

**ARAM Group Company P.J.S.C and its  
subsidiary  
Sharjah - United Arab Emirates**

**Independent auditor's review report and  
condensed consolidated interim financial  
statements (unaudited)  
For the three months period ended March  
31, 2023**

ARAM Group Company P.J.S.C and its subsidiary  
Sharjah - United Arab Emirates  
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ARAM Group Company P.J.S.C and its subsidiary  
Sharjah - United Arab Emirates  
General information

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The Directors	<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
	Mr. Khamis Mohamed Khamis Buharoon Al Shamsi	Chairman	Emirati
	Mr. Ebrahim Ahmad Al Mana'ei	Vice Chairman	Kuwaiti
	Mr. Mohammad Jaffar Al Haj Ali Al Rhama	Board member	Emirati
	Mr. Christian Wolff	Board member	Norwegian
	Mr. Jassem Mubarak Masoud Al Dhaheri	Board member	Emirati
	Mr. Ali Mohd Zaid Ali Musmar	Chief Executive Officer	Jordanian

The Auditor : Crowe Mak  
P.O. Box 6954  
Sharjah - United Arab Emirates

Ref: AM/B2354/May 2023

**Independent auditor's report on review of condensed consolidated interim financial statements**

To,  
The Shareholders  
ARAM Group Company P.J.S.C and its subsidiary  
P.O. Box : 5440  
Sharjah, United Arab Emirates

**Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of **ARAM Group Company P.J.S.C** (the "Entity") and its subsidiary (collectively referred to as the "Group") which comprise the condensed consolidated interim statement of financial position as at March 31, 2023, and the related condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three months period then ended and the explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting'. 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 Standards 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 of 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 statements for the three months period ended March 31, 2023 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

**Other matters**

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 20, 2023.

Furthermore, the condensed consolidated interim financial information of the Group for the three month period ended March 31, 2022 were reviewed by other auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on May 12, 2022.

For, Crowe Mak



Dr. Khalid Maniar  
Founder & Managing Partner  
Registration Number 24  
Sharjah, U.A.E.  
May 12, 2023





ARAM Group Company P.J.S.C and its subsidiary  
 Sharjah - United Arab Emirates  
 Condensed consolidated interim statement of financial position as at March 31, 2023 (Unaudited)  
 In Arab Emirates Dirham

	Notes	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment		148,177	161,078
Investment properties	3	161,603,098	161,603,098
Right-of-use assets	4	278,012	309,419
Investments carried at fair value through other comprehensive income (FVTOCI)	5	14,945,650	14,832,769
<b>Total non-current assets</b>		<b>176,974,937</b>	<b>176,906,364</b>
<i>Current assets</i>			
Trade and other receivables		1,828,303	1,515,706
Investments carried at fair value through profit or loss (FVTPL)	6	423,261	363,794
Cash and bank balances		2,935,404	1,706,979
<b>Total current assets</b>		<b>5,186,968</b>	<b>3,586,479</b>
<b>Total assets</b>		<b>182,161,905</b>	<b>180,492,843</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital		78,901,086	78,901,086
Statutory reserve		32,736,885	32,736,885
Voluntary reserve		13,055,943	13,055,943
Fair value reserve		(2,944,526)	(3,082,420)
Foreign currency translation reserve		(671,641)	(646,314)
Accumulated losses		(1,807,969)	(2,099,151)
<b>Total equity</b>		<b>119,269,778</b>	<b>118,866,029</b>
<i>Non-current liabilities</i>			
Lease liabilities	4	173,634	207,490
Bank borrowings - non-current portion	7	27,131,124	27,115,736
Employees' end of service benefits		799,033	760,401
<b>Total non-current liabilities</b>		<b>28,103,791</b>	<b>28,083,627</b>
<i>Current liabilities</i>			
Dividend payable		26,318,952	26,320,631
Lease liabilities	4	131,642	130,293
Bank borrowings	7	3,684,211	3,684,211
Trade and other payables	9	4,653,531	3,408,052
<b>Total current liabilities</b>		<b>34,788,336</b>	<b>33,543,187</b>
<b>Total liabilities</b>		<b>62,892,127</b>	<b>61,626,814</b>
<b>Total equity and liabilities</b>		<b>182,161,905</b>	<b>180,492,843</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.  
 The review report of the independent auditor is set out on pages 2 to 3.  
 The condensed consolidated interim financial statements on pages 4 to 17 were approved on May 12, 2023  
 and signed on behalf of the Group, by:

