

**Gulf Hotels Group B.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 JUNE 2024 (REVIEWED)**



Building a better  
working world

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## **REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF GULF HOTELS GROUP B.S.C.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and six-month period then ended and related interim consolidated statements of cash flows and changes in equity for the six-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Partner's Registration No. 115  
12 August 2024  
Manama, Kingdom of Bahrain

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Note	30 June 2024 (Reviewed)	31 December 2023 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		74,648,221	75,964,176
Investment properties		597,459	614,188
Investments in associates and a joint venture	5	6,710,956	7,264,849
Prepayments and other assets		636,021	687,021
Investments	6	11,617,641	12,109,892
		<b>94,210,298</b>	<b>96,640,126</b>
<b>Current assets</b>			
Inventories		3,057,022	2,945,447
Trade receivables		2,089,828	1,216,320
Prepayments and other assets		1,808,873	1,161,614
Cash, bank balances and short-term deposits		8,626,003	8,538,847
		<b>15,581,726</b>	<b>13,862,228</b>
<b>TOTAL ASSETS</b>		<b>109,792,024</b>	<b>110,502,354</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		22,599,487	22,599,487
Share premium		17,514,442	17,514,442
Reserves		22,771,649	23,348,716
Retained earnings		40,037,895	40,890,456
<b>Total equity</b>		<b>102,923,473</b>	<b>104,353,101</b>
<b>Non-current liability</b>			
Employees' end of service benefits		<b>1,057,072</b>	<b>1,075,711</b>
<b>Current liabilities</b>			
Trade payables		1,628,954	1,453,981
Accrued expenses and other liabilities		4,182,525	3,619,561
		<b>5,811,479</b>	<b>5,073,542</b>
<b>Total liabilities</b>		<b>6,868,551</b>	<b>6,149,253</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>109,792,024</b>	<b>110,502,354</b>

  
Farooq Yousuf Almoayyed  
Chairman

  
Fawzi Ahmad Kanoo  
Vice Chairman

  
Ahmed Janahi  
Chief Executive Officer

  
Mohamed Al Gharbi  
Chief Financial Officer

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

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

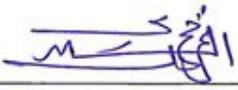
For the three and six-month periods ended 30 June 2024 (Reviewed)

Note	Three-month period ended		Six-month period ended	
	30 June 2024 BD	30 June 2023 BD	30 June 2024 BD	30 June 2023 BD
Revenue	7	9,384,532	7,556,105	18,367,777
Share of results of associates and a joint venture	5	531,591	415,549	863,535
Dividend income		96,000	96,182	639,328
Interest income		73,000	78,113	193,437
Rental and other income		421,772	497,623	1,124,661
<b>TOTAL INCOME</b>		<b>10,506,895</b>	<b>8,643,572</b>	<b>21,188,738</b>
Staff costs		(2,550,609)	(2,443,013)	(5,075,197)
Food and beverages costs		(2,219,794)	(1,844,285)	(4,331,072)
Depreciation		(1,343,010)	(1,292,669)	(2,715,465)
Utilities		(473,057)	(408,412)	(806,737)
Allowance for expected credit losses		(36,365)	(97,774)	(60,569)
Other operating expenses		(1,750,191)	(1,450,764)	(3,402,387)
<b>TOTAL EXPENSES</b>		<b>(8,373,026)</b>	<b>(7,536,917)</b>	<b>(16,391,427)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>2,133,869</b>	<b>1,106,655</b>	<b>4,797,311</b>
<b>BASIC AND DILUTED</b>				
<b>EARNINGS PER SHARE (FILS)</b>	8	<b>9</b>	<b>5</b>	<b>21</b>
				19
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
- Net changes in fair value of investments at fair value through other comprehensive (loss) income		(234,706)	21,949	(492,251)
- Share of other comprehensive loss of associates and a joint venture		(29,537)	(37,827)	(17,428)
		<b>(264,243)</b>	<b>(15,878)</b>	<b>(509,679)</b>
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
- Foreign exchange differences on translation of foreign operations		(31,063)	20,489	(67,388)
<b>Other comprehensive (loss) income for the period</b>		<b>(295,306)</b>	<b>4,611</b>	<b>(577,067)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,838,563</b>	<b>1,111,266</b>	<b>4,220,244</b>
				3,881,280

