

**ARAM Group Company P.J.S.C.
(formerly Sharjah Group Company P.J.S.C.)
and its Subsidiary**

Condensed Consolidated Interim
Financial Information

For the period ended June 30, 2022

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
and its Subsidiary
Condensed Consolidated Interim Financial Information
For the period ended June 30, 2022**

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**Report on review of the condensed consolidated interim financial information
To the Shareholders of ARAM Group Company P.J.S.C. (formerly Sharjah Group
Company P.J.S.C.)****Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of ARAM Group Company P.J.S.C. (the "Company") and its Subsidiary (collectively referred to as the "Group") as at June 30, 2022, comprising of the condensed consolidated statement of financial position as at June 30, 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income for the three months and six months periods then ended and the related condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and related explanatory notes.

Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.



GRANT THORNTON

Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

August 11, 2022

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
and its Subsidiary
Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of financial position
As at June 30, 2022**

	Notes	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
ASSETS			
Non-current assets			
Property and equipment		176,267	137,386
Investment properties	3	152,570,000	152,570,000
Right-of-use assets	4	370,683	438,254
Investments at fair value through other comprehensive income	5	15,202,109	7,493,801
		<u>168,319,059</u>	<u>160,639,441</u>
Current assets			
Trade and other receivables		2,078,794	2,315,878
Investments at fair value through profit or loss	6	506,733	422,171
Cash and bank balances		2,518,546	4,172,198
		<u>5,104,073</u>	<u>6,910,247</u>
TOTAL ASSETS		<u>173,423,132</u>	<u>167,549,688</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		78,901,086	78,901,086
Statutory reserve		31,787,073	31,787,073
Voluntary reserve		12,106,131	12,106,131
Fair value reserve		(2,683,020)	(10,594,871)
Foreign currency translation reserve		(686,878)	(469,541)
Accumulated losses		(9,179,046)	(9,697,648)
Total equity		<u>110,245,346</u>	<u>102,032,230</u>
Non-current liabilities			
Employees' end of service benefits		874,570	821,279
Lease liabilities	4	272,962	341,744
Borrowings	7	28,927,066	30,738,395
		<u>30,074,598</u>	<u>31,901,418</u>
Current liabilities			
Trade and other payables	8	2,965,806	3,449,701
Dividends payable		26,326,166	26,356,462
Lease liabilities	4	127,005	125,666
Borrowings	7	3,684,211	3,684,211
		<u>33,103,188</u>	<u>33,616,040</u>
Total liabilities		<u>63,177,786</u>	<u>65,517,458</u>
TOTAL EQUITY AND LIABILITIES		<u>173,423,132</u>	<u>167,549,688</u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on August 11, 2022, and were signed on their behalf by:


Ziyad Mahmoud Khairallah Al Haji
Chairman


Ali Mohd. Zaid Ali Musmar
Chief Executive Officer

The accompanying notes from 1 to 13 form an integral part of this condensed consolidated interim financial information.

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
and its Subsidiary
Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of profit or loss
and other comprehensive income
For the period ended June 30, 2022**

	Notes	Three months period ended June 30, 2022 (Unaudited) AED	Three months period ended June 30, 2021 (Unaudited) AED	Six months period ended June 30, 2022 (Unaudited) AED	Six months period ended June 30, 2021 (Unaudited) AED
Rental income		2,700,276	2,269,964	5,210,150	4,883,736
Unrealised gain/(loss) on investments at fair value through profit or loss		173,506	(14,403)	87,329	24,006
Dividend income		590,571	-	590,571	-
Administrative and general expenses	9	(1,782,103)	(1,256,277)	(4,132,050)	(2,417,693)
Repairs and maintenance expenses		(267,632)	(238,581)	(674,581)	(436,389)
Finance costs		(366,597)	(811,753)	(785,098)	(818,616)
Other income		59,027	41,307	222,281	53,949
PROFIT/(LOSS) FOR THE PERIOD		1,107,048	(9,743)	518,602	1,288,993
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss in subsequent periods</i>					
Change in fair value of investments at fair value through other comprehensive income		8,918,894	1,287,761	7,911,851	1,391,614
<i>Items that are or may be reclassified to profit or loss in subsequent periods</i>					
Foreign currency translation reserve		(188,962)	44,246	(217,337)	107,727
Total other comprehensive income		8,729,932	1,332,007	7,694,514	1,499,341
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,836,980	1,322,264	8,213,116	2,788,334
Basic and diluted earnings/(loss) per share	13	0.014	(0.000)	0.007	0.016

The accompanying notes from 1 to 13 form an integral part of this condensed consolidated interim financial information.