Mr. Khamis Mohamed Khamis Buharoon Al Shamsi  
 Chairman

Mr. Ali Mohd Zaid Ali Musmar  
 Chief Executive Officer

ARAM Group Company P.J.S.C and its subsidiary  
Sharjah - United Arab Emirates  
Condensed consolidated interim statement of profit or loss and other comprehensive income for the  
three months period ended March 31, 2023 (Unaudited)  
In Arab Emirates Dirham

	Notes	Three months period ended	
		March 31,	
		2023	2022
		(Unaudited)	(Unaudited)
Rental income		2,746,104	2,509,874
Unrealised gain/(loss) on investments at FVTPL		59,774	(86,177)
Administrative and general expenses	10	(1,583,688)	(2,349,947)
Repairs and maintenance expenses		(432,787)	(406,949)
Finance costs		(601,776)	(418,501)
Other income		103,555	163,254
<b>Net profit/(loss) for the period</b>		<b>291,182</b>	<b>(588,446)</b>
Other comprehensive (loss) / income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net change in fair value of investments carried at FVTOCI		137,894	(1,007,043)
		<b>137,894</b>	<b>(1,007,043)</b>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange (loss) on translating foreign operation		(25,327)	(28,375)
		<b>(25,327)</b>	<b>(28,375)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>403,749</b>	<b>(1,623,864)</b>
<b>Basic and diluted earnings/(losses) per share</b>	12	<b>0.004</b>	<b>(0.007)</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The review report of the independent auditor is set out on pages 2 to 3.

**ARAM Group Company P.J.S.C and its subsidiary  
Sharjah - United Arab Emirates  
Condensed consolidated interim statement of changes in equity for the three months period ended March 31, 2023 (Unaudited)  
In Arab Emirates Dirham**

	Share capital	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Total equity
Balance as at December 31, 2021 (Audited)	78,901,086	31,787,073	12,106,131	(10,594,871)	(469,541)	(9,697,648)	102,032,230
(Loss) for the period	-	-	-	-	-	(588,446)	(588,446)
Other comprehensive (loss) for the period	-	-	-	(1,007,043)	(28,375)	-	(1,035,418)
Total comprehensive (loss)	-	-	-	(1,007,043)	(28,375)	(588,446)	(1,623,864)
Balance as at March 31, 2022 (Unaudited)	78,901,086	31,787,073	12,106,131	(11,601,914)	(497,916)	(10,286,094)	100,408,366
Balance as at December 31, 2022 (Audited)	78,901,086	32,736,885	13,055,943	(3,082,420)	(646,314)	(2,099,151)	118,866,029
Profit for the period	-	-	-	-	-	291,182	291,182
Other comprehensive income/(loss) for the period	-	-	-	137,894	(25,327)	-	112,567
Total comprehensive income	-	-	-	137,894	(25,327)	291,182	403,749
<b>Balance as at March 31, 2023 (Unaudited)</b>	<b>78,901,086</b>	<b>32,736,885</b>	<b>13,055,943</b>	<b>(2,944,526)</b>	<b>(671,641)</b>	<b>(1,807,969)</b>	<b>119,269,778</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.  
The review report of the independent auditor is set out on pages 2 to 3.