  
Farooq Yousuf Almoayyed  
Chairman

  
Fawzi Ahmad Kanoo  
Vice Chairman

  
Ahmed Janahi  
Chief Executive Officer

  
Mohamed Al Gharbi  
Chief Financial Officer

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

# Gulf Hotels Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024 (Reviewed)

Note	Six-month period ended	
	30 June 2024 BD	30 June 2023 BD
<b>OPERATING ACTIVITIES</b>		
Profit for the period	4,797,311	4,192,052
Adjustments to reconcile profit to net cash flows:		
Depreciation	2,715,465	2,628,423
Share of results of associates and a joint venture	5 (863,535)	(855,174)
Bargain purchase gain on acquisition of subsidiary - provisional	-	(21,801)
Dividend income	(639,328)	(670,621)
Interest income	(193,437)	(246,758)
Allowance for expected credit losses	60,569	202,485
Provision for employees' end of service benefits	101,879	126,321
Operating profit before working capital changes	5,978,924	5,354,927
Working capital changes:		
Inventories	(111,575)	(426,420)
Trade receivables	(934,077)	(1,059,286)
Prepayments and other assets	(692,259)	213,176
Trade payables	174,973	(806,291)
Accrued expenses and other liabilities	763,964	(488,889)
Cash generated from operations	5,179,950	2,787,217
Directors' remuneration paid	(201,000)	(250,493)
Employees' end of service benefits paid	(120,518)	(81,939)
Net cash flows from operating activities	4,858,432	2,454,785
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,382,781)	(322,252)
Interest received	193,437	246,758
Acquisition of a business, net of cash acquired	-	(10,169,623)
Dividend received from an associate	5 1,400,000	1,400,000
Dividends received	735,328	670,621
Net cash flows from (used in) investing activities	945,984	(8,174,496)
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(5,649,872)	(5,649,872)
Donations paid	-	(61,570)
Cash flows used in financing activities	(5,649,872)	(5,711,442)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Net foreign exchange difference	(67,388)	(1,544)
Cash and cash equivalents at 1 January	8,538,847	15,421,145
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>8,626,003</b>	<b>3,988,448</b>

### Non-cash items:

Non-cash items excluded from the above interim consolidated statement of cash flows were, as follows:

- (i) Dividend receivable amounting to BD 96,000 (30 June 2023: nil) has been excluded from movement in prepayments and other assets.
- (ii) Dividend payable amounting to BD 69,920 (30 June 2023: BD 69,920) has been excluded from movement in accrued expenses and other liabilities.

