

Gulf Hotels Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2024 (REVIEWED)

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

Introduction

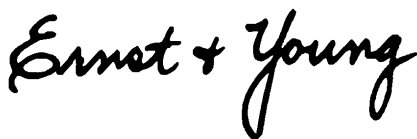
We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 September 2024, comprising of the interim consolidated statement of financial position as at 30 September 2024 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and nine-month periods then ended and related interim consolidated statements of cash flows and changes in equity for the nine-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.

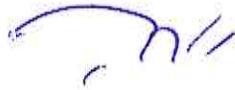



Partner's Registration No. 115
11 November 2024
Manama, Kingdom of Bahrain


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		30 September 2024 (Reviewed) BD	31 December 2023 (Audited) BD
	Note		
ASSETS			
Non-current assets			
Property and equipment		74,178,298	75,964,176
Investment properties		584,692	614,188
Investments in associates and a joint venture	5	6,622,798	7,264,849
Prepayments and other assets		636,021	687,021
Investments	6	11,051,485	12,109,892
		<u>93,073,294</u>	<u>96,640,126</u>
Current assets			
Inventories		3,469,089	2,945,447
Trade receivables		1,531,608	1,216,320
Prepayments and other assets		1,990,510	1,161,614
Cash, bank balances and short-term deposits		10,439,384	8,538,847
		<u>17,430,591</u>	<u>13,862,228</u>
TOTAL ASSETS		<u>110,503,885</u>	<u>110,502,354</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		22,599,487	22,599,487
Share premium		17,514,442	17,514,442
Reserves		22,107,540	23,348,716
Retained earnings		41,132,983	40,890,456
Total equity		<u>103,354,452</u>	<u>104,353,101</u>
Non-current liability			
Employees' end of service benefits		980,467	1,075,711
Current liabilities			
Trade payables		1,569,962	1,453,981
Accrued expenses and other liabilities		4,599,004	3,619,561
		<u>6,168,966</u>	<u>5,073,542</u>
Total liabilities		<u>7,149,433</u>	<u>6,149,253</u>
TOTAL EQUITY AND LIABILITIES		<u>110,503,885</u>	<u>110,502,354</u>


 Fawzi Ahmad Kanoo
 Vice Chairman


 Ahmed Janahi
 Chief Executive Officer


 Mohamed Jassim Buzizi
 Director

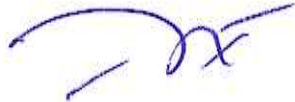

 Mohamed Al Gharbi
 Chief Financial Officer


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

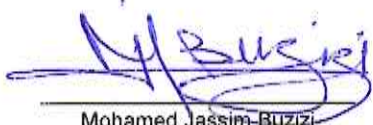
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine-month periods ended 30 September 2024 (Reviewed)

	Note	Three-month period ended		Nine-month period ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		BD	BD	BD	BD
Revenue	7	7,757,373	7,390,318	26,125,150	23,731,921
Share of results of associates and a joint venture	5	426,986	290,036	1,290,521	1,145,210
Dividend income		103,159	90,472	742,487	761,093
Interest income		116,841	46,415	310,278	293,173
Rental and other income		542,771	549,660	1,667,432	1,677,383
TOTAL INCOME		8,947,130	8,366,901	30,135,868	27,608,780
Staff costs		(2,429,220)	(2,458,797)	(7,504,417)	(7,391,078)
Food and beverages costs		(2,013,333)	(2,012,184)	(6,344,405)	(5,845,583)
Depreciation		(1,408,814)	(1,303,683)	(4,124,279)	(3,932,106)
Utilities		(605,584)	(563,957)	(1,412,321)	(1,276,983)
Reversal of allowance / (allowance) for expected credit losses		89,631	(32,389)	29,062	(234,874)
Other operating expenses		(1,504,368)	(1,313,525)	(4,906,755)	(4,053,738)
TOTAL EXPENSES		(7,871,688)	(7,684,535)	(24,263,115)	(22,734,362)
PROFIT FOR THE PERIOD		1,075,442	682,366	5,872,753	4,874,418
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	8	5	3	26	22
OTHER COMPREHENSIVE LOSS					
<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		(800,862)	(502,872)	(1,058,407)	(777,546)
- Share of other comprehensive loss of associates and a joint venture	5	(44,681)	(6,768)	(32,572)	(41,322)
		(845,543)	(509,640)	(1,090,979)	(818,868)
<i>Item to be reclassified to profit or loss in subsequent periods:</i>					
- Foreign exchange differences on translation of foreign operations		(94,226)	(44,008)	(130,551)	(45,552)
Other comprehensive loss for the period		(939,769)	(553,648)	(1,221,530)	(864,420)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		135,673	128,718	4,651,223	4,009,998


