

Gulf Hotels Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2025 (REVIEWED)

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

Introduction

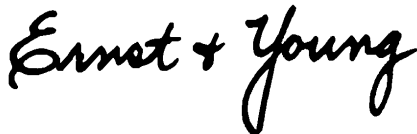
We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2025, comprising of the interim consolidated statement of financial position as at 30 June 2025 and the related interim consolidated statement of profit or loss and other comprehensive income for the three and six-month periods 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 2025
Manama, Kingdom of Bahrain

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (Reviewed) BD	31 December 2024 (Audited) BD
	Note		
ASSETS			
Non-current assets			
Property and equipment		73,249,332	73,728,435
Investment properties		563,476	576,609
Investments in associates and a joint venture	5	7,156,984	6,998,230
Prepayments and other receivables		559,521	636,021
Investments	6	9,975,111	10,329,955
		<u>91,504,424</u>	<u>92,269,250</u>
Current assets			
Inventories		3,294,670	3,516,702
Trade receivables		1,793,559	1,963,176
Prepayments and other receivables		2,675,399	1,765,437
Cash, bank balances and short-term deposits		11,473,078	13,347,420
		<u>19,236,706</u>	<u>20,592,735</u>
TOTAL ASSETS		<u>110,741,130</u>	<u>112,861,985</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	22,599,487	22,599,487
Treasury shares	7	(109,311)	-
Share premium		17,514,442	17,514,442
Reserves		21,094,160	21,293,184
Retained earnings		43,776,360	44,125,286
Total equity		<u>104,875,138</u>	<u>105,532,399</u>
Non-current liability			
Employees' end of service benefits		954,470	955,522
Current liabilities			
Trade payables		1,431,771	1,926,746
Accrued expenses and other liabilities		3,479,751	4,447,318
		<u>4,911,522</u>	<u>6,374,064</u>
Total liabilities		<u>5,865,992</u>	<u>7,329,586</u>
TOTAL EQUITY AND LIABILITIES		<u>110,741,130</u>	<u>112,861,985</u>

Fawzi Ahmad Kanoo
Chairman

Ahmed Janahi
Chief Executive Officer

Hala Farouk Almoayyed
Vice Chairperson

Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 14 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 2025 (Reviewed)

	Note	Three-month period ended		Six-month period ended	
		30 June	30 June	30 June	30 June
		2025	2024	2025	2024
		BD	BD	BD	BD
Revenue	8	10,077,815	9,384,532	18,688,554	18,367,777
Share of results of associates and a joint venture	5	513,097	531,591	833,891	863,535
Dividend income		24,698	96,000	625,483	639,328
Interest income		94,892	73,000	244,956	193,437
Rental and other income		732,523	421,772	1,440,772	1,134,247
TOTAL INCOME		11,443,025	10,506,895	21,833,656	21,198,324
Staff costs		(2,943,061)	(2,550,609)	(5,718,444)	(5,084,783)
Food and beverages costs		(2,314,510)	(2,219,794)	(4,195,380)	(4,331,072)
Depreciation		(1,141,737)	(1,343,010)	(2,468,885)	(2,715,465)
Utilities		(491,879)	(473,057)	(835,381)	(806,737)
Allowance for expected credit losses		(101,780)	(36,365)	(23,573)	(60,569)
Other operating expenses		(1,682,714)	(1,750,191)	(3,373,067)	(3,402,387)
TOTAL EXPENSES		(8,675,681)	(8,373,026)	(16,614,730)	(16,401,013)
PROFIT FOR THE PERIOD		2,767,344	2,133,869	5,218,926	4,797,311
BASIC AND DILUTED					
EARNINGS PER SHARE (FILS)	9	12	9	23	21
OTHER COMPREHENSIVE LOSS					
<i>Items not to be reclassified to</i>					
<i>profit or loss in subsequent periods:</i>					
- Share of other comprehensive income / (loss) of associates and a joint venture	5	12,143	(29,537)	24,863	(17,428)
- Net changes in fair value of investments at fair value through other comprehensive loss	6	(223,891)	(234,706)	(143,527)	(492,251)
		(211,748)	(264,243)	(118,664)	(509,679)
<i>Item to be reclassified to</i>					
<i>profit or loss in subsequent periods:</i>					
- Foreign exchange differences on translation of foreign operations		4,799	(31,063)	1,660	(67,388)
Other comprehensive loss for the period		(206,949)	(295,306)	(117,004)	(577,067)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,560,395	1,838,563	5,101,922	4,220,244

