

**Banader Hotels Company B.S.C.**

Condensed interim financial information  
for the three months period ended  
31 March 2022 (Reviewed)

**Banader Hotels Company B.S.C.**  
**Condensed interim financial information for the three months period ended 31 March 2022**

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**Banader Hotels Company B.S.C.**  
**Administration and contact details as at 31 March 2022**

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<b>Commercial registration no.</b>	59045-01 obtained on 20 December 2005 59045-02 obtained on 15 February 2016	
<b>Directors</b>	Abdulla Hasan Abdulla Buhindi Jehad Yusuf Abdulla Amin Mohamed Farooq Yusuf Al-Moayyed Redha Abdulla Ali Faraj Khaled Ali Rashed Al-Ameen Ahmed Mohamed Hussain Ali Yateem Suhail Mohamed Husain Hajee Nael Jamil Issa Hashweh Yusuf Abdulrahman Yusuf Fakhroo	Chairman Vice-Chairman Director Director Director Director Director Director Director
<b>Audit, risk and compliance committees</b>	Redha Abdulla Ali Faraj Khaled Ali Rashed Al-Ameen Ahmed Mohamed Hussain Ali Yateem Yusuf Abdulrahman Yusuf Fakhroo	Chairman
<b>Remuneration and Corporate Governance Committee</b>	Abdulla Hasan Abdulla Buhindi Mohammed Farooq Yusuf Al-Moayyed Suhail Mohamed Husain Hajee	Chairman
<b>General Manager</b>	Jad Joseph Moukheiber	
<b>Registered office</b>	Flat 52, Building 1006 Road 2813, Block 428 PO Box 2474 Manama Kingdom of Bahrain	
<b>Registrars</b>	Bahrain Clear B.S.C. (c) PO Box 3203 Manama Kingdom of Bahrain	
<b>Bankers</b>	Bank of Bahrain and Kuwait HSBC Bank Middle East	
<b>Auditors</b>	BDO 17 <sup>th</sup> Floor, Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	

## Review report on the condensed interim financial information to the Board of Directors of Banader Hotels Company B.S.C.

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Banader Hotels Company B.S.C. ("the Company") as at 31 March 2022, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in shareholders' equity, the condensed interim statement of cash flows for the three months period then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 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 International Standard on Review Engagements 2410 - "*Review of interim financial information performed by the independent auditor of the Entity*". A review of condensed 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 condensed interim financial information does not present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the three months period then ended in accordance with International Accounting Standard 34 - "*Interim financial reporting*".



Manama, Kingdom of Bahrain  
27 April 2022



Banader Hotels Company B.S.C.  
Condensed interim statement of financial position as at 31 March 2022  
(Expressed in Bahrain Dinars)

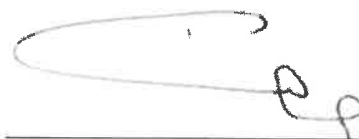
See Auditor's Report dated 27-04-2022  
Signed by BDO, CR No. 10201-04  
Partner: Nath Venkitachalam Viswanath  
Reg. No. 151  
Signature: 

	Notes	31 March 2022 (Reviewed)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	32,736,018	33,153,549
Right-of-use assets	5	197,470	215,264
		<u>32,933,488</u>	<u>33,368,813</u>
<b>Current assets</b>			
Inventories		49,591	45,203
Trade and other receivables		365,932	295,545
Cash and bank balances		227,808	181,814
		<u>643,331</u>	<u>522,562</u>
<b>Total assets</b>		<u>33,576,819</u>	<u>33,891,375</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	6	3,662,099	3,662,099
Preference shares	6	14,833,615	14,833,615
General reserve		100,358	100,358
Accumulated losses		(6,452,305)	(5,910,985)
<b>Total equity</b>		<u>12,143,767</u>	<u>12,685,087</u>
<b>Non-current liabilities</b>			
Non-current portion of term loan	7	10,765,588	11,352,606
Non-current portion of lease liabilities	8	122,999	139,799
Employees' terminal benefits		115,673	105,396
		<u>11,004,260</u>	<u>11,597,801</u>
<b>Current liabilities</b>			
Current portion of term loan	7	2,750,426	2,358,710
Current portion of lease liabilities	8	76,800	76,800
Current portion of amount due to a related party	9	5,826,869	5,582,597
Trade and other payables		1,671,447	1,590,380
Bank overdrafts		103,250	-
		<u>10,428,792</u>	<u>9,608,487</u>
<b>Total equity and liabilities</b>		<u>33,576,819</u>	<u>33,891,375</u>