 Fawzi Ahmad Kanoo
 Vice Chairman


 Ahmed Janahi
 Chief Executive Officer


 Mohamed Jassim-BUZIZI
 Director


 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 nine-month period ended 30 September 2024 (Reviewed)

	Note	Nine-month period ended	
		30 September 2024	30 September 2023
		BD	BD
OPERATING ACTIVITIES			
Profit for the period		5,872,753	4,874,418
Adjustments to reconcile profit to net cash flows:			
Depreciation		4,124,279	3,932,106
Share of results of associates and a joint venture	5	(1,290,521)	(1,145,210)
Bargain purchase gain on acquisition of subsidiary		-	(21,801)
Dividend income		(742,487)	(761,093)
Interest income		(310,278)	(293,173)
(Reversal of allowance) allowance for expected credit losses		(29,062)	234,874
Provision for employees' end of service benefits		150,948	133,017
Operating profit before working capital changes		7,775,632	6,953,138
Working capital changes:			
Inventories		(523,642)	(130,462)
Trade receivables		(286,226)	15,526
Prepayments and other assets		(857,445)	254,167
Trade payables		115,981	(1,517,992)
Accrued expenses and other liabilities		1,180,443	(119,010)
Cash generated from operations		7,404,743	5,455,367
Directors' remuneration paid		(201,000)	(250,493)
Donations paid		-	(68,570)
Employees' end of service benefits paid		(246,192)	(81,939)
Net cash flows from operating activities		6,957,551	5,054,365
INVESTING ACTIVITIES			
Purchase of property and equipment		(2,308,905)	(762,417)
Interest received		389,827	285,961
Acquisition of a business, net of cash acquired		-	(10,169,623)
Dividend received from an associate	5	1,900,000	1,900,000
Dividends received		742,487	761,093
Net cash flows from (used in) investing activities		723,409	(7,984,986)
FINANCING ACTIVITY			
Dividends paid and cash flows used in financing activity		(5,649,872)	(5,649,872)
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,031,088	(8,580,493)
Net foreign exchange difference		(130,551)	(45,552)
Cash and cash equivalents at 1 January		8,538,847	15,421,145
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		10,439,384	6,795,100

Non-cash item:

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

- Interest receivable amounting to BD 26,444 (30 September 2023: BD 105,993) has been excluded from movement in prepayments and other assets.
- Dividend payable amounting to BD 69,920 (30 September 2023: BD 69,920) has been excluded from movement in accrued expenses and other liabilities.

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 CHANGES IN EQUITY

For the nine-month period ended 30 September 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	-	-	-	-	-	-	-	-	4,874,418	4,874,418
Other comprehensive loss for the period	-	-	-	-	-	(45,552)	(818,868)	(864,420)	-	(864,420)
Total comprehensive (loss) income for the period	-	-	-	-	-	(45,552)	(818,868)	(864,420)	4,874,418	4,009,998
Utilised during the period	-	-	-	-	(68,570)	-	-	(68,570)	-	(68,570)
Dividend (note 9)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
Balance at 30 September 2023	22,599,487	17,514,442	11,299,744	5,000,000	1,725,441	55,775	4,921,010	23,001,970	38,778,408	101,894,307
	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	-	-	-	-	-	-	-	-	5,872,753	5,872,753
Other comprehensive loss for the period	-	-	-	-	-	(130,551)	(1,090,979)	(1,221,530)	-	(1,221,530)
Total comprehensive (loss) income for the period	-	-	-	-	-	(130,551)	(1,090,979)	(1,221,530)	5,872,753	4,651,223
Utilised during the period	-	-	-	-	(19,646)	-	-	(19,646)	19,646	-
Dividend (note 9)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
Balance at 30 September 2024	22,599,487	17,514,442	11,299,744	5,000,000	1,573,485	109,391	4,124,920	22,107,540	41,132,983	103,354,452