# Gulf Hotels Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024 (Reviewed)

	Reserves								Total reserves BD	Retained earnings BD	Total equity BD
	Share capital BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD				
Balance at 1 January 2023	22,599,487	17,514,442	11,299,744	5,000,000	1,794,011	101,327	5,739,878	23,934,960	39,553,862	103,602,751	
Profit for the period	-	-	-	-	-	-	-	-	4,192,052	4,192,052	
Other comprehensive loss for the period	-	-	-	-	-	(1,544)	(309,228)	(310,772)	-	(310,772)	
Total comprehensive (loss) income for the period	-	-	-	-	-	(1,544)	(309,228)	(310,772)	4,192,052	3,881,280	
Utilised during the period	-	-	-	-	(61,570)	-	-	(61,570)	-	(61,570)	
Dividend (note 9)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)	
<b>Balance at 30 June 2023</b>	<b>22,599,487</b>	<b>17,514,442</b>	<b>11,299,744</b>	<b>5,000,000</b>	<b>1,732,441</b>	<b>99,783</b>	<b>5,430,650</b>	<b>23,562,618</b>	<b>38,096,042</b>	<b>101,772,589</b>	
	Reserves								Total reserves BD	Retained earnings BD	Total equity BD
	Share capital BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD				
Balance at 1 January 2024	22,599,487	17,514,442	11,299,744	5,000,000	1,593,131	239,942	5,215,899	23,348,716	40,890,456	104,353,101	
Profit for the period	-	-	-	-	-	-	-	-	4,797,311	4,797,311	
Other comprehensive loss for the period	-	-	-	-	-	(67,388)	(509,679)	(577,067)	-	(577,067)	
Total comprehensive (loss) income for the period	-	-	-	-	-	(67,388)	(509,679)	(577,067)	4,797,311	4,220,244	
Dividend (note 9)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)	
<b>Balance at 30 June 2024</b>	<b>22,599,487</b>	<b>17,514,442</b>	<b>11,299,744</b>	<b>5,000,000</b>	<b>1,593,131</b>	<b>172,554</b>	<b>4,706,220</b>	<b>22,771,649</b>	<b>40,037,895</b>	<b>102,923,473</b>	

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

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 1 ACTIVITIES

Gulf Hotels Group 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 950 and listed on Bahrain Bourse. The postal address of the Company's registered Head Office is at P.O Box 580, Manama, Kingdom of Bahrain. The Company is engaged in the business providing hotel services and import and sale of beverages.

This interim condensed consolidated financial information comprise the results of the Company and its subsidiaries (collectively, the "Group") for the three and six-month periods ended 30 June 2024.

The Group owns and operates the Gulf Hotel, Gulf Hotel Al Dana Resort and Crown plaza Hotels in the Kingdom of Bahrain and Gulf Court Hotel Business Bay in Dubai, United Arab Emirate. Additionally, the Group oversees the retail operations of Gulf Brand International in the Kingdom of Bahrain and GHG Colombo in Sri Lanka. The Group also provides management services to The Asdal Gulf-inn Seef, in the Kingdom of Bahrain. During the year ended 31 December 2022, the Group has signed a 10 year agreement to manage Gulf Aquamarine Hotel and Gino Paradise Water Park in Tbilisi, Georgia. The Group is also a shareholder and operator of Bahrain Airport Hotel Company and Ocean Paradise Resort, Zanzibar, Republic of Tanzania.

The Group comprises the Company and the following subsidiaries, associates and a joint venture:

<b>Name</b>	<b>Ownership interest</b>		<b>Relationship</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
	<b>30 June 2024</b>	<b>31 December 2023</b>			
Gulf Hotel Laundry Services W.L.L	100%	100%	Subsidiary	Kingdom of Bahrain	Provision of laundry services.
Bahrain Tourism Company - Crowne Plaza Bahrain W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Hotel operations
Gulf Hotel Al Dana Resort W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Hotel operations
Gulf Court Hotel Business Bay L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Hotel operations
GHG Colombo (Private) Limited	100%	100%	Subsidiary	Sri Lanka	Retail operations
GHG Investments L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities
GH Gulf Investment Limited	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities
Bahrain Family Leisure Company B.S.C.	28.06%	28.06%	Associate	Kingdom of Bahrain	Operating restaurants, provision of family entertainment.
African and Eastern (Bahrain) W.L.L.	33.33%	33.33%	Associate	Kingdom of Bahrain	Importing and selling alcohol beverage
Bahrain Airport Hotel Company W.L.L.	51%	51%	Joint venture	Kingdom of Bahrain	Owning and operating a hotel

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 12 August 2024.