The reviewed condensed financial information, were approved and authorised for issue by the Board of Directors and signed on their behalf by:



Abdulla Hasan Abdulla Buhindi  
Chairman



Jehad Yusuf Abdulla Amin  
Vice-Chairman

**Banader Hotels Company B.S.C.**  
 Condensed interim statement of profit or loss and other comprehensive income for the three months period ended 31 March 2022  
 (Reviewed)  
 (Expressed in Bahrain Dinars)

	Notes	Three months period ended 31 March 2022	Three months period ended 31 March 2021
Operating income	10	637,534	318,842
Operating costs	11	(270,000)	(162,915)
<b>Operating profit for the period</b>		<b>367,534</b>	<b>155,927</b>
<b>Non-operating expenses</b>			
General and administrative expenses	12	(326,749)	(250,470)
Depreciation of property, plant and equipment	4	(436,843)	(458,296)
Finance costs		(145,262)	(178,066)
		(908,854)	(886,832)
<b>Net loss and total comprehensive loss for the period</b>		<b>(541,320)</b>	<b>(730,905)</b>
Basic loss per share	13	(0.015)	(0.020)
Diluted loss per share	13	(0.002)	(0.003)

The reviewed condensed financial information, were approved and authorised for issue by the Board of Directors and signed on their behalf by:



Abdulla Hasan Abdulla Buhindi  
 Chairman



Jehad Yusuf Abdulla Amin  
 Vice-Chairman

Banader Hotels Company B.S.C.  
Condensed interim statement of changes in shareholders' equity for the three months period ended 31 March 2022  
(Reviewed)  
(Expressed in Bahrain Dinars)

	Share capital	Preference shares	General reserve	Accumulated losses	Total
At 31 December 2020 (audited)	3,662,099	14,833,615	34,313	(3,088,840)	15,441,187
Net loss and total comprehensive loss for the period	-	-	-	(730,905)	(730,905)
At 31 March 2021 (reviewed)	<u>3,662,099</u>	<u>14,833,615</u>	<u>34,313</u>	<u>(3,819,745)</u>	<u>14,710,282</u>
At 31 December 2021 (audited)	3,662,099	14,833,615	100,358	(5,910,985)	12,685,087
Net loss and total comprehensive loss for the period	-	-	-	(541,320)	(541,320)
At 31 March 2022 (reviewed)	<u>3,662,099</u>	<u>14,833,615</u>	<u>100,358</u>	<u>(6,452,305)</u>	<u>12,143,767</u>

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**Banader Hotels Company B.S.C.**  
**Condensed interim statement of cash flows for the three months ended 31 March 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	Period ended 31 March <u>2022</u>	Period ended 31 March <u>2021</u>
<b>Operating activities</b>			
Net loss for the period		(541,320)	(730,905)
Adjustments for:			
Depreciation on property, plant and equipment	4	436,843	458,296
Loss on disposal of assets		-	338
Finance costs		142,862	177,363
Amortisation of right-of-use asset	5	17,794	20,009
Interest expense on lease liabilities	8	2,400	704
Provision for impaired receivables	12	643	1,326
Changes in operating assets and liabilities:			
Inventories		(4,388)	5,857
Trade and other receivables		(71,030)	218,747
Trade and other payables		81,067	(91,457)
Employees' terminal benefits, net		<u>10,277</u>	<u>6,855</u>
Net cash provided by operating activities		<u>75,148</u>	<u>53,084</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment		<u>(19,312)</u>	<u>(7,329)</u>
Net cash used in investing activities		<u>(19,312)</u>	<u>(7,329)</u>
<b>Financing activities</b>			
Principal elements of lease payments	7	(16,800)	(17,692)
Repayment of term loan		(195,302)	(396,361)
Interest on lease liabilities	8	(2,400)	(704)
Net movement in amounts due to related party		244,272	515,295
Finance costs paid		<u>(142,862)</u>	<u>(177,363)</u>
Net cash used in financing activities		<u>(113,092)</u>	<u>(76,824)</u>
Net decrease in cash and cash equivalents		(57,256)	(31,279)
Cash and cash equivalents, beginning of the year		<u>181,814</u>	<u>77,293</u>
Cash and cash equivalents, end of the year		<u>124,558</u>	<u>46,014</u>
Comprising:			
Cash and bank balances		227,808	130,238
Bank overdrafts		<u>(103,250)</u>	<u>(84,224)</u>
		<u>124,558</u>	<u>46,014</u>