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

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 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 Office 1001, Building 15, Road 3801, Block 338, 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 nine-month periods ended 30 September 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 and has an 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:

Name	<u>Ownership interest</u>		Relationship	Country of incorporation	Principal activities
	30 September 2024	31 December 2023			
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
GHG Hospitality W.L.L.*	100%	-	Subsidiary	Kingdom of Bahrain	Hospitality management
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

1 ACTIVITIES (continued)

* During the period ended 30 September 2024, the Group has incorporated a new subsidiary, GHG Hospitality W.L.L. on 29 August 2024.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 11 November 2024.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three and nine-month periods ended 30 September 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 nine-month periods ended 30 September 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.

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.*

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 nine-month period ended 30 September 2024 amounting to BD 742,487 (30 September 2023: BD 761,093) 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 September 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	1,354,139	(6,404)	(57,214)	1,290,521
Share of other comprehensive loss for the period	(32,572)	-	-	(32,572)
Dividend received	(1,900,000)	-	-	(1,900,000)
Balance at 30 September 2024	6,068,578	378,942	175,278	6,622,798
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)
Balance at 31 December 2023	6,647,011	385,346	232,492	7,264,849

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 92,658 as of 30 September 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.

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 September 2024, arising in the ordinary course of business which includes an outstanding letter of guarantee and tender cheques amounting to BD 1,250 (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 nine-month period ended 30 September 2024 and audited accounts for year ended 31 December 2023.

6 INVESTMENTS

	30 September 2024 (Reviewed) BD	31 December 2023 (Audited) BD
<i>At fair value through other comprehensive income:</i>		
Quoted equity investments	8,703,086	9,761,493
Unquoted equity investments	2,348,399	2,348,399
	11,051,485	12,109,892

7 REVENUE

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

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2024 (Reviewed) BD	30 September 2023 (Reviewed) BD	30 September 2024 (Reviewed) BD	30 September 2023 (Reviewed) BD
Food and beverages	5,201,936	4,979,944	16,700,954	15,614,143
Hotel rooms	2,256,570	2,172,598	8,520,570	7,446,476
Others *	298,867	237,776	903,626	671,302
	7,757,373	7,390,318	26,125,150	23,731,921

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

7 REVENUE (continued)

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	2024	2023	2024	2023
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	BD	BD	BD	BD
Geographical markets				
Kingdom of Bahrain	7,315,631	6,931,106	23,860,660	21,531,232
United Arab Emirates	414,439	410,281	2,126,361	2,051,428
Sri Lanka	27,303	48,931	138,129	149,261
	7,757,373	7,390,318	26,125,150	23,731,921
Timing of revenue recognition				
Goods and services transferred at a point in time	5,500,803	5,217,720	17,604,580	16,285,445
Goods and services transferred over time	2,256,570	2,172,598	8,520,570	7,446,476
	7,757,373	7,390,318	26,125,150	23,731,921

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:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	2024	2023	2024	2023
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period (BD)	1,075,442	682,366	5,872,753	4,874,418
Weighted average number of shares	225,994,863	225,994,863	225,994,863	225,994,863
Basic and diluted earnings per share (fils)	5	3	26	22

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 September 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).

