

**Gulf Hotels Group B.S.C.**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2024 (REVIEWED)**

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

### ***Introduction***

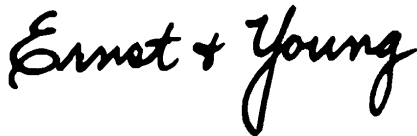
We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 31 March 2024, comprising of the interim condensed consolidated statement of financial position as at 31 March 2024 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed 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  
7 May 2024  
Manama, Kingdom of Bahrain

Gulf Hotels Group B.S.C.


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

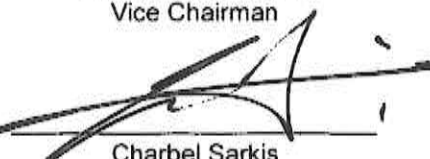
At 31 March 2024

	Note	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		75,314,124	75,964,176
Investment properties		606,174	614,188
Investments in associates and a joint venture	8	6,208,902	7,264,849
Prepayments and other assets		687,021	687,021
Investments	5	11,852,347	12,109,892
		<u>94,668,568</u>	<u>96,640,126</u>
<b>Current assets</b>			
Inventories		2,547,215	2,945,447
Trade receivables		1,641,021	1,216,320
Prepayments and other assets		1,866,288	1,161,614
Cash, bank balances and short-term deposits		6,354,616	8,538,847
		<u>12,409,140</u>	<u>13,862,228</u>
<b>TOTAL ASSETS</b>		<u><u>107,077,708</u></u>	<u><u>110,502,354</u></u>
<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		23,066,955	23,348,716
Retained earnings		37,904,026	40,890,456
<b>Total equity</b>		<u>101,084,910</u>	<u>104,353,101</u>
<b>Non-current liability</b>			
Employees' end of service benefits		1,030,270	1,075,711
<b>Current liabilities</b>			
Trade payables		1,511,315	1,453,981
Accrued expenses and other liabilities		3,451,213	3,619,561
		<u>4,962,528</u>	<u>5,073,542</u>
<b>Total liabilities</b>		<u>5,992,798</u>	<u>6,149,253</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>107,077,708</u></u>	<u><u>110,502,354</u></u>

  
Farooq Yousuf Almoayyed  
Chairman

  
Ahmed Janahi  
Chief Executive Officer

  
Fawzi Ahmad Kanoo  
Vice Chairman

  
Charbel Sarkis  
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 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2024 (Reviewed)

	Note	Three-month period ended	
		31 March 2024 BD	31 March 2023 BD
Revenue	6	8,983,245	8,785,498
Share of results of associates and a joint venture	8	331,944	439,625
Dividend income		543,328	574,439
Interest income		120,437	168,645
Rental and other income		702,889	630,100
<b>TOTAL INCOME</b>		<b>10,681,843</b>	<b>10,598,307</b>
Staff costs		(2,524,588)	(2,489,268)
Food and beverages costs		(2,111,278)	(1,989,114)
Depreciation		(1,372,455)	(1,335,754)
Utilities		(333,680)	(304,614)
Allowance for expected credit losses		(24,204)	(104,711)
Other operating expenses		(1,652,196)	(1,289,449)
<b>PROFIT FOR THE PERIOD</b>		<b>2,663,442</b>	<b>3,085,397</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	7	<b>12</b>	<b>14</b>
<b>OTHER COMPREHENSIVE LOSS</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 income		(257,545)	(296,623)
- Share of other comprehensive income of associates and a joint venture		12,109	3,273
		(245,436)	(293,350)
<i>Item to be reclassified to profit or loss in subsequent periods:</i>			
- Foreign exchange differences on translation of foreign operations		(36,325)	(22,033)
<b>Other comprehensive loss for the period</b>		<b>(281,761)</b>	<b>(315,383)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,381,681</b>	<b>2,770,014</b>



Farooq Yousuf Almoayyed  
Chairman



Ahmed Janahi  
Chief Executive Officer



Fawzi Ahmad Kanoo  
Vice Chairman



Charbel Sarkis  
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 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2024 (Reviewed)