## 2 MATERIAL ACCOUNTING POLICIES

### Basis of preparation

The interim condensed consolidated financial statements for the three and six-month periods ended 30 June 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the three and six-month periods ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

### New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new and amended standards as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

A number of new amendments to standards have been issued and are effective from 1 January 2024. These did not have a material effect on this condensed consolidated interim financial information.

The following new and amended standard apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7: In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.*

*The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.*

- *Amendments to IFRS 16: Lease Liability in a Sale and Leaseback: In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.*
- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current: In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:*
  - *What is meant by a right to defer settlement;*
  - *That a right to defer must exist at the end of the reporting period;*
  - *That classification is unaffected by the likelihood that an entity will exercise its deferral right; and*
  - *That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.*

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2024 (Reviewed)

### 2 MATERIAL ACCOUNTING POLICIES (continued)

#### New and amended standards adopted by the Group (continued)

*In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's interim condensed consolidated financial statements.*

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

### 4 SEASONALITY OF RESULTS

Due to the nature of Hotel room operations, October to April is usually a busy season. In addition, the dividend income for the six-month period ended 30 June 2024 amounting to BD 639,328 (30 June 2023: BD 670,621) is also seasonal in nature.

Accordingly, the interim condensed consolidated financial results may not represent a proportionate share of the annual results.

### 5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

#### 30 June 2024 (Reviewed)

	African and Eastern (Bahrain) W.L.L.	Bahrain Family Leisure Company B.S.C.	Bahrain Airport Hotel Company W.L.L.	Total
	BD	BD	BD	BD
Balance at 1 January 2024	6,647,011	385,346	232,492	7,264,849
Share of profit / (loss) for the period	905,555	6,851	(48,871)	863,535
Share of other comprehensive loss for the period	(14,207)	(3,221)	-	(17,428)
Dividend received	(1,400,000)	-	-	(1,400,000)
<b>Balance at 30 June 2024</b>	<b>6,138,359</b>	<b>388,976</b>	<b>183,621</b>	<b>6,710,956</b>

#### 31 December 2023 (Audited)

Balance at 1 January 2023	6,807,504	491,383	176,175	7,475,062
Share of profit / (loss) for the year	1,796,776	(106,037)	(129,993)	1,560,746
Share of other comprehensive loss for the year	(50,620)	-	-	(50,620)
Other equity movement	(6,649)	-	186,310	179,661
Dividend received	(1,900,000)	-	-	(1,900,000)
<b>Balance at 31 December 2023</b>	<b>6,647,011</b>	<b>385,346</b>	<b>232,492</b>	<b>7,264,849</b>

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 130,507 as of 30 June 2024 (31 December 2023 (Audited): BD 265,165) arising from the construction of mega retail store in Mina Salman, Kingdom of Bahrain, which is expected to be completed by the end of financial year 2024.

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (continued)

The Group's share in the associates' and joint venture's contingent liabilities as of 30 June 2024, arising in the ordinary course of business which includes an outstanding letter of guarantee and tender cheques amounting to BD nil (31 December 2023 (Audited): BD 1,250).

The share of results of an associate and a joint venture is recognised based on the approved management accounts for the six-month period ended 30 June 2024 and audited accounts for year ended 31 December 2023.

### 6 INVESTMENTS

	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD
<i>At fair value through other comprehensive income:</i>		
Quoted equity investments	9,269,242	9,761,493
Unquoted equity investments	2,348,399	2,348,399
	<b>11,617,641</b>	<b>12,109,892</b>

### 7 REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Three-month period ended		Six-month period ended	
	30 June 2024 (Reviewed) BD	30 June 2023 (Reviewed) BD	30 June 2024 (Reviewed) BD	30 June 2023 (Reviewed) BD
Food and beverages	5,922,878	5,020,462	11,499,018	10,634,199
Hotel rooms	3,108,001	2,306,738	6,264,000	5,273,878
Others *	353,653	228,905	604,759	433,526
	<b>9,384,532</b>	<b>7,556,105</b>	<b>18,367,777</b>	<b>16,341,603</b>

\* Includes revenue from ancillary services of hotel operations such as spa and wellness facilities, laundry and dry cleaning and parking services etc.