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>Nine-month period ended</i>	
	30 September	30 September
	2024	2023
	(Reviewed)	(Reviewed)
	BD	BD
Major shareholders and their affiliates		
<i>Revenue and other income</i>		
Revenue	154,996	150,518
Management fee income	174,093	74,988
Dividend received	-	82,914
	329,089	308,420
<i>Expenses</i>		
Purchases	725,825	156,653
Associates and joint venture		
<i>Revenue and other income</i>		
Revenue	70,216	61,942
Management fee income	21,051	11,350
Share of profit from associates	1,290,521	1,145,210
Share of other comprehensive loss from associates	(32,572)	(41,322)
Dividend received	1,900,000	1,900,000
<i>Expenses</i>		
Purchases	387,625	305,583
Directors and related affiliates		
<i>Revenue and other income</i>		
Revenue	25,062	32,008
<i>Expenses</i>		
Purchases	-	21,586

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 BD</i>	<i>Trade receivables BD</i>	<i>Other receivables BD</i>	<i>Trade payables BD</i>
As at 30 September 2024 (Reviewed)				
Major shareholders and their affiliates	-	44,109	-	3,040
Associates and joint venture	-	13,941	707,771	31,966
Directors and related affiliates	-	3,445	-	-
	-	61,495	707,771	35,006
	<i>Bank balances BD</i>	<i>Trade receivables BD</i>	<i>Other receivables BD</i>	<i>Trade payables BD</i>
As at 31 December 2023 (Audited)				
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	-	-
	1,223,492	231,253	751,123	64,720

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 nine-month period ended was as follows:

	<i>Nine-month period ended</i>	
	<i>30 September 2024 (Reviewed) BD</i>	<i>30 September 2023 (Reviewed) BD</i>
Salaries and short-term employee benefits	340,852	432,455
Post employment benefits	9,670	34,916
Directors sitting fees	278,315	273,427
	628,837	740,798

11 COMMITMENTS AND CONTINGENCIES**a) Commitments***Capital expenditure*

As at 30 September 2024, the Group has capital commitments amounted to BD 2,801,125 (31 December 2023 (Audited): BD 1,475,022) arising from multiple contracts.

11 COMMITMENTS AND CONTINGENCIES (continued)

b) Contingencies

At 30 September 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 September 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 September 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 September 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 re-assessing 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.

12 FAIR VALUE MEASUREMENT (continued)**Fair value hierarchy (continued)**

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

		30 September 2024 (Reviewed)			
	Date of valuation	Quoted prices in active markets Level 1 BD	Significant observable inputs Level 2 BD	Significant unobservable inputs Level 3 BD	Total BD
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 6):					
- Quoted equity investments	30-Sep-24	8,703,086	-	-	8,703,086
- Unquoted equity investments	30-Sep-24	-	-	2,348,399	2,348,399
		8,703,086	-	2,348,399	11,051,485
		31 December 2023 (Audited)			
	Date of valuation	Quoted prices in active markets Level 1 BD	Significant observable inputs Level 2 BD	Significant unobservable inputs Level 3 BD	Total BD
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 6):					
- Quoted equity investments	31 Dec 2023	9,761,493	-	-	9,761,493
- Unquoted equity investments	31 Dec 2023	-	-	2,348,399	2,348,399
		9,761,493	-	2,348,399	12,109,892

Liabilities measured at fair value:

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

During the nine-month period ended 30 September 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 nine-month period ended 30 September 2024 and year ended 31 December 2023.

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.
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Food and beverages	Retail sale of food and beverages and convention operations.
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Investments and other activities	Investment activities of the Group.
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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 September 2024 in the United Arab Emirates and Sri Lanka amounted to BD 441,742 (three-month period ended 30 September 2023: BD 459,212) and loss for the three-month period ended 30 September 2024 amounted to BD 691,660 (three-month period ended 30 September 2023: loss amounted to BD 548,524). 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 nine-month period ended 30 September 2024 in the United Arab Emirates and Sri Lanka amounted to BD 2,264,490 (nine-month period ended 30 September 2023: BD 2,200,689) and loss for the nine-month period ended 30 September 2024 amounted to BD 1,183,966 (nine-month period ended 30 September 2023: loss amounted to BD 1,045,155). The remaining revenue and profit for the nine-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 September 2024, total assets in the United Arab Emirates and Sri Lanka amounted to BD 25,529,558 (31 December 2023 (Audited): BD 27,661,881) and total liabilities amounted to BD 885,110 (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 September 2024 (Reviewed)

