



ARAM
GROUP

Integrated Report for The Year
2023



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Directors Report
2023

ARAM
GROUP

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

Sharjah - United Arab Emirates Directors' report

The Directors have pleasure in presenting their report and the audited consolidated financial statements for the year ended 31 December 2023.

Principal activities of the Group

The Group's principal activities are investing in financial instruments, investing and leasing of properties, and investing, establishing and managing agricultural, industrial, and commercial projects, general trading and contracting, purchase and sale of shares and bonds.

Financial review

The table below summarizes the results of the year 2023 and 2022.

	2023	2022
	AED	AED
Rental income	11,237,129	10,800,650
Net profit	4,393,652	9,498,121
Net profit ratio	39.10%	87.94%

Role of the Directors

The Directors are the Group's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Group for delivering sustainable shareholder value through their guidance and supervision of the Group's business. The Directors set the strategies and policies of the Group. They monitor performance of the Group's business, guide and supervise its management.

On 7 November 2023, the previous Directors Mr. Ebrahim Ahmad Al Mana'ei, Mr. Mohammad Jaffar Al Haj Ali Al Rhama, Mr. Christian Wolff and Mr. Jassem Mubarak Masoud Al Dhaheri have retired and Mr. Khamis Mohamed Khamis Buharoon Alshamsi continued as the Vice Chairman of the Group.

The Directors of the Group Mr. Ahmed Ali Mohamed Abdelaziz Alsarkal, Mr. Ziyad Mahmoud Khairalla Alhaji Alharmouzi, Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh and Ms. Alyazia Nasser Yousef Nasser Alzaabi were appointed on 14 December 2023. Further, Mr. Ahmed Ali Mohamed Abdelaziz Alsarkal was appointed as the Chairman of the Group on the said date.

Going concern

The attached consolidated financial statements have been prepared on a going concern basis. While preparing the consolidated financial statements, the management has made an assessment of the Group's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Group's ability to continue as a going concern.

Events after year end

Subsequent to the year end, on 20 February 2024, Mr. Ahmed Ali Mohamed Abdelaziz Alsarkal retired as the Chairman of the Group. Further, on the said date, Mr. Khamis Mohamed Khamis Buharoon Alshamsi was appointed as the Chairman of the Group and Ms. Najoud Abdulla Mohammad Burahima was appointed as a Director.

In the opinion of the Directors, other than the above, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Group.

Auditor

M/s. Crowe Mak, Sharjah, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

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

Sharjah - United Arab Emirates Directors' report (continued)

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the consolidated financial statements for each financial year which present fairly in all material respects, the consolidated financial position of the Group and its financial performance for the year then ended.

The audited consolidated financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the consolidated financial position of the Group and enables them to ensure that the consolidated financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the consolidated financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Group's financial conditions and results of its operations.

The consolidated financial statements set out on pages 8 to 50, which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:



Mr. Khamis Mohamed Khamis
Buharoon Alshamsi
Chairman



Mr. Ali Mohd Zaid Ali Musmar
Chief Executive Officer

14 March 2024

Independent Auditors Report

2023

ARAM
GROUP

Ref: AM/B2354/MAR'2024

Independent auditor's report

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

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of ARAM Group Company P.J.S.C. ("the Entity") and its subsidiary (together the "Group"), Sharjah, United Arab Emirates, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the requirements of International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) together with ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2022 which are shown as comparatives, were audited by other auditors who expressed an unmodified opinion on those statements on 20 March 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report (continued)

**To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements (continued)**

Valuation of the investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the Group's investment properties in the context of the Group's consolidated financial statements as a whole and due to significant judgement is involved in determining the inputs used in the valuation.

As at 31 December 2023, the Group's investment properties amounted to AED 103,650,000 which represented 67% of the Group's total assets and a gain on revaluation of investment properties amounting to AED 2,495,176 was recognised in the consolidated statement of profit or loss for the year then ended (Note 7).

During the year, the management has decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets (Note 11) and liabilities (Note 21) were classified as a disposal group and related income and expenses were classified as discontinued operations (Note 27).

The Group's investment properties are stated at fair value based on valuations carried out by an independent qualified valuer ("the Valuer"). The valuation was dependent on certain key estimates which required significant judgement, including yield rates, contractual lease rents and forecasted operating expenses, which are influenced by prevailing market forces and specific characteristics such as property location and income returns of each property in the portfolio. Details of the valuation methodologies and key inputs used in the valuations are disclosed in Note 7 to the consolidated financial statements.

How our audit addressed the key audit matters:

We have performed the following procedures in relation to the valuation of investment properties and non-current assets held for sale:

- We assessed the competence, capabilities and objectivity of the independent valuer;
- We reviewed the terms of engagement between valuer and the Group to determine whether the scope of the work is adequate and there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work;
- We agreed the total valuation in reports of third party valuers to the amount reported in the consolidated statement of financial position;
- We assessed the completeness and consistency of information provided by the Group to the valuer; and evaluated the reasonableness of the key inputs used in the valuation on a sample basis;
- We assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and estimates used in the valuation on a sample basis;
- We reperformed the arithmetical accuracy of the determination of net fair value gain;
- We reviewed a sample of investment properties valued by external valuers and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS 13 *Fair Value Measurement*; and
- We assessed the presentation and disclosures made in relation to this matter to determine if they were in accordance with the requirements of IFRSs.

Independent auditor's report (continued)

To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary Report on the Audit of Consolidated Financial Statements (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if the disclosures are inadequate, to issue a qualified opinion.

Independent auditor's report (continued)

To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary Report on the Audit of Consolidated Financial Statements (continued)

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

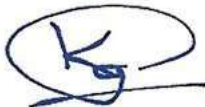
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. 32 of 2021, we report that:

- (a) We have obtained all the information we considered necessary for the purpose of our audit.
- (b) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021.
- (c) The Group maintained proper books of account.
- (d) The financial information included in the Directors' report is consistent with the books of account of the Group.
- (e) Investments in shares and stocks are disclosed in Notes 8 and 9 to the consolidated financial statements and include purchases and investments made by the Group during the financial year ended 31 December 2023.
- (f) Note 10 to the consolidated financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.
- (g) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened, during the financial year ended 31 December 2023 any of the requirements of UAE Federal Law No. 32 of 2021, and the Articles of Association, which would materially affect its activities or its financial position as at 31 December 2023.

Crowe Mak



Dr. Khalid Maniar
Registered Auditor Number: 24
Sharjah, United Arab Emirates
14 March 2024



Annual Financial Statement Report
2023

ARAM
GROUP

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

Sharjah - United Arab Emirates

Consolidated statement of financial position as at 31 December 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	115,773	161,078
Right-of-use assets	6	445,067	309,419
Investment properties	7	103,650,000	161,603,098
Investments carried at fair value through other comprehensive income (FVTOCI)	8	14,599,128	14,832,769
Total non-current assets		118,809,968	176,906,364
Current assets			
Investments carried at fair value through profit or loss (FVTPL)	9	635,946	363,794
Non-current assets held for sale	11	33,100,000	-
Trade and other receivables	12	1,240,216	1,515,706
Cash and cash equivalents	13	959,461	1,706,979
Total current assets		35,935,623	3,586,479
Total assets		154,745,591	180,492,843
EQUITY AND LIABILITIES			
Equity			
Share capital	14	78,901,086	78,901,086
Statutory reserve	15	33,190,039	32,736,885
Voluntary reserve	16	13,509,097	13,055,943
Fair value reserve		(3,290,770)	(3,082,420)
Foreign currency translation reserve		(691,710)	(646,314)
Retained earnings / (Accumulated losses)		1,388,193	(2,099,151)
Total equity		123,005,935	118,866,029
LIABILITIES			
Non-current liabilities			
Employees' end-of-service benefits	17	859,179	760,401
Lease liabilities	18	70,686	207,490
Bank borrowings	19	23,493,078	27,115,736
Total non-current liabilities		24,422,943	28,083,627
Current liabilities			
Dividend payable		562	26,320,631
Lease liabilities	18	336,847	130,293
Bank borrowings	19	3,684,211	3,684,211
Trade and other payables	20	2,952,551	3,408,052
Current liabilities on discontinued operations	21	342,542	-
Total current liabilities		7,316,713	33,543,187
Total liabilities		31,739,656	61,626,814
Total equity and liabilities		154,745,591	180,492,843

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented in the periodic report.

These consolidated financial statements were approved and authorised for issue on 14 March 2024.

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

Sharjah - United Arab Emirates

Consolidated statement of financial position as at 31 December 2023 (continued)

The consolidated financial statements set out on pages 8 to 50 which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:



Mr. Khamis Mohamed Khamis
Buharoon Alshamsi
Chairman



Mr. Ali Mohd Zaid Ali Musmar
Chief Executive Officer

The accompanying notes and policies form an integral part of these consolidated financial statements.
The report of the auditor is set out on pages 4 to 7.

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

Sharjah - United Arab Emirates

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Notes	2023 AED	2022 AED
Continuing operations			
Rental income	22	9,035,886	8,769,032
Other income	23	280,237	165,601
Repairs and maintenance expenses	24	(1,161,996)	(1,132,789)
General and administrative expenses	25	(7,365,189)	(7,879,442)
Dividend income		190,732	590,571
Loss on disposal of investment properties	7	(3,693,615)	-
Increase in fair value of investment properties	7	2,495,176	7,458,139
Increase/(decrease) in fair value of financial assets at FVTPL	9	272,392	(56,231)
Finance cost	26	(2,370,151)	(1,707,288)
(Loss)/profit for the year from continuing operations		(2,316,528)	6,207,593
Discontinued operations			
Profit for the year from discontinued operations	27	6,710,180	3,290,528
Net profit for the year		4,393,652	9,498,121
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Decrease)/increase in fair value of financial assets at FVTOCI	8	(208,350)	7,512,451
		(208,350)	7,512,451
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(45,396)	(176,773)
		(45,396)	(176,773)
Other comprehensive (loss)/income for the year		(253,746)	7,335,678
Total comprehensive income for the year		4,139,906	16,833,799
Basic and diluted (losses)/earnings per share:			
From continuing operations		(0.0294)	0.0787
From discontinued operations		0.0850	0.0417

The accompanying notes and policies form an integral part of these consolidated financial statements.
The report of the auditor is set out on pages 4 to 7.

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

Sharjah - United Arab Emirates

Consolidated statement of changes in equity for the year ended 31 December 2023

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Retained earnings / (Accumulated losses) AED	Total AED
As at 1 January 2022	78,901,086	31,787,073	12,106,131	(10,594,871)	(469,541)	(9,697,648)	102,032,230
Profit for the year	-	-	-	-	-	9,498,121	9,498,121
Other comprehensive income for the year	-	-	-	7,512,451	(176,773)	-	7,335,678
Total comprehensive income for the year	-	-	-	7,512,451	(176,773)	9,498,121	16,833,799
Transfer from retained earnings	-	949,812	949,812	-	-	(1,899,624)	-
As at 31 December 2022	78,901,086	32,736,885	13,055,943	(3,082,420)	(646,314)	(2,099,151)	118,866,029
Profit for the year	-	-	-	-	-	4,393,652	4,393,652
Other comprehensive income for the year	-	-	-	(208,350)	(45,396)	-	(253,746)
Total comprehensive income for the year	-	-	-	(208,350)	(45,396)	4,393,652	4,139,906
Transfer from retained earnings	-	453,154	453,154	-	-	(906,308)	-
As at 31 December 2023	78,901,086	33,190,039	13,509,097	(3,290,770)	(691,710)	1,388,193	123,005,935

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

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

Sharjah - United Arab Emirates

Consolidated statement of cash flows for the year ended 31 December 2023

	Notes	2023 AED	2022 AED
Cash flows from operating activities			
(Loss)/Profit for the year from continuing operations		(2,316,528)	6,207,593
Profit for the year from discontinued operations		6,710,180	3,290,528
Net profit for the year		4,393,652	9,498,121
Adjustments for:			
Depreciation of property, plant and equipment	5	52,743	71,549
Depreciation of right-of-use asset	6	274,133	125,216
Change in fair value of investment properties	7	(2,495,176)	(8,915,198)
Loss on disposal of investment property	7	3,693,615	-
Change in fair value of financial assets at FVTPL	9	(272,392)	56,231
Change in fair value of non-current assets held for sale	11	(4,622,941)	-
Employees' end-of-service benefits	17	137,755	149,529
Allowance for expected credit losses of trade receivables	25	361,988	421,030
Finance cost	26	2,370,151	1,707,288
Dividend income		(190,732)	(590,571)
Operating cash flows before changes in operating assets and liabilities		3,702,796	2,523,195
(Increase)/decrease in trade and other receivables	12	(86,498)	379,142
Decrease in trade and other payables	20	(112,959)	(19,562)
Cash generated from operating activities		3,503,339	2,882,775
Employees' end-of-service indemnity paid	17	(45,632)	(211,079)
Net cash generated from operating activities		3,457,707	2,671,696
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(6,684)	(94,863)
Purchase of investment properties	7	(222,400)	(117,900)
Proceeds from sale of investment properties	7	28,500,000	-
Dividend income		190,732	590,571
Net cash generated from investing activities		28,461,648	377,808
Cash flows from financing activities			
Payment of lease liabilities	18	(339,704)	(143,640)
Repayments of bank borrowings	19	(3,622,658)	(3,622,658)
Finance cost paid	26	(2,295,291)	(1,503,330)
Dividends paid		(26,320,069)	(35,831)
Net cash used in financing activities		(32,577,722)	(5,305,459)
Net decrease in cash and cash equivalents		(658,367)	(2,255,955)
Cash and cash equivalents at the beginning of the year		1,706,979	4,172,198
Effects of exchange rate changes on the balance of cash held		(89,151)	(209,264)
Cash and cash equivalents at the end of the year	13	959,461	1,706,979

The accompanying notes and policies form an integral part of these consolidated financial statements.
The report of the auditor is set out on pages 4 to 7.

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

1 General information

ARAM Group Company P.J.S.C., Sharjah, United Arab Emirates ("the Entity") is a public joint stock company incorporated on 26 January 1977, under Emiri Decree Number 133/76 issued on 16 November 1976. The trading register was issued by Economic Development Department, Government of Sharjah. The shares of the Entity are traded in the Abu Dhabi Securities Market.

The address of the registered office of the Entity is Al Khan Street, P. O. Box: 5440, Sharjah, United Arab Emirates.

The principal activities of the Group consist of investing in financial instruments, investing and leasing of properties, and investing, establishing and managing agricultural, industrial, and commercial projects, general trading and contracting, purchase and sale of shares and bonds.

The management and controls are vested with the Directors.

The Entity controls the following subsidiary as at 31 December 2023:

<i>Sr. No</i>	<i>Entities</i>	<i>License no.</i>	<i>Country of incorporation</i>	<i>Activities</i>
1	Tarfan General Trading and Contracting (Ebrahim Ahmed Al-Mannaei and Partners) W.L.L ("the Subsidiary")	2003/328	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.

These consolidated financial statements incorporate the consolidated operating results of the trading license no. 1233 of the Entity and license no. 2003/328 of the Subsidiary, herein together referred to as "the Group".

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

New and revised IFRSs

Effective for annual periods beginning on or after

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have material impact on these consolidated financial statements unless mentioned above.

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
Management anticipates that these standards will not have any significant impact on these consolidated financial statements.	

3 Material accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

3.2 Basis of preparation

These consolidated 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Current/Non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Group classifies all other liabilities as non-current.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

3 Material accounting policies (continued)

3.2 Basis of preparation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial information of the Entity and its Subsidiary. Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Functional currency

These consolidated financial statements are presented in Emirati Dirham, which is the Group's functional currency.

The Subsidiary's functional currency is the Kuwaiti Dinar (KWD). In the Group's consolidated financial statements, all assets, liabilities and transactions of the subsidiary are translated into AED upon consolidation.

As at the reporting date, the assets and liabilities of the subsidiary are translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

3 Material accounting policies (continued)

3.5 Revenue recognition

The Group earns revenue mainly from rental income and dividend income.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognise revenue as and when the Group satisfies a performance obligation.

Performance obligation

Rental income

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the contract.

Dividend income

Dividend income is recognised in the consolidated statement of profit or loss at a point of time on the date that the Group's right to receive payment is established.

3.6 Leases

The Group leases offices. Rental contracts are typically made for fixed periods of 2 to 6 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- it has the right to direct the use of the asset.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group's incremental borrowing rate can be used.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

3 Material accounting policies (continued)

3.6 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the year.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property, plant and equipment policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

3.7 Foreign currencies

As at the reporting date, the assets and liabilities of the subsidiary are translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period. Exchange differences on the Group's net investment in the subsidiary are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

3 Material accounting policies (continued)

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Employee benefits

End of service indemnity

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.10 UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("the Law") to enact a Federal corporate tax regime in the UAE. Furthermore, on 16 January 2023, a Cabinet Decision was published specifying the threshold of AED 375,000 of taxable income above which taxable entities would be subject to a 9% corporate tax rate.