	Note	Three-month period ended	
		31 March 2024 BD	31 March 2023 BD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		2,663,442	3,085,397
Adjustments to reconcile profit to net cash flows:			
Depreciation		1,372,455	1,335,754
Share of results of associates and a joint venture	8	(331,944)	(439,625)
Dividend income		(543,328)	(574,439)
Interest income		(120,437)	(168,645)
Allowance for expected credit losses		24,204	104,711
Provision for employees' end of service benefits		53,191	100,725
Operating profit before working capital changes		3,117,583	3,443,878
Working capital changes:			
Inventories		398,232	(208,439)
Trade receivables		(448,905)	(899,218)
Prepayments and other assets		(257,347)	(23,701)
Trade payables		57,334	(619,654)
Accrued expenses and other liabilities		(43,348)	287,989
Cash generated from operations		2,823,549	1,980,855
Directors' remuneration paid		(125,000)	(211,000)
Employees' end of service benefits paid		(98,632)	(76,832)
Net cash flows from operating activities		2,599,917	1,693,023
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(714,389)	(350,458)
Interest received		120,437	168,645
Acquisition of a business, net of cash acquired		-	(500,000)
Dividend received from an associate	8	1,400,000	1,400,000
Dividends received		96,001	-
Net cash flows from investing activities		902,049	718,187
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(5,649,872)	-
Donations paid		-	(17,170)
Cash flows used in financing activities		(5,649,872)	(17,170)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,147,906)</b>	<b>2,394,040</b>
Net foreign exchange difference		(36,325)	(22,033)
Cash and cash equivalents at 1 January		8,538,847	15,421,145
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		<b>6,354,616</b>	<b>17,793,152</b>

### Non-cash items:

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

- (i) Dividend receivable amounting to BD 447,327 (31 March 2023: 574,439) has been excluded from movement in prepayments and other assets.
- (ii) Dividend payable amounting to BD 69,920 (31 March 2023: BD 5,649,872) 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 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 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	-	-	-	-	-	-	-	-	3,085,397	3,085,397
Other comprehensive loss for the period	-	-	-	-	-	(22,033)	(293,350)	(315,383)	-	(315,383)
Total comprehensive (loss) income for the period	-	-	-	-	-	(22,033)	(293,350)	(315,383)	3,085,397	2,770,014
Utilised during the period	-	-	-	-	(17,170)	-	-	(17,170)	-	(17,170)
Dividend (note 9)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
<b>Balance at 31 March 2023</b>	<b>22,599,487</b>	<b>17,514,442</b>	<b>11,299,744</b>	<b>5,000,000</b>	<b>1,776,841</b>	<b>79,294</b>	<b>5,446,528</b>	<b>23,602,407</b>	<b>36,989,387</b>	<b>100,705,723</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	-	-	-	-	-	-	-	-	2,663,442	2,663,442
Other comprehensive loss for the period	-	-	-	-	-	(36,325)	(245,436)	(281,761)	-	(281,761)
Total comprehensive (loss) income for the period	-	-	-	-	-	(36,325)	(245,436)	(281,761)	2,663,442	2,381,681
Dividend (note 9)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
<b>Balance at 31 March 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>203,617</b>	<b>4,970,463</b>	<b>23,066,955</b>	<b>37,904,026</b>	<b>101,084,910</b>

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 31 March 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-month period ended 31 March 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 K Hotel and 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>31 March 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	Kingdom of Bahrain	Investment and other activities
GH Gulf Investment Limited	100%	100%	Subsidiary	Kingdom of Bahrain	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 7 May 2024.

## 2 MATERIAL ACCOUNTING POLICIES

### Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 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 months ended 31 March 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 31 March 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 three-month period ended 31 March 2024 amounting to BD 543,328 (31 March 2023: BD 574,439) is also seasonal in nature.

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

#### 5 INVESTMENTS

	<b>31 March 2024 (Reviewed) BD</b>	31 December 2023 (Audited) BD
<i>At fair value through other comprehensive income:</i>		
Quoted equity investments	<b>9,503,948</b>	9,761,493
Unquoted equity investments	<b>2,348,399</b>	2,348,399
	<b>11,852,347</b>	12,109,892

#### 6 REVENUE

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

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	31 March 2023 (Reviewed) BD
Food and beverages	<b>5,576,140</b>	5,613,737
Hotel rooms	<b>3,155,999</b>	2,967,140
Others *	<b>251,106</b>	204,621
	<b>8,983,245</b>	8,785,498

\* 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 31 March 2024 (Reviewed)

#### 6 REVENUE (continued)

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<i>31 March 2023 (Reviewed) BD</i>
<b>Geographical markets</b>		
Kingdom of Bahrain	<b>7,843,020</b>	7,589,116
United Arab Emirates	<b>1,059,739</b>	1,140,155
Sri Lanka	<b>80,486</b>	56,227
	<b>8,983,245</b>	8,785,498
<b>Timing of revenue recognition</b>		
Goods and services transferred at a point in time	<b>5,827,246</b>	5,818,358
Goods and services transferred over time	<b>3,155,999</b>	2,967,140

#### 7 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>	
	<b>31 March 2024 (Reviewed)</b>	<i>31 March 2023 (Reviewed)</i>
Profit for the period (BD)	<b>2,663,442</b>	3,085,397
Weighted average number of shares	<b>225,994,863</b>	225,994,863
Basic and diluted earnings per share (fils)	<b>12</b>	14