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
and its Subsidiary
Condensed Consolidated Interim Financial Information**

**Condensed consolidated statement of changes in equity
For the period ended June 30, 2022**

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Accumulated losses AED	Total AED
As at January 1, 2022 (Audited)	78,901,086	31,787,073	12,106,131	(10,594,871)	(469,541)	(9,697,648)	102,032,230
Profit for the period	-	-	-	-	-	518,602	518,602
Other comprehensive income for the period	-	-	-	7,911,851	(217,337)	-	7,694,514
Total comprehensive income for the period	-	-	-	7,911,851	(217,337)	518,602	8,213,116
As at June 30, 2022 (Unaudited)	78,901,086	31,787,073	12,106,131	(2,683,020)	(686,878)	(9,179,046)	110,245,346

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Retained earnings AED	Total AED
As at January 1, 2021 (Audited)	78,901,086	31,787,073	12,106,131	(11,713,078)	(529,209)	18,754,944	129,306,947
Profit for the period	-	-	-	-	-	1,288,993	1,288,993
Other comprehensive income for the period	-	-	-	1,391,614	107,727	-	1,499,341
Total comprehensive income for the period	-	-	-	1,391,614	107,727	1,288,993	2,788,334
As at June 30, 2021 (Unaudited)	78,901,086	31,787,073	12,106,131	(10,321,464)	(421,482)	20,043,937	132,095,281

The accompanying notes from 1 to 13 form an integral part of this condensed consolidated interim financial information.

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
and its Subsidiary
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**Condensed consolidated statement of cash flows
For the period ended June 30, 2022**

	Notes	Six months period ended June 30, 2022 (Unaudited) AED	Six months period ended June 30, 2021 (Unaudited) AED
OPERATING ACTIVITIES			
Profit for the period		518,602	1,288,993
<i>Adjustments for non-cash items:</i>			
Allowance for expected credit loss of trade receivables	9	386,184	103,158
Unrealised gain on investments classified at fair value through profit or loss	6	(87,329)	(24,006)
Provision for employees' end of service benefits		76,933	79,821
Reversal of provision for employees' end of service benefits		-	(2,800)
Depreciation on right-of-use assets	4	62,609	62,758
Depreciation on property and equipment	9	41,402	31,082
Finance costs		754,322	203,094
Write back of allowance for expected credit loss		(210,646)	-
Dividend income		(590,571)	-
		951,506	1,742,100
<i>Changes in working capital</i>			
Trade and other receivables		652,117	(745,301)
Trade and other payables		(1,227,645)	(34,448,628)
Cash flow from/(used in) operations		375,978	(33,451,829)
Employees' end of service benefits paid		(22,908)	(7,653)
Net cash flow from/(used in) operating activities		353,070	(33,459,482)
INVESTING ACTIVITY			
Purchase of property and equipment		(80,454)	(4,260)
Net cash flow used in investing activity		(80,454)	(4,260)
FINANCING ACTIVITIES			
Lease payments	4	(71,700)	(73,020)
Borrowings		(1,811,329)	35,000,000
Dividends paid		(30,296)	(2,524,551)
Net cash flow (used in)/from financing activities		(1,913,325)	32,402,429
Net change in cash and bank balances		(1,640,709)	(1,061,313)
Exchange differences on translating foreign operations		(12,943)	19,723
Cash and bank balances, beginning of period		4,172,198	6,132,119
Cash and bank balances, end of period		2,518,546	5,090,529

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**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
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**Notes to the condensed consolidated interim financial information
For the period ended June 30, 2022**

1 Legal status and principal activities

ARAM Group Company P.J.S.C. (the "Company") is a public share holding company registered in the Emirate of Sharjah, United Arab Emirates under Emiri Decree number 133/76 dated November 16, 1976. The registered office of the Company is P O. Box 5440, Sharjah, United Arab Emirates. The shares of the Company are traded on the Abu Dhabi Securities Market. During the year ended December 31, 2021, the Company changed its legal name from Sharjah Group Company P.J.S.C. to ARAM Group Company P.J.S.C.

The Company holds the following investment as at June 30, 2022 which has been consolidated in this condensed interim financial information:

Name of subsidiary	Legal/beneficial ownership interest		Country of operation and incorporation	Principal activity
	2022	2021		
Tarfan General Trading and Contracting (Ebrahim Ahmed Al-Manna'ei and Partners) W.L. L	100%	100%	State of Kuwait	General trading and Contracting – purchase and sale of shares and bonds for Subsidiary's sake.