Fawzi Ahmad Kanoo
Chairman

Ahmed Janahi
Chief Executive Officer

Hala Farouk Almoayyed
Vice Chairperson

Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 14 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 2025 (Reviewed)

		Six-month period ended	
		30 June 2025 BD	30 June 2024 BD
	Note		
OPERATING ACTIVITIES			
Profit for the period		5,218,926	4,797,311
Adjustments to reconcile profit to net cash flows:			
Depreciation		2,468,885	2,715,465
Share of results of associates and a joint venture	5	(833,891)	(863,535)
Dividend income		(625,483)	(639,328)
Interest income		(244,956)	(193,437)
Allowance for expected credit losses		23,573	60,569
Provision for employees' end of service benefits		144,138	101,879
Operating profit before working capital changes		6,151,192	5,978,924
Working capital changes:			
Inventories		222,032	(111,575)
Trade receivables		146,044	(934,077)
Prepayments and other receivables		(833,692)	(692,259)
Trade payables		(494,975)	174,973
Accrued expenses and other liabilities		(818,169)	763,964
Cash generated from operations		4,372,432	5,179,950
Directors' remuneration paid		(148,359)	(201,000)
Employees' end of service benefits paid		(145,190)	(120,518)
Net cash flows from operating activities		4,078,883	4,858,432
INVESTING ACTIVITIES			
Purchase of property and equipment		(1,976,649)	(1,382,781)
Proceeds from disposals of investments at fair value through other comprehensive income	6	211,317	-
Interest received		245,186	193,437
Dividend received from an associate	5	700,000	1,400,000
Dividends received		625,483	735,328
Net cash flows (used in) from investing activities		(194,663)	945,984
FINANCING ACTIVITIES			
Dividend paid	10	(5,650,911)	(5,649,872)
Purchase of treasury shares	7	(109,311)	-
Cash flows used in financing activities		(5,760,222)	(5,649,872)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,876,002)	154,544
Net foreign exchange difference		1,660	(67,388)
Cash and cash equivalents at 1 January		13,347,420	8,538,847
CASH AND CASH EQUIVALENTS AT 30 JUNE		11,473,078	8,626,003

Non-cash items:

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

- Dividend receivable amounting to nil (30 June 2024: BD 96,000) has been excluded from movement in prepayments and other receivables.
- Dividend payable amounting to BD 68,881 (30 June 2024: BD 69,920) has been excluded from movement in accrued expenses and other liabilities.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2025 (Reviewed)

	Reserves										
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD	Total reserves BD	Retained earnings BD	Total equity 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 10)	-	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
Balance at 30 June 2024	<u>22,599,487</u>	<u>-</u>	<u>17,514,442</u>	<u>11,299,744</u>	<u>5,000,000</u>	<u>1,593,131</u>	<u>172,554</u>	<u>4,706,220</u>	<u>22,771,649</u>	<u>40,037,895</u>	<u>102,923,473</u>
	Reserves										
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD	Total reserves BD	Retained earnings BD	Total equity BD
Balance at 1 January 2025	22,599,487	-	17,514,442	11,324,744	5,000,000	1,539,945	83,853	3,344,642	21,293,184	44,125,286	105,532,399
Profit for the period	-	-	-	-	-	-	-	-	-	5,218,926	5,218,926
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	1,660	(118,664)	(117,004)	-	(117,004)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	1,660	(118,664)	(117,004)	5,218,926	5,101,922
Purchase of treasury shares (note 7)	-	(109,311)	-	-	-	-	-	-	-	-	(109,311)
Transfer of fair value reserve of investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(82,020)	(82,020)	82,020	-
Dividend (note 10)	-	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
Balance at 30 June 2025	<u>22,599,487</u>	<u>(109,311)</u>	<u>17,514,442</u>	<u>11,324,744</u>	<u>5,000,000</u>	<u>1,539,945</u>	<u>85,513</u>	<u>3,143,958</u>	<u>21,094,160</u>	<u>43,776,360</u>	<u>104,875,138</u>

The attached notes 1 to 14 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 June 2025 (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 Group is engaged in the business providing hotel services, import and sale of food and beverages and investing activities.