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

## Gulf Hotels Group B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Reviewed)

#### 8 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

31 March 2024 (Reviewed)

	<i>African and Eastern (Bahrain) W.L.L BD</i>	<i>Bahrain Family Leisure Company B.S.C. BD</i>	<i>Bahrain Airport Hotel Company W.L.L. BD</i>	<i>Total BD</i>
Balance at 1 January 2024	6,647,011	385,346	232,492	7,264,849
Share of profit / (loss) for the period	336,790	8,685	(13,531)	331,944
Share of other comprehensive income for the period	12,109	-	-	12,109
Dividend received	(1,400,000)	-	-	(1,400,000)
<b>Balance at 31 March 2024</b>	<b>5,595,910</b>	<b>394,031</b>	<b>218,961</b>	<b>6,208,902</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 198,773 as of 31 March 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.

The Group's share in the associates' and joint venture's contingent liabilities as of 31 March 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 the associate is recognised based on the approved management accounts for the three-months period ended 31 March 2024 and audited accounts for years ended 31 December 2023.

#### 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 subsequent to period ended 31 March 2024 (31 March 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 was declared).

## Gulf Hotels Group B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 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 condensed consolidated statement of comprehensive income are as follows:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<i>31 March 2023 (Reviewed) BD</i>
<b>Major shareholders and their affiliates</b>		
<i>Revenue and other income</i>		
Revenue	33,789	62,085
Management fee income	66,080	91,984
	<b>99,869</b>	154,069
<i>Expenses</i>		
Interest expense	-	39
Purchases	41,773	163,933
	<b>41,773</b>	163,972
<b>Associates and joint venture</b>		
<i>Revenue and other income</i>		
Revenue	21,207	18,307
Management fee income	8,177	4,450
Share of profit from associates	331,944	439,625
Share of other comprehensive income from associates	12,109	3,273
Dividends received	1,400,000	1,400,000
	<b>1,773,437</b>	1,865,655
<i>Expenses</i>		
Purchases	13,228	8,475
<b>Directors and related affiliates</b>		
<i>Revenue and other income</i>		
Revenue	665	36,821
<i>Expenses</i>		
Purchases	-	76,395

## Gulf Hotels Group B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Reviewed)

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

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

	<i>Bank balances</i>	<i>Trade receivables</i>	<i>Other receivables</i>	<i>Trade payables</i>
<i>As at 31 March 2024 (Reviewed)</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Major shareholders and their affiliates	-	13,421	-	3,734
Associates and joint venture	-	18,479	751,123	15,910
Directors and related affiliates	-	357	-	-
	<b>-</b>	<b>32,257</b>	<b>751,123</b>	<b>19,644</b>
	<i>Bank balances</i>	<i>Trade receivables</i>	<i>Other receivables</i>	<i>Trade payables</i>
<i>As at 31 December 2023 (Audited)</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
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	-	-
	<b>1,223,492</b>	<b>231,253</b>	<b>751,123</b>	<b>64,720</b>

#### **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 three-month period ended was as follows:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<i>31 March 2023 (Reviewed) BD</i>
Salaries and short-term employee benefits	<b>155,759</b>	148,349
Post employment benefits	<b>3,901</b>	15,468
Directors sitting fees	<b>28,457</b>	6,000
	<b>188,117</b>	169,817

#### 11 COMMITMENTS AND CONTINGENCIES

##### a) Commitments

###### *Capital expenditure*

As at 31 March 2024, the Group has capital commitments amounted to BD 932,379 (31 December 2023 (Audited): BD 1,475,022) arising from multiple contracts. The commitments are expected to be settled within 1 to 5 years from the reporting date.

## 11 COMMITMENTS AND CONTINGENCIES (continued)

### b) Contingencies

At 31 March 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 31 March 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 31 March 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 31 March 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.

## Gulf Hotels Group B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 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:

		31 March 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
<b>Assets measured at fair value</b>					
<i>Investments at fair value through other comprehensive income (note 5):</i>					
- Quoted equity investments	31 Mar 2024	9,503,948	-	-	9,503,948
- Unquoted equity investments	31 Mar 2024	-	-	2,348,399	2,348,399
		<b>9,503,948</b>	<b>-</b>	<b>2,348,399</b>	<b>11,852,347</b>
		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
<i>Assets measured at fair value</i>					
<i>Investments at fair value through other comprehensive income (note 5):</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 31 March 2024 and as of 31 December 2023.

During the three-month period ended 31 March 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 three-month period ended 31 March 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.