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 7 REVENUE (continued)

	Three-month period ended		Six-month period ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	(Reviewed) BD	(Reviewed) BD	(Reviewed) BD	(Reviewed) BD
<b>Geographical markets</b>				
Kingdom of Bahrain	<b>8,702,009</b>	7,011,010	<b>16,545,029</b>	14,600,126
United Arab Emirates	<b>652,183</b>	500,992	<b>1,711,922</b>	1,641,147
Sri Lanka	<b>30,340</b>	44,103	<b>110,826</b>	100,330
	<b>9,384,532</b>	<b>7,556,105</b>	<b>18,367,777</b>	<b>16,341,603</b>
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	<b>6,276,531</b>	5,249,367	<b>12,103,777</b>	11,067,725
Goods and services transferred over time	<b>3,108,001</b>	2,306,738	<b>6,264,000</b>	5,273,878
	<b>9,384,532</b>	<b>7,556,105</b>	<b>18,367,777</b>	<b>16,341,603</b>

### 8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to ordinary equity holders of the Group by the weighted average number of ordinary shares and is as follows:

	Three-month period ended		Six-month period ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit for the period (BD)	<b>2,133,869</b>	1,106,655	<b>4,797,311</b>	4,192,052
Weighted average number of shares	<b>225,994,863</b>	225,994,863	<b>225,994,863</b>	225,994,863
Basic and diluted earnings per share (fils)	<b>9</b>	5	<b>21</b>	19

Basic and diluted earnings per share are the same since the Group has not issued any instruments that would have a dilutive effect.

### 9 DIVIDEND

At the annual general meeting of the shareholders held on 25 March 2024, a cash dividend of 25 fils per share totalling BD 5,649,872 for the year ended 31 December 2023 was declared, which has been fully paid as of 30 June 2024 (30 June 2023: at the annual general meeting of the shareholders held on 27 March 2023, a cash dividend of 25 fils per share totalling BD 5,649,872 for the year ended 31 December 2022 which have been fully paid).

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2024 (Reviewed)

### 10 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and Board of Directors.

Transactions with related parties included in the interim consolidated statement of comprehensive income are as follows:

	<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>BD</i>	<i>BD</i>
<b>Major shareholders and their affiliates</b>		
Revenue and other income		
Revenue	34,286	122,394
Management fee income	92,593	125,976
	<b>126,879</b>	<b>248,370</b>
Expenses		
Purchases	357,824	110,897
<b>Associates and joint venture</b>		
Revenue and other income		
Revenue	46,665	41,711
Management fee income	14,029	6,789
Share of profit from associates	863,535	855,174
Share of other comprehensive loss from associates	(17,428)	(34,554)
Dividend received	1,400,000	1,400,000
Expenses		
Purchases	204,745	263,679
<b>Directors and related affiliates</b>		
Revenue and other income		
Revenue	2,532	23,700
Expenses		
Purchases	-	9,000

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2024 (Reviewed)

### 10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	<i>Bank balances</i> <i>BD</i>	<i>Trade receivables</i> <i>BD</i>	<i>Other receivables</i> <i>BD</i>	<i>Trade payables</i> <i>BD</i>
<b>As at 30 June 2024 (Reviewed)</b>				
Major shareholders and their affiliates	-	40,540	-	6,856
Associates and joint venture	-	16,803	707,771	80,148
Directors and related affiliates	-	2,267	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	59,610	707,771	87,004
	<hr/>	<hr/>	<hr/>	<hr/>
<b>As at 31 December 2023 (Audited)</b>				
Major shareholders and their affiliates	-	207,870	-	61,958
Associates and joint venture	-	17,017	751,123	2,762
Directors and related affiliates	1,223,492	6,366	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,223,492	231,253	751,123	64,720
	<hr/>	<hr/>	<hr/>	<hr/>

#### **Terms and conditions**

Outstanding balances at the period end arise in the normal course of business and are interest free, unsecured and payable on demand.