ARAM Group Company P.J.S.C and its subsidiary  
Sharjah - United Arab Emirates  
Condensed consolidated interim statement of cash flows for the three months period ended March 31,  
2023 (Unaudited)  
In Arab Emirates Dirham

	Three months period ended March 31,	
	2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operating activities</b>		
Net profit / (loss) for the period	291,182	(588,446)
<i>Adjustments for:</i>		
Unrealised (gain) / loss on investments carried at FVTPL	(59,774)	86,177
Depreciation on property, plant and equipment	13,695	19,192
Depreciation on right-of-use assets	30,942	31,304
Allowance for expected credit losses	132,251	230,460
Reversal of allowance for expected credit loss of trade receivables	(88,742)	(157,824)
Finance costs	601,776	418,501
Provision for employees' end of service benefits	39,241	43,796
	<u>960,571</u>	<u>83,160</u>
<i>(Increase) / decrease in current assets</i>		
Trade and other receivables	(356,106)	427,087
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	643,703	(10,536)
<b>Cash generated from operations</b>	<u>1,248,168</u>	<u>499,711</u>
Employees' end-of-services benefits paid	(511)	-
<b>Net cash generated from operating activities</b>	<u>1,247,657</u>	<u>499,711</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(69,734)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(69,734)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(31,939)	(36,330)
Dividends paid	(1,679)	(36,406)
<b>Net cash used in financing activities</b>	<u>(33,618)</u>	<u>(72,736)</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,214,039</u>	<u>357,241</u>
Cash and cash equivalents, beginning of the period	1,706,979	4,172,198
Effect of exchange rate changes on the balances held in foreign currencies	14,386	(1,574)
<b>Cash and cash equivalents, end of the period</b>	<u><u>2,935,404</u></u>	<u><u>4,527,865</u></u>
<b>Cash and cash equivalents</b>		
Cash in hand	22,318	35,620
Cash at banks	<u>2,913,086</u>	<u>4,492,245</u>
	<u><u>2,935,404</u></u>	<u><u>4,527,865</u></u>
Non-cash transactions:		
Finance costs	(601,776)	-
Trade and other payables	601,776	-
	<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The review report of the independent auditor is set out on pages 2 to 3.

**ARAM Group Company P.J.S.C and its subsidiary  
Sharjah - United Arab Emirates  
Notes to the condensed consolidated interim financial statements for the three months period ended  
March 31, 2023 (Unaudited)**

**1 Legal status and business activities**

- 1.1 **ARAM Group Company P.J.S.C, Sharjah** (the "Entity") is a public joint stock company registered under Emiri Decree number 133/76 issued on November 16, 1976. The trading register was issued by Economic Development Department, Government of Sharjah. The shares of the Entity are traded on the Abu Dhabi Securities Market.
- 1.2 The principal activities of the Entity comprise investing in financial instruments, investing in and leasing of properties, and investing in, establishment of, and management of agricultural, industrial, and commercial projects.
- 1.3 The registered office of the Entity is located at Al Khan Street, P.O. Box 5440, Sharjah, United Arab Emirates.
- 1.4 The management and control are vested with the board of directors.
- 1.5 The Entity controls the following subsidiary as at March 31, 2023 which has been consolidated in these condensed consolidated interim financial statements:

Sr. No	Name of the Branch	2023	2022	Country of operation and incorporation	Principal activity
1	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.

The subsidiary is a limited liability company incorporated in Kuwait. Two individuals own 2% of the subsidiary's share capital for and on behalf of the Entity; therefore, 100% beneficial ownership interest is with the Entity and hence there is no non-controlling interest.

- 1.6 These condensed consolidated interim financial statements incorporate the operating results of the Entity and its subsidiary (collectively referred to as the "Group").

**2 Significant accounting policies**

**2.1 Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and are presented in United Arab Emirates Dirham (AED) which is the functional currency of the Entity.

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.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for investment properties, investments at fair value through profit or loss and investments at fair value through other comprehensive income that are measured at fair values.

The accounting policies and methods of computation adopted in preparing these condensed consolidated interim financial information are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2022 which are the latest audited consolidated financial statements available.

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended December 31, 2022.



## 2 Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

These condensed consolidated interim financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022.

The condensed consolidated result for the three months period ended March 31, 2023 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2023.

The preparation of these condensed consolidated interim financial information require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the year ended December 31, 2022.