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 2025.

The Group owns and operates the Gulf Hotel, Gulf Hotel Al Dana Resort and Crown plaza Hotel 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, GHG Colombo in Sri Lanka. Moreover, the Group manages multiple restaurants owned by GHG Hospitality W.L.L. The Group also provides management services to The Asdal Gulf-inn Seef, in the Kingdom of Bahrain. 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 June 2025	31 December 2024			
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	Owning and operating a hotel and investing activities
Novotel Bahrain Al Dana Resort W.L.L (formerly Gulf Hotel Al Dana Resort W.L.L.)	100%	100%	Subsidiary	Kingdom of Bahrain	Hotel operations
GHG Hospitality W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Operating restaurants
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
Gulf Court Hotel Business Bay L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Hotel 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
GHG Colombo (Private) Limited	100%	100%	Subsidiary	Sri Lanka	Retail operations

1 ACTIVITIES (continued)

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 12 August 2025.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three and six-month periods ended 30 June 2025 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 2024. In addition, results for the three and six-month periods ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024, except for the adoption of new and amended standards as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

- *Lack of exchangeability - Amendments to IAS 21: The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.*

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material 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 2024.

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 2025 amounting to BD 625,483 (30 June 2024: BD 639,328) is also seasonal in nature.

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

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

30 June 2025 (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 2025	6,499,872	309,415	188,943	6,998,230
Share of profit / (loss) for the period	885,937	(10,653)	(41,393)	833,891
Share of other comprehensive income for the period	24,863	-	-	24,863
Dividend received	(700,000)	-	-	(700,000)
Balance at 30 June 2025	6,710,672	298,762	147,550	7,156,984
<i>31 December 2024 (Audited)</i>				
Balance at 1 January 2024	6,647,011	385,346	232,492	7,264,849
Share of profit / (loss) for the year	1,816,800	(75,931)	(16,168)	1,724,701
Share of other comprehensive loss for the year	(63,939)	-	-	(63,939)
Other equity movement	-	-	(27,381)	(27,381)
Dividend received	(1,900,000)	-	-	(1,900,000)
Balance at 31 December 2024	6,499,872	309,415	188,943	6,998,230

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 85,389 as of 30 June 2025 (31 December 2024 (audited): BD 85,389) 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 2025.

The Group's share in the associates' and joint venture's contingent liabilities as of 30 June 2025, arising in the ordinary course of business which includes an outstanding letter of guarantee and tender cheques amounting to BD 1,250 (31 December 2024 (audited): BD 1,250).

The share of results of the associates and a joint venture is recognised based on the approved management accounts for the six-month period ended 30 June 2025 and audited accounts for years ended 31 December 2024.

6 INVESTMENTS

	<i>30 June 2025 (Reviewed) BD</i>	<i>31 December 2024 (Audited) BD</i>
<i>At fair value through other comprehensive income:</i>		
Quoted equity investments	7,796,768	8,151,612
Unquoted equity investments	2,178,343	2,178,343
	9,975,111	10,329,955

6 INVESTMENTS (continued)

Reconciliation of fair value measurement of quoted investments classified as equity instruments designated at fair value through other comprehensive income are as follows:

	30 June 2025 (Reviewed) BD	31 December 2024 (Audited) BD
At beginning of the period / year	8,151,612	9,761,493
Disposals during the period / year	(211,317)	-
Net changes in fair values	(143,527)	(1,609,881)
At the end of the period / year	7,796,768	8,151,612

7 SHARE CAPITAL**a) Share capital**

	30 June 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Authorised:		
300,000,000 (31 December 2024: 300,000,000) shares of 100 fils each	30,000,000	30,000,000
Issued, subscribed and fully paid-up:		
225,994,863 (31 December 2024: 225,994,863) shares of 100 fils each	22,599,487	22,599,487

b) Treasury Shares

During the period ended 30 June 2025, the Company repurchased 246,365 shares for cash consideration of BD 109,311, representing 0.11% of the issued share capital and these shares are held by the Company as of 30 June 2025 (31 December 2024 (audited): nil).

