

National Hotels Company B.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION

30 September 2022

CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022

CONTENTS

Page

Independent auditors' report on review of condensed
interim financial information

1

Condensed Interim Financial Information

Condensed statement of financial position

2

Condensed statement of profit or loss

3

Condensed statement of comprehensive income

4

Condensed statement of changes in equity

5

Condensed statement of cash flows

6

Notes to the condensed interim financial information

7 - 14



KPMG Fakhro
Audit
12th Floor, Fakhro Tower
P O Box 710, Manama
Kingdom of Bahrain

Telephone +973 17 224807
Fax +973 17 227443
Website: home.kpmg/bh
CR No. 6220

1

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 September 2022 condensed interim financial information of National Hotels Company B.S.C. (the "Company"), which comprises:

- the condensed statement of financial position as at 30 September 2022;
- the condensed statement of profit or loss for the three-month and nine-month periods ended 30 September 2022;
- the condensed statement of comprehensive income for the three-month and nine-month periods ended 30 September 2022;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2022;
- the condensed statement of cash flows for the nine-month period ended 30 September 2022; 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 September 2022 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

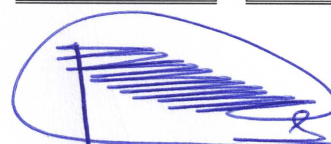
20 October 2022

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 September 2022

Bahraini Dinars

	Note	30 September 2022 (reviewed)	31 December 2021 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		27,669,498	28,765,261
Investment property		32,083,177	32,541,252
Investment in an associate	3	6,104,811	6,822,279
Investment securities	4	5,277,498	4,609,470
Total non-current assets		71,134,984	72,738,262
Current assets			
Inventories		98,959	91,987
Investment securities	4	1,101,432	74,666
Trade receivables and other assets		589,241	434,372
Bank deposits	5	5,000,000	3,300,000
Cash and cash equivalents	5	1,227,613	2,340,595
Total current assets		8,017,245	6,241,620
Total assets		79,152,229	78,979,882
LIABILITIES AND EQUITY			
Non-current liabilities			
Employees' end of service benefits		227,809	221,461
Total non-current liabilities		227,809	221,461
Current liabilities			
Trade and other payables		1,203,921	1,177,094
Total current liabilities		1,203,921	1,177,094
Total liabilities		1,431,730	1,398,555
EQUITY			
Share capital		12,127,500	12,127,500
Treasury shares		(71,392)	(94,726)
Reserves		22,072,569	22,052,408
Retained earnings		43,591,822	43,496,145
Total equity		77,720,499	77,581,327
Total liabilities and equity		79,152,229	78,979,882


Faisal Ahmed Al Zayani
Chairman

Adel Nahabah Hamadeh
Vice Chairman and Managing
Director

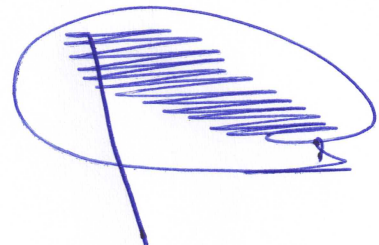
The accompanying notes 1 to 13 form an integral part of this condensed interim financial information.

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF PROFIT OR LOSS
for the nine months ended 30 September 2022

Bahraini Dinars

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Revenue from contracts with customers	6	4,855,105	3,431,867	1,681,750	1,250,597
Operating costs		(3,096,376)	(2,428,320)	(1,131,695)	(925,371)
GROSS PROFIT		1,758,729	1,003,547	550,055	325,226
Share of profit of an associate	3	1,453,771	762,055	540,056	458,448
Dividend income	7	114,205	99,576	501	582
Interest income		195,341	159,514	75,743	50,633
Change in fair value of investments at fair value through profit or loss	4	(53,231)	13,721	(50,284)	3,593
Other income		5,611	210,325	1,575	3,653
Depreciation		(1,910,466)	(1,912,212)	(638,283)	(639,714)
General and administration expenses		(283,939)	(182,851)	(144,502)	(63,136)
Profit for the period		1,280,021	153,675	334,861	139,285
Basic and diluted earnings per share (fils)	8	11	1	3	1


Faisal Ahmed Al Zayani
Chairman

Adel Nahabeh Hamadeh
Vice Chairman and Managing
Director

The accompanying notes 1 to 13 form an integral part of this condensed interim financial information.