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 31 March 2024 in the United Arab Emirates and Sri Lanka amounted to BD 1,140,225 (three-month period ended 31 March 2023: BD 1,196,382) and loss for the three-month period ended 31 March 2024 amounted to BD 56,933 (three-month period ended 31 March 2023: profit amounted to BD 8,526). The remaining revenue and profit for the three-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 31 March 2024, total assets in the United Arab Emirates and Sri Lanka amounted to BD 26,962,642 (31 December 2023 (Audited): BD 27,661,881) and total liabilities amounted to BD 606,909 (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 31 March 2024 (Reviewed)

#### 13 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the three-month periods ended 31 March 2024 and 31 March 2023:

#### Three-months period ended 31 March (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>	
	<b>2024</b> <i>BD</i>	2023 <i>BD</i>	<b>2024</b> <i>BD</i>	2023 <i>BD</i>	<b>2024</b> <i>BD</i>	2023 <i>BD</i>	<b>2024</b> <i>BD</i>	2023 <i>BD</i>	<b>2024</b> <i>BD</i>	2023 <i>BD</i>
Revenue	<b>3,407,105</b>	3,171,761	<b>5,744,624</b>	5,796,421	-	-	<b>(168,484)</b>	(182,684)	<b>8,983,245</b>	8,785,498
Share of results of associates and a joint venture	-	-	-	-	<b>331,944</b>	439,625	-	-	<b>331,944</b>	439,625
Dividend income	-	-	-	-	<b>543,328</b>	574,439	-	-	<b>543,328</b>	574,439
Interest income	-	-	-	-	<b>120,437</b>	168,645	-	-	<b>120,437</b>	168,645
Rental and other income	<b>315,256</b>	207,974	-	-	<b>387,633</b>	422,126	-	-	<b>702,889</b>	630,100
<b>Total revenue</b>	<b>3,722,361</b>	3,379,735	<b>5,744,624</b>	5,796,421	<b>1,383,342</b>	1,604,835	<b>(168,484)</b>	(182,684)	<b>10,681,843</b>	10,598,307
Staff costs	<b>1,467,838</b>	1,347,695	<b>791,153</b>	865,195	<b>265,597</b>	276,378	-	-	<b>2,524,588</b>	2,489,268
Food and beverages costs	-	-	<b>2,111,278</b>	1,989,114	-	-	-	-	<b>2,111,278</b>	1,989,114
Depreciation	<b>1,337,506</b>	1,305,837	<b>24,473</b>	29,113	<b>10,476</b>	804	-	-	<b>1,372,455</b>	1,335,754
Utilities	<b>333,680</b>	304,614	-	-	-	-	-	-	<b>333,680</b>	304,614
Allowance for expected credit losses	<b>24,204</b>	104,711	-	-	-	-	-	-	<b>24,204</b>	104,711
Other operating expenses	<b>1,290,754</b>	1,039,555	<b>416,678</b>	352,202	<b>113,248</b>	80,376	<b>(168,484)</b>	(182,684)	<b>1,652,196</b>	1,289,449
<b>Total expenses</b>	<b>4,453,982</b>	4,102,412	<b>3,343,582</b>	3,235,624	<b>389,321</b>	357,558	<b>(168,484)</b>	(182,684)	<b>8,018,401</b>	7,512,910
Segment (loss) profit for the period	<b>(731,621)</b>	(722,677)	<b>2,401,042</b>	2,560,797	<b>994,021</b>	1,247,277	-	-	<b>2,663,442</b>	3,085,397

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Reviewed)

**13 SEGMENTS REPORTING (continued)**

The following table presents the details of segmental assets and liabilities as at 31 March 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>	
	<b>31 March 2024</b> <i>(Reviewed)</i> <b>BD</b>	<i>31 December 2023</i> <i>(Audited)</i> <i>BD</i>	<b>31 March 2024</b> <i>(Reviewed)</i> <b>BD</b>	<i>31 December 2023</i> <i>(Audited)</i> <i>BD</i>	<b>31 March 2024</b> <i>(Reviewed)</i> <b>BD</b>	<i>31 December 2023</i> <i>(Audited)</i> <i>BD</i>	<b>31 March 2024</b> <i>(Reviewed)</i> <b>BD</b>	<i>31 December 2023</i> <i>(Audited)</i> <i>BD</i>	<b>31 March 2024</b> <i>(Reviewed)</i> <b>BD</b>	<i>31 December 2023</i> <i>(Audited)</i> <i>BD</i>
Total assets	<b>48,134,463</b>	48,733,286	<b>28,983,099</b>	29,704,967	<b>29,960,146</b>	32,064,101	-	-	<b>107,077,708</b>	110,502,354
Total liabilities	<b>3,142,735</b>	2,944,859	<b>2,231,289</b>	2,314,079	<b>618,774</b>	890,315	-	-	<b>5,992,798</b>	6,149,253
Capital expenditure	<b>82,584</b>	1,444,777	-	14,615	<b>631,804</b>	11,038,556	-	-	<b>714,389</b>	12,497,948