8 REVENUE

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

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025 (Reviewed) BD	30 June 2024 (Reviewed) BD	30 June 2025 (Reviewed) BD	30 June 2024 (Reviewed) BD
Food and beverages	6,374,102	5,922,878	11,620,342	11,499,018
Hotel rooms	3,346,140	3,108,001	6,418,078	6,264,000
Others *	357,573	353,653	650,134	604,759
	10,077,815	9,384,532	18,688,554	18,367,777

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

8 REVENUE (continued)

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	BD	BD	BD	BD
Geographical markets				
Kingdom of Bahrain	9,319,399	8,702,009	16,783,109	16,545,029
United Arab Emirates	753,498	652,183	1,863,340	1,711,922
Sri Lanka	4,918	30,340	42,105	110,826
	10,077,815	9,384,532	18,688,554	18,367,777
Timing of revenue recognition				
Goods and services transferred at a point in time	6,731,675	6,276,531	12,270,476	12,103,777
Goods and services transferred over time	3,346,140	3,108,001	6,418,078	6,264,000
	10,077,815	9,384,532	18,688,554	18,367,777

9 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 outstanding during the period, excluding the weighted average number of shares repurchased by the Company during the period and held as treasury shares, is as follows:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit for the period (BD)	2,767,344	2,133,869	5,218,926	4,797,311
Weighted average number of shares, net of treasury shares	225,959,960	225,994,863	225,959,960	225,994,863
Basic and diluted earnings per share (fils)	12	9	23	21

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

10 DIVIDEND

At the annual general meeting of the shareholders held on 24 March 2025, a cash dividend of 25 fils per share totalling BD 5,649,872 for the year ended 31 December 2024 was declared, which has been fully paid as of 30 June 2025 (30 June 2024: 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).

11 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.

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	<i>Six-month period ended</i>	
	30 June 2025 (Reviewed) BD	30 June 2024 (Reviewed) BD
Major shareholders and their affiliates		
<i>Revenue and other income</i>		
Revenue	65,184	34,286
Management fee income	37,837	92,593
	103,021	126,879
<i>Expenses</i>		
Purchases	1,108,103	357,824
Associates and joint venture		
<i>Revenue and other income</i>		
Revenue	109,014	46,665
Management fee income	13,121	14,029
Share of profit from associates	833,891	863,535
Share of other comprehensive income / (loss) from associates	24,863	(17,428)
Dividend received	700,000	1,400,000
<i>Expenses</i>		
Purchases	214,423	204,745
Directors and related affiliates		
<i>Revenue and other income</i>		
Revenue	11,744	2,532

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

	Trade receivables BD	Other receivables BD	Trade payables BD
As at 30 June 2025 (Reviewed)			
Major shareholders and their affiliates	43,589	-	50,995
Associates and joint venture	46,182	646,146	105,622
Directors and related affiliates	3,613	-	-
	93,384	646,146	156,617
	<i>Trade receivables BD</i>	<i>Other receivables BD</i>	<i>Trade payables BD</i>
As at 31 December 2024 (Audited)			
Major shareholders and their affiliates	40,598	-	95,613
Associates and joint venture	63,034	707,771	82,497
Directors and related affiliates	5,837	-	-
	109,469	707,771	178,110

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**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>	
	30 June	30 June
	2025	2024
	(Reviewed)	(Reviewed)
	BD	BD
Salaries and short-term employee benefits	385,069	247,948
Post employment benefits	6,736	6,434
Directors sitting fees	269,859	246,115
	661,664	500,497

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

As at 30 June 2025, the Group has capital commitments amounted to BD 886,346 (31 December 2024 (audited): BD 3,144,822) arising from multiple contracts. The commitments are expected to be settled within 2 years from the reporting date.

b) Contingencies

At 30 June 2025, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 187,264 (31 December 2024 (audited): BD 190,264) from which it is anticipated that no material liabilities will arise.