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the nine months ended 30 September 2022

Bahraini Dinars

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Profit for the period		1,280,021	153,675	334,861	139,285
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	(8,600)	(17,456)	(15,340)	(15,339)
- Share in associates' other comprehensive income	3	(9,760)	53,706	(35,800)	29,938
Total other comprehensive income for the period		(18,360)	36,250	(51,140)	14,599
Total comprehensive income for the period		1,261,661	189,925	283,721	153,884

The accompanying notes 1 to 13 form an integral part of these condensed interim financial information.

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2022

Bahraini Dinars

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	-	-	-	-	-	-	-	1,280,021	1,280,021
- Other comprehensive income for the period	-	-	-	-	-	(8,600)	(9,760)	-	(18,360)
Total comprehensive income for the period	-	-	-	-	-	(8,600)	(9,760)	1,280,021	1,261,661
Sale of treasury shares	-	23,334	-	-	-	-	-	16,418	39,752
Adjustment to the associate's reserve	-	-	-	-	-	-	38,521	-	38,521
Dividends declared for 2021	-	-	-	-	-	-	-	(1,200,762)	(1,200,762)
Balance at 30 September 2022	12,127,500	(71,392)	5,724,191	1,087,579	13,043,666	2,000,347	216,786	43,591,822	77,720,499

2021 (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 2021	12,127,500	(94,726)	5,670,492	1,087,579	13,043,666	2,026,403	130,059	43,973,464	77,964,437
- Profit for the period	-	-	-	-	-	-	-	153,675	153,675
- Other comprehensive income for the period	-	-	-	-	-	(17,456)	53,706	-	36,250
Total comprehensive income for the period	-	-	-	-	-	(17,456)	53,706	153,675	189,925
Adjustment to the associate's reserve	-	-	-	-	-	-	1,500	-	1,500
Dividends declared for 2020	-	-	-	-	-	-	-	(960,610)	(960,610)
Balance at 30 September 2021	12,127,500	(94,726)	5,670,492	1,087,579	13,043,666	2,008,947	185,265	43,166,529	77,195,252

The accompanying notes 1 to 13 form an integral part of these condensed interim financial information.

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2022

Bahraini Dinars

	Note	30 September 2022 (reviewed)	30 September 2021 (reviewed)
OPERATING ACTIVITIES			
Profit for the period		1,280,021	153,675
Adjustments for:			
Depreciation		1,910,470	1,912,212
Share of profit of an associate	3	(1,453,771)	(762,055)
Change in fair value on investments at FVTPL	4	53,231	(13,721)
Dividend income	7	(114,205)	(99,576)
Interest income		(195,341)	(158,812)
Impairment on financial assets		49,364	3,854
Provision for employees' benefits		48,303	32,144
<i>Operating profit before working capital changes</i>		1,578,072	1,067,721
Change in inventories		(6,972)	(5,299)
Change in trade receivables and other assets		(224,161)	(52,446)
Change in trade and other payables		118,427	(40,152)
<i>Cash flows from operations</i>		1,465,366	969,824
Employees' end of service benefits paid		(41,955)	(40,885)
Directors' remuneration paid	10	(53,100)	(40,000)
Charitable contributions paid		(38,500)	(45,000)
Net cash from operating activities		1,331,811	843,939
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(175,266)	(335,874)
Purchase of investment property		(181,366)	(28,515)
Purchase of investments at amortised cost		(676,628)	(970,453)
Purchase of investments at FVTPL	4	(1,133,550)	-
Bank deposits		(1,700,000)	(800,000)
Disposal of investments at FVTPL		53,553	2,000,000
Dividends received from an associate	3	2,200,000	1,400,000
Dividend received from investment securities		114,205	99,576
Interest received		215,269	193,158
Net cash (used in) / from investing activities		(1,283,783)	1,557,892
FINANCING ACTIVITIES			
Dividends paid		(1,200,762)	(960,610)
Proceeds from sale of treasury shares		39,752	-
Net cash used in financing activities		(1,161,010)	(960,610)
Net (decrease) / increase in cash and cash equivalents		(1,112,982)	1,441,221
Cash and cash equivalents at 1 January		2,340,595	1,432,538
Cash and cash equivalents at 30 September		1,227,613	2,873,759

The accompanying notes 1 to 13 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 nine months ended 30 September 2022**

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 20 October 2022.

Associate:

The Company has a 33.33% interest in African & Eastern (Bahrain) W.L.L. (2021: 33.33%).

2. ACCOUNTING POLICIES**Basis of preparation**

The condensed interim financial information for the nine months ended 30 September 2022 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 2021. In addition, results for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. 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 2021.

