000	11,025,000
Treasury shares		(94,726)	(94,726)
Statutory reserve		5,512,500	5,512,500
General reserve		2,190,079	2,190,079
Revaluation reserve		31,206,911	31,206,911
Available-for-sale investments reserve		2,175,750	2,273,944
Retained earnings		30,002,983	29,282,547
Proposed dividend	8	-	1,310,097
Total equity		82,016,497	82,706,352
Non-current liabilities			
Employees' end of service benefits		428,072	415,376
Term loan		621,606	1,243,215
Total non-current liabilities		1,049,678	1,658,591
Current liabilities			
Trade and other payables		3,446,790	1,912,090
Current portion of term loan		2,486,436	2,486,436
Total current liabilities		5,933,226	4,398,526
Total liabilities		6,982,904	6,057,117
TOTAL EQUITY AND LIABILITIES		89,001,401	88,763,469



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director

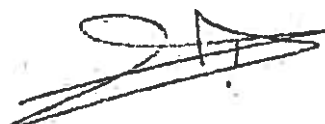
The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.
INTERIM STATEMENT OF PROFIT OR LOSS
For the three months ended 31 March 2017 (Reviewed)

	Note	Three months ended 31 March	
		2017 Reviewed BD	2016 Reviewed BD
Gross operating revenue		1,892,817	2,407,324
Gross operating costs		(1,163,757)	(1,252,003)
GROSS OPERATING PROFIT		739,060	1,155,321
Net investment income:			
Share of profit from an associate	4	471,974	535,088
Dividend income	7	105,649	92,036
Interest income		45,397	8,456
Net changes in cumulative fair value of held-for-trading investments		1,778	(3,813)
		624,798	631,765
Miscellaneous income		64,963	62,614
Depreciation		(509,935)	(501,019)
General and administration expenses		(162,609)	(167,098)
Financial charges		(35,839)	(58,754)
PROFIT FOR THE PERIOD		729,436	1,122,629
BASIC AND DILUTED EARNINGS PER SHARE (In file)	9	7	10



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2017 (Reviewed)

	Note	Three months ended 31 March	
		2017 Reviewed BD	2016 Reviewed BD
Profit for the period		720,436	1,122,829
Other comprehensive loss			
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>			
Net movement in fair values of available-for-sale investments during the period	5	(82,037)	(76,722)
Share in associate's cumulative changes in fair values	4	(8,157)	(42,189)
Other comprehensive loss for the period		(88,194)	(118,911)
Total comprehensive income for the period		622,242	1,003,918



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.
INTERIM STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2017 (Reviewed)

	Share capital BD	Treasury shares BD	Statutory reserve BD	General reserve BD	Revaluation reserve BD	Available- for-sale investments reserve BD	Retained earnings BD	Proposed dividend BD	Total BD
As at 1 January 2017	11,025,000	(94,726)	5,512,500	2,190,079	31,206,911	2,273,944	29,282,547	1,310,097	82,706,352
Profit for the period	-	-	-	-	-	-	720,436	-	720,436
Other comprehensive loss for the period	-	-	-	-	-	(98,194)	-	-	(98,194)
Total comprehensive (loss) income for the period	-	-	-	-	-	(98,194)	720,436	-	622,242
Dividend declared (note 8)	-	-	-	-	-	-	-	(1,310,097)	(1,310,097)
As at 31 March 2017 (reviewed)	11,025,000	(94,726)	5,512,500	2,190,079	31,206,911	2,175,750	30,002,983	-	82,018,497
As at 1 January 2016	11,025,000	(94,726)	5,512,500	2,190,079	35,604,343	2,426,752	27,079,711	1,310,097	85,053,756
Profit for the period	-	-	-	-	-	-	1,122,829	-	1,122,829
Other comprehensive loss for the period	-	-	-	-	-	(118,911)	-	-	(118,911)
Total comprehensive (loss) income for the period	-	-	-	-	-	(118,911)	1,122,829	-	1,003,918
Dividend declared (note 8)	-	-	-	-	-	-	-	(1,310,097)	(1,310,097)
As at 31 March 2016 (reviewed)	11,025,000	(94,726)	5,512,500	2,190,079	35,604,343	2,307,841	28,202,540	-	84,747,577

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the three months ended 31 March 2017 (Reviewed)