**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

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**1 Organisation and activities**

Banader Hotels Company B.S.C. (“the Company”) is a public joint stock company registered in the Kingdom of Bahrain with the Ministry of Industry, Commerce and Tourism under commercial registration number 59045-1 dated 20 December 2005. The Company owns the Downtown Rotana Hotel which is managed by Rotana Hotel Management Corporation Limited L.L.C. under a 10 years agreement beginning from the actual date of takeover of the management and renewable for three additional terms of ten years.

These financial statements include operations and results of Downtown Rotana Hotel B.S.C. CR. No. 59045-2 obtained on 15 February 2016. The Downtown Rotana Hotel commenced its operations from 1 March 2016.

The principal activities of the Company are building and investing in hotels.

The Company’s registered office is situated in the Kingdom of Bahrain.

The Company is a 53.91% subsidiary of BMMI B.S.C. (“the Parent Company”).

The reviewed condensed financial information, set out on pages 4 to 17, were approved and authorised for issue by the Board of Directors on 27 April 2022.

**2 Basis of preparation**

The condensed interim financial information has been presented in accordance with International Accounting Standard 34 - “*Interim financial reporting*”. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2021. The financial information has been presented in Bahrain Dinars (BD) which is also the functional currency of the Company.

These financial statements have been prepared using going concern assumption under the historical cost convention.

***Improvements/amendments to IFRS/IAS***

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. ‘Improvements to IFRS’ comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company’s future accounting year with earlier adoption.

**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

**2 Basis of preparation (continued)**

***Standards, amendments and interpretations issued and effective in 2022 but not relevant***

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2022 or subsequent periods, but is not relevant to the Company's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 1	Subsidiary as a first-time adopter	1 January 2022
IFRS 3	Reference to the conceptual framework	1 January 2022
IAS 16	Property, plant and equipment - proceeds before intended use	1 January 2022
IAS 37	Onerous contracts - cost of fulfilling a contract	1 January 2022
IFRS 9	Derecognition of financial liabilities	1 January 2022

***Standards, amendments and interpretations issued but not yet effective in 2022***

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2022. They have not been adopted in preparing the financial statements for the period ended 31 March 2022 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 1	Classification of liabilities as current or non-current	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

**Early adoption of amendments or standards in 2022**

The Company did not early-adopt any new or amended standards in 2022. There would have been no change in the operational results of the Company for the period ended 31 March 2022 had the Company early adopted any of the above standards applicable to the Company.

**3 Significant accounting policies and critical accounting judgments, estimates and assumptions**

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2021 as described in those annual audited financial statements.

**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

**4 Property, plant and equipment**

<b>Cost</b>	<b>Freehold land</b>	<b>Buildings on freehold land</b>	<b>Furniture and fixtures</b>	<b>Computer and office equipment</b>	<b>Motor vehicles</b>	<b>Machinery and equipment</b>	<b>Total</b>
At 31 December 2020 (audited)	3,048,313	29,189,225	8,361,120	317,716	26,525	3,214,726	44,157,625
Additions	-	-	-	48,046	-	1,990	50,036
Disposals	-	-	(4,158)	(2,214)	-	-	(6,372)
At 31 December 2021 (audited)	3,048,313	29,189,225	8,356,962	363,548	26,525	3,216,716	44,201,289
Additions	-	-	-	19,312	-	-	19,312
At 31 March 2022 (reviewed)	3,048,313	29,189,225	8,356,962	382,860	26,525	3,216,716	44,220,601
<b>Accumulated depreciation</b>							
At 31 December 2020 (audited)	-	3,521,503	3,835,567	263,334	26,525	1,614,759	9,261,688
Charge for the year	-	729,731	807,222	32,670	-	221,204	1,790,827
On disposals	-	-	(2,560)	(2,215)	-	-	(4,775)
At 31 December 2021 (audited)	-	4,251,234	4,640,229	293,789	26,525	1,835,963	11,047,740
Charge for the period	-	179,934	199,010	6,471	-	51,428	436,843
At 31 March 2022 (reviewed)	-	4,431,168	4,839,239	300,260	26,525	1,887,391	11,484,583
<b>Net book value</b>							
At 31 March 2022 (reviewed)	3,048,313	24,758,057	3,517,723	82,600	-	1,329,325	32,736,018
At 31 December 2021 (audited)	3,048,313	24,937,991	3,716,733	69,759	-	1,380,753	33,153,549