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 2021 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 nine-month period ended 30 September 2021.

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 2021.

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 2022. However, these do not have a material impact on the financial statements 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 2021.

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022

Bahraini Dinars

3. INVESTMENT IN AN ASSOCIATE

The Company has a 33.33% (2021: 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 September 2022 (reviewed)	31 December 2021 (audited)
At 1 January	6,822,279	6,804,606
Share of profit for the period / year	1,453,771	1,359,707
Share in associate's other comprehensive income	38,521	55,966
Adjustment to the associate's reserve	(9,760)	2,000
Dividends received during the period / year	(2,200,000)	(1,400,000)
	6,104,811	6,822,279

Based on the reviewed condensed interim financial information of African & Eastern (Bahrain) W.L.L., profit of BD 4,361,313 was recognised by the associate for the nine months ended 30 September 2022 (nine months ended 30 September 2021: BD 2,286,187). The Company has recognised its share of profit of BD 1,453,771 (nine months ended 30 September 2021: BD 762,055) in these condensed interim financial information.

4. INVESTMENT SECURITIES

	30 September 2022 (reviewed)	31 December 2021 (audited)
Equity investments at FVOCI	2,632,924	2,641,524
Debt investment at amortised cost	2,644,574	1,967,946
	5,277,498	4,609,470
Equity investments at FVTPL	1,101,432	74,666
	6,378,930	4,684,136

a) Equity investments at FVOCI

	30 September 2022 (reviewed)	31 December 2021 (audited)
Quoted equity investments	2,270,227	2,285,567
Unquoted equity investments	362,697	355,957
	2,632,924	2,641,524

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022

Bahraini Dinars

4. *INVESTMENT SECURITIES (continued)*

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

	30 September 2022 (reviewed)	31 December 2021 (audited)
At 1 January	2,641,524	2,658,980
Change in fair value during the period / year	(8,600)	(17,456)
	2,632,924	2,641,524

b) Equity investments at FVTPL

	30 September 2022 (reviewed)	31 December 2021 (audited)
Quoted equity investment	1,101,432	74,666
	1,101,432	74,666

Quoted equity investment of BD 1,083,711 is being managed by external fund manager (refer note 10).

The movement in the fair value of the investments at FVTPL is as follow:

	30 September 2022 (reviewed)	31 December 2021 (audited)
Balance at 1 January	74,666	2,064,063
Addition during the period / year	1,133,550	-
Disposal during the period / year	(53,553)	(2,000,000)
Change in fair value during the period / year	(53,231)	10,603
	1,101,432	74,666

c) Debt investment at amortised cost

	30 September 2022 (reviewed)	31 December 2021 (audited)
Quoted debt securities	2,644,574	1,967,946
	2,644,574	1,967,946

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

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022

Bahraini Dinars

5. CASH AND CASH EQUIVALENTS

	30 September 2022 (reviewed)	31 December 2021 (audited)
Cash on hand	7,451	6,613
Bank balances	1,220,162	2,333,982
	1,227,613	2,340,595

Bank deposits of BD 5,000,000 (2021: BD 3,300,000) have an original maturity date of more than three months. The average interest rate on carried by these deposits for the period was 3.63% (2021: 2.55%).

The Company has an unused overdraft facility of BD 0.5 million to finance working capital requirements granted by financial institutions in the Kingdom of Bahrain. The facility bear interest of 4.5% per annum above one month Bahrain Interbank Offered Rate.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

	30 September 2022 (reviewed)	30 September 2021 (reviewed)
Hotel Services Revenue	3,967,620	2,581,737
Commercial Offices Rental Revenue	887,485	850,130
	4,855,105	3,431,867

7. SEASONALITY OF RESULTS

Dividend income of BD 114,205 for the nine months ended 30 September 2022 (for the nine months ended 30 September 2021: BD 99,576) maybe of a seasonal nature due to usual timing of payments.

8. EARNINGS PER SHARE

	30 September 2022 (reviewed)	30 September 2021 (reviewed)
Profit for the period	1,280,021	153,675
Weighted average number of equity shares	120,231,973	120,092,219
Basic earnings per share in fils	11	1

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 nine months ended 30 September 2022

Bahraini Dinars

9. 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.