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2022. Certain amendments to accounting standards and annual improvements, as disclosed in the Group's most recent annual consolidated financial statements for the year ended December 31, 2022, are applicable to the Group but do not have any material impact on these condensed consolidated interim financial statements.

### 2.2 Basis of consolidation

The condensed consolidated interim financial statements consolidate the unaudited interim financial statements of the subsidiary referred to in Note 1.5, on line by line basis, with unaudited financial statements of the Entity for the period. All significant inter group investments, receivables, payables and other such transactions are eliminated on consolidation.

All significant transactions and balances between the Entity and its subsidiary are eliminated.

ARAM Group Company P.J.S.C and its subsidiary  
 Sharjah - United Arab Emirates  
 Notes to the condensed consolidated interim financial statements for the three months period ended  
 March 31, 2023 (Unaudited)  
 In Arab Emirates Dirham

3 Investment properties	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Land	16,690,000	16,690,000
Buildings	144,913,098	144,913,098
	<b>161,603,098</b>	<b>161,603,098</b>

*The movements of investment properties are as follows:*

Balance at the beginning of the period / year	161,603,098	152,570,000
Additions during the period / year	-	117,900
Increase in fair value during the period / year	-	8,915,198
Balance at the end of the period / year	<b>161,603,098</b>	<b>161,603,098</b>

The Group's investment properties consist of residential towers and buildings, offices, warehouses and undeveloped parcels of land. They include certain properties with carrying value of AED 62 million as at March 31, 2023 having first degree mortgage in favour of Sharjah Islamic Bank (Note 7).

As at December 31, 2022, the fair values of the properties are based on valuations performed by an independent valuer who is a specialist in valuing these types of investment properties.

Management believes that the fair value did not materially change during the three months period ended March 31, 2023 and therefore no further revaluation exercise is performed.

#### 4 Leases

##### a) Right-of-use assets

The right-of-use assets pertains to office premises on lease. The carrying value of the right-of-use assets is as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Cost</b>		
Balance at the beginning of the period / year	745,737	754,423
Foreign exchange loss (net) during the period / year	(4,366)	(8,686)
<b>Balance at the end of the period / year</b>	<b>741,371</b>	<b>745,737</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period / year	436,318	316,169
Foreign exchange loss (net) during the period / year	(3,901)	(5,067)
Charge for the period / year	30,942	125,216
<b>Balance at the end of the period / year</b>	<b>463,359</b>	<b>436,318</b>
<b>Carrying value at the end of the period / year</b>	<b>278,012</b>	<b>309,419</b>

ARAM Group Company P.J.S.C and its subsidiary  
 Sharjah - United Arab Emirates  
 Notes to the condensed consolidated interim financial statements for the three months period ended  
 March 31, 2023 (Unaudited)  
 In Arab Emirates Dirham

**b) Lease liabilities**

Comprising:	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Current portion	131,642	130,293
Non-current portion	173,634	207,490
	<b>305,276</b>	<b>337,783</b>

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

Balance at the beginning of the period / year	337,783	467,410
Add: Interest charge during the period / year	3,911	19,643
Less: payments during the period / year	(31,939)	(143,640)
Foreign exchange gain (net) during the period / year	(4,479)	(5,630)
<b>Balance at the end of the period / year</b>	<b>305,276</b>	<b>337,783</b>

**5 Investments carried at fair value through other comprehensive income (FVTOCI)**

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Quoted investments	12,320,928	12,203,654
Unquoted investments	2,624,722	2,629,115
	<b>14,945,650</b>	<b>14,832,769</b>

*The movements of investments carried at FVTOCI are as follows:*

Balance at the beginning of the period / year	14,832,769	7,493,801
Increase in fair value during the period / year	137,894	7,512,451
Foreign exchange loss (net) during the period / year	(25,013)	(173,483)
<b>Balance at the end of the period / year</b>	<b>14,945,650</b>	<b>14,832,769</b>

*The geographical distribution of investments carried at FVTOCI is as follows:*

In Kuwait	<b>14,945,650</b>	<b>14,832,769</b>
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Management believes that the fair value of unquoted investments did not materially change during the three months period ended March 31, 2023 and therefore no further revaluation exercise is performed.