		<i>Three months ended</i>	
		<i>31 March</i>	
		2017	2016
<i>Note</i>		<i>Reviewed</i>	<i>Reviewed</i>
		<i>BD</i>	<i>BD</i>
OPERATING ACTIVITIES			
	Profit for the period	720,436	1,122,829
	Adjustments for:		
	Depreciation	509,935	501,019
	Share of profit from an associate	(471,974)	(535,086)
	Net changes in cumulative fair value of held-for-trading investments	(1,776)	3,813
	Dividend income	(105,649)	(92,036)
	Interest on term deposits	(45,397)	(8,456)
	Provision for employees' end of service benefits	16,755	26,276
	Operating profit before working capital changes	622,330	1,018,359
	Working capital changes:		
	Inventories	14,718	(13,034)
	Trade and other receivables	(104,002)	(198,562)
	Trade and other payables	255,142	104,494
	Cash flows from operations	788,188	911,257
	Employees' end of service benefits paid	(4,059)	(2,880)
	Directors' remuneration paid	(25,000)	(25,000)
	Net cash flows from operating activities	759,129	883,377
INVESTING ACTIVITIES			
	Purchase of property, plant and equipment	(68,049)	(79,304)
	Dividends received from an associate	1,100,000	1,000,000
	Other dividends received	105,649	92,036
	Interest received	45,397	8,456
	Net cash flows from investing activities	1,182,997	1,021,188
FINANCING ACTIVITY			
	Repayments of term loan and cash flow used in financing activity	(621,609)	(621,609)
	INCREASE IN CASH AND CASH EQUIVALENTS	1,320,517	1,282,956
	Cash and cash equivalents at 1 January	4,581,621	6,040,512
	CASH AND CASH EQUIVALENTS AT 31 MARCH	5,902,138	7,323,468

Non-cash items:

- (i) Liabilities towards acquisition of property, plant and equipment to the extent of BD 40,848 (31 March 2016: BD 101,821) with net increase of BD 1,086 (31 March 2016: same) were not settled as of the date of interim statement of financial position.
- (ii) Unclaimed dividends pertaining to prior years amounting to BD 227,385 (31 March 2016: BD 211,208) with a net decrease of BD 6,625 (31 March 2016: net decrease of BD 335) has been excluded from the movement of trade and other payables.
- (iii) Declared dividends pertaining to year ended 31 December 2016 amounting to BD 1,310,097 (31 December 2015: BD 1,310,097) has been excluded from the movement of trade and other payables.

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

1 CORPORATE INFORMATION

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, Commerce and Tourism 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, which is managed by Rezidor Hotel Group ("Rezidor") under a 15 year management agreement dated 20 July 2000. In 2007, the Company commenced the operations of its serviced apartments, which are also managed by Rezidor under a 12 year management agreement dated 6 May 2003. In 2012, the Company commenced the operations of its office towers, which are managed by the Company directly. In 2015, the management agreement was amended to extend the period up to 31 December 2030.

The Company operates solely in the Kingdom of Bahrain.

Associate

The Company has a 33.33% interest in African & Eastern (Bahrain) W.L.L. (2016: 33.33%).

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 April 2017.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements for the three months ended 31 March 2017 have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting".

The interim condensed financial statements do 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 2016. In addition, results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Company is not required to provide additional disclosures in its condensed interim financial statements, but will disclose additional information in its annual financial statements for the year ended 31 December 2017.

Annual Improvements 2014-2016 Cycle

IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The above standard do not impact the Company's condensed interim financial statements.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

3 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2017, the Company incurred BD 69,135 (three months ended 31 March 2016: BD 79,304, year ended 31 December 2016: BD 458,149) on its various capital expenditure projects.

No assets were written off by the Company during the three months ended 31 March 2017 (three months ended 31 March 2016: same, year ended 31 December 2016: assets with a net book value of BD 36,390 were written off by the Company).

4 INVESTMENT IN AN ASSOCIATE

The Company has a 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 investment in bonds and shares as well as 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 the interim condensed financial statements.

Movements in the carrying value of the investment were as follows:

	31 March 2017 Reviewed BD	31 December 2016 Audited BD	31 March 2016 Reviewed BD
Balance at 1 January	7,571,085	6,872,407	6,872,407
Share of profit during the period / year *	471,974	2,113,407	535,086
Dividends received during the period / year	(1,100,000)	(1,400,000)	(1,000,000)
Share in associate's cumulative changes in fair values	(6,157)	(14,729)	(42,189)
	<u>6,936,902</u>	<u>7,571,085</u>	<u>6,365,304</u>

* Based on the approved management accounts of African & Eastern (Bahrain) W.L.L., profit of BD 1,415,921 (31 March 2016: BD 1,605,419) was recognised for the three months ended 31 March 2017. The Company has recognised profit of BD 471,974 (31 March 2016: BD 535,086) in these interim condensed financial statements representing their 33.33% share.