The Company holds 98% shareholding in the subsidiary and remaining 2% is held by two individual shareholders on behalf of the Company. Therefore, 100% beneficial ownership interest is with the Company.

The principal activities of the Company and its Subsidiary (the "Group") comprise investing in financial instruments, real estate, industrial projects and leasing of properties.

2 Summary of significant accounting policies

a) Basis of preparation

The condensed consolidated interim financial information of the Group has been prepared in accordance with International Accounting Standards 34 *Interim Financial Reporting* and does not include all of the information and disclosures required in the annual consolidated financial statements in accordance with International Financial Reporting Standard (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

The condensed consolidated interim financial information has been prepared under the historical cost convention except for investment properties, investments at fair value through profit or loss and investments at fair value through other comprehensive income which are stated at their fair value.

Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2021.

b) Functional and presentation currency

The condensed consolidated interim financial information has been prepared in Arab Emirates Dirham (AED), the functional currency of the Group.

The subsidiary determines its own financial currency and its assets and liabilities have been translated into AED at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to the condensed consolidated interim statement of other comprehensive income.

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
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**Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022**

2 Summary of significant accounting policies (continued)

c) Basis of consolidation

This condensed consolidated interim financial information incorporates the financial information of the Company and entity controlled by the Company. Control is achieved where the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

d) Significant accounting estimates and judgments

The preparation of the condensed consolidated interim financial information in conformity with IAS 34, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

e) Other pronouncements

Other accounting pronouncements which have become effective from January 1, 2022 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

f) Liquidity risk – unclaimed dividend

As at June 30, 2022, the unclaimed dividends amounted to AED 26,326,166 (December 31, 2021: AED 26,356,462) was payable to the shareholders. Considering the Group's current liabilities exceeds its current assets, if claims are made by the shareholders or any authorities, it will impact the liquidity of the Group.

3 Investment properties

	June 30, 2022 AED (Unaudited)	December 31, 2021 AED (Audited)
Balance as at January 1,	152,570,000	183,051,350
Unrealised loss on revaluation of investment properties at fair value	-	(30,481,350)
	<u>152,570,000</u>	<u>152,570,000</u>

Investment properties consist of residential towers and buildings, offices, warehouses and undeveloped parcels of land. It includes certain properties with carrying value of AED 57.06 million as at June 30, 2022 having first degree mortgage in favor of a commercial bank (Note 7).

Fair value

Investment properties are stated at market value based on a valuation carried out by an independent external valuer as at December 31, 2021.

The fair values have been determined by taking into consideration the discounted estimated net cash flows and the current lease arrangements, which are entered into on an arm's length basis. Furthermore, fair values have also been determined, where relevant, with regard to recent market transactions for similar properties in the same locations as the Group's investment properties.

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**Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022**

4 Leases

Right-of-use assets

The carrying amounts of the Group's right-of-use assets are as follow:

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
Cost		
As at January 1,	754,423	748,816
Translation reserve	(13,052)	5,607
	<u>741,371</u>	<u>754,423</u>
Accumulated depreciation		
As at January 1,	316,169	189,532
Charged during the period/year	62,609	124,287
Translation reserve	(8,090)	2,350
	<u>370,688</u>	<u>316,169</u>
Net carrying value as at period/year end	<u>370,683</u>	<u>438,254</u>

Lease liabilities

Lease liabilities are presented in the condensed consolidated statement of financial position as follows:

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
Current liabilities	127,005	125,666
Non-current liabilities	272,962	341,744
	<u>399,967</u>	<u>467,410</u>

Movement in the lease liabilities during the period/year are as follows:

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
As at January 1,	467,410	582,850
Interest charged for the period/year	10,572	25,326
Payment of the principle portion during the period/year	(71,700)	(145,320)
Translation reserve	(6,315)	4,554
	<u>399,967</u>	<u>467,410</u>

5 Investments classified at fair value through other comprehensive income

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
Quoted investments	12,389,760	4,882,752
Unquoted investments	2,812,349	2,611,049
	<u>15,202,109</u>	<u>7,493,801</u>

**ARAM Group Company P.J.S.C. (formerly Sharjah Group Company P.J.S.C.)
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**Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022**

5 Investments classified at fair value through other comprehensive income (continued)

The movement in investments classified at fair value through other comprehensive income is as follows:

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
As at January 1,	7,493,801	6,319,888
Changes in the fair value	7,911,851	1,118,207
Translation reserve	(203,543)	55,706
	<u>15,202,109</u>	<u>7,493,801</u>

6 Investments classified at fair value through profit or loss

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
Quoted investments	300,070	276,064
Unquoted investments	206,663	146,107
	<u>506,733</u>	<u>422,171</u>