#### **Compensation of key management personnel**

The remuneration of directors and other members of key management during the six-month period ended was as follows:

	<i>Six-month period ended</i>	
	<i>30 June 2024 (Reviewed)</i> <i>BD</i>	<i>30 June 2023 (Reviewed)</i> <i>BD</i>
Salaries and short-term employee benefits	247,948	236,486
Post employment benefits	6,434	26,667
Directors sitting fees	149,660	150,798
	<hr/>	<hr/>
	404,042	413,951
	<hr/>	<hr/>

### 11 COMMITMENTS AND CONTINGENCIES

#### a) Commitments

##### *Capital expenditure*

As at 30 June 2024, the Group has capital commitments amounted to BD 2,034,292 (31 December 2023 (Audited): BD 1,475,022) arising from multiple contracts.

### 11 COMMITMENTS AND CONTINGENCIES (continued)

#### b) Contingencies

At 30 June 2024, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 2,000 (31 December 2023 (Audited): BD 2,000) from which it is anticipated that no material liabilities will arise.

As of 30 June 2024 and as of 31 December 2023, the Group was a party to a small number of legal cases and claims filed against the Group. The Board of Directors are confident that no material liabilities will arise from these cases/claims.

### 12 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

#### Fair value of financial instruments

The fair value of financial instruments are estimated based on the following methods and assumptions:

- a) Cash and bank balances, trade receivables, a portion of prepayments and other assets, trade payables and portion of accrued expenses and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- b) The fair values of the quoted investments are determined by reference to published price quotations in an active market and the fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 30 June 2024 and as at 31 December 2023.

#### Fair value of non-financial assets and liabilities

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 30 June 2024 and as at 31 December 2023.

#### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2024 (Reviewed)

### 12 FAIR VALUE MEASUREMENT (continued)

#### Fair value hierarchy (continued)

The following table provides fair value hierarchy of the Group's assets and liabilities:

		30 June 2024 (Reviewed)				
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		
	Date of valuation	Level 1 BD	Level 2 BD	Level 3 BD		Total BD
<b>Assets measured at fair value</b>						
<i>Investments at fair value through other comprehensive income (note 6):</i>						
- Quoted equity investments	30-Jun-24	9,269,242	-	-		9,269,242
- Unquoted equity investments	30-Jun-24	-	-	2,348,399		2,348,399
		<b>9,269,242</b>	<b>-</b>	<b>2,348,399</b>		<b>11,617,641</b>
<b>31 December 2023 (Audited)</b>						
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		
	Date of valuation	Level 1 BD	Level 2 BD	Level 3 BD		Total BD
<b>Assets measured at fair value</b>						
<i>Investments at fair value through other comprehensive income (note 6):</i>						
- Quoted equity investments	31 Dec 2023	9,761,493	-	-		9,761,493
- Unquoted equity investments	31 Dec 2023	-	-	2,348,399		2,348,399
		<b>9,761,493</b>	<b>-</b>	<b>2,348,399</b>		<b>12,109,892</b>

#### Liabilities measured at fair value:

There were no liabilities measured at fair value as of 30 June 2024 and as of 31 December 2023.

During the six-month period ended 30 June 2024 and year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and there are no transfers into or out of Level 3 fair value measurements.

#### Reconciliation of fair value measurement of Level 3 financial assets

Level 3 equity investments have been estimated using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

There were no movement in the fair values of financial assets classified as level 3 category during the six-month period ended 30 June 2024 and year ended 31 December 2023.

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 13 SEGMENTS REPORTING

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments, as follows:

Hotel room operations	Hotel room and rental and management of executive apartments and offices and provisioning of automatic laundry services.
Food and beverages	Retail sale of food and beverages and convention operations.
Investments and other activities	Investment activities of the Group.