ARAM Group Company P.J.S.C and its subsidiary

Sharjah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023 (Unaudited)

In Arab Emirates Dirham

**6 Investments carried at fair value through profit or loss (FVTPL)**

	<b>March 31, 2023</b>	December 31, 2022
	(Unaudited)	(Audited)
Quoted investments	<b>240,056</b>	180,282
Unquoted investments	<b>183,205</b>	183,512
	<b>423,261</b>	363,794

*The movements of investments carried at FVTPL are as follows:*

Balance at the beginning of the period / year	<b>363,794</b>	422,171
Increase / (decrease) in fair value during the period / year	<b>59,774</b>	(56,231)
Foreign exchange loss (net) during the period / year	<b>(307)</b>	(2,146)
Balance at the end of the period / year	<b>423,261</b>	363,794

*The geographical distribution of investments carried at FVTPL is as follows:*

In United Arab Emirates	<b>240,056</b>	180,282
In Kuwait	<b>183,205</b>	183,512
	<b>423,261</b>	363,794

Management believes that the fair value of unquoted investments did not materially change during the three months period ended March 31, 2023 and therefore no further revaluation exercise is performed.

**7 Bank borrowings**

	<b>March 31, 2023</b>	December 31, 2022
	(Unaudited)	(Audited)
Non-current	<b>27,131,124</b>	27,115,736
Current	<b>3,684,211</b>	3,684,211
	<b>30,815,335</b>	30,799,947

During the year 2021, the Group entered into a "One-off Ijarah facility" arrangement with Sharjah Islamic Bank to settle a legal claim and other related legal expenses. The facility is repayable in equal semi-annual installments over a period of ten years plus profit rate of 6 months EIBOR + 2.5% p.a., with a floor of 4% p.a..

*The facility is secured against the following securities and guarantees:*

- a). First degree registered mortgage over certain properties in favour of Sharjah Islamic Bank (Note 3).
- b). Assignment of fire insurance policy over Ijarah properties in favour of Sharjah Islamic Bank.
- c). Cheque covering the total facility amount.
- d). Notarized power of attorney in favour of Sharjah Islamic Bank or its appointed agent to cover amount of fixed and variable rentals.
- e). Assignment of rental cover from investment properties specified in the facility letter.

**ARAM Group Company P.J.S.C and its subsidiary**

**Sharjah - United Arab Emirates**

**Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023 (Unaudited)**

**In Arab Emirates Dirham**

**8 Related party transactions**

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel. There were no outstanding balances recoverable from/payable to related parties as at March 31, 2023.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

**a) Key management personnel compensations**

The compensation of key management personnel is as follows:

	<b>Three months period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and other short-term benefits	<b>348,636</b>	346,667
End of service benefits	<b>18,000</b>	20,000
Directors' fee	<b>18,000</b>	18,000
Directors' travel expenses	<b>6,221</b>	6,194
	<b>390,857</b>	<b>390,861</b>

**9 Trade and other payables**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables	<b>342,147</b>	174,115
Contract liabilities - rent received in advance	<b>1,685,188</b>	1,216,254
Tenants' refundable deposits	<b>908,868</b>	1,018,490
Accrued interest	<b>828,407</b>	245,933
Accrued expenses	<b>888,921</b>	753,260
	<b>4,653,531</b>	<b>3,408,052</b>

**10 Administrative and general expenses**

	<b>Three months period ended</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Staff costs	<b>618,640</b>	628,044
Legal and professional fees	<b>115,281</b>	780,187
Allowance for expected credit loss of trade receivables	<b>132,251</b>	230,460
Directors remuneration expenses	<b>390,857</b>	390,861
Depreciation on right-of-use asset	<b>30,942</b>	31,304
Depreciation on property, plant and equipment	<b>13,695</b>	19,192
Utilities	<b>128,026</b>	83,722
Miscellaneous expenses	<b>153,996</b>	186,177
	<b>1,583,688</b>	<b>2,349,947</b>

#### 11 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 lease 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 March 31, 2023 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, 2023.