The movement in investments classified at fair value through profit and loss is as follows:

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
As at January 1,	422,171	354,645
Changes in fair value	87,329	66,442
Translation reserve	(2,767)	1,084
	<u>506,733</u>	<u>422,171</u>

7 Borrowings

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
Non-current liabilities	28,927,066	30,738,395
Current liabilities	3,684,211	3,684,211
	<u>32,611,277</u>	<u>34,422,606</u>

The Group obtained loan in the year 2021 to settle legal claim and other legal expenses payables and has mortgaged certain investment properties as mentioned in Note 3. Loan is payable over a period of ten years carrying profit rate of 3 months EIBOR +2.5% (Minimum 4%) per annum.

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**Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022**

8 Trade and other payables

	June 30, 2022 (Unaudited) AED	December 31, 2021 (Audited) AED
<i>Financial liabilities</i>		
Trade payables	232,058	289,522
Refundable deposits	957,087	788,028
Accrued expenses	712,914	827,181
	<u>1,902,059</u>	<u>1,904,731</u>
<i>Non-financial liability</i>		
Rental income received in advance	1,063,747	1,544,970
	<u>2,965,806</u>	<u>3,449,701</u>

9 Administrative and general expenses

	Three months period ended June 30, 2022 (Unaudited) AED	Three months period ended June 30, 2021 (Unaudited) AED	Six months period ended June 30, 2022 (Unaudited) AED	Six months period ended June 30, 2021 (Unaudited) AED
Staff costs	617,065	529,513	1,245,109	1,049,855
Salaries and other benefits to Chief Executive Officer	323,333	205,208	690,000	410,417
Directors' sitting fee and other expenses	13,538	-	37,732	-
Legal and professional fees	286,020	164,425	1,066,207	336,926
Utilities	107,121	101,953	190,843	190,616
Allowance for expected credit loss of trade receivables	155,724	60,382	386,184	103,158
Depreciation on right-of-use assets	31,305	31,686	62,609	62,758
Depreciation on property and equipment	22,210	15,478	41,402	31,158
Other expenses	225,787	147,632	411,964	232,805
	<u>1,782,103</u>	<u>1,256,277</u>	<u>4,132,050</u>	<u>2,417,693</u>

10 Seasonality of results

The Group's income consists of rental and investment income. Rental income is not significantly affected by any seasonal impact as it depends on annual lease contracts which are recognised in the income statement on a straight-line method and in accordance with different terms of these contracts. In addition, there is limited fluctuation on the rent rates where the Group's investment properties are located. Investment income depends on market conditions, investment activities of the Group and declaration of profit by investee companies, which are of a seasonal nature. Accordingly, results of investment income for the period ended June 30, 2022 are not comparable to those relating to the comparative period and are not indicative of the results that might be expected for the year ending December 31, 2022.

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**Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022**

11 Related parties

In the normal course of business, the Group carries on business with other entities which fall within the definition of a related party in accordance with IFRS.

For the purpose of the condensed consolidated interim financial information, entities are considered to be related to the Company or the Group if the Company or the Group has the ability, directly or indirectly, to exercise significant influence over the entities in making financial and operating decisions, or vice versa, or where the Company or the Group are subject to common control or significant influence.

Compensation of key management personnel

Key management personnel of the Group include the Chief Executive Officer and Directors. Key management personnel compensation includes the following:

	Three months period ended June 30, 2022 (Unaudited) AED	Three months period ended June 30, 2021 (Unaudited) AED	Six months period ended June 30, 2022 (Unaudited) AED	Six months period ended June 30, 2021 (Unaudited) AED
Salaries and other short-term employee benefits	313,333	191,686	660,000	383,372
End of service benefits	10,000	13,522	30,000	27,045
Directors - Sitting Fee	6,000	-	24,000	-
Directors – Travel and other expenses	7,538	-	13,732	-
	336,871	205,208	727,732	410,417

12 Capital commitments

The Group has not entered into capital commitments as at June 30, 2022 and December 31, 2021.

13 Basic and diluted earnings /(loss) per share

	Three months period ended June 30, 2022 (Unaudited) AED	Three months period ended June 30, 2021 (Unaudited) AED	Six months period ended June 30, 2022 (Unaudited) AED	Six months period ended June 30, 2021 (Unaudited) AED
Profit/(loss) for the period	1,107,048	(9,743)	518,602	1,288,993
Weighted average number of shares	78,901,086	78,901,086	78,901,086	78,901,086
Basic and diluted earnings/(loss) per share	0.014	(0.000)	0.007	0.016