5 AVAILABLE-FOR-SALE INVESTMENTS

	31 March 2017 Reviewed BD	31 December 2016 Audited BD
Equity investments:		
Quoted investments	4,454,299	4,546,336
Unquoted investments (at cost)*	310,800	310,800
	<u>4,765,099</u>	<u>4,857,136</u>

* The unquoted investments are carried at cost, as fair value cannot be reliably determined due to the unpredictable nature of future cash flows and the lack of other suitable methods for arriving at a reliable fair value for these investments.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

5 AVAILABLE-FOR-SALE INVESTMENTS (continued)

The movement in the quoted available-for-sale investments is as follows:

	31 March 2017 Reviewed BD	31 December 2016 Audited BD	31 March 2016 Reviewed BD
Balance at 1 January	4,546,336	2,684,415	2,684,415
Additions during the year**	-	2,000,000	-
Unrealised (loss) gain on available for sale investments	(92,037)	(138,079)	(76,722)
	<u>4,454,299</u>	<u>4,546,336</u>	<u>2,607,693</u>

** The additions in prior year pertains to Government Development bonds issued by the Central Bank of Bahrain on behalf of the Government of Kingdom of Bahrain. The bond carries interest at a fixed rate of 4.45% per annum and matures on 21 July 2019.

All available-for-sale investments valued at fair value were valued under level 1 fair value hierarchy, there were no financial instruments which were fair valued under level 2 and level 3 fair value hierarchy (note 13).

6 CASH AND CASH EQUIVALENTS

For the purpose of the interim statement of cash flows, cash and cash equivalents are comprised of the following statement of financial position amounts:

	31 March 2017 Reviewed BD	31 December 2016 Audited BD	31 March 2016 Reviewed BD
Cash on hand	7,793	8,200	8,444
Cash at bank	6,121,730	4,807,431	4,682,623
Term deposits	-	-	2,843,609
Bank balances and cash	<u>6,129,523</u>	<u>4,815,631</u>	<u>7,534,676</u>
Restricted cash	(227,385)	(234,010)	(211,208)
Cash and cash equivalents as per the interim statement of cash flows	<u>5,902,138</u>	<u>4,581,621</u>	<u>7,323,468</u>

Restricted cash which represents unclaimed dividends has not been included in cash and cash equivalents.

Term deposits as of 31 March 2016 are short term deposits, denominated in Bahraini Dinars and held with a commercial bank in the Kingdom of Bahrain with an average effective interest rate of 1.18%. These term deposits have original maturities of one month and was not rolled over as of 31 March 2017 and 31 December 2016.

7 SEASONALITY OF RESULTS

Dividend income of BD 105,649 for the three months ended 31 March 2017 (for the three months ended 31 March 2016: BD 92,036) is of a seasonal nature.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

8 EQUITY

Share capital

The authorised, issued and paid-up share capital consists of 110,250,000 shares of BD 0.100 each (31 December 2016: 110,250,000 shares of BD 0.100 each).

Dividends

At the annual general meeting of the shareholders held on 16 February 2017, the shareholders of the Company resolved to distribute cash dividends of 12 fils per share totalling BD 1,310,097 from the retained earnings (31 March 2016: cash dividends of 12 fils per share amounting to BD 1,310,097 from retained earnings).

9 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	<i>31 March 2017 Reviewed</i>	<i>31 March 2016 Reviewed</i>
Profit for the period – BD	<u>720,436</u>	<u>1,122,829</u>
Average shares in issue - net of treasury shares	<u>109,174,743</u>	<u>109,174,743</u>
Basic and diluted earnings per share - in fils	<u>7</u>	<u>10</u>

No figure for diluted earnings per share has been presented as the Company did not issue any instruments that would have a dilutive effect.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

10 SEGMENT INFORMATION

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

Hotel business and corporate	-	Room rental, food and beverage sales, conference and events, and head office expenses.
Office towers	-	Office rental from two commercial towers.
Investments	-	Income from investments including an associate, held-for-trading investments, available-for-sale investments and term deposits.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories, available-for-sale investments, held-for-trading 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, accrued liabilities and term loan.

Three months ended 31 March	Hotel business and corporate			Office towers			Investments			Total			
	2017		2016	2017		2016	2017		2016	2017		2016	
	Reviewed	BD	Reviewed	BD	Reviewed	BD	Reviewed	BD	Reviewed	BD	Reviewed	BD	
Gross operating revenue	1,615,064		2,152,678		277,753		254,646		-		1,892,817		2,407,324
Gross operating costs	(1,084,407)		(1,200,740)		(69,350)		(51,263)		-		(1,153,757)		(1,252,003)
Gross operating profit	530,657		951,938		208,403		203,383		-		739,060		1,155,321
Investment income (net)	-		-		-		-		624,796		624,796		631,765
Other income	64,963		62,614		-		-		-		64,963		62,614
Depreciation	(294,588)		(285,946)		(215,347)		(215,073)		-		(509,935)		(501,019)
Expenses	(162,609)		(167,098)		-		-		-		(162,609)		(167,098)
Financial charges	(42)		(16)		(35,797)		(58,738)		-		(35,839)		(58,754)
Profit (loss) for the period	138,381		561,492		(42,741)		(70,428)		624,796		720,436		1,122,829