Freehold land and building are mortgaged against the term loan obtained by the Company (Note 7).

**Banader Hotels Company B.S.C.**

Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022

(Reviewed)

(Expressed in Bahrain Dinars)

**5 Right-of-use assets**

	31 March 2022	31 December 2021
	(Reviewed)	(Audited)
<b>Office and staff accommodation</b>		
Opening balance	215,264	63,055
Addition during the period	-	233,783
Disposals	-	(4,046)
Amortisation charge for the period/year (Note 12)	<u>(17,794)</u>	<u>(77,528)</u>
Closing balance	<u>197,470</u>	<u>215,264</u>

**6 Share capital**

	31 March 2022	31 December 2021
	(Reviewed)	(Audited)
<b>Authorised share capital</b>		
<b>Equity shares</b>		
300,000,000 (2021: 300,000,000)		
Equity shares of 100 fils each	<u>30,000,000</u>	<u>30,000,000</u>
<b>Irredeemable preference shares</b>		
148,336,150 (2021: 148,336,150)		
Preference shares of 100 fils each	<u>148,336,150</u>	<u>148,336,150</u>
<b>Issued and fully paid-up</b>		
<b>Equity shares</b>		
36,620,990 (2021: 36,620,990)		
Equity shares of 100 fils each	<u>3,662,099</u>	<u>3,662,099</u>
<b>Irredeemable preference shares</b>		
148,336,150 (2021: 148,336,150)		
Preference shares of 100 fils each	<u>14,833,615</u>	<u>14,833,615</u>

**Additional information on shareholding pattern**

The names and nationalities of the major shareholders holding 5% or more of the issued shares as at are as follows:

31 March 2022	Nationality	Number of shares	Percentage of share-holding interest
BMMI B.S.C.	Bahraini	19,742,793	53.91%
General public and corporations	Various	<u>16,878,197</u>	<u>46.09%</u>
		<u>36,620,990</u>	<u>100%</u>

**Banader Hotels Company B.S.C.**

Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022

(Reviewed)

(Expressed in Bahrain Dinars)

**6 Share capital (continued)**

<u>31 December 2021</u>	<u>Nationality</u>	<u>Number of shares</u>	<u>Percentage of share-holding interest</u>
BMMI B.S.C.	Bahraini	19,742,793	53.91%
General public and corporations	Various	<u>16,878,197</u>	<u>46.09%</u>
		<u>36,620,990</u>	<u>100%</u>

The shareholders approved the above Board resolutions subsequently in their Extra-Ordinary General Meeting held on 30 March 2020.

The Company has only one class of equity shares and the shareholders have equal voting rights.

The distribution pattern of the issued share capital, setting out the number of shareholders and the percentages broken down into the following categories are as follows:

	<u>Number of shares</u>		<u>Number of shareholders</u>		<u>Percentage of total outstanding shares</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Directors	678,428	678,428	7	7	1.85%	1.85%
Less than 1%	11,902,504	12,301,422	3,116	3,127	32.50%	33.59%
1% up to less than 5%	4,297,265	3,898,347	6	5	11.74%	10.65%
More than 5%	<u>19,742,793</u>	<u>19,742,793</u>	<u>1</u>	<u>1</u>	<u>53.91%</u>	<u>53.91%</u>
	<u>36,620,990</u>	<u>36,620,990</u>	<u>3,130</u>	<u>3,140</u>	<u>100%</u>	<u>100%</u>

**7 Term loan**

	<u>31 March 2022</u>	<u>31 December 2021</u>
	(Reviewed)	(Audited)
HSBC Bank Middle East Limited	13,516,014	13,711,316
Less: current portion of term loan	<u>(2,750,426)</u>	<u>(2,358,710)</u>
Non-current portion of term loan	<u>10,765,588</u>	<u>11,352,606</u>