The Corporate Tax regime will become effective for the accounting periods beginning on or after 1 June 2023 hence for the Group it will be effective from 1 January 2024. While a number of regulations with regards to the application of tax legislation have been further published, clarifications in relation to certain key aspects such as foreign tax credits are pending and as such management will continue to monitor developments in order to assess the impact of corporate tax including any deferred tax on the Group.

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income when incurred.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

3 Material accounting policies (continued)

3.11 Property, plant and equipment (continued)

The following useful lives are used in the calculation of depreciation:

	<u>Useful lives</u>
Furniture, fixtures and office equipment	4 years
Motor vehicles	5 years
Other facilities	5 years

3.12 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.13 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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3 Material accounting policies (continued)

3.14 Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.15 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

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3 Material accounting policies (continued)

3.16 Financial assets (continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above);
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments that are measured at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for investments that are measured at FVTOCI and trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables, bank balances and cash and others) were measured at amortised cost using the effective interest method, less any impairment.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also

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3 Material accounting policies (continued)

3.16 Financial assets (continued)

recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income was allocated between the part that continues to be recognised and the part that was no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an Entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted

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3 Material accounting policies (continued)

3.17 Financial liabilities and equity instruments (continued)

present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.18 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

4.1 Critical judgements in applying accounting policies

Judgements in determining the timing of satisfaction of performance obligations

In making their judgement, the Directors consider the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Group has satisfied the performance obligation by rendering the services to the customers. The management is satisfied that the recognition of revenue in the current year is appropriate.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

4.1 Critical judgements in applying accounting policies (continued)

Revenue recognition for leases

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.16). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Classification of properties

Based on the management's intention at the time of acquisition of a property, it was decided to classify the property as either held for sale or held for development or held for rental or capital appreciation. The management changes the classification when the intention changes.

4.2 Key sources of estimation uncertainty

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.79%.

Management has applied judgements and estimates to determine the IBR at the commencement of lease.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. Land is valued using market comparable approach. Market comparable approach references to transactions involving properties of a similar nature, location and condition. Other investment properties are valued using the direct capitalisation method which is used to convert the estimate of a single year's income expectancy into an indication of value. The key assumptions used to determine the fair value of the properties Note 7.

Valuation of financial instruments

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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5	Property, plant and equipment	Furniture, fixtures and office equipment AED	Motor vehicles AED	Other facilities AED	Total AED
Cost					
As at 1 January 2022		1,134,172	204,460	374,612	1,713,244
Additions		94,863	-	-	94,863
Effect of foreign exchange rate differences		(299)	-	-	(299)
As at 31 December 2022		1,228,736	204,460	374,612	1,807,808
Additions		6,684	-	-	6,684
Effect of foreign exchange rate differences		(208)	-	-	(208)
As at 31 December 2023		1,235,212	204,460	374,612	1,814,284
Accumulated depreciation					
As at 1 January 2022		1,092,869	188,367	294,622	1,575,858
Depreciation expense		50,088	16,093	5,368	71,549
Effect of foreign exchange rate differences		(677)	-	-	(677)
As at 31 December 2022		1,142,280	204,460	299,990	1,646,730
Depreciation expense		36,676	-	16,067	52,743
Effect of foreign exchange rate differences		(962)	-	-	(962)
As at 31 December 2023		1,177,994	204,460	316,057	1,698,511
Carrying amount					
As at 31 December 2022		86,456	-	74,622	161,078
As at 31 December 2023		57,218	-	58,555	115,773

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5 Property, plant and equipment (continued)

The depreciation charge has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2023	2022
	AED	AED
General and administrative expenses (Note 25)	<u>52,743</u>	<u>71,549</u>

6 Leases (the Group as Lessee)

Right-of-use assets

Movement of the recognised right-of-use assets during the year:

	Property AED	Total AED
Cost		
As at 1 January 2022	754,423	754,423
Effect of foreign exchange rate differences	<u>(8,686)</u>	<u>(8,686)</u>
As at 31 December 2022	745,737	745,737
Additions during the year	410,408	410,408
Effect of foreign exchange rate differences	<u>(4,409)</u>	<u>(4,409)</u>
As at 31 December 2023	<u>1,151,736</u>	<u>1,151,736</u>
Accumulated depreciation		
As at 1 January 2022	316,169	316,169
Charge for the year	125,216	125,216
Effect of foreign exchange rate differences	<u>(5,067)</u>	<u>(5,067)</u>
As at 31 December 2022	436,318	436,318
Charge for the year	274,133	274,133
Effect of foreign exchange rate differences	<u>(3,782)</u>	<u>(3,782)</u>
As at 31 December 2023	<u>706,669</u>	<u>706,669</u>
Carrying amount		
As at 31 December 2023	<u>445,067</u>	<u>445,067</u>
As at 31 December 2022	<u>309,419</u>	<u>309,419</u>

Amounts recognised in profit or loss

	2023	2022
	AED	AED
Depreciation expense on right-of-use assets (Note 25)	274,133	125,216
Interest expense on lease liabilities (Note 26)	<u>13,308</u>	<u>19,643</u>

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7	Investment properties			
		Land	Buildings	Total
		AED	AED	AED
	Fair value			
	As at 1 January 2022	13,700,000	138,870,000	152,570,000
	Additions	-	117,900	117,900
	Increase in fair value	2,990,000	5,925,198	8,915,198
	As at 31 December 2022	16,690,000	144,913,098	161,603,098
	Additions	-	222,400	222,400
	Disposals	-	(32,193,615)	(32,193,615)
	Increase in fair value	360,000	2,135,176	2,495,176
	Transferred to non-current assets held for sale (Note 11)	-	(28,477,059)	(28,477,059)
	As at 31 December 2023	17,050,000	86,600,000	103,650,000

The Group's investment properties consist of residential towers and buildings, offices, warehouses and undeveloped parcels of land.

Investment properties located at Al Khan and Al Muweilah, Sharjah with carrying value of AED 43.1 million as at 31 December 2023 (2022: investment properties located at Al Khan, Al Muweilah and Al Qasimia, Sharjah with carrying value of AED 62 million) have a first degree mortgage in favour of Sharjah Islamic Bank for the bank facilities (Note 19).

The Group has no restrictions on the realisability of its investment properties and there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements, other than those against securities for the term loan (Note 19).

During the year, the Group has sold investment properties located at Al Majaz 2, Sharjah and at Industrial Area 13, Sharjah with carrying value of AED 32,193,615.

The Group has incurred a loss of AED 1,038,615 on the disposal of investment property located at Al Majaz 2, Sharjah as Sharjah Electricity and Water Authority had instructed the Group to carry out various works on the property prior to disposal.

The Group has also disposed another investment property located at Industrial Area 13, Sharjah to settle the dividend payable to Securities and Commodities Authority. The Group has incurred a loss of AED 2,655,000 due to the forced sale value for settling this liability.

During the year, the management has decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets (Note 11) and liabilities (Note 21) were classified as a disposal group and related income and expenses were classified as discontinued operations (Note 27).

Investment properties are stated at market value based on a valuations carried out by independent valuers as at 31 December 2023 and 31 December 2022. The significant inputs and assumptions are provided by management.

Land is valued using market comparable approach. Market comparable approach references to transactions involving properties of a similar nature, location and condition.

The most significant inputs with relation to the valuation of buildings and warehouses, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline. The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

7 Investment properties (continued)

The fair values of the buildings and warehouses are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When the actual rent differs materially from the estimated rent, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the properties.

The Directors of the Group have reviewed the assumption and methodology used by the independent valuer and in their opinion the assumption and the methodology are reasonable as at the reporting date considering the current economic and real estate outlook of the UAE.

Fair value hierarchy disclosures for investment properties are disclosed in Note 30.

The property rental income earned by the Group from its investment property, which is leased under operating leases on an annual basis and the repairs and maintenance expenses incurred are as follows:

	2023	2022
	AED	AED
Rental income (Note 22)	9,035,886	8,769,032
Repair and maintenance expenses (Note 24)	<u>(1,161,996)</u>	<u>(1,132,789)</u>

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

	2023	2022
	AED	AED
Quoted investments	11,769,583	12,203,654
Unquoted investments	<u>2,829,545</u>	<u>2,629,115</u>
	<u>14,599,128</u>	<u>14,832,769</u>

	2023	2022
	AED	AED

The movements of investments carried at FVTOCI are as follows:

Balance at the beginning of the year	14,832,769	7,493,801
(Decrease)/increase in fair value during the year	(208,350)	7,512,451
Foreign exchange loss during the year - net	<u>(25,291)</u>	<u>(173,483)</u>
	<u>14,599,128</u>	<u>14,832,769</u>

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

In Kuwait	<u>14,599,128</u>	<u>14,832,769</u>
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The above quoted investments are valued at the closing rate on 31 December 2023.

Fair value hierarchy disclosures for investments carried at fair value through other comprehensive income (FVTOCI) are disclosed in Note 30.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

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

	2023	2022
	AED	AED
Quoted investments	496,916	180,282
Unquoted investments	139,030	183,512
	<u>635,946</u>	<u>363,794</u>

	2023	2022
	AED	AED
The movements of investments carried at FVTPL are as follows:		
Balance at the beginning of the year	363,794	422,171
Increase / (decrease) in fair value during the year	272,392	(56,231)
Foreign exchange loss during the year - net	(240)	(2,146)
	<u>635,946</u>	<u>363,794</u>

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

In United Arab Emirates	496,916	180,282
In Kuwait	139,030	183,512
	<u>635,946</u>	<u>363,794</u>

The above quoted investments are valued at the closing rate on 31 December 2023.

Fair value hierarchy disclosures for investments carried at fair value through profit or loss (FVTPL) are disclosed in Note 30.

10 Related party balances and transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

a) Transactions

During the year, the Group entered into the following transactions with the related parties:

	2023	2022
	AED	AED
Sale of investment property to board member (Note 7)	<u>20,000,000</u>	<u>-</u>

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

10 Related party balances and transactions (continued)

b) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2023	2022
	AED	AED
Salaries and other short-term benefits	1,879,496	1,389,826
End of service benefits	44,000	50,000
Directors' sitting fee for FY2022	400,000	-
Directors' sitting fee for FY2023	42,000	34,000
	<u>2,365,496</u>	<u>1,473,826</u>

11 Non-current assets held for sale

	2023	2022
	AED	AED
Balance at the beginning of the year	-	-
Transfer from investment properties	28,477,059	-
Changes in fair value	4,622,941	-
Balance at the end of the year	<u>33,100,000</u>	<u>-</u>

During the year, the management has decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets and liabilities (Note 21) were classified as a disposal group and related income and expenses were classified as discontinued operations (Note 27).

Out of the above non-current assets held for sale, investment property located at Al Qasimia, Sharjah with carrying value of AED 24.5 million as at 31 December 2023 has a first degree mortgage in favour of Sharjah Islamic Bank for the bank facilities (Note 19).

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12 Trade and other receivables

	2023	2022
	AED	AED
Trade receivables	1,774,082	1,916,762
Loss allowance	(1,192,992)	(953,615)
	<u>581,090</u>	<u>963,147</u>
Prepayments	445,316	421,905
Deposits	136,315	121,419
Advances	59,741	6,286
VAT receivables	11,093	-
Other receivables	<u>6,661</u>	<u>2,949</u>
	<u>1,240,216</u>	<u>1,515,706</u>

Out of the above advances, AED 50,000 pertains to advance to key management personnel.

Geographical details of trade receivables

	2023	2022
	AED	AED
Primary Geographical Markets		
Within U.A.E.	<u>1,774,082</u>	<u>1,916,762</u>

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Trade receivables – Ageing Analysis

31 December 2023	0-90 days	91-120 days	More than 120 days	Total
	AED	AED	AED	AED
Estimated total gross carrying amount	444,594	55,861	80,635	581,090
				<u>581,090</u>

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

12 Trade and other receivables (continued)

Trade receivables – Ageing Analysis

31 December 2022	0-90 days	91-120 days	More than 120 days	Total
	AED	AED	AED	AED
Estimated total gross carrying amount	746,434	113,123	103,590	963,147
				963,147

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	Collectively assessed	Individually assessed	Total
	AED	AED	AED
Balance as at 1 January 2022	3,076,414	-	3,076,414
Allowance for expected credit losses (Note 25)	421,030	-	421,030
Amounts written off	(2,543,829)	-	(2,543,829)
Balance as at 31 December 2022	953,615	-	953,615
Allowance for expected credit losses (Note 25)	361,988	-	361,988
Amounts written off	(122,611)	-	(122,611)
Balance as at 31 December 2023	1,192,992	-	1,192,992

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

13 Cash and cash equivalents

	2023	2022
	AED	AED
Cash on hand	34,434	23,059
Bank balances	<u>925,027</u>	<u>1,683,920</u>
	<u>959,461</u>	<u>1,706,979</u>

The carrying amount of cash and cash equivalents are denominated in the following currencies:

	2023	2022
	AED	AED
Primary Geographical Markets		
Emirati Dirham	854,585	1,520,910
Kuwaiti Dinar	<u>104,876</u>	<u>186,069</u>
	<u>959,461</u>	<u>1,706,979</u>

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of United Arab Emirates and Kuwait. None of the balances with banks at the end of the reporting year are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14 Share capital

	2023	2022
	AED	AED
Authorised, issued and paid up share capital:		
78,901,086 shares of AED 1.00	<u>78,901,086</u>	<u>78,901,086</u>

The authorised, issued and fully paid share capital of the Entity consists of 78,901,086 fully paid ordinary shares with a par value of AED 1 each.

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15 Statutory reserve

	2023	2022
	AED	AED
Balance at the beginning of the year	32,736,885	31,787,073
Transfer from retained earnings	453,154	949,812
Balance at the end of the year	33,190,039	32,736,885

Although according to the UAE Federal Law No. 32 of 2021, 5% of annual net profits is required to be allocated to the statutory reserve, the management has decided to allocate 10% of annual net profits to the statutory reserve in accordance with the Articles of Association of the Entity. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

16 Voluntary reserve

	2023	2022
	AED	AED
Balance at the beginning of the year	13,055,943	12,106,131
Transfer from retained earnings	453,154	949,812
Balance at the end of the year	13,509,097	13,055,943

As required by the Group's Articles of Association, 10% of the Group's net profit for the year is required to be transferred to the voluntary reserve until such reserve equals one half of the Group's share capital. The reserve is available for distribution at the discretion of the shareholders' general assembly.

17 Employees' end-of-service benefits

	2023	2022
	AED	AED
Balance at the beginning of the year	760,401	821,279
Charge for the year	137,755	149,529
Payments during the year	(45,632)	(211,079)
Effect of foreign exchange differences	6,655	672
Balance at the end of the year	859,179	760,401

Amounts required to cover end of service indemnity at the consolidated statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

18 Lease liabilities

Lease liabilities recognized and maturity analysis:

	2023	2022
	AED	AED
<i>Amount due for settlement within 12 months</i>		
Not later than 1 year (shown under current liabilities)	336,847	130,293
	<u>336,847</u>	<u>130,293</u>
<i>Amount due for settlement after 12 months</i>		
Later than 1 year and not later than 5 years	70,686	207,490
	<u>70,686</u>	<u>207,490</u>
	<u>407,533</u>	<u>337,783</u>

The movement in lease liabilities is as follows:

	2023	2022
	AED	AED
As at the beginning of the year	337,783	467,410
Amortization of interest expense during the year (Note 26)	13,308	19,643
Additions during the year	410,408	-
Repayment of lease liabilities during the year	(339,704)	(143,640)
Effect of foreign exchange differences	(14,262)	(5,630)
As at the end of the year	<u>407,533</u>	<u>337,783</u>

19 Bank borrowings

	2023	2022
	AED	AED
Term loan	<u>27,177,289</u>	<u>30,799,947</u>
	2023	2022
	AED	AED
Term loans movement during the year		
Balance at the beginning of the year	30,799,947	34,422,605
Repaid during the year	(3,622,658)	(3,622,658)
Balance at the end of the year	<u>27,177,289</u>	<u>30,799,947</u>

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

19 Bank borrowings (continued)

Presented in the consolidated statement of financial position as:

	2023	2022
	AED	AED
Bank borrowings - non-current	23,493,078	27,115,736
Bank borrowings - current	<u>3,684,211</u>	<u>3,684,211</u>
	<u>27,177,289</u>	<u>30,799,947</u>

In 2021, the Group entered into a "One-off Ijarah facility" arrangement with Sharjah Islamic Bank. 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:

- First degree registered mortgage over certain properties in favour of Sharjah Islamic Bank (Notes 7 and 11).
- Assignment of fire insurance policy over Ijarah properties in favour of Sharjah Islamic Bank.
- Cheque covering the total facility amount.
- Notarized power of attorney in favour of Sharjah Islamic Bank or its appointed agent to manage certain properties and collect its rentals.
- Assignment of rental cover from investment properties located at plot no. 213 in Al Soor, Sharjah, plot no. 216 in Al Majaz, Sharjah and plot no. 689/A/1 in Industrial Area 13, Sharjah. Out of said investment properties, the investment properties located at Al Majaz, Sharjah and Industrial Area 13, Sharjah have been sold and the management intends to dispose the investment property located at Al Soor, Sharjah.