National Hotels Company B.S.C.
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
31 March 2017 (Reviewed)

10 SEGMENT INFORMATION (continued)

	Hotel business and corporate		Office towers		Investments		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	43,777,835	44,208,974	27,349,340	27,269,717	17,874,226	17,284,778	89,001,401	88,763,469
Total liabilities	3,450,622	2,061,467	3,532,282	3,995,650	-	-	6,982,904	6,057,117
Capital expenditure	63,135	458,149	6,000	-	-	-	69,135	458,149

All of the sales and profit from the hotel business and office towers are earned in the Kingdom of Bahrain and investment income is earned from GCC countries including the Kingdom of Bahrain.

11 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 approved by the Company's Board of Directors.

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

	For the three months ended 31 March 2017 (Reviewed)		For the three months ended 31 March 2016 (Reviewed)	
	Revenue	and other income	Revenue	and other income
Associated company				
Management Company (Rezidor)				
Directors				
	Purchases	Other expenses	Fees for management services	Other expenses
	BD	BD	BD	BD
	17,200	-	-	-
	-	30,932	36,413	-
	-	10,471	-	8,822
	-	14,250	-	9,750
	17,200	30,932	36,413	18,572
		24,721	64,020	7,175

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	<i>Trade and other payables</i>	
	<i>31 March 2017</i>	<i>31 December 2016</i>
	<i>Reviewed</i>	<i>Audited</i>
	<i>BD</i>	<i>BD</i>
Associated company	9,863	10,093
Management Company (Rezidor)	106,133	108,874
Directors	154,000	179,000
	<u>269,996</u>	<u>297,967</u>

Terms and conditions of transactions with related parties

Outstanding balances at the period / year end 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.

No directors' remuneration was charged to interim statement of profit or loss during the period ended 31 March 2017 (31 March 2016: same). Further, the directors' remuneration paid during the period amounted to BD 25,000 (31 March 2016: BD 25,000).

Compensation of key management personnel

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

	<i>For the three months ended</i>	
	<i>31 March 2017</i>	<i>31 March 2016</i>
	<i>Reviewed</i>	<i>Reviewed</i>
	<i>BD</i>	<i>BD</i>
Short-term benefits	43,404	43,126
Post-employment benefits	3,761	10,795
	<u>47,165</u>	<u>53,921</u>

12 COMMITMENTS

The Board of Directors have authorised future capital expenditure amounting to BD 4.5 million as of 31 March 2017 pertaining to refurbishment of hotel rooms and lobby (2016: same).

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2017 (Reviewed)

13 FAIR VALUE MEASUREMENT

As at 31 March 2017, the Company held the following classes of assets measured at fair value:

<i>Fair value measurement using (Reviewed)</i>					
	<i>Date of valuation</i>	<i>Quoted</i>	<i>Significant</i>	<i>Significant</i>	<i>Total</i>
		<i>prices in active markets (Level 1) BD</i>	<i>observable inputs (Level 2) BD</i>	<i>unobservable inputs (Level 3) BD</i>	
Assets measured at fair value:					
<i>Available-for-sale investments</i>	<i>31 March 2017</i>	4,454,299	-	-	4,454,299
<i>Held-for-trading investments</i>	<i>31 March 2017</i>	42,702	-	-	42,702
<i>Revalued freehold land</i>	<i>1 December 2016</i>	-	-	31,774,218	31,774,218

As at 31 December 2016, the Company held the following classes of assets measured at fair value:

<i>Fair value measurement using (Audited)</i>					
	<i>Date of valuation</i>	<i>Quoted</i>	<i>Significant</i>	<i>Significant</i>	<i>Total</i>
		<i>prices in active markets (Level 1) BD</i>	<i>observable inputs (Level 2) BD</i>	<i>unobservable inputs (Level 3) BD</i>	
Assets measured at fair value:					
<i>Available-for-sale investments</i>	<i>31 December 2016</i>	4,546,336	-	-	4,546,336
<i>Held-for-trading investments</i>	<i>31 December 2016</i>	40,926	-	-	40,926
<i>Revalued freehold land</i>	<i>1 December 2016</i>	-	-	31,774,218	31,774,218

During the reporting periods ended 31 March 2017 and 31 March 2016 and year ended 31 December 2016, there have been no transfers between Level 1, Level 2 and Level 3 fair value hierarchy.

There is no movement in the revalued freehold land, therefore, reconciliation of Level 3 fair value hierarchy is not disclosed.

The management assessed that cash and bank balances, term deposits, trade and other receivables, current portion of term loan and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these financial instruments.