As of 30 June 2025 and as of 31 December 2024, 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.

13 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:

- Cash and bank balances, trade receivables, a portion of prepayments and other receivables, trade payables and portion of accrued expenses and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- 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.

13 FAIR VALUE MEASUREMENT (continued)**Fair value of financial instruments (continued)**

The fair values of financial assets and liabilities are not materially different from their carrying values as at 30 June 2025 and as at 31 December 2024.

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 2025 and as at 31 December 2024.

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.

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

		30 June 2025 (Reviewed)			
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		Level 1	Level 2	Level 3	
		BD	BD	BD	BD
Assets measured at fair value					
<i>Investments at fair value through other comprehensive income (note 6):</i>					
- Quoted equity investments	30 Jun 2025	7,796,768	-	-	7,796,768
- Unquoted equity investments	30 Jun 2025	-	-	2,178,343	2,178,343
		7,796,768	-	2,178,343	9,975,111

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

		31 December 2024 (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 6):</i>					
- Quoted equity investments	31 Dec 2024	8,151,612	-	-	8,151,612
- Unquoted equity investments	31 Dec 2024	-	-	2,178,343	2,178,343
		<u>8,151,612</u>	<u>-</u>	<u>2,178,343</u>	<u>10,329,955</u>

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 30 June 2025 and as of 31 December 2024.

During the six-month period ended 30 June 2025 and year ended 31 December 2024, 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 2025 and year ended 31 December 2024.

14 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.

14 SEGMENTS REPORTING (continued)

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 2025 in the United Arab Emirates and Sri Lanka amounted to BD 758,416 (three-month period ended 30 June 2024: BD 682,523) and loss for the three-month period ended 30 June 2025 amounted to BD 330,964 (three-month period ended 30 June 2024: loss amounted to BD 435,373). 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 2025 in the United Arab Emirates and Sri Lanka amounted to BD 1,905,445 (six-month period ended 30 June 2024: BD 1,822,748) and loss for the six-month period ended 30 June 2025 amounted to BD 371,297 (six-month period ended 30 June 2024: loss amounted to BD 492,306). 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 2025, total assets in the United Arab Emirates and Sri Lanka amounted to BD 25,160,574 (31 December 2024 (audited): BD 25,556,314) and total liabilities amounted to BD 826,880 (31 December 2024 (audited): BD 846,436). 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 2025 (Reviewed)

14 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the three-month period ended 30 June 2025 and 30 June 2024:

<i>Three-month period ended 30 June (Reviewed)</i>	<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>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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	3,371,002	3,192,934	6,460,172	6,004,872	434,189	405,628	(187,548)	(218,902)	10,077,815	9,384,532
Share of results of associates and a joint venture	-	-	-	-	513,097	531,591	-	-	513,097	531,591
Dividend income	-	-	-	-	24,698	96,000	-	-	24,698	96,000
Interest income	-	-	-	-	94,892	73,000	-	-	94,892	73,000
Rental and other income	-	-	-	-	732,523	421,772	-	-	732,523	421,772
Total income	3,371,002	3,192,934	6,460,172	6,004,872	1,799,399	1,527,991	(187,548)	(218,902)	11,443,025	10,506,895
Staff costs	(694,149)	(605,840)	(1,673,175)	(1,529,992)	(575,737)	(414,777)	-	-	(2,943,061)	(2,550,609)
Food and beverages costs	-	-	(2,400,580)	(2,301,788)	-	-	86,070	81,994	(2,314,510)	(2,219,794)
Depreciation	(743,131)	(879,087)	(301,835)	(350,692)	(96,771)	(113,231)	-	-	(1,141,737)	(1,343,010)
Utilities	(323,280)	(291,754)	(125,277)	(129,819)	(43,322)	(51,484)	-	-	(491,879)	(473,057)
Allowance (reversal of allowance) for expected credit losses	(44,821)	965	(41,533)	13,036	(15,426)	(50,366)	-	-	(101,780)	(36,365)
Other operating expenses	(912,440)	(931,998)	(547,824)	(621,587)	(323,928)	(333,514)	101,478	136,908	(1,682,714)	(1,750,191)
Total expenses	(2,717,821)	(2,707,714)	(5,090,224)	(4,920,842)	(1,055,184)	(963,372)	187,548	218,902	(8,675,681)	(8,373,026)
Segment profit for the period	653,181	485,220	1,369,948	1,084,030	744,215	564,619	-	-	2,767,344	2,133,869