20 Trade and other payables

	2023	2022
	AED	AED
Trade payables	211,381	145,661
Accrued expenses	819,833	999,193
Contract liabilities - rent received in advance	1,198,701	1,216,254
Tenants' security deposits	722,636	1,018,490
VAT payable	<u>-</u>	<u>28,454</u>
	<u>2,952,551</u>	<u>3,408,052</u>

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21	Current liabilities on discontinued operations		
	During the year, the management has decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets (Note 11) and liabilities were classified as a disposal group and related income and expenses were classified as discontinued operations (Note 27).		
		2023	2022
		AED	AED
	Tenants' refundable deposits	275,000	-
	Contract liabilities - rent received in advance	67,542	-
		<u>342,542</u>	<u>-</u>
22	Rental income		
		2023	2022
		AED	AED
	Disaggregation of revenue – over time		
	Rental income	9,035,886	8,769,032
		<u>9,035,886</u>	<u>8,769,032</u>
		2023	2022
		AED	AED
	Primary Geographical Markets		
	Within U.A.E.	9,035,886	8,769,032
		<u>9,035,886</u>	<u>8,769,032</u>
23	Other income		
		2023	2022
		AED	AED
	Other operating income - miscellaneous	280,237	165,601
		<u>280,237</u>	<u>165,601</u>
24	Repairs and maintenance expenses		
		2023	2022
		AED	AED
	Building repairs	329,102	323,007
	Waste water discharge	693,467	669,320
	Others	139,427	140,462
		<u>1,161,996</u>	<u>1,132,789</u>

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

25 General and administrative expenses

	2023	2022
	AED	AED
Employee costs - indirect	2,451,801	2,666,244
Compensation of key management personnel (Note 10b)	2,365,496	1,473,826
Legal, license and professional	764,759	2,098,263
Utilities	369,089	327,683
Allowance for expected credit losses of trade receivables (Note 12)	361,988	421,030
Depreciation of right-of-use assets (Note 6)	274,133	125,216
General assembly expenses	203,106	59,829
Civil defense expenses	112,771	105,995
Communication	89,338	93,512
Advertising	61,221	82,938
Depreciation of property, plant and equipment (Note 5)	52,743	71,549
Insurance	52,502	54,472
Rent expense	43,000	-
Computer expenses	42,484	25,833
Cleaning	25,863	18,601
Printing and stationery	17,687	25,231
Bank charges	16,193	25,866
Office expenses	7,983	8,835
Travelling	7,961	12,724
Motor vehicle expenses	3,903	3,923
Other general and administrative expenses	41,168	177,872
	<u>7,365,189</u>	<u>7,879,442</u>

26 Finance cost

	2023	2022
	AED	AED
Interest on bank borrowing	2,295,291	1,626,093
Amortization of loan arrangement fee	61,552	61,552
Interest expense on lease liabilities (Note 18)	13,308	19,643
	<u>2,370,151</u>	<u>1,707,288</u>

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

27 Discontinued operations

During the year, the management has decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets (Note 11) and liabilities (Note 21) were classified as a disposal group and related income and expenses were classified as discontinued operations.

	2023	2022
	AED	AED
Rental income from discontinued operations	2,201,243	2,031,618
Repairs and maintenance expenses	(114,004)	(198,149)
Increase in fair value	4,622,941	1,457,059
Profit for the year from discontinued operations	6,710,180	3,290,528

28 Basic and diluted earnings/(losses) per share

	2023	2022
	AED	AED
Basic and diluted (losses)/earnings per share from continuing operations		
(Loss)/profit for the year from continuing operations	(2,316,528)	6,207,593
Weighted average number of shares	78,901,086	78,901,086
Basic and diluted (losses)/earnings per share	(0.0294)	0.0787
Basic and diluted earnings per share from discontinued operations		
Profit for the year from discontinued operations	6,710,180	3,290,528
Weighted average number of shares	78,901,086	78,901,086
Basic and diluted earnings per share	0.0850	0.0417

29 Financial instruments and risk management

Material accounting policies

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

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

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2023

29 Financial instruments and risk management (continued)

Categories of financial instruments

31 December 2023

	FVTPL AED	FVTOCI AED	Financial assets Amortised cost AED	Financial liabilities Amortised cost AED	Total AED
Investments at fair value through other comprehensive income (FVTOCI) (Note 8)	-	14,599,128	-	-	14,599,128
Investments at fair value through profit or loss (FVTPL) (Note 9)	635,946	-	-	-	635,946
Trade and other receivables (Note 12)	-	-	783,807	-	783,807
Cash and cash equivalents (Note 13)	-	-	959,461	-	959,461
Lease liabilities (Note 18)	-	-	-	425,088	425,088
Bank borrowings (Note 19)	-	-	-	27,177,289	27,177,289
Dividend payable	-	-	-	562	562
Trade and other payables (Note 20)	-	-	-	1,753,850	1,753,850
	635,946	14,599,128	1,743,268	29,356,789	46,335,131

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

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2023

29	Financial instruments and risk management (continued)	31 December 2022					
			FVTPL AED	FVTOCI AED	Financial assets Amortised cost AED	Financial liabilities Amortised cost AED	Total AED
	Investments at fair value through other comprehensive income (FVTOCI) (Note 8)		-	14,832,769	-	-	14,832,769
	Investments at fair value through profit or loss (FVTPL) (Note 9)		363,794	-	-	-	363,794
	Trade and other receivables (Note 12)		-	-	1,093,801	-	1,093,801
	Cash and cash equivalents (Note 13)		-	-	1,706,979	-	1,706,979
	Lease liabilities (Note 18)		-	-	-	360,073	360,073
	Bank borrowings (Note 19)		-	-	-	30,799,947	30,799,947
	Dividend payable		-	-	-	26,320,631	26,320,631
	Trade and other payables (Note 20)		-	-	-	2,163,344	2,163,344
			363,794	14,832,769	2,800,780	59,643,995	77,641,338

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

29 Financial instruments and risk management (continued)

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Financial risk management objectives

The Group's financial risk management policies set out the Group's overall business strategies and risk management philosophy. The Group's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Group. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Interest risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Group's profit for the year then ended would (decrease)/increase by AED 135,886 (2022 (decrease)/increase by AED 154,000).

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting date are as follows:

	2023	2022
	AED	AED
Assets		
Kuwaiti Dinar	<u>15,048,496</u>	<u>15,202,350</u>

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

29 Financial instruments and risk management (continued)

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	2023	2022
	AED	AED
Liabilities		
Kuwaiti Dinar	<u>300,659</u>	<u>337,783</u>

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% decrease in the AED against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit and other equity where the AED strengthens 10% against the relevant currency. For a 10% strengthening of the AED against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be positive.

	2023	2022
	AED	AED
Profit and loss at the end of the year		
Kuwaiti Dinar	1,474,784	1,486,457

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Securities and Commodities Authority (the Authority) issued its letter dated 30 April 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 21 May 2023.

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

29 Financial instruments and risk management (continued)

During the year, the Group has transferred an amount of AED 26,317,202 to the Securities and Commodities Authority's account.

As at 31 December 2023, the Group's current liabilities exceeded its current assets, before non-current assets held for sale, by AED 4,481,090. During the year, the management has decided to liquidate its investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities and improve the liquidity position of the Group.

The table below summarises the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

Interest bearing				
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
As at 31 December 2023				
Financial liabilities				
Lease liabilities	-	353,392	71,696	425,088
Bank borrowings	-	3,684,211	23,493,078	27,177,289
	-	4,037,603	23,564,774	27,602,377
Non-interest bearing				
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
As at 31 December 2023				
Financial assets				
Investments at fair value through other comprehensive income (FVTOCI)	-	-	14,599,128	14,599,128
Investments at fair value through profit or loss (FVTPL)	-	635,946	-	635,946
Trade and other receivables	-	783,807	-	783,807
Cash and cash equivalents	959,461	-	-	959,461
	959,461	1,419,753	14,599,128	16,978,342
Financial liabilities				
Dividend payable	-	562	-	562
Trade and other payables	-	1,753,850	-	1,753,850
	-	1,754,412	-	1,754,412

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

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Notes to the Consolidated Financial Statements for the year ended 31 December 2023

29 Financial instruments and risk management (continued)

Particulars	Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	
As at 31 December 2022				
Financial liabilities				
Lease liabilities	-	144,029	216,044	360,073
Bank borrowings	-	3,684,211	27,115,736	30,799,947
	-	3,828,240	27,331,780	31,160,020

Particulars	Non-interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	
As at 31 December 2022				
Financial assets				
Investments at fair value through other comprehensive income (FVTOCI)	-	-	14,832,769	14,832,769
Investments at fair value through profit or loss (FVTPL)	-	363,794	-	363,794
Trade and other receivables	-	1,093,801	-	1,093,801
Cash and cash equivalents	1,706,979	-	-	1,706,979
	1,706,979	1,457,595	14,832,769	17,997,343
Financial liabilities				
Dividend payable	-	26,320,631	-	26,320,631
Trade and other payables	-	2,163,344	-	2,163,344
	-	28,483,975	-	28,483,975

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

The capital structure of the Group include of share capital of AED 78,901,086 (2022: AED 78,901,086), statutory reserve of AED 33,190,039 (2022: AED 32,736,885), voluntary reserve of AED 13,509,097 (2022: AED 13,055,943), debit balance in fair value reserve of AED 3,290,770 (2022: debit balance of AED 3,082,420), debit balance in foreign currency translation reserve of AED 691,710 (2022: debit balance of AED 646,314) and retained earnings of AED 1,388,193 (2022: accumulated losses of AED 2,099,151) as disclosed in the consolidated financial statements. The Group's capital resources amount to AED 123,005,935 (2022: AED 118,866,029).

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

30 Fair value hierarchy

At year end, the Group held the following financial and non-financial assets measured at fair value:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
As at 31 December 2023				
Financial assets:				
Investments carried at FVTPL				
Quoted shares	496,916	-	-	496,916
Unquoted shares	-	-	139,030	139,030
Investments carried at FVTOCI				
Quoted shares	11,769,583	-	-	11,769,583
Unquoted shares	-	-	2,829,545	2,829,545
Non-financial assets:				
Investment properties	-	-	103,650,000	103,650,000
Non-current assets held for sale	-	-	33,100,000	33,100,000
	<u>12,266,499</u>	<u>-</u>	<u>139,718,575</u>	<u>151,985,074</u>

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
As at 31 December 2022				
Financial assets:				
Investments carried at FVTPL				
Quoted shares	180,282	-	-	180,282
Unquoted shares	-	-	183,512	183,512
Investments carried at FVTOCI				
Quoted shares	12,203,654	-	-	12,203,654
Unquoted shares	-	-	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>

During the year, there were no transfers between the various levels of fair value measurements.

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

**Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December
2023**

31 Segment reporting

The Group's activities comprise two main business segments: 1) real estate 2) investments. The details of segment revenue, result, assets and liabilities have been provided below:

	31 December 2023			31 December 2022		
	Real estate AED	Investments AED	Total AED	Real estate AED	Investments AED	Total AED
Segment revenue	11,237,129	-	11,237,129	10,800,650	-	10,800,650
Segment other income	7,398,354	463,124	7,861,478	9,080,799	590,571	9,671,370
Segment expenses	(14,704,955)	-	(14,704,955)	(10,917,668)	(56,231)	(10,973,899)
Segment Profit	3,930,528	463,124	4,393,652	8,963,781	534,340	9,498,121
	31 December 2023			31 December 2022		
	Real estate AED	Investments AED	Total AED	Real estate AED	Investments AED	Total AED
Segment Assets	139,510,517	15,235,074	154,745,591	165,296,280	15,196,563	180,492,843
	139,510,517	15,235,074	154,745,591	165,296,280	15,196,563	180,492,843
	31 December 2023			31 December 2022		
	Real estate AED	Investments AED	Total AED	Real estate AED	Investments AED	Total AED
Segment Liabilities	31,739,656	-	31,739,656	61,626,814	-	61,626,814
	31,739,656	-	31,739,656	61,626,814	-	61,626,814

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

Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

32 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 FVTOCI at 31 December 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:

		Market Index	
		Change in market prices	Effect on equity (fair value reserve)
		%	AED
31 December 2023			
Kuwait		+5%	588,479
		-5%	(588,479)
31 December 2022			
Kuwait		+5%	610,183
		-5%	(610,183)

The effect on consolidated 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 31 December 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:

		Market Index	
		Change in market prices	Effect on consolidated profit or loss
		%	AED
31 December 2023			
U.A.E.		+5%	24,846
		-5%	(24,846)
31 December 2022			
U.A.E.		+5%	9,014
		-5%	(9,014)

33 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 consolidated statement of profit or loss and other comprehensive income 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.



CORPORATE
GOVERNANCE

AUDITORS

COMMITTEES
REGULATIONS

ARAM GROUP

COMPLIANCE

BOARD
AGM

CORPORATE GOVERNANCE REPORT 2023

ARAM GROUP COMPANY

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Introduction

In its internal policy, the company has followed the highest professional levels over the past years to optimally implement governance rules. The Board of Directors considers that the existence of a strong governance system as one of the cornerstones of the Company's sustainable and long-term growth. The Board is committed to enhance the value of the Company for its shareholders, taking into account the interests of all stakeholders, employees, suppliers, customers, business partners, as well as the communities in which the Company operates.

Our most important objectives are to reach with the company's management to the best practices in an effective and dynamic manner to serve all the shareholders by organizing the management's main responsibilities and tasks, developing its decision-making strategy, and clearly defining its objectives to achieve them as soon as possible in order to encourage long-term investment and achieve financial stability and business integrity, which ultimately leads to achieving sustainable growth. To achieve this goal, the company's Board of Directors approved the (Corporate Governance System) in accordance with all legal and regulatory requirements related to the rules of professional conduct and corporate governance, in particular, the directives issued regarding the implementation of the Authority's Chairman of the Board of Directors' Decision No. (3/Chairman) of 2020 regarding the adoption of the Governance Guide for Public Joint Stock Companies.

The Company's governance framework takes into consideration the application of the principles and standards set by both: the Securities and Commodities Authority and Abu Dhabi Securities Exchange, as well as the Federal Law No. (02) of 2015 on commercial companies, as amended, in order to develop the Company's policy, requirements and aspirations.

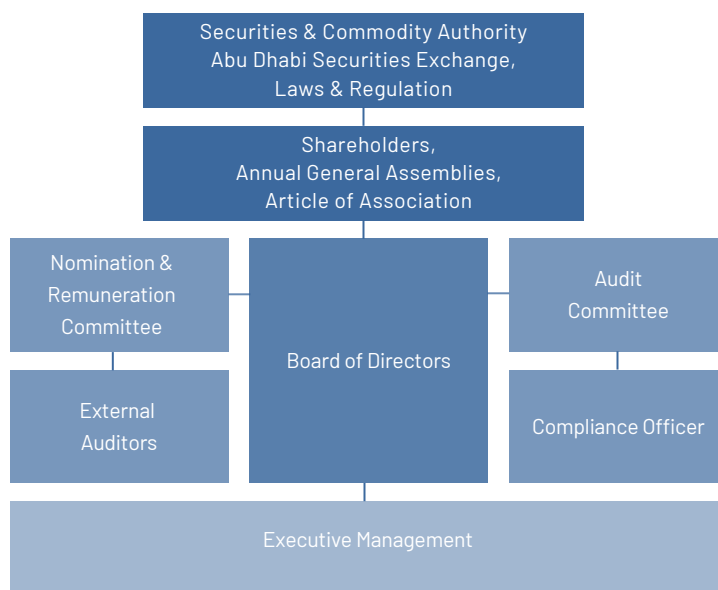
This report gives an overview of ARAM Group corporate governance systems and procedures as of December 31st , 2023, and has been posted on the Abu Dhabi Exchange (ADX) website and the Group's website. This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 in regard to the Corporate Discipline and Governance Standards of Public Joint Stock Companies, and the format of this report is as prescribed by SCA.