Nine months ended 30 September	Hotel business		Office towers		Investments and corporate		Total	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Hotel Services Revenue	3,967,620	2,581,737	-	-	-	-	3,967,620	2,581,737
Commercial Offices Rental Revenue	-	-	887,485	850,130	-	-	887,485	850,130
Gross operating costs	(2,901,706)	(2,241,301)	(194,670)	(187,019)	-	-	(3,096,376)	(2,428,320)
Gross operating profit	1,065,914	340,436	692,815	663,111	-	-	1,758,729	1,003,547
Investment income - net*	-	-	-	-	1,710,086	1,034,866	1,710,086	1,034,866
Other income	-	80,613	-	-	5,611	129,712	5,611	210,325
Depreciation	(1,331,963)	(1,342,815)	(578,503)	(569,397)	-	-	(1,910,466)	(1,912,212)
General and administration expenses	-	-	-	-	(283,939)	(182,851)	(283,939)	(182,851)
Profit / (loss) for the period	(266,049)	(921,766)	114,312	93,714	1,431,758	981,727	1,280,021	153,675

* 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	
	30 September 2022 (reviewed)	31 December 2021 (audited)	30 September 2022 (reviewed)	31 December 2021 (audited)	30 September 2022 (reviewed)	31 December 2021 (audited)	30 September 2022 (reviewed)	31 December 2021 (audited)
Total assets	27,985,629	29,144,839	32,215,985	32,660,211	18,950,615	17,174,832	79,152,229	78,979,882
Total liabilities	1,163,664	1,304,459	32,975	35,755	235,091	58,341	1,431,730	1,398,555

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022

Bahraini Dinars

10. 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 September 2022 (reviewed)	Share of profit	Purchases	Management fees	Other expenses	Revenues
Shareholder	-	-	-	-	459,558
Associate	1,453,771	59,769	-	-	5,588
Management company (Radisson)	-	-	84,977	27,857	-
Directors	-	-	-	75,505	3,263
	1,453,771	59,769	84,977	103,362	468,409

30 September 2021 (reviewed)	Share of profit	Purchases	Management fees	Other expenses	Revenues
Shareholder	-	-	-	-	459,558
Associate	762,055	38,468	-	-	-
Management company (Radisson)	-	-	59,247	25,021	-
Directors	-	-	-	68,628	1,284
	762,055	38,468	59,247	93,649	460,842

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

	30 September 2022 (reviewed)	31 December 2021 (audited)
Assets		
<i>Trade receivable and other assets</i>		
- Associate	2,168	818
- Management Company (Radisson)	-	284
- Directors	3,006	1,041
<i>Investments at FVTPL</i>		
- Investment managed by Shareholder	1,083,711	-

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022

Bahraini Dinars

10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	30 September 2022 (reviewed)	31 December 2021 (audited)
Liabilities		
<i>Trade and other payables</i>		
- Associate	13,051	6,983
- Management Company (Radisson)	53,087	76,635
- Directors	39,825	53,100

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 September 2022 amounted to BD 39,825 (30 September 2021: BD 30,000). Further, the directors' remuneration related to year ended 31 December 2021 paid during the period amounted to BD 53,100 (30 September 2021: BD 40,000 related to year ended 31 December 2020).

Compensation of key management personnel

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

	30 September 2022 (reviewed)	30 September 2021 (reviewed)
Short-term benefits	134,891	130,735
Post-employment benefits	5,614	3,014
	140,505	133,749

11. APPROPRIATIONS

At the shareholders' annual general meeting held on 31 March 2022, the shareholders of the Company resolved to distribute cash dividends of 10 fils per share totaling BD 1,200,762 (2021: BD 960,610).

12. FAIR VALUE MEASUREMENT

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

30 September 2022 (reviewed)	Level 1	Level 2	Level 3	Total
Investments at FVOCI	2,270,227	-	362,697	2,632,924
Investments at FVTPL	17,721	1,083,711	-	1,101,432
31 December 2021 (audited)	Level 1	Level 2	Level 3	Total
Investments at FVOCI	2,285,567	-	355,957	2,641,524
Investments at FVTPL	74,666	-	-	74,666

NATIONAL HOTELS COMPANY B.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2022**

Bahraini Dinars

12. FAIR VALUE MEASUREMENT (continued)

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

- a. 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.
- b. 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.
- c. 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.
- d. The fair value of the debt security at amortised cost with carrying value of BD 2,644,574 (2021: BD 1,967,946) is BD 2,424,641 (2021: BD 1,920,952). The fair value is classified as Level 2.

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.

13. COMPARATIVES

Certain comparative information has been reclassified to conform to the current period presentation. Such reclassifications do not affect previously reported profit or equity.