This represents term loan of up to BD25,000,000 obtained from HSBC Bank Middle East Limited to partially finance the settlement of the previous credit facility obtained, and partially fund the Hotel construction and its pre-operating expenses until the soft opening, and fund the retention payable to the Hotel's contractors. This loan bears interest rates varying from 2.5% to 2.75% plus T-bills rate, as applicable. The repayment schedule was revised from 29 quarterly instalments ranging from BD131,139 to BD657,011 and final payment of BD11,145,000 to 43 monthly instalments of BD195,746 and final payment of BD9,982,353. The final instalment falls due on 31 October 2023. The loan is secured against the freehold land and building (Note 4) and guarantee by BMMI B.S.C., a related party, of BD25,750,000.

**Banader Hotels Company B.S.C.**

Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022

(Reviewed)

(Expressed in Bahrain Dinars)

**7 Term loan (continued)**

The Company entered into an assignment of receivables agreement with HSBC Bank Middle East Limited on 8 July 2015 whereby the Company irrevocably and unconditionally assigned to the bank, all monies due and to become due to the Company from its operations until the full amount of loan, including interest, is settled.

The portion of the term loan which is payable within twelve months from the statement of financial position date is disclosed as current portion of term loan.

**8 Lease liabilities**

	31 March 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Opening balance	216,599	63,025
Additions	-	233,783
Disposals	-	(4,141)
Interest charge	2,400	4,284
Lease payments	<u>(19,200)</u>	<u>(80,352)</u>
	199,799	216,599
Less: Current liabilities	<u>(76,800)</u>	<u>(76,800)</u>
Non-current liabilities	<u>122,999</u>	<u>139,799</u>

Maturity analysis - contractual undiscounted cash flows:

	31 March 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Less than one year	76,800	76,800
One to five years	<u>139,500</u>	<u>162,300</u>
Total undiscounted lease liabilities	<u>216,300</u>	<u>239,100</u>

**9 Amounts due to a related party**

	31 March 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
BMMI B.S.C.	5,826,869	5,582,597
Less: current portion of amount due to a related party	<u>(5,826,869)</u>	<u>(5,582,597)</u>
Non-current portion of amount due to a related party	<u>-</u>	<u>-</u>

**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

**10 Operating revenue**

	Three months period ended 31 March 2022 <u>(Reviewed)</u>	Three months period ended 31 March 2021 <u>(Reviewed)</u>
Rooms	424,491	201,860
Food and beverages	118,284	65,293
Other operating departments	<u>94,759</u>	<u>51,689</u>
	<u>637,534</u>	<u>318,842</u>

**11 Cost of operations**

	Three months period ended 31 March 2022 <u>(Reviewed)</u>	Three months period ended 31 March 2021 <u>(Reviewed)</u>
Food and beverages	47,711	26,711
Other overhead expenses	69,694	44,757
Direct labour	<u>152,595</u>	<u>91,447</u>
	<u>270,000</u>	<u>162,915</u>

**12 General and administrative expenses**

	Three months period ended 31 March 2022 <u>(Reviewed)</u>	Three months period ended 31 March 2021 <u>(Reviewed)</u>
Staff costs	136,293	121,512
Corporate expenses	34,571	28,211
Commission	31,956	13,016
IT Costs	20,885	20,829
Amortisation of right-of-use asset (Note 5)	17,794	20,009
Contract services	16,503	13,719
Management fees	14,807	6,792
Legal and professional fees	9,017	7,771
Printing and stationery	7,107	6,623
Advertisement and business promotion	7,575	3,260
Entertainment expenses	6,294	329
Provision for impaired trade receivables	643	1,326
Selling expenses	600	6,589
Other administrative expenses	<u>22,704</u>	<u>484</u>
	<u>326,749</u>	<u>250,470</u>

Banader Hotels Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022

(Reviewed)

(Expressed in Bahrain Dinars)

13 Basic and diluted loss per share

a. Basic loss per share

Basic loss per share is calculated by dividing the net loss or loss attributable to the shareholders by the weighted average number of ordinary shares issued during the period.