1.0 Governance Application in ARAM Group Company

Shareholders represent the highest levels of governance, and the Company's Articles of Association define the framework through which ARAM Group Company shall operate to develop its policy, requirements and aspirations. The Board of Directors is accountable to the shareholders for ensuring that the Company's objectives are in line with their expectations, ensuring the effectiveness of the businesses of the Company's management, with the emphasis that the Company's objectives are consistent with the statutory requirements and the professional codes of conduct defined by both Securities and Commodities Authority and Abu Dhabi Securities Exchange.

In the context of constant monitoring to measure the effectiveness of the application of the governance system, the Board of Directors periodically reviews the governance framework and amends its elements (where necessary) to ensure its consistency with the regulatory controls and changing business environment.

The following diagram illustrates the governance framework and the key elements resulting from the application of the Company's governance system:



As indicated above, the application of the governance system involves different levels, including Board of Directors, Executive Management, Board of Directors Committees, and the compliance officer.

The Board of Directors performs periodic reviews regarding the application of standards and systems of governance in the Company, taking into consideration the legal and regulatory requirements and controls of these systems, and the application of the highest international standards in this field.

2.0 A statement of the ownership and transactions of board members, their spouses, and their children in the company's securities during the year 2023

According to the company's policy of establishing governance principles in the trading's of the company's Board Members (along with all employees and insiders of the Company) and based on their belief in the importance and necessity of compliance with the rules and regulations controlling their transactions and trading's in the shares and securities of the Company. they are also prohibited to use any undisclosed internal information for personal interest or to remove a harm that may affect them as a result of any undisclosed material information according to the Article 12 of the instructions of listing securities in Abu Dhabi Securities Exchange (ADX), which states:

"The Chairman and members of the Board of Directors of a company whose securities are listed on the market, its general manager, or any employee familiar with the basic data of the company may not trade, personally or through others, by dealing in the securities of the mother company, subsidiary, allied or sister company of that company during the following periods:

1- 10 business days before announcing material information that would affect the stock price up or down, unless the information results from urgent and sudden events.

2- 15 days before the end of the annual and quarterly financial period and until the financial statements for that quarter are disclosed.

Based on the foregoing, and in the light of the disclosures made by the Board of Directors, the following table shows the shares and securities owned by the Directors and their first-degree relatives (their spouses and children) in the Company's share capital as of December 31, 2023, and the Trading's in the Company's Shares carried out by them during the year 2023:

Name	Position / relationship	Shares Owned as of December 31, 2023 (Share)	Shares Owned by first-degree relatives in the capital of the company (Share)	Total sales transactions (Share)	Total Purchases transactions (Share)
Ahmed Ali Mohamed Abdelaziz Alsarkal	Chairman	3,348,047	201,070	NA	3,348,047
Khamis Mohamed Khamis Buharoon Alshamsi	Vice Chairman	NA	-	NA	NA
Ziyad Mahmoud Khairallah Alhaji Alharmouzi	Board Member	2,448,791	-	NA	2,000,000
Mansoor Abduljabbar Ahmed Alsayegh	Board Member	NA	-	NA	NA
Alyazia Naser Yousef Naser Alzaabi	Board Member	NA	-	NA	NA
Ibrahim Ahmed Al Mannaei	Vice Chairman (Former)	26,000	-	NA	NA
Jassem Mubarak Masoud Jassem AlDhaheiri	Board Member (Former)	NA	-	NA	NA
Mohammad Jaffar Alhaj Ali Alrahma	Board Member (Former)	NA	-	3,074,987	NA
Christian Wolff	Board Member (Former)	NA	-	NA	NA

3.0 ARAM Group Boards of Directors

The role of the Board of Directors is to supervise the Company's business affairs. The Board of Directors is responsible for monitoring the effectiveness of the governance framework, controlling and supervising the management and controls applied in the Company. The Board has delegated some of its authorities to its Committees (Audit Committee, Nomination and Remunerations Committee) which operate according to the Charters and Regulations approved by it and submits its reports and recommendations to the Board of Directors out of responsibility and transparency.

The Board has also delegated the tasks of the day-to-day management of the Company to the Group Chief Executive Officer to ensure balance and suitability between the level of control and the risks management and work requirements within the Company with regard to its developments and changes in its activities and operations.

3.1 Formation of ARAM Group Board of Directors

On November 7, 2023, the company's Board of Directors members submitted their resignation for special reasons. The new Board of Directors members were elected by the General Assembly on December 14, 2023.

Accordingly, The Board of Directors currently includes five Members, according to the following table:

Name	Position	Category (executive, non-executive, independent)	Experiences	Qualifications	Date of appointment as BOD member	Membership of the Directors in other Public Joint Stock Companies	Positions in any other important supervisory, governmental or business entities
Ahmed Ali Mohamed Abdelaziz Alsarkal	Chairman	Independent	overall experience in business and strategic planning fields of 30 years	Postgraduate in Development Administration from the University of Western Michigan, USA.	Since Dec 14th, 2023 to Jan 30th, 2024	N/A	Managing Partner at Flag Holding, Chairman at Genyx LLC, Vice Chairman of board Drake & Scull international, independent board member of Apollo Logistics Solution
Khamis Mohamed Khamis Buharoon Alshamsi	Vice Chairman	Independent	Overall Banking, Finance and Real Estate experience of 35 years	Bachelor's Degree of Accounting, Business Administration, and other banking courses	Since Oct 7, 2021 to date	Chairman of Abu Dhabi National Takaful Company, Board Member at Agthia PJSC	Independ Managing Director in Royal Capital
Ziyad Mahmoud Khairallah Alhaji Alharmouzi	Board Member	Independent	Overall experience in the field of business, investments, and industry of 25 years	Diploma in Banking and Finance	Since Dec 14th, 2023 to date	Board Member in EMAAR International Plastic Industry, Board Member of General Ceramics Company	Board Member and Honorary Treasurer in Sharjah Chamber of Commerce and Industry
Mansoor Abduljabbar Ahmed Alsayegh	Board Member	Independent	Overall experience in business, marketing and the financial sector of 15 years	Bachelor's degree in business communication and marketing strategy from Curry College, USA	Since Dec 14th, 2023 to date	N/A	Chief Executive Officer at Al Sayegh Group
Alyazia Naser Yousef Naser Alzaabi	Board Member	Independent	Overall Experience in Banking Sector	Graduated from Emirates Private School Academy, Abu Dhabi	Since Dec 14th, 2023 to date	N/A	N/A

In this regard, it should be noted that the membership of the Board of Directors consisted mostly of the independent members since the establishment of the Company according to the decision of the Chairman of the Authority No. (3/Chairman) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies.

The Board has adopted a policy on the independency of Members, under which the independence of each Member is assessed annually, which falls within scope of the responsibilities of the Nominations and Remunerations Committee. Accordingly, the conflict of interests and the emergence of relationships that may arise on independent members, which in turn may lead to a breach of independence, shall be reported and the relevant procedures shall be taken into account if the Board finds any defect or a decline in the capacity of their independence.

3.2 Profile of Board Members

Ahmed Ali Mohamed Abdelaziz Alsarkal



Chairman
Independent

Mr Ahmed Alsarkal has been the Chairman of ARAM Group Company since December 2023, bringing to the company almost three decades of exemplary business experience.

Ahmed Al Sarkal is a seasoned professional with proven entrepreneur capabilities and skills. He is a postgraduate in Development Administration from the University of Western Michigan, USA.

He joined Flag Holding in the year 2009 in the capacity of Managing Partner and led the organization into diversified investment segments of Real Estate, Hospitality, Health Care, Education, Travel & Tourism, Biodiversity, Food & Beverage, and Retail.

Apart from his role as the Chairman of the Board of Directors of Aram Group Company PJSC, Mr. Ahmed holds several other administrative positions, including Chairman of the Board of Directors of Genyx Consulting LLC since 2009 till date, and Vice Chairman of the Board of Directors of Drake & Scull International since 2020 till date, and an independent board member of Apollo Logistics Solution since 2015 till date.

Khamis Mohamed Khamis Buharoon Alshamsi



Vice Chairman
Independent

Mr. Khamis Buharoon has joined the Board of Directors of Aram Group Company since October 2021, with more than 35 years' experience in a multitude of advisory roles in the UAE. He is also Chairman of Abu Dhabi National Takaful Company PJSC, and Board Member in Agthia Group PJSC.

Mr. Buharoon Al Shamsi spent 14 years at Abu Dhabi Islamic Bank, from 2007 to March 2021. During this time, he held many roles including managing director, member of the board of directors, vice-chairman of the board of directors, and acting CEO for two years. As well as served the Chairman of Board of Directors for Burooj Real estate and He most recently served as the Vice Chairman of Abu Dhabi Islamic Bank.

Buharoon contributed in establishing several investment companies such as Arqaam Capital Investment in DIFC, UBL and served as a board member in Tharawat Investment House in the Kingdom of Bahrain, Naeem Holdings in Egypt and Unifund Capital Financial Investment in the UAE from 2009 to 2017 and the Chairman of Etihad Capital in the UAE.

Khamis Buharoon holds a bachelor's degree in business and accounting.

Ziyad Mahmoud Khairallah Alhaji Alharmouzi



Board Member
Independent

Mr Ziyad has an overall experience as Board Member and Managing Director of General Ceramics Company from 2008 till date, and Board Member in EMAAR International Plastic Industry LLC from 2000 till date, as well as Board Member and Honorary Treasurer in Sharjah Chamber of Commerce and Industry from 2014 till date.

Mr. Ziyad served as Chairman of the Board of Directors of Aram Group (formerly Sharjah Group), from 2012 until 2022.

Zeyad holds Diploma in Banking and Finance

Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh



Board Member
Independent

Mansoor Al Sayegh is the Group Chief Executive Officer of the Al Sayegh Group (ASG) since 2010 to date, which is a group of companies owned by the Sayegh family and established in 1980. He is in charge of overseeing and supervising all of the group's companies due to his position.

In 2008, Mansoor began his professional journey at Mubadala Investment Company. Subsequently, he progressed to Corporate Banking, where he acquired significant expertise in the financial sector.

Mr. Mansoor is a well-respected counsel in the Abu Dhabi business community due to his vast network in both the public and private commercial sectors of the UAE in addition to his experience and in-depth knowledge of the market. He is a member of the Youth Business Council of the Abu Dhabi Chamber of Commerce and Industry and a member of several general government committees.

He holds a bachelor's degree in business communication and marketing strategy from Curry College in the United States of America 2009

Alyazia Naser Yousef Naser Alzaabi



Board Member
Independent

Al Yazia Al Zaabi is a young Emirati leader who has an overall experience in Banking field, As she worked with RAK Bank since 2023 till date.

Alyazia is an inspiring model for Emirati women with her ambition to reinforce the position of women in community development and promote youth participation locally and internationally and develop their expertise in various fields. Thus, she is the first female member to hold the position of board member at Aram Group Company PJSC

Al-Yazia studied at the Emirates Private Schools Academy, Abu Dhabi - United Arab Emirates.

She participated in many training courses, workshops and national initiatives to activate and empower young Emirati talents.

3.3 Women Representation in the Board of Directors during 2023

In its current formation, the Board of Directors includes one woman (one member), which is equivalent to 20% of the composition of the Board of Directors represented in the joining of Ms. Alyazia Alzaabi to the Company's Board of Directors, through the process and procedures for re-election and formation of the Company's Board of Directors in accordance with the decision issued by the Company's shareholders at the General Assembly held on December 14th, 2023.

3.4 Remunerations and Allowances which were received by the Board of Directors members

Article (38) of the Articles of Association of ARAM Group Company provides that:

"The remuneration of the Board Chairman and members shall be a percentage of the net profit, provided that it shall not exceed 10% of the net profits of the fiscal year. The Company may also pay expenses, fees, additional bonus or a monthly salary to the extent decided by the Board of Directors to the Board member who serves in any committee, makes special efforts or performs additional work to serve the Company in excess of his/her regular duties as a Board member. Attendance allowance may not be paid to the chairman or the Board members for attending Board meetings."

Article (60) of the Articles of Association defines the distribution method of net profits. The net annual profits of the Company are distributed after deduction of all general expenses and other costs as follows:

- Ten percent (10%) shall be deducted and allocated to the legal reserve. This deduction shall be stopped when the total reserve amounts to 50% of the Company's paid-up capital. If the reserve decreased, the deduction shall be resumed.
- The General Assembly shall consider the recommendations of the Board of Directors in relation to the percentage proposed for the distribution of the net profits among the shareholders, after deducting the reserves and depreciations. However, if the distribution of the profits was not permitted in any year, they cannot be claimed from the profits of the following years.
- A percentage shall be allocated as a remuneration of the members of the Board of Directors, provided that it shall not exceed (10%) of the net profits of the ending fiscal year after deducting all the depreciations and reserves. The Board shall propose the said remuneration, and the same shall be presented to the General Assembly for consideration. Fines that may have been imposed on the Company by the Authority or the Competent Authority due to violations committed by the Board of Directors of the Companies Law or the Articles of Association during the ended fiscal year shall be deducted from the remuneration. The General Assembly may decide not to deduct such fines or some of them if it deems that they were not the result of a default, or an error made by the Board of Directors.
- The remaining net profits shall be distributed, carried forward, upon the recommendation of the Board of Directors, to the following year or allocated to establish a voluntary reserve for specific purpose, and it may not be used for any other purpose except with a resolution of the Company's General Assembly.

Total Remunerations of the Members of the Board of Directors for the year 2022

Based on the decision issued by the General Assembly of the Company at its meeting held on April 26, 2023, the total remuneration received by the members of the Company's previous Board of Directors for the fiscal year ending on December 31, 2022 amounted to AED 400,000.00 (Four Hundred Thousand Dirhams).

Total proposed remunerations of the Directors for 2023

It has been proposed to distribute remuneration to the previous Board of Directors members for the year 2023 in the amount of AED 400,000.00 (Four Hundred Thousand Dirhams), which will be presented at the annual general assembly meeting for approval.

Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2023.

the following table indicates the allowances received by the Members of previous Board against their attendance of the Board Committees' Meetings during 2023 totaling AED 42,000 (Forty-Two thousand dirhams):

S/N	Name	Allowances of Attendance at the Meetings of the Board Committees		
		Name of Committee	Allowance Amount	Number of Meetings
1	Christian Wolff	Audit Committee	8,000/-	04
2	Mohammad Jaffar Alhaj Ali Alrahma	Audit Committee	8,000/-	04
3	Jassem Mubarak Masoud Jassem AIDhaheri	Audit Committee	8,000/-	04
4	Khamis Mohamed Khamis Buharoon Al Shamsi	Nomination & Remuneration Committee	2,000/-	01
5	Jassem Mubarak Masoud Jassem AIDhaheri	Nomination & Remuneration Committee	4,000/-	02
6	Mohammad Jaffar Alhaj Ali Alrahma	Nomination & Remuneration Committee	6,000/-	03
7	Christian Wolff	Nomination & Remuneration Committee	6,000/-	03

Details of additional allowances, salaries or fees received by a Board Member, during the year 2023, other than the allowances for attending the Committees

No allowances, salaries, or additional fees were disbursed during the year 2023.

3.5 Board Meetings during 2023 and Attendance of Board Members

Statement of the number of meetings held by the previous Board of Directors during the fiscal year. The Board of Directors had convened four meetings during 2023 as follows:

No.	Meeting Date	No. of Attendance	No. of attendees by proxy	No. of Absent Members	Names of Absent Members
1	17th March, 2023	5 (Via Video-call)	-	-	-
2	12th May, 2023	5 (Via Video-call)	-	-	-
3	14th August, 2023	5 (Via Video-call)	-	-	-
4	7th November, 2023	5 (Via Video-call)	-	-	-

Below are details of Board Meetings attendance during the year 2023 as follows:

Previous Board of Directors	No. of Absences	First Meeting 17 March 2023	Second Meeting 12 May 2023	Third Meeting 14 August 2023	Fourth Meeting 7th Nov 2023
Mr. Khamis Mohamed Khamis Buharoon Alshamsi	-	✓	✓	✓	✓
Mr. Ebrahim Ahmed Al Mannaei	-	✓	✓	✓	✓
Mr. Jassem Mubarak Masoud Jassem AlDhaheiri	-	✓	✓	✓	✓
Mr. Mohammad Jaffar Alhaj Ali Alrahma	-	✓	✓	✓	✓
Mr. Christian Wolff	-	✓	✓	✓	✓

Statement of the number of meetings held by the current Board of Directors during the fiscal year. The Board of Directors had convened one meeting during 2023 as follows:

No.	Meeting Date	No. of Attendance	No. of attendees by proxy	No. of Absent Members	Names of Absent Members
1	14th December, 2023	5 (Via Video-call)	-	-	-

Below are details of Board Meetings attendance during the year 2023 as follows:

Current Board of Directors	No. of Absences	First Meeting 14th December, 2023
Mr. Ahmed Ali Mohamed Abdelaziz Alsarkal	-	✓
Mr. Khamis Mohamed Khamis Buharoon Alshamsi	-	✓
Mr. Ziyad Mahmoud Khairallah Alhaji Alharmouzi	-	✓
Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh	-	✓
Ms. Alyazia Naser Yousef Naser Alzaabi	-	✓

3.6 Summary of Board Resolutions Passed During 2023

• Board Resolutions passed by circulation during 2023

Article (29) of the Articles of Association of ARAM Group regarding Board Resolutions passed by circulation provides that:

“Without prejudice to the minimum number of Board meetings required under Article 28 above, the Board of Directors may issue some of its resolutions by circulation in urgent instances. These decisions shall be valid and effective as if they were made at a meeting summoned and duly convened, taking into consideration that:

- The number of instances for issuing a Board resolution by circulation shall not exceed four (4) times per year.
- The majority of the directors approve that the instance requiring the issuance of a resolution by circulation is considered urgent.
- The directors are provided with the resolution by circulation in writing for their approval, and attached with all documents required for review.
- The majority of the directors must approve in writing the resolutions by circulation, and such resolutions by circulation shall be presented during the next board meeting to be included in the minutes of the said meeting.