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

14 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the six-month period ended 30 June 2025 and 30 June 2024:

Six-month period ended 30 June (Reviewed)	Hotel room operations		Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue	6,461,229	6,366,300	11,793,880	11,664,071	798,420	724,792	(364,975)	(387,386)	18,688,554	18,367,777
Share of results of associates and a joint venture	-	-	-	-	833,891	863,535	-	-	833,891	863,535
Dividend income	-	-	-	-	625,483	639,328	-	-	625,483	639,328
Interest income	-	-	-	-	244,956	193,437	-	-	244,956	193,437
Rental and other income	-	-	-	-	1,440,772	1,134,247	-	-	1,440,772	1,134,247
Total income	6,461,229	6,366,300	11,793,880	11,664,071	3,943,522	3,555,339	(364,975)	(387,386)	21,833,656	21,198,324
Staff costs	(1,336,066)	(1,209,022)	(3,324,194)	(3,052,729)	(1,058,184)	(823,032)	-	-	(5,718,444)	(5,084,783)
Food and beverages costs	-	-	(4,368,918)	(4,496,125)	-	-	173,538	165,053	(4,195,380)	(4,331,072)
Depreciation	(1,630,609)	(1,805,803)	(633,258)	(689,758)	(205,018)	(219,904)	-	-	(2,468,885)	(2,715,465)
Utilities	(536,003)	(507,208)	(217,398)	(210,078)	(81,980)	(89,451)	-	-	(835,381)	(806,737)
Allowance for expected credit losses	(17,809)	(2,157)	(3,814)	(1,504)	(1,950)	(56,908)	-	-	(23,573)	(60,569)
Other operating expenses	(1,699,830)	(1,770,402)	(1,201,056)	(1,198,711)	(663,618)	(655,607)	191,437	222,333	(3,373,067)	(3,402,387)
Total expenses	(5,220,317)	(5,294,592)	(9,748,638)	(9,648,905)	(2,010,750)	(1,844,902)	364,975	387,386	(16,614,730)	(16,401,013)
Segment profit for the period	1,240,912	1,071,708	2,045,242	2,015,166	1,932,772	1,710,437	-	-	5,218,926	4,797,311

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

14 SEGMENTS REPORTING (continued)

The following table presents the details of segmental assets and liabilities as at 30 June 2025 and as at 31 December 2024:

	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Reviewed)	<i>(Audited)</i>	(Reviewed)	<i>(Audited)</i>	(Reviewed)	<i>(Audited)</i>	(Reviewed)	<i>(Audited)</i>	(Reviewed)	<i>(Audited)</i>
	BD	<i>BD</i>	BD	<i>BD</i>	BD	<i>BD</i>	BD	<i>BD</i>	BD	<i>BD</i>
Total assets	54,971,551	58,319,722	33,114,072	29,806,316	22,655,507	24,735,947	-	-	110,741,130	112,861,985
Total liabilities	2,996,967	3,652,275	2,391,142	2,860,005	477,883	817,306	-	-	5,865,992	7,329,586
Capital expenditure	1,251,273	11,670,480	670,990	14,615	54,386	812,853	-	-	1,976,649	12,497,948

* During the period, management has reassessed its measurement basis for allocating expenses across segments and reclassify the revenue, expenses, and assets and liabilities. Such reclassification does not impact the previously reported Group profit for the three-month and six-month periods ended 30 June 2024 and equity for the year ended 31 December 2024.