	Three months period ended 31 March 2022	Three months period ended 31 March 2021
Net loss attributable to the shareholders	<u>(541,320)</u>	<u>(730,905)</u>
Weighted average number of ordinary shares	<u>36,620,990</u>	<u>36,620,990</u>
Basic loss per share	<u>(0.015)</u>	<u>(0.020)</u>

b. Diluted loss per share

The Company has potentially dilutive preference shares, hence the diluted loss per shares:

	Three months period ended 31 March 2022	Three months period ended 31 March 2021
<i>Numerator:</i>		
Loss used in diluted EPS	<u>(541,320)</u>	<u>(730,905)</u>
<i>Denominator:</i>		
Weighted average number of ordinary shares	36,620,990	36,620,990
Effects of: convertible preference shares	<u>211,908,785</u>	<u>211,908,785</u>
Weighted average number of shares used in diluted EPS	<u>248,529,775</u>	<u>248,529,775</u>
Diluted loss per share	<u>(0.002)</u>	<u>(0.003)</u>

14 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the major shareholders, Board of Directors, key management personnel and their close family members and such other companies over which the Company or its major shareholders, Board of Directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on arm's length basis.



**Banader Hotels Company B.S.C.**

Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022

(Reviewed)

(Expressed in Bahrain Dinars)

**14 Transactions and balances with related parties (continued)**

Transactions with related parties are as follows:

<u>Related party</u>	<u>Related party relationship</u>	<u>Type of transaction</u>	Three months period ended 31 March 2022 (Reviewed)	Three months period ended 31 March 2021 (Reviewed)
BMMI B.S.C.	Shareholder	Purchase/(purchase return)	804	(917)
BMMI B.S.C.	Shareholder	Sales	3,068	133
BMMI B.S.C.	Shareholder	Interest on loan from a related party	<u>990</u>	<u>-</u>
			<u>4,862</u>	<u>(784)</u>

The total salaries to members of key management in 2022 (including salaries and benefits) amounted to BD13,659 (2021: BD17,949). The total sitting fees to Board of Directors in 2022 was BD4,500 (2021: BDNil).

A summary of related party balances is as follows:

	<u>Related party relationship</u>	<u>31 March 2022</u>	<u>31 December 2021</u>
<b><i>Amounts due from related parties</i></b>			
BMMI B.S.C.	Parent Company	20,535	19,495
Bayader S.P.C.	Common shareholder	15,673	16,955
Majestic Arjaan by Rotana	Common management	16,289	12,732
Rotana Hotel Management	Corporate office	59	2,968
Centro Capital Centre Abu Dhabi	Common management	642	642
Amwaj Rotana - Jumeirah Beach Dubai	Common management	-	228
Centro Salama By Rotana - Jeddah	Common management	<u>4</u>	<u>4</u>
		<u>53,202</u>	<u>53,024</u>
	<u>Related party relationship</u>	<u>31 March 2022</u>	<u>31 December 2021</u>

***Amounts due to related parties***

BMMI B.S.C.	Parent company	4,912	4,108
Majestic Arjaan by Rotana	Common management	1,439	4,591
Rotana Management Hotel	Common management	713	-
Art Rotana Hotel & Resort	Common management	186	-
Centro Corniche Khobar	Common management	125	108
Arjaan by Rotana Dubai Media City	Common management	<u>-</u>	<u>535</u>
		<u>7,375</u>	<u>9,342</u>

**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim financial information for the three months period ended 31 March 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

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**15 Interim financial information**

The interim net profit or loss for the three months ended 31 March 2022 may not represent a proportionate share of the annual net profit due to the variability in the receipt of dividend and investment income.

**16 Segment reporting**

The Company's activities are restricted to building and investing in hotels. As the Company has hotel operations as its only business segment, no business segmental information has been presented.

The Company operates only in the Kingdom of Bahrain and, hence, no geographical segmental information is presented in this reviewed condensed interim financial information.

**17 Commitments and contingent liabilities**

Operating lease commitments:

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<u>31 March 2022</u> (Reviewed)	<u>31 December 2021</u> (Audited)
Less than one year	76,800	76,800
One to five years	<u>139,500</u>	<u>162,300</u>
Total undiscounted lease liabilities	<u>216,300</u>	<u>239,100</u>

**18 Subsequent events**

There were no significant events subsequent to 31 March 2022 and occurring before the date of the report that are expected to have a significant impact on these financial statements.