#### 12 Basic and diluted earnings/(losses) per share

Profit/(loss) for the period (AED)	<b>291,182</b>	(588,446)
Number of shares	<b>78,901,086</b>	78,901,086
Basic and diluted earnings/(losses) per share (AED)	<b>0.004</b>	(0.007)

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding at the end of the reporting period. The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

#### 13 Contingent liabilities and commitments

The Group is subject to litigations in the normal course of business, mainly on claims relating to recoveries of cheques from tenants. Although the ultimate outcome of these claims cannot be presently determined, the total amount of claims is not material to the condensed consolidated interim financial statements.

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and commitments on the Group's condensed consolidated interim financial statements as of reporting date.



#### 14 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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

*Fair value of financial instruments carried at amortised cost*

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

*Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended December 31, 2022.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### March 31, 2023 (Unaudited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>Financial assets:</b>				
<b>Investments carried at FVTPL</b>				
Quoted equities	240,056	-	-	240,056
Unquoted equities	-	-	183,205	183,205
<b>Investments carried at FVTOCI</b>				
Quoted equities	12,320,928	-	-	12,320,928
Unquoted equities	-	-	2,624,722	2,624,722
<b>Non-financial assets:</b>				
Investment properties	-	-	161,603,098	161,603,098
	<u>12,560,984</u>	<u>-</u>	<u>164,411,025</u>	<u>176,972,009</u>

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14 Fair value measurement (continued)

December 31, 2022 (Audited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTPL				
Quoted equities	180,282	-	-	180,282
Unquoted equities	-	-	183,512	183,512
Investments carried at FVTOCI				
Quoted equities	12,203,654	-	-	12,203,654
Unquoted equities	-	-	2,629,115	2,629,115
Non-financial assets:				
Investment properties	-	-	161,603,098	161,603,098
	<u>12,383,936</u>	<u>-</u>	<u>164,415,725</u>	<u>176,799,661</u>

There are no transfers made between the levels during the period and there are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.



## 15 Uncertainty related to key estimates

### Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVOCI at March 31, 2023, due to reasonably possible changes in the prices of these quoted shares held by the Group, with all other variables held constant, is as follows:

	March 31, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Change in market prices %	Effect on equity (fair value reserve)	Change in market prices %	Effect on equity (fair value reserve)
<b>Market Index</b>				
Kuwait	+5%	747,283	+5%	741,638
	-5%	(747,283)	-5%	(741,638)

The effect on condensed consolidated interim statement of profit or loss and other comprehensive income as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTPL at March 31, 2023, due to reasonably possible changes in the prices of these quoted shares held by the Group, with all other variables held constant, is as follows:

	March 31, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Change in market prices %	Effect on consolidated income statement	Change in market prices %	Effect on consolidated income statement
<b>Market Index</b>				
Kuwait	+5%	9,160	+5%	9,176
	-5%	(9,160)	-5%	(9,176)
U.A.E.	+5%	12,003	+5%	9,014
	-5%	(12,003)	-5%	(9,014)

## 16 Events after the reporting period

Subsequent to March 31, 2023, The Securities and Commodities Authority (the Authority) issued its letter dated April 30, 2023 reference number E.M.SH/KH/258/2023, stating that the Authority has been appointed to manage the uncollected profits of locally listed public joint stock companies prior to March 2015 and requires public joint stock companies to stop the company's procedures for distributing uncollected profits prior to March 2015 from receipt of the letter and to transfer the full value of uncollected profits prior to March 2015 to the Authority's account no later than May 21, 2023.

As at March 31, 2023, the unclaimed dividends aggregated AED 26,318,952 which are payable to the shareholders. Considering the Group's current liabilities exceed its current assets, it will impact the liquidity of the Group. However, the Directors are in the process of determining the course of action to comply with the requirements of the aforesaid letter.