During the fiscal year 2023, there is no resolution passed by the Board of Directors.

• Resolutions Passed at the previous Board of Directors Meetings

No	Meeting Date	Resolutions Passed
1	17 March 2023	-Approved the Audited Financial Statements for the year ended 31.12.2022. -Approved the Agenda for General Assembly and determined the date of the meeting to be on 17.04.2023 at 11:00 am in the company office. -Suggested no dividends for the fiscal year ended 2022. -Suggested board remuneration for the fiscal year ended 2022.
2	12 May 2023	-Approved the Audited Financial Statements for the 1st quarter, 2023
3	14 August 2023	-Approved the Audited Financial Statements for the 2nd quarter, 2023
4	07 November 2023	-Approved the Audited Financial Statements for the 3rd quarter, 2023 -All Board of Director's Members have submitted their resignations to be presented to the upcoming General Assembly to elect a new Board of Directors.

• Resolutions Passed at the current Board of Directors Meetings

No	Meeting Date	Resolutions Passed
1	14 December 2023	-Appointment of the Chairman and Vice Chairman of the Company's Board of Directors -Formation of the Board Audit Committee -Formation of the Board Nomination & Remuneration Committee -Appointment of the Board of Directors Rapporteur -Renewing the Power of Attorney granted to the CEO

3.7 The responsibilities and authorities carried out by the Executive Management based on a mandate from the Board of Directors

The Aram Group's Board of Directors has adopted a policy that enables and empowers the governance process, including that members of the executive management pay special attention to the duties entrusted to them. The Board has delegated certain levels of powers to each of the following:

Name of the authorized person	Power of authorization	Duration of authorization
Ali Musmar – CEO	Administrative, operational, and financial authorities for ARAM Group Company.	3 years
Ali Musmar – CEO	Full authority to reach the highest occupancy rate for the company's buildings by repricing at competitive prices.	As needed

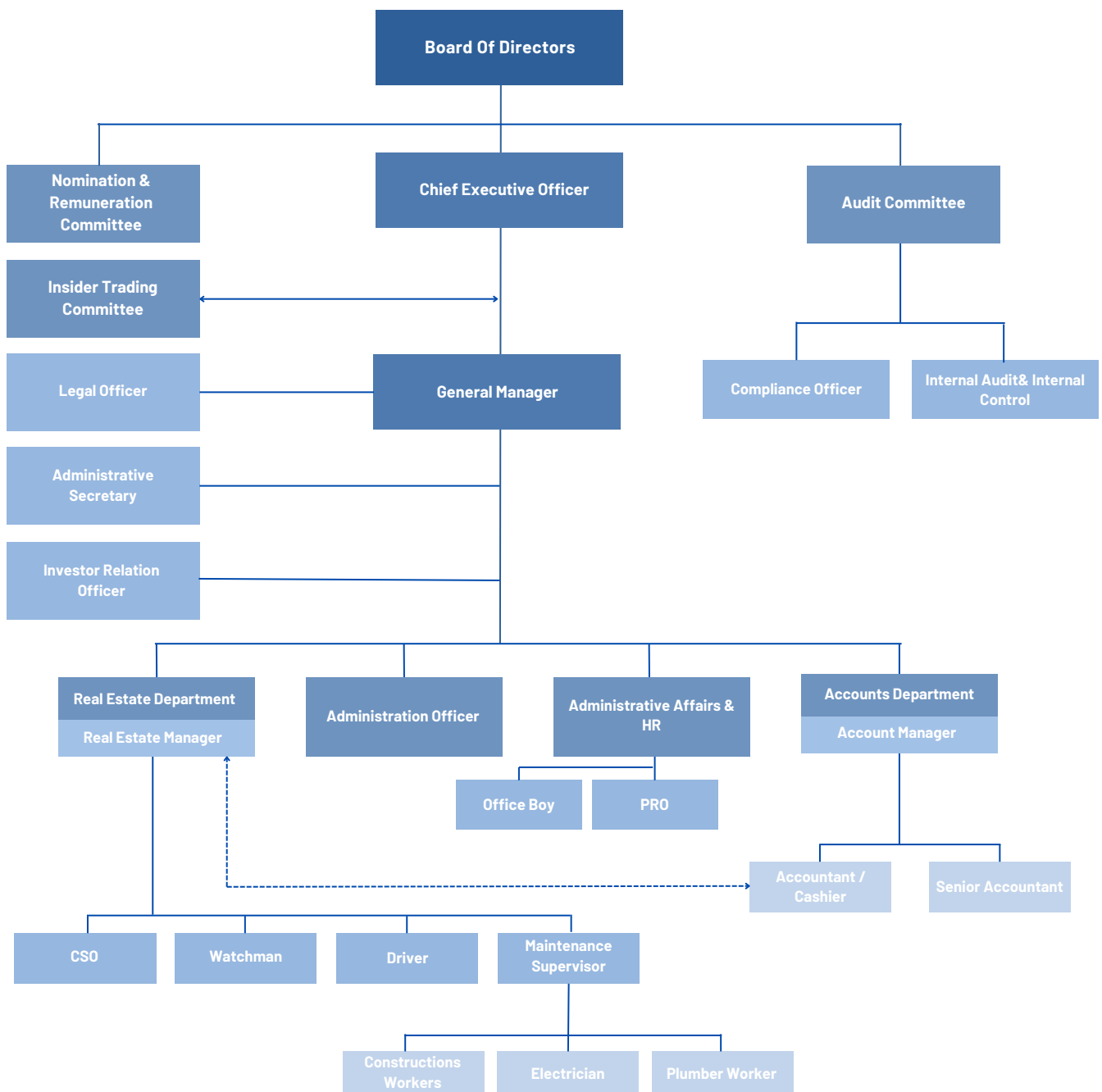
The Chief Executive Officer has the authority to act within the framework of the operational plan and the budget of operating income and expenses discussed and approved by the Board, according to the authorities granted thereto under the Delegations of Authority. The Chief Executive Officer may delegate some of his duties to the Executive Management Team, according to the current policies of the Board, Delegations of Authority and legal requirements which determine the powers of such delegation. The validity of responsibilities and duties vested in the Chief Executive Officer is three (3) renewable years.

3.8 Business Transactions with related Parties

There are no transactions with related parties within the scope of the governance during the year 2023.

3.9 Organizational Structure of ARAM Group Company

Since its inception, ARAM Group Company has been developing and implementing an efficient and effective organizational structure at all department and division levels in order to ensure a high-level of coordination and management interaction, and to ensure a high-level of disclosure, transparency and interaction with markets, which is reviewed continuously by the Executive Management. The following diagram represents the Company's Organizational Structure:



3.10 Executive Management Team

The Executive Management Team (which includes the Group Chief Executive Officer and Executive Officers of its departments and divisions) work according to their authorities specified by the Board of Directors, and within the approved strategic plan. They are responsible for managing the day-to-day operations of the Company and key business issues, in line with the strategic plan framework of the Company. The Chief Executive Officer periodically meets with the Executive Management Team directly.

The following table shows the Members of the Executive Management Team, their appointment dates, salaries and Remunerations they received during 2023:

Position	Date of Appointment	Total Salaries and Allowances paid in 2023 (AED)	Total Bonuses paid for 2023 (AED)	Any other Cash/in-kind bonuses for 2023 or due in the future
Chief Executive Officer	10/10/2021	1,200,000	-	-
General Manager	03/02/1979	432,000	-	-
Chief Accountant	01/08/2022	150,000	12,500	-
Real Estate Manager	04/11/2006	201,600	20,000	-
Previous Compliance Officer	from 26/11/2016 to 07/07/2023	52,296	7,600	-
Senior Administrative Officer and Compliance Officer	10/01/2022	168,000	11,800	-

4.0 External Auditor

4.1 An overview of the company's auditor for shareholder

Based on the nominations of the Audit Committee, the Board of Directors nominates the auditor to the General Assembly to approve his appointment after verifying his independence, competence and reputation for a period of one year. Accordingly, the auditor will assume his duties from the end of the Assembly Meeting until the end of the Assembly Meeting of the following year. His fees are determined by a decision of the General Assembly, and he is prohibited from carrying out other accounting work related to accounting records. He is also prohibited from designing or implementing any information systems if they have a substantial influence on the financial data or control systems related thereto or to provide any services or internal audit works by subcontract.

Furthermore, he is forbidden to provide any valuation or appraisal work for the company during the audit process or participate therein, as well as to provide any administrative services or work related to financial or real estate brokerage.

Accordingly, it was contracted with Crowe Mak, a member of the International Crowe Mak Company, which has experience for more than 40 years in the United Arab Emirates and one of the largest audit and consulting companies worldwide with firm presence at the international and local levels, providing independent and objective opinions in line with the methodologies and processes arising at the global level in the application of accounting standards.

4.2 Fees and costs of the services provided by the External Auditor:

The following table shows the services provided by the External Auditor during 2023 and the fees charged for these services:

Name of Audit Firm	Crowe Mak
Name of Partner Auditor	Dr. Khalid Maniar
Number of years spent as an external auditor of the Company	1 Year
Number of years spent by the Partner Auditor in auditing the Company's Accounts	1 Year
Total audit fees for the financial statements for the year ended on December 31, 2023 (AED)	Aram Group Company AED 87,500+VAT Tarfah General Trading KWD 1,000+VAT
Details and nature of other services provided by the external auditor during the year 2023	External Audit to confirm the Unpaid Dividend payable balance
Fees and costs for special services other than the audited financial statements of year 2023	AED 12,000 + VAT
Statement of other services provided by an external auditor other than the company's auditor during 2023	N/A

4.3 Reservations that the company auditor included in the interim and annual financial statements for the year 2023

The Company's auditor did not submit any reservations regarding the interim and/or annual financial statements of the Company during 2023.

5.0 Audit Committee

5.1 Ratification of Audit Committee Chairman

Mr. Khamis Buharoon Al Shamsi, The Chairman of the Audit Committee acknowledges responsibility for discharging the Audit Committee's mandate across the Company, reviewing its work mechanism, and ensuring its effectiveness. The Audit Committee assists the Board of Directors in discharging its responsibilities with respect to Internal Control Systems, accounting policies, financial reporting, compliance, and internal and external audits. The Audit Committee ensures that the main objectives of the Company are achieved effectively and efficiently, within a tight framework of internal controls, risk management and governance.

5.2 Formation of the audit committee

The Committee is formed upon a decision by the Board of Directors, which determines its name and duties. The Committee is formed immediately after determining the Board of Directors positions who were elected by the General Assembly.

The Audit Committee consists of three independent members appointed in 14 December 2023, as per the following table:

Audit Committee Members	Position	Category
Mr. Khamis Mohamed Khamis Buharoon Alshamsi	Chair of the Committee	Independent
Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh	Member	Independent
Mr. Ziyad Mahmoud Khairallah Alhaji Alharmouzi	Member	Independent

The Audit Committee is responsible for monitoring the company's financial statements, recommending changes to the company's control systems and financial system, monitoring accounting practices, and recommending the nomination of an external auditor.

The Audit Committee has powers to study any activity within its own revision terms. It is authorized to reach the external and internal auditor, obtain information relevant to audit work, and seek the assistance of any internal or external specialized party to provide professional consultancy on any matter related to the company's accounts. It also has powers to request any information it needs from any employee or Board member; therefore, the Board members and employees are directed to cooperate with any demand from the Committee.

5.3 Audit Committee Meetings During the Year 2023

The following table shows the number of meetings held by the committee consisting of the previous Board of Directors members to discuss matters related to the financial statements and monitor the status of Aram Group Company's compliance with applicable laws and regulations and any other matters:

Audit Committee Members	No. of absences	First Meeting 13 March 2023	Second Meeting 09 May 2023	Third Meeting 11 August 2023	Fourth Meeting 30 October 2023
		External Auditor (Grant Thornton)	External Auditor (Crowe Mak)	External Auditor (Crowe Mak)	External Auditor (Crowe Mak)
Mr. Christian Wolff	-	✓	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaheri	-	✓	✓	✓	✓
Mr. Mohammad Jaffar Alhaj Ali Alrahma	-	✓	✓	✓	✓

6.0 Nomination and Remuneration Committee

6.1 Ratification of Nomination and Remuneration Committee Chairman

Mr. Ziyad Khairallah Alhaji Alharmouzi, The Chairman of the Nomination and Remuneration Committee acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate across the Company, reviewing its work mechanism, and ensuring its effectiveness.

The Nominations and Remunerations Committee reports to the Board on culture, performance and compensation policies that reflect best practices, and makes recommendations on the succession plans of the Board, taking into account the challenges and opportunities facing the Company and the skills and experiences needed in the future.

6.2 Formation of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three independent members appointed in 14 December 2023, as per the following table:

Nomination and Remuneration Committee Members	Position	Category
Mr. Ziyad Mahmoud Khairallah Alhaji Alharmouzi	Chair of the Committee	Independent
Mr. Khamis Mohamed Khamis Buharoon Alshamsi	Member	Independent
Ms. Alyazia Naser Yousef Naser Alzaabi	Member	Independent

The role of the committee is to determine the individual and total remuneration for members of the Board of Directors in accordance with the framework approved in the Corporate Law and the Governance Resolution, develop a remuneration policy for executive management related to the company's performance, and determine the payroll caps including salaries, bonuses, and incentive programs.

The committee is also responsible for preparing and reviewing human resources policies and relevant systems, supervising procedures, and reviewing the nomination of members of the Board of Directors. The Committee is granted powers by the Board of Directors to study any activity within its revision terms and it is authorized unconditionally to get any professional consultancy on any matter related to the company.

The committee has the authority to request any information it needs from any employee or member of the Board of Directors; therefore, the Board members and employees are directed to cooperate with any request submitted by the Committee.

6.3 Nomination and Remuneration Committee Meetings During the Year 2023

The following table shows the number of meetings held by the committee consisting of members of the previous Board of Directors during the year 2023.

Nomination and Remuneration Committee Members	No. of absences	First Meeting 13 March 2023	Second Meeting 27 November 2023
Mr. Jassem Mubarak Masoud Jassem AlDhaheiri	-	✓	✓
Mr. Christian Wolff	-	✓	✓
Mr. Mohammad Jaffar Alhaj Ali Alrahma	-	✓	✓

7.0 Insider Trading Supervision Committee

7.1 Insider Trading Supervision functions

In implementation of the decision of the Chairman of the Authority No. (03/) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies, the Management of the Company assigned the Insiders' affairs and their trading in the Company's shares and securities to the compliance officer, since the committee was not formed due to the lack of a quorum of members. . In addition, the Management of the Company identified the duties and competencies of such Department represented in the following:

The company's management referred the insiders' affairs and their trading in the company's shares and the securities issued by it to the compliance officer, since the committee was not formed due to the lack of a quorum of members. Accordingly, the company's management determined the tasks and powers assigned to the compliance officer, which are as follows:

- Management, follow-up and supervision of the insiders' transactions and ownerships, and maintaining their record.
- Development of a special and integrated record that includes the insiders' names and details, including persons who may be considered as temporary insiders and those who have access to the Company's internal information prior to publication.
- Quarterly review of the records and lists of the insiders for continuous update, and consultation with the Executive Management on any updates required to such records and lists according to the requirements of the business of the Company.
- Ensuring continuous update of the list of insiders on the Abu Dhabi Securities Exchange website and making any updates to such list as soon as it occurs.
- Submission of periodic reports and statements to Securities and Commodities Authority and Abu Dhabi Securities Exchange.
- Any other competencies or tasks delegated to the Committee from time to time by the Board of Directors of the Company.