The operations of Gulf Brands International and the retail sales of food and beverages of the Gulf Hotel Group and the convention operations of the Gulf Convention Centre have been aggregated for segmental reporting in food and beverage.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are set in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property and equipment, inventories and trade 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 or more segments are allocated to the segments on a reasonable basis.

Segment liabilities include all operating liabilities and consist primarily of trade and other payables. Whilst the majority of the liabilities can be directly attributed to individual business segments, the carrying amounts of certain liabilities used jointly by two or more segments is allocated to the segments on a reasonable basis.

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

Revenue for the three-month period ended 30 June 2024 in the United Arab Emirates and Sri Lanka amounted to BD 682,523 (three-month period ended 30 June 2023: BD 545,095) and loss for the three-month period ended 30 June 2024 amounted to BD 435,373 (three-month period ended 30 June 2023: loss amounted to BD 496,631). The remaining revenue and profit for the three-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

Revenue for the six-month period ended 30 June 2024 in the United Arab Emirates and Sri Lanka amounted to BD 1,822,748 (six-month period ended 30 June 2023: BD 1,741,477) and loss for the six-month period ended 30 June 2024 amounted to BD 492,306 (six-month period ended 30 June 2023: loss amounted to BD 488,105). The remaining revenue and profit for the six-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 June 2024, total assets in the United Arab Emirates and Sri Lanka amounted to BD 25,959,098 (31 December 2023 (Audited): BD 27,661,881) and total liabilities amounted to BD 555,553 (31 December 2023 (Audited): BD 1,437,343). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 13 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the three-month period ended 30 June 2024 and 30 June 2023:

Three-month period ended 30 June	Hotel room operations		Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated	
	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD
Revenue	<b>3,668,253</b>	2,641,313	<b>5,925,813</b>	5,119,494	-	-	<b>(209,534)</b>	(204,702)	<b>9,384,532</b>	7,556,105
Share of results of associates and a joint venture	-	-	-	-	<b>531,591</b>	415,549	-	-	<b>531,591</b>	415,549
Dividend income	-	-	-	-	<b>96,000</b>	96,182	-	-	<b>96,000</b>	96,182
Interest income	-	-	-	-	<b>73,000</b>	78,113	-	-	<b>73,000</b>	78,113
Rental and other income	<b>264,082</b>	376,227	-	-	<b>157,690</b>	121,396	-	-	<b>421,772</b>	497,623
Total revenue	<b>3,932,335</b>	3,017,540	<b>5,925,813</b>	5,119,494	<b>858,281</b>	711,240	<b>(209,534)</b>	(204,702)	<b>10,506,895</b>	8,643,572
Staff costs	<b>1,334,676</b>	1,320,468	<b>928,719</b>	852,384	<b>287,214</b>	270,161	-	-	<b>2,550,609</b>	2,443,013
Food and beverages costs	-	-	<b>2,339,787</b>	1,943,317	-	-	<b>(119,993)</b>	(99,032)	<b>2,219,794</b>	1,844,285
Depreciation	<b>1,308,575</b>	1,251,627	<b>25,720</b>	28,440	<b>8,715</b>	12,602	-	-	<b>1,343,010</b>	1,292,669
Utilities	<b>457,082</b>	394,131	<b>15,975</b>	14,281	-	-	-	-	<b>473,057</b>	408,412
Allowance for expected credit losses	<b>36,365</b>	97,774	-	-	-	-	-	-	<b>36,365</b>	97,774
Other operating expenses	<b>1,459,065</b>	1,272,972	<b>185,771</b>	153,827	<b>194,896</b>	129,635	<b>(89,541)</b>	(105,670)	<b>1,750,191</b>	1,450,764
Total expenses	<b>4,595,763</b>	4,336,972	<b>3,495,972</b>	2,992,249	<b>490,825</b>	412,398	<b>(209,534)</b>	(204,702)	<b>8,373,026</b>	7,536,917
Segment (loss) profit for the period	<b>(663,428)</b>	(1,319,432)	<b>2,429,841</b>	2,127,245	<b>367,456</b>	298,842	-	-	<b>2,133,869</b>	1,106,655