13 SEGMENTS REPORTING (continued)

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

*Three-month period
ended 30 September
(Reviewed)*

	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Revenue	2,640,442	2,486,028	5,309,373	5,069,117	-	-	(192,442)	(164,827)	7,757,373	7,390,318
Share of results of associates and a joint venture	-	-	-	-	426,986	290,036	-	-	426,986	290,036
Dividend income	-	-	-	-	103,159	90,472	-	-	103,159	90,472
Interest income	-	-	-	-	116,841	46,415	-	-	116,841	46,415
Rental and other income	300,549	295,688	-	-	242,222	253,972	-	-	542,771	549,660
Total revenue	2,940,991	2,781,716	5,309,373	5,069,117	889,208	680,895	(192,442)	(164,827)	8,947,130	8,366,901
Staff costs	1,753,963	1,847,834	367,005	305,997	308,252	304,966	-	-	2,429,220	2,458,797
Food and beverages costs	-	-	2,120,770	2,101,357	-	-	(107,437)	(89,173)	2,013,333	2,012,184
Depreciation	1,367,879	1,262,811	28,168	28,602	12,767	12,270	-	-	1,408,814	1,303,683
Utilities	590,140	552,143	15,444	11,814	-	-	-	-	605,584	563,957
(Reversal of allowance) / allowance for expected credit losses	(89,631)	32,389	-	-	-	-	-	-	(89,631)	32,389
Other operating expenses	1,222,802	1,223,192	88,293	86,178	278,278	79,809	(85,005)	(75,654)	1,504,368	1,313,525
Total expenses	4,845,153	4,918,369	2,619,680	2,533,948	599,297	397,045	(192,442)	(164,827)	7,871,688	7,684,535
Segment (loss) profit for the period	(1,904,162)	(2,136,653)	2,689,693	2,535,169	289,911	283,850	-	-	1,075,442	682,366

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

13 SEGMENTS REPORTING (continued)

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

**Nine-month period
ended 30 September
(Reviewed)**

	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue	9,715,800	8,415,765	16,979,810	15,868,369	-	-	(570,460)	(552,213)	26,125,150	23,731,921
Share of results of associates and a joint venture	-	-	-	-	1,290,521	1,145,210	-	-	1,290,521	1,145,210
Dividend income	-	-	-	-	742,487	761,093	-	-	742,487	761,093
Interest income	-	-	-	-	310,278	293,173	-	-	310,278	293,173
Rental and other income	879,887	879,889	-	-	787,545	797,494	-	-	1,667,432	1,677,383
Total revenue	10,595,687	9,295,654	16,979,810	15,868,369	3,130,831	2,996,970	(570,460)	(552,213)	30,135,868	27,608,780
Staff costs	4,556,477	4,515,997	2,086,877	2,023,576	861,063	851,505	-	-	7,504,417	7,391,078
Food and beverages costs	-	-	6,623,261	6,099,809	-	-	(278,856)	(254,226)	6,344,405	5,845,583
Depreciation	4,016,422	3,807,198	78,361	86,155	29,496	38,753	-	-	4,124,279	3,932,106
Utilities	1,380,902	1,250,888	31,419	26,095	-	-	-	-	1,412,321	1,276,983
(Reversal of allowance) / allowance for expected credit losses	(29,062)	234,874	-	-	-	-	-	-	(29,062)	234,874
Other operating expenses	3,921,195	3,469,698	690,742	592,207	586,422	289,820	(291,604)	(297,987)	4,906,755	4,053,738
Total expenses	13,845,934	13,278,655	9,510,660	8,827,842	1,476,981	1,180,078	(570,460)	(552,213)	24,263,115	22,734,362
Segment (loss) profit for the period	(3,250,247)	(3,983,001)	7,469,150	7,040,527	1,653,850	1,816,892	-	-	5,872,753	4,874,418

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

13 SEGMENTS REPORTING (continued)

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

	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	47,508,642	48,733,286	29,659,206	29,704,967	33,336,037	32,064,101	-	-	110,503,885	110,502,354
Total liabilities	3,436,406	2,944,859	3,032,415	2,314,079	680,612	890,315	-	-	7,149,433	6,149,253
Capital expenditure	1,248,944	1,444,777	677,507	14,615	382,454	11,038,556	-	-	2,308,905	12,497,948