It is worth mentioning that the Company is fully committed not to exploit undisclosed or unpublished information related to the business of the Company and if it has an effect on the Company's shares price in the financial market. Additionally, trading by insiders in the Company's shares is prohibited during the trading prohibition periods imposed by Securities and Commodities Authority and Abu Dhabi Securities Exchange to ensure continuous compliance with the applicable laws and regulations.

8.0 Other committees approved by the Board of Directors

No other committees approved by the Board of Directors of Aram Group Company were formed during the fiscal year 2023.

9.0 Internal Control System

9.1 Board of Directors' Responsibility for the Internal Control System

The Board of Directors is responsible for supervision of the Company's Internal Control System and reviewing its adequacy, effectiveness, and efficiency. In addition, the Board formed the Audit Committee and appointed the Compliance Officer to contribute to the performance of governance responsibilities that fall under its responsibility. In addition, the Board of Directors authorized and delegated the Audit Committee and the Compliance Officer the responsibility of conducting audit and internal review operations independently and regularly and submitting recommendations to the Board of Directors in a manner that ensures the effectiveness, improvement and development of the company's internal control and governance processes.

9.2 Internal Control In-charge's Profile

No director has been appointed for the Internal Control Department, and internal control tasks have been entrusted to the Audit Committee and the Compliance Officer. The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently.

9.3 Compliance Officer

As explained in clause (7.0) of this Report, The Compliance Officer has been appointed by virtue of a decision issued by the Board of Directors who is responsible for ensuring compliance by the Company and its employees with the issued laws, regulations and decisions, as well as other internal policies and measures. This step was under the decision of the Chairman of the Authority No. (03/ RM) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies.

Name of the Compliance Officer	Qualifications	Date of Appointment
Farah Nabel Alsuliman Aldaher	Bachelors' in business administration	10 January 2022

9.4 Company's Dealing with Material Issues or Problems Disclosed in the Annual Accounts and Reports

The Board of Directors has established standards and principles of internal control in the Company, which aim to provide objective, independent and reliable advice, as well as an ideal work environment that meets the requirements of the Board of Directors and contributes to enhancing the role of the Board of Directors, the Audit Committee and the Compliance officer, in order to contribute to the proper performance of their duties, functions and responsibilities in accordance with the decision of the Chairman of the Authority No. (03/RM) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies to achieve the objectives of the Company and keep up with its aspirations.

During the year 2023, no significant operational internal control failures were identified, and the company did not face any material issues. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the company.

10.0 Violations committed by the Company during 2023

During 2023, The Company did not commit any material violations imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

11.0 Statement of the cash and in-kind contributions made by Aram Group Company during the year 2023 towards the development of the local community and the preservation of the environment.

ARAM Group Company aims to leverage our people and community efforts towards solving real social and environmental challenges, deliver positive impacts for all, and shape communities that thrive now and into the future. Through its social responsibility, ARAM aims at creating sustainable value for shareholders, employees, suppliers, customers, business partners and the communities in which it operates. It supports local communities through a blend of volunteering, charitable donations, sponsorships, education projects, and healthcare initiatives, among others.

ARAM has hired an external consultant to assist the Board in the development of a Sustainability Report for 2023. Details about the sustainability initiatives are provided in ARAM's Environmental, Social and Governance report.

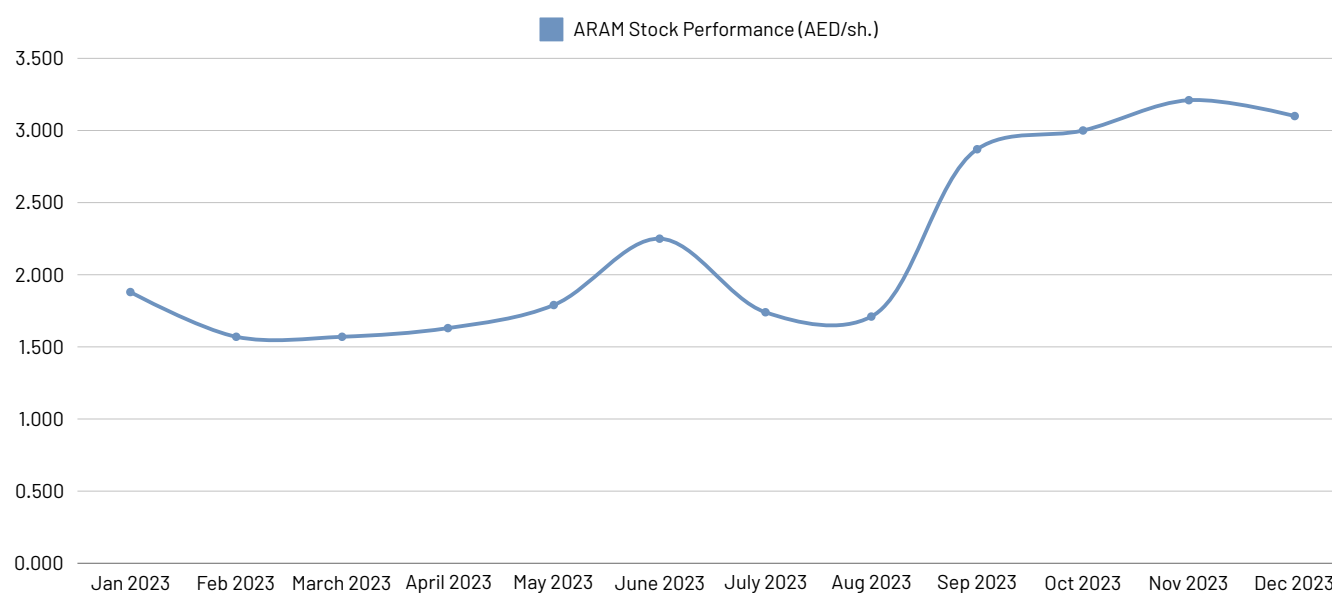
12.0 General Information

12.1 Company's Share Performance during 2023

Trading in the Company's shares witnessed strong activity during the year 2023. The following table provides an overview of the Company's share price at the end of each month of the year ended on December 31, 2023:

Date (Month)	Opening (AED)	Highest Price (AED)	Lowest Price (AED)	Closing (AED)	Quantity (Share)	Value (AED)	No. of Transactions	Change	
								%	AED
Jan 2023	2.010	2.560	1.670	1.880	51,609	99,208.85	90	(15.70)	(0.350)
Feb 2023	1.880	1.980	1.540	1.570	70,039	116,256.80	79	(16.49)	(0.310)
March 2023	1.710	1.800	1.570	1.570	27,433	46,604.69	63	0.00	0.000
April 2023	1.680	1.900	1.380	1.630	286,213	486,204.63	198	3.82	0.060
May 2023	1.790	1.790	1.640	1.790	5,527	9,664.85	20	9.82	0.160
June 2023	1.620	2.300	1.620	2.250	430,052	851,231.94	51	25.70	0.460
July 2023	2.200	2.300	1.530	1.740	573,139	995,093.03	172	(22.67)	(0.510)
Aug 2023	1.700	1.800	1.580	1.710	42,299	72,256.71	62	(1.72)	(0.030)
Sep 2023	1.750	3.040	1.700	2.870	25,095,086	64,559,856.64	512	67.84	1.160
Oct 2023	3.000	3.750	2.450	3.000	1,197,359	3,922,934.84	752	4.53	0.130
Nov 2023	2.990	3.390	2.900	3.210	4,960,465	15,068,304.42	119	7.00	0.210
Dec 2023	3.190	3.220	2.930	3.100	13,339	41,524.33	29	(3.43)	(0.110)

Source : Abu Dhabi Securities Exchange



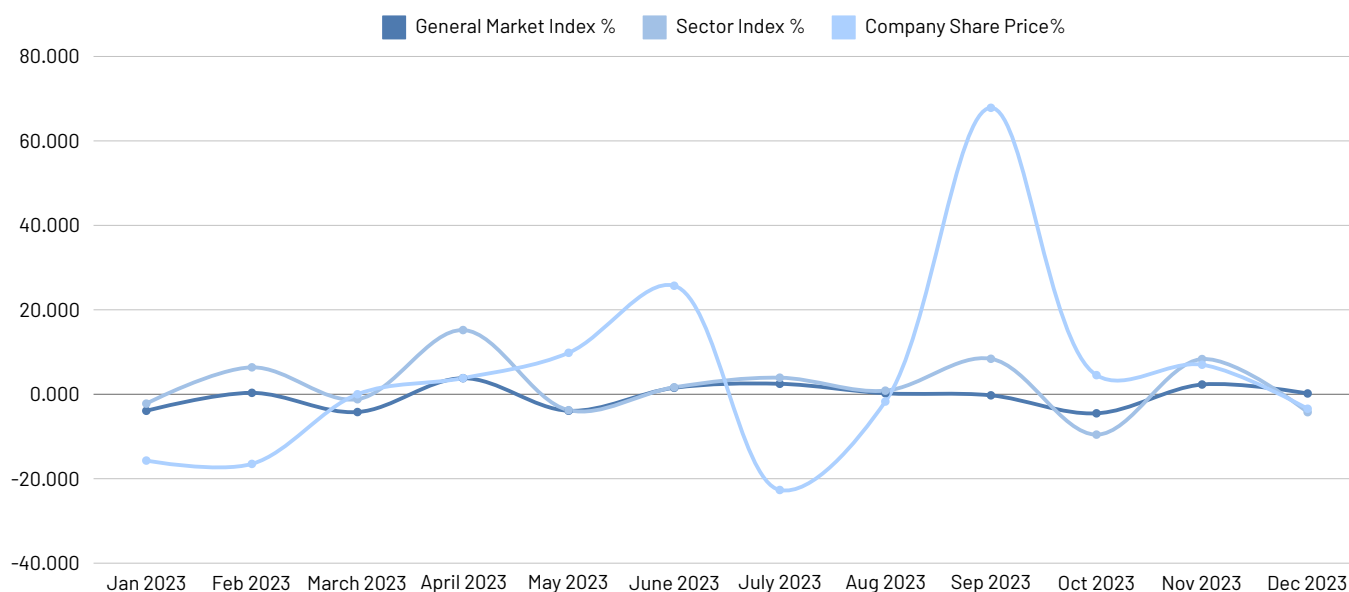
12.2 Comparative Performance of ARAM Group Company's share with the General Market Index and Sector Index during 2023

The following table shows the comparative performance of the Company's share with the general market index and the real estate sector index during the year ended on December 31, 2023:

Month	General Market Index %	Sector Index %	Company Share Price%
Jan 2023	(3.913)	(2.213)	(15.70)
Feb 2023	0.339	6.379	(16.49)
March 2023	(4.211)	(1.176)	0.00
April 2023	3.806	15.204	3.82
May 2023	(3.908)	(3.767)	9.82
June 2023	1.529	1.654	25.70
July 2023	2.479	3.927	(22.67)
Aug 2023	0.236	0.855	(1.72)
Sep 2023	(0.254)	8.404	67.84
Oct 2023	(4.511)	(9.554)	4.53
Nov 2023	2.308	8.336	7.00
Dec 2023	0.191	(4.238)	(3.43)

Source : Abu Dhabi Securities Exchange

ARAM Share Price Performance vs. ADX and Real Estate Sector Index



12.3 Statement of Distribution of Shareholders' Ownership as on December 31, 2023 (Individuals – Companies – Governments), categorized as follows: (Local – GCC – Arabic – Foreign)

The following table shows the distribution of shareholder's ownership in ARAM Group Company (Individuals – Companies – Governments) categorized as follows: (Local – GCC – Arabic – Foreign) as on December 31, 2023:

S/N	Shareholder's classification	Percentage of shares owned %			
		Individuals	Companies	Governments	Total
1	Local	17%	4%	0	21%
2	GCC	37%	14%	1%	52%
3	Arabs	17%	0%	0%	17%
4	Foreigners	10%	0%	0%	10%
Total		81%	18%	1%	100%

12.4 Shareholders whose Ownership Percentage exceeds 5% of the Company's Capital as on December 31, 2023

The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as on December 31, 2023:

Shareholder	No. of Owned Shares	Ownership Percentage %
Salem Abdullah Salem AlHosni	3,210,868	4.07%
AlSalem Limited Company	2,300,000	2.92%
As the shareholder Salem Abdullah Salem AlHosni owns a controlling percentage in AlSalem Limited Company, the combined ownership percentage is more than 5%.		

12.5 Statement of Distribution of Shareholders according to their Ownership Percentage as on December 31, 2023

The following table shows the distribution of shareholders according to their ownership percentage as on December 31, 2023:

S/N	Shares Ownership (Share)	No. of Shareholders	No. of Owned Shares	Owned Shares Percentage of the Capital
1	Less than 50,000	8,082	14,437,556	19.34%
2	From 50,000 to less than 500,000	161	21,261,802	26.38%
3	From 500,000 to less than 5,000,000	27	43,201,728	54.28%
4	More than 5,000,000	0	0	0.00%
Total		8,270	78,901,086	100%

12.6 Controls of Investors Relationships with the Listed Companies

According to the decision of the Chairman of the Securities and Commodities Authority No. (7/) of 2016 on standards of institutional discipline and governance of Public Joint Stock Companies, and the circular issued by the Authority on the controls of investor relationships with listed companies, and on the basis of ARAM's keenness on the optimal application of the applicable rules and regulations in this regard, the Company, has appointed officials specialized in investor relationships management, who have the required qualifications and experiences in the fields of business, accounting and public relations, and full knowledge of the Company's activities, and are familiar with the relevant legal and legislative requirements of the relevant authorities With the aim of implementing all the primary and secondary requirements of the company's Investors and raising the consistency and quality in responding to external inquiries of investors and shareholders, in addition to strengthening the Company's investment relations and market linkages, as well as enhancing the knowledge and awareness of the stakeholders and their understanding of the data related to the company's performance through the application and enforcement of the best ways to communicate with the Company.

Therefore, the Company has developed and updated its Investor Relations Department website in accordance with the Securities and Commodities Authority's applicable requirements and controls of investor relations management, in an efficient and effective manner. The shareholders, investors, stakeholders and the public can visit this website through the following links:

<https://aramgroup.ae/overview/>

The following table shows the details and contact information of the Investor Relations Officer:

Investor Relation Officer	Ms. Sharihan Abou Mosleh
Contact Information	
Telephone	+971 6 5565570/ +971 50 7009304
Fax	+971 6 5565572
P.O.Box	5440 Sharjah
Email	sharihan.z@aramgroup.ae
Address	Al Khan- Al Sharjah, United Arab Emirates

12.7 Special Decisions taken in the General Assembly Meetings of Shareholders during 2023, and Actions taken in respect thereof.

In accordance with the applicable laws and regulations, the special decision is the decision issued by a majority vote of shareholders who own at least three quarters of the shares represented in the General Assembly meeting of the joint stock Company.

1. ARAM Group Company Annual General Assembly Meeting held on 26th April 2023:

No special decisions were taken during the Annual General Assembly Meeting held on 26th April 2023

2. ARAM Group Company General Assembly Meeting held on 14th December 2023:

No special decisions were taken during the Annual General Assembly Meeting held on 14th December 2023

12.8 The rapporteur of the company's Board of Directors meetings and the date of his appointment

ARAM Group, its Board of Directors and Executive Management believe in the role played by the Company rapporteur of the Board of Directors' meetings in organizing the work of the Board of Directors and its Committees. Further, his role includes ongoing coordination of matters and issues relating to the meetings of the Board and its Committees, from scheduling meetings, organizing the agenda, organization and coordination between the Members before and during the meetings, preparing their minutes, arranging for the signature and adoption thereof. Furthermore, the Company Rapporteur's role in coordination of communication among the different Departments of the Company in relation to resolutions issued by the Board and its Committees, is to ensure the optimal implementation of such resolutions according to the applicable laws, regulations and resolutions.

Rapporteur of Board of Directors meetings	Date of Appointment
Mr. Abdulrahman Abdulla Al Mahmood	13 May 1998

12.9 Material Events that the company encountered during 2023

- Securities and Commodities Authority circular regarding unclaimed cash dividends prior to March 2015

During the year 2023, the Securities and Commodities Authority issued a circular regarding the implementation of Council of Ministries Resolution No. 21/1 of 2023, which entrusted the Authority with the responsibility of managing the unpaid cash dividends of local public joint-stock companies listed before March 2015, the value which amounted at Aram Group Company is AED 26,317,202 (twenty-six million three hundred Seventeen thousand two hundred and two UAE dirhams) according to the external auditor's report.

Therefore, and based on the importance of adhering to the regulations of the Securities and Commodities Authority and the decisions approved by it, and to preserve the rights of the company's shareholders while ensuring the preservation of the company's financial position and continuity, all amounts of unpaid cash dividends before March 2015 were transferred to the account of the Securities and Commodities Authority to take over its management.

- Resignation of the Board of Directors Members on November 7, 2023.

All members of the company's Board of Directors submitted their resignation for special reasons on November 7, 2023. Accordingly, a general assembly meeting was held to elect new Board members on December 14, 2023.

12.10 Statement of transactions conducted by the Company during 2023 which is equivalent to 5% or more from the Company's capital.

ARAM Group Company didn't conclude any deals amounting to 5% or more from the Company's capital during 2023.

12.11 Emiratization Percentage in the Company for the years 2021, 2022 and 2023

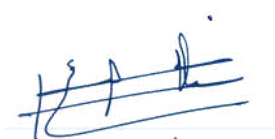
The Emiratization rate in Aram Group Company is zero during the years 2021, 2022, and 2023.

12.12 Projects and Innovative initiatives performed by the Company during 2023

The company did not undertake any innovative projects or initiatives during 2023.



Mr. Khamis Buharoon Alshamsi
Vice Chairman / Chairman - Audit Committee



Mr. Ali Mohd Zaid Musmar
Chief Executive Officer



ENVIRONMENT
CLIMATE CHANGE
GOVERNANCE
STAKEHOLDERS
CARBON
SOLAR
ENERGY
RENEWABLE
GREEN BUILDING
SOCIAL
CLEAN ENERGY
SUSTAINABILITY

ESG REPORT 2023 TOGETHER FOR BETTER FUTURE

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APPENDIX





BOARD OF DIRECTORS STATEMENT

With great pleasure and pride, we present the Aram Group Sustainability Report, which highlights the team's achievements over the past few years in the areas of environmental, social, and governance. We have made significant progress quickly because of our unwavering dedication to integrating environmental, social, and governance considerations into all facets of our company operations.

We are excited to share this work with you as the start of a journey. Committing to enhancing stakeholder interaction, strengthening community ties, and enhancing environmental protection. Aram Group placed a renewed emphasis on health and wellbeing throughout our portfolio this past year. As a commercial real estate group, we have devoted countless hours to guaranteeing that our buildings continue to meet the demands of our clients and that we maintain a steady commitment to offering a secure and efficient workplace in addition to focusing on continuously improving the customer experience, supporting our workforce and local communities and ensuring a sustainable environment for future generations.

We value the trust all of our stakeholders have placed in Aram and are proud to share herein details of our most recent ESG accomplishments. We are also incredibly pleased with our colleagues at Aram Group who have stepped up to promote equality in the nation and the commercial real estate sector. Our best-in-class team and their dedication to our important mission have enabled us to persevere under events the world was unprepared for. We are truly honored to work alongside every member of the Aram team in renewing our communities and enabling people to live healthy and productive lives.



Aram Group has tightened its relationships with the communities it serves during the last 47 years. Fairness and equality for our coworkers, tenants, vendors, communities, peers, and stakeholders are important to us, and we'll keep advocating for the transparency, and compassion needed to effect constructive social change.

In a year when the need has never been greater, we are incredibly proud of what we have been able to contribute to our local communities, our nation, and the world — and are profoundly grateful that as a company we have been in the position to continue making a positive impact.

Mr. Khamis Mohamed Khamis Buharoon Alshamsi
Vice Chairman

OVERVIEW



COMPANY PROFILE

Aram Group, PJSC. (hereafter referred to as "Aram") (ADX: Aram) is an owner, manager, and lessor of properties situated mostly in particular in the Emirate of Sharjah with two major offices in the United Arab Emirates.

Established in November 1976 as a Sharjah-based company, Aram Group offers an alternative to the UAE real estate market. In addition to the attractive return perspectives of the UAE real estate market.

Aram's unique setup – characterized by an experienced team, a dedicated staff, and a broad network of highly qualified local partners, all backed by a majoritarian non-executive, independent Board – allows Aram Group to successfully take advantage of the opportunities the UAE real estate market is offering.

Since the company's founding, our approach has been to create and execute a distinctive and effective business model centered around four key verticals. This model has increased net asset value over time and produced long-term wealth while also having a good social impact.

As of today, we have attained unprecedented operational excellence, marked by its highest-ever reported occupancy level. Seizing opportunities presented by the favorable economic conditions in the country, the company remains committed to enhancing shareholder value.

This commitment is coupled with a steadfast dedication to upholding elevated standards in corporate governance and compliance. Adhering to the guidelines established by the Securities and Commodities Authority (SCA), with continuing to navigate the business landscape while prioritizing the interests of its shareholders.

OUR MARKETS

Sharjah, UAE

8 Assests

Plot area: 277K SQFT

Build up area: 437K SQFT



REPORTING APPROACH

This Fourth report serves as our first step in informing investors and other interested parties about Aram's progress in incorporating ESG into our business practices and overall operations. This report describes what we consider to be every pertinent part of this work and tracks the ESG policy's implementation in 2023. With the announcement of our first Sustainability Policy in 2020, we reaffirmed our approach to energy management and demonstrated our dedication to achieving our water and energy conservation objectives.

We reported the Energy Management measures to the Securities and Commodities Authority along with Abu Dhabi Exchange markets as regulation firms for real estate in our first public Sustainability Report, which was released in 2020. We have increased transparency in our corporate social responsibility efforts by publishing policy details and reporting metrics on our website in addition to this public report.

By implementing reasonable and sound ESG practices, ARAM Group will be able to better utilize limited resources, mitigate climate risk, improve the experiences and lives of those they interact with, and increase shareholder value while also contributing to the fight against climate change.

The aram group strives to ensure the preservation of stakeholder rights through the implementation of best practices in the design of its corporate governance. The Group's governance structure is always changing, following the rules set forth by the Abu Dhabi Exchange Market and the Securities and Commodities Authority. We increase our ESG transparency in this report (SDGs) by coordinating our goals and activities with the United Arab Emirates Sustainable Development Goals and the United Nations Sustainable Development Goals (UNSDGs), which were adopted by ADX.

The United Arab Emirates all-encompassing approach to implementing the SDGs included the establishment of a National Committee on SDGs. The National Committee, comprising government agencies, facilitates information exchange, aligns the SDGs, and enables coordinated implementation of the SDGs. Based on information from a Materiality Survey, our 2023 ESG Report describes in detail the impact and progress we accomplished in each of our strategic target areas.

In addition to market trends, investor perspectives, and useful guidance regarding the primary ESG practices used by the real estate sector, this report highlights the steps taken by the Aram group to own and manage real estate sustainably, plan and prepare for resilience, and prioritize the people who make success possible, whether they be employees, capital providers, tenants, customers, or residents of the communities.

The report assesses our ESG goals, accomplishments, and portfolio performance from January 1, 2023, to December 31, 2023, unless otherwise indicated.

2023 HIGHLIGHTS



AED 9.04M
Revenues obtained



AED 123M
Shareholders' Equity



AED 154.7M
Total Assets



AED 4.39M
Net Profit



4.04%
Increase in revenue for the year 2023 compared to the previous year's performance in 2022



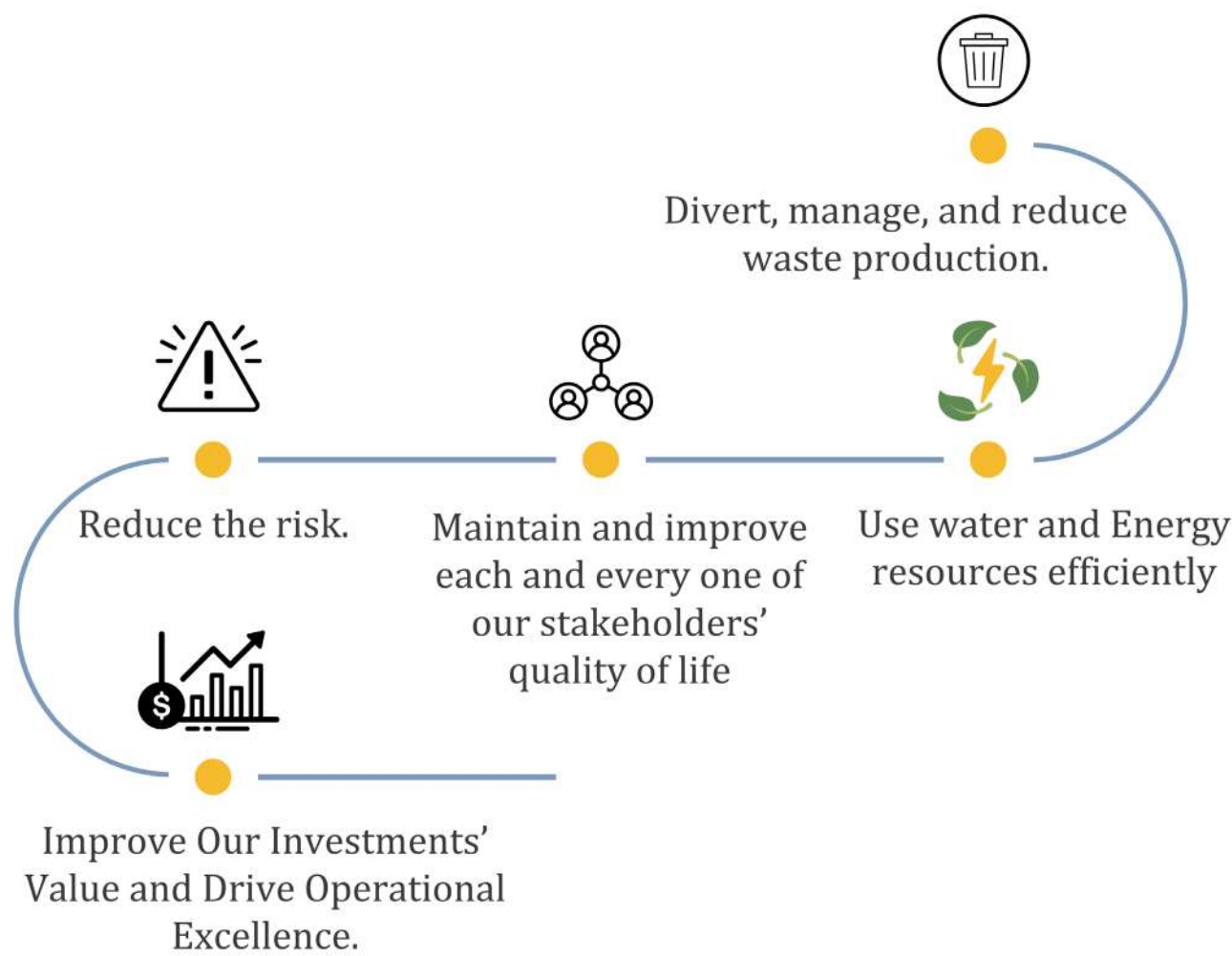
96.25%
Rate of historic high occupancy

ENVIRONNEMENT



ENVIRONMENT

"Understanding, judiciously managing, and benchmarking our environmental impact are all important to Aram's Group. We think that the earth and all our stakeholders would benefit most from this. The environmental initiatives of Aram's Group seek to:



At Aram, we humbly undertake sustainability as a long-term commitment on behalf of our stakeholders. Our tenants and the surrounding communities trust us to lessen our reliance on finite resources and landfill waste, therefore our shareholders and employees expect that their financial and human capital will support protecting the environment for future generations.

We have policies and programs in place or in development that are in line with the threats we have identified. We use a continuous improvement methodology in our energy management system. Hence, we're always adding to, developing, and enhancing our programs. In addition to the risks we've identified, we understand that these risks present opportunities to reduce operating expenses while giving our tenants extra benefits like easier access to recycling and organic waste composting, as well as healthier work environments and communities.

We are finishing up an extensive analysis of climate risks at all our properties in 2023. Physical, transitional, and regulatory climate risk in each location is thoroughly analyzed as part of this study, with an emphasis on being as thorough as possible down to the asset level. Furthermore, this data will assist in informing building investment decisions.

Upgrades, resilience, potential market expansions, and, if necessary, modifications to our current measurements and goals. The dangers that have been discovered, our approach to reducing those risks, how we aim to take advantage of the chance to gather pertinent data, how we create goals to gauge our level of risk and/or mitigation effort, and our future expansion and advancement plans are all outlined below.

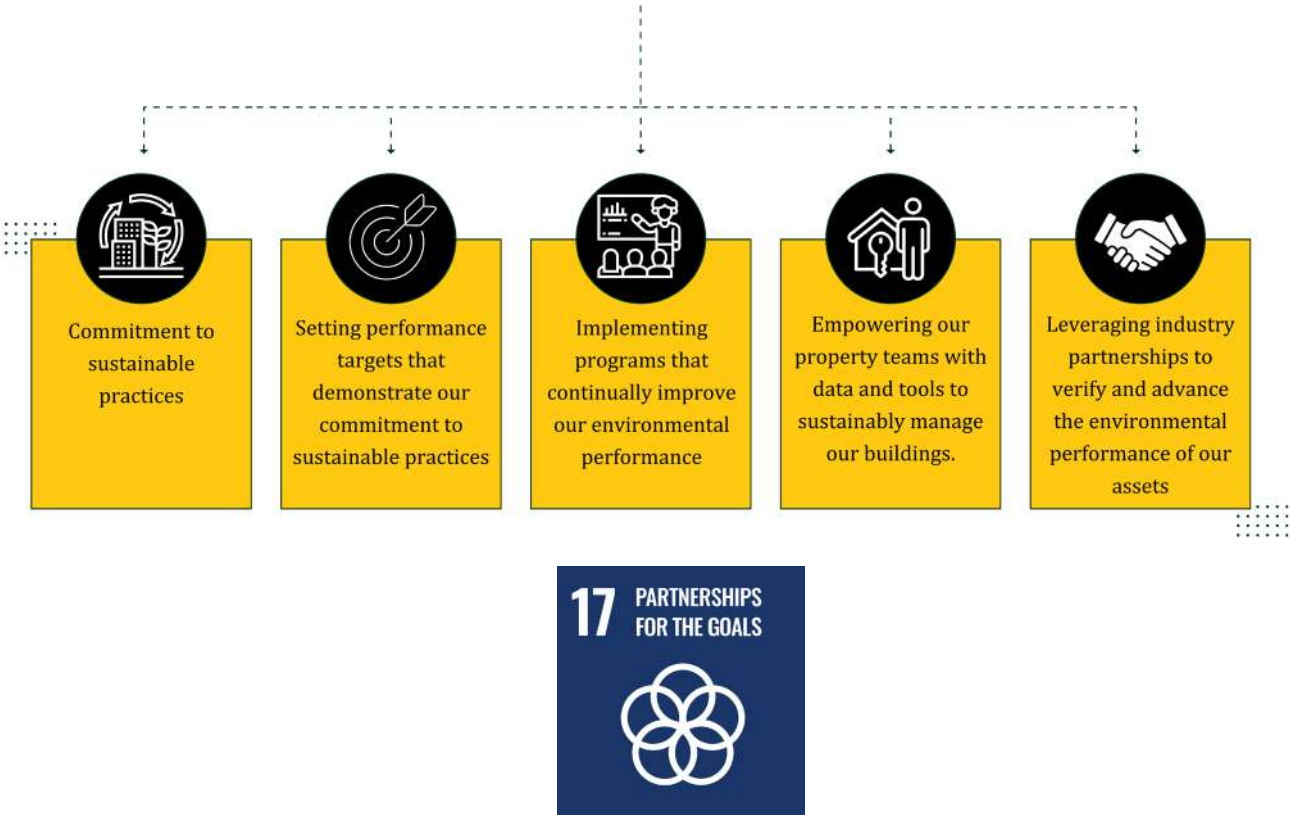
Costs associated with capital and maintenance could rise due to the tightening of building and energy requirements. We keep adding energy-efficient equipment to our buildings so that we can keep up with any future modifications to the codes in both landlord-controlled and tenant-controlled areas. We also actively communicate with our renters about our environmental activities and urge them to use less energy in the apartments they rent.

Our current plan calls for the ownership, management, and leasing of our properties to lower operating costs, adhere to accepted sustainable development guidelines, and lessen our environmental effects.

ENERGY MANAGEMENT STRATEGY

As we developed our platform for a climate change and resilience strategy. Our energy consumption - electricity use in particular - represents our biggest impact on the environment and is also an area where we have the most opportunity to reduce operating expenses.

In 2023, our buildings consumed over 166 kW of electricity. Over the past few years, we have developed and continue to refine our Energy Management Strategy to best align with our climate change risks. We strive to own and manage workplaces that are environmentally conscious, productive, and healthy for our tenants and employees by:



CAPITAL PLANNING

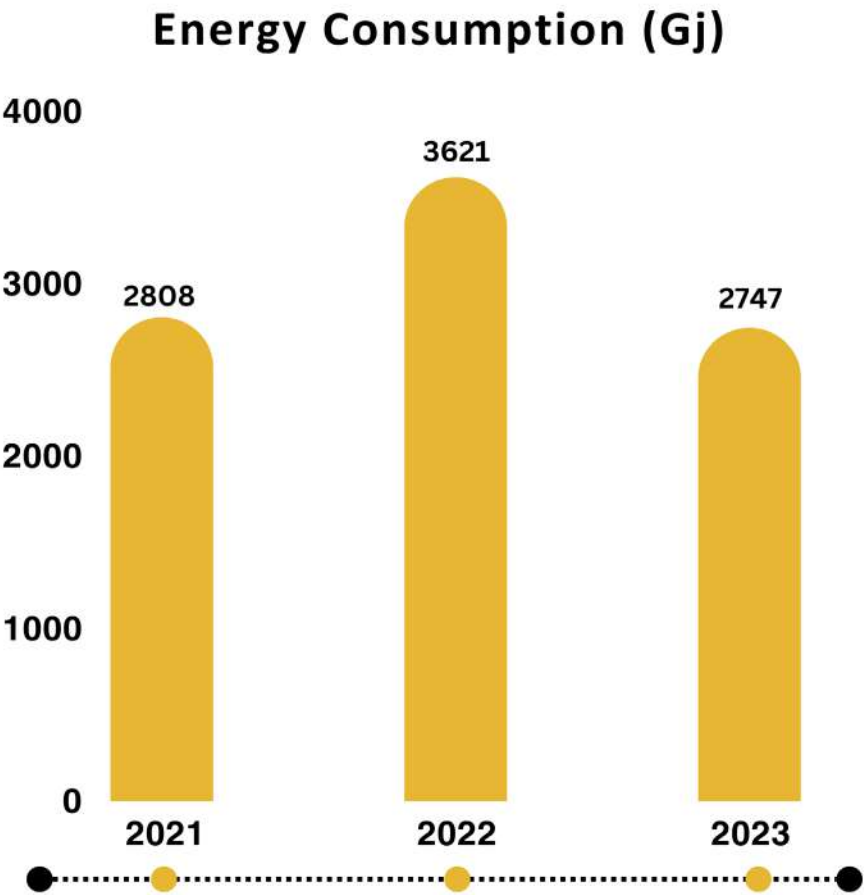
We give each property a sustainability-investment priority score before our yearly capital planning efforts based on the following:



ENERGY USE INTENSITY

We update our policy at least once a year to reflect the ongoing enhancements we are making to our environmentally friendly operations.

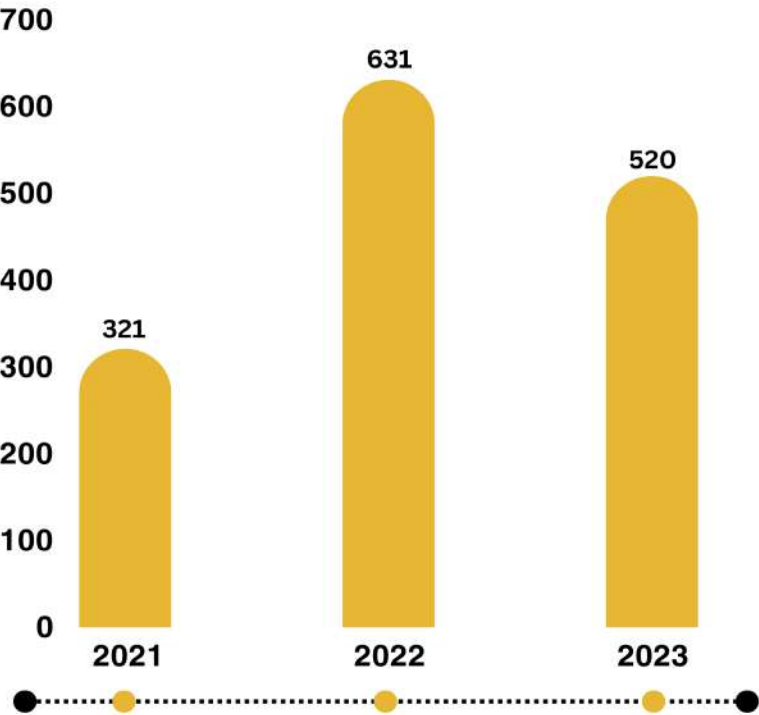
In 2023, our energy usage is 166 kilowatts, which represents a significant decrease compared to the 424 kilowatts consumed in 2022. In our portfolio, electricity rates have gone up 13% in the last three years. Our initiatives and practices for energy management have allowed us to reduce the effects of rising prices. The increase in tenant use of our properties as tenant employees was the reason for our 2023 energy use increase over 2022.



We have outlined our comprehensive energy consumption, encompassing electricity, fuel, natural gas, and LPG. ARAM Group is dedicated to reducing energy consumption, achieving a noteworthy 60.8% reduction in both total energy consumption and energy intensity in 2023.



Natural Gas Consumption (MMBTU)



Aram continuously monitors and improves the operational and environmental performance of our properties. identify energy conservation measures, and provide utility and financial savings information to relevant building operators and decision makers.

We invest in energy and water efficiency projects to maximize the useful life of our equipment, reduce operating costs for our tenants, and drive compliance with municipal and state benchmarking ordinances. Language in our form lease enables our recovery of the cost to monitor whole-building energy and water use. We ensure strong operational and financial performance while delivering an energy-efficient and comfortable workplace for our tenants and employees.

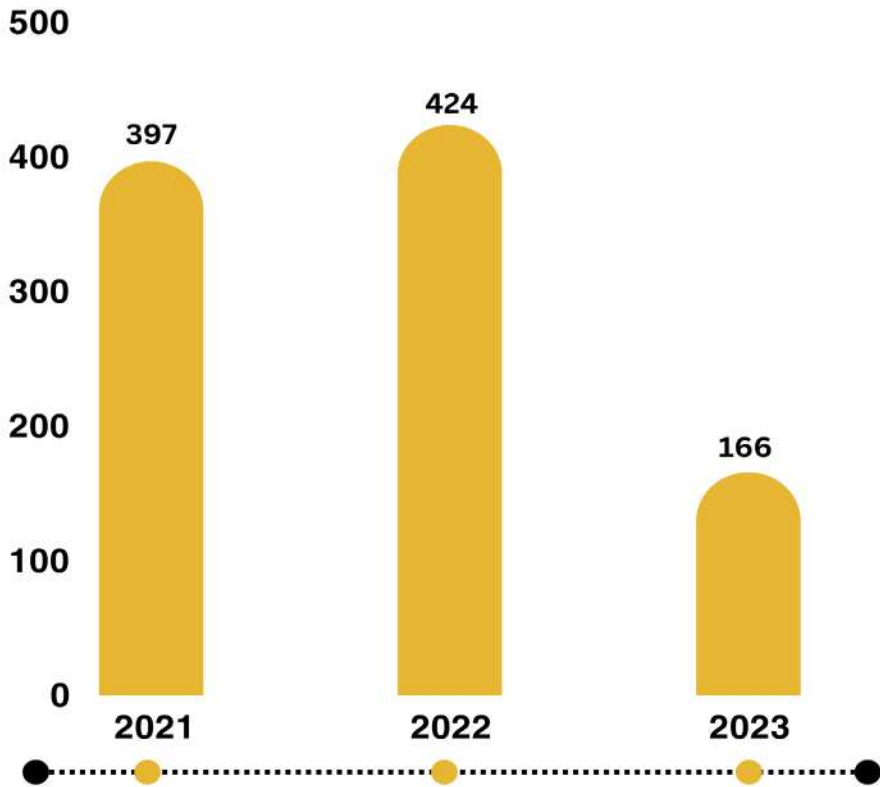
Our commitment is reflected in decreased reliance on direct fossil fuel usage, with electricity consumption further reduced in 2023. ARAM Group has initiated the integration of solar energy in selected facilities.

The project includes the installation of 8 solar panels, each with an 800 Watts capacity, generating 6400 Watts. This solar energy setup ensures a 24-hour power supply to illuminate the rear sections of two warehouses. This environmentally conscious initiative not only contributes to sustainable energy practices but also enhances safety in the designated area.

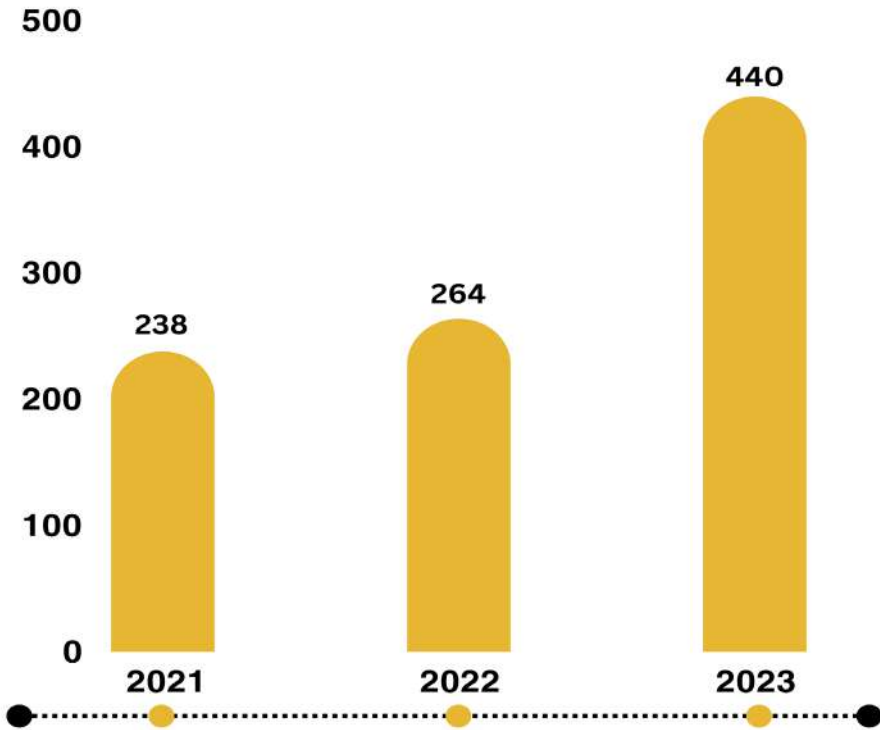
Aram is decarbonizing their footprint by sourcing more clean energy and reducing their reliance on fossil fuels. ARAM is expanding renewable energy use by generating their own renewable energy on site through projects



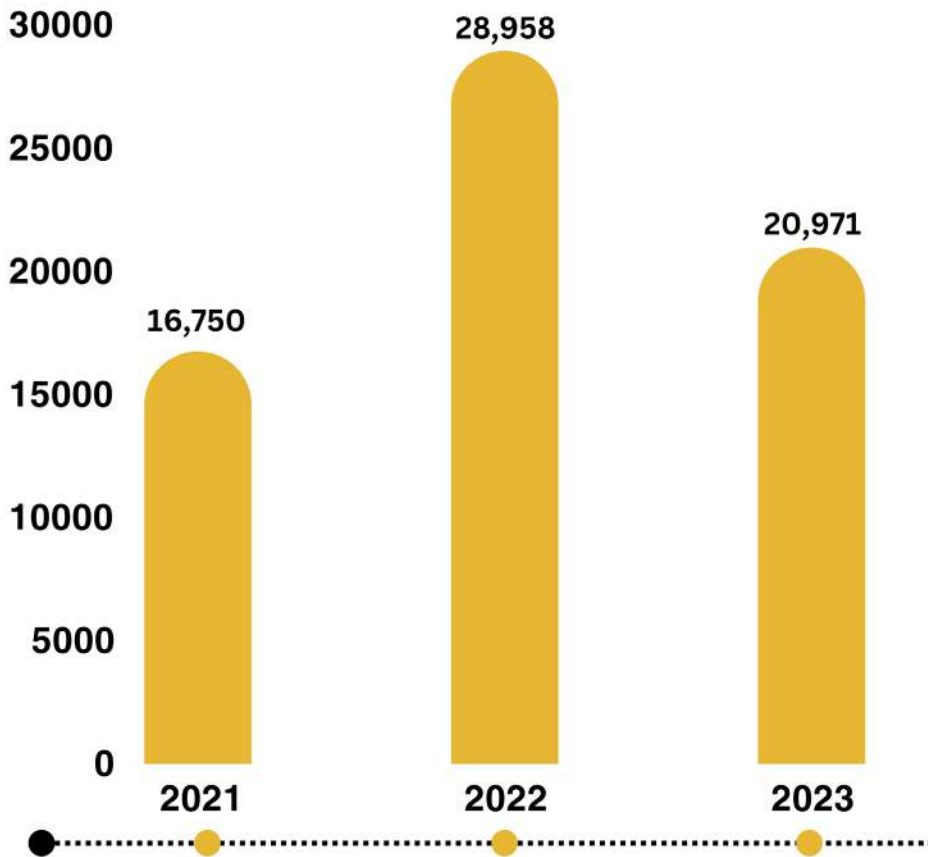
Electricity Consumption (MWh)



LPG Consumption (MMBTU)



Fuel Consumption (Liters)



Future GHG Emissions Implementation

Our goal is to decrease GHG emissions in Scopes 1 and 2, and we intend to incorporate GHG emissions into our project. Investment top of mind. To measure the effect of renewable energy purchases on our market-based emissions, we will track both location-based and market-based emissions.

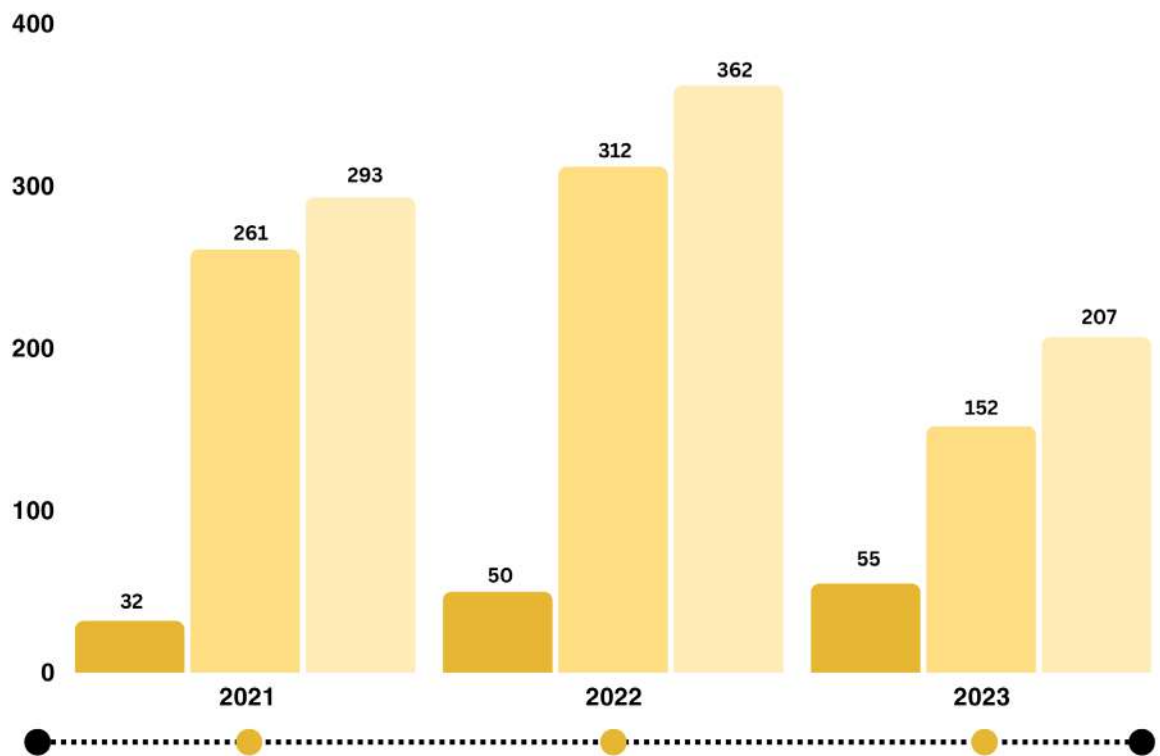
We also intend to monitor the percentage of energy used for power. Natural gas, district steam, and district chilled water are among the other energy sources that could be eliminated if cities strive to meet their 100% renewable energy targets.

Greenhouse gas emissions intensity

The topic of energy and emissions in multifamily commercial real estate is complex. The first thing to know is that all the natural gas and electricity used on the property is included in the energy for the Aram Group portfolio.

The resident has direct control over the majority of the energy used at the home. At each specific property, the most significant influence on energy use comes from the decisions and actions of individual residents. The way a property owner sets the minimum efficiency ratings for capital renovations, mechanical replacements, and routine maintenance is the biggest impact they can have.