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 13 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the six-month period ended 30 June 2024 and 30 June 2023:

Six-month period ended 30 June (Reviewed)	Hotel room operations				Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated	
	2024		2023		2024		2023		2024		2023	
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue	<b>7,075,358</b>	5,929,737	<b>11,670,437</b>	10,799,252	-	-	(378,018)	(387,386)	<b>18,367,777</b>	16,341,603		
Share of results of associates and a joint venture	-	-	-	-	<b>863,535</b>	855,174	-	-	<b>863,535</b>	855,174		
Dividend income	-	-	-	-	<b>639,328</b>	670,621	-	-	<b>639,328</b>	670,621		
Interest income	-	-	-	-	<b>193,437</b>	246,758	-	-	<b>193,437</b>	246,758		
Rental and other income	<b>579,338</b>	584,201	-	-	<b>545,323</b>	543,522	-	-	<b>1,124,661</b>	1,127,723		
Total revenue	<b>7,654,696</b>	6,513,938	<b>11,670,437</b>	10,799,252	<b>2,241,623</b>	2,316,075	(378,018)	(387,386)	<b>21,188,738</b>	19,241,879		
Staff costs	<b>2,802,514</b>	2,668,163	<b>1,719,872</b>	1,717,579	<b>552,811</b>	546,539	-	-	<b>5,075,197</b>	4,932,281		
Food and beverages costs	-	-	<b>4,502,491</b>	3,998,452	-	-	(171,419)	(165,053)	<b>4,331,072</b>	3,833,399		
Depreciation	<b>2,648,543</b>	2,544,387	<b>50,193</b>	57,553	<b>16,729</b>	26,483	-	-	<b>2,715,465</b>	2,628,423		
Utilities	<b>790,762</b>	698,745	<b>15,975</b>	14,281	-	-	-	-	<b>806,737</b>	713,026		
Allowance for expected credit losses	<b>60,569</b>	202,485	-	-	-	-	-	-	<b>60,569</b>	202,485		
Other operating expenses	<b>2,698,393</b>	2,246,506	<b>602,449</b>	506,029	<b>308,144</b>	210,011	(206,599)	(222,333)	<b>3,402,387</b>	2,740,213		
Total expenses	<b>9,000,781</b>	8,360,286	<b>6,890,980</b>	6,293,894	<b>877,684</b>	783,033	(378,018)	(387,386)	<b>16,391,427</b>	15,049,827		
Segment (loss) profit for the period	<b>(1,346,085)</b>	(1,846,348)	<b>4,779,457</b>	4,505,358	<b>1,363,939</b>	1,533,042	-	-	<b>4,797,311</b>	4,192,052		

# Gulf Hotels Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024 (Reviewed)

### 13 SEGMENTS REPORTING (continued)

The following table presents the details of segmental assets and liabilities as at 30 June 2024 and as at 31 December 2023:

	Hotel room operations		Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated			
	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD	30 June 2024 (Reviewed) BD									
											31 December 2023 (Audited) BD	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total assets	<b>48,143,000</b>	48,733,286	<b>29,806,240</b>	29,704,967	<b>31,842,784</b>	32,064,101	-	-	<b>109,792,024</b>	110,502,354		
Total liabilities	<b>3,379,906</b>	2,944,859	<b>2,879,922</b>	2,314,079	<b>608,723</b>	890,315	-	-	<b>6,868,551</b>	6,149,253		
Capital expenditure	<b>747,546</b>	1,444,777	<b>405,637</b>	14,615	<b>229,598</b>	11,038,556	-	-	<b>1,382,781</b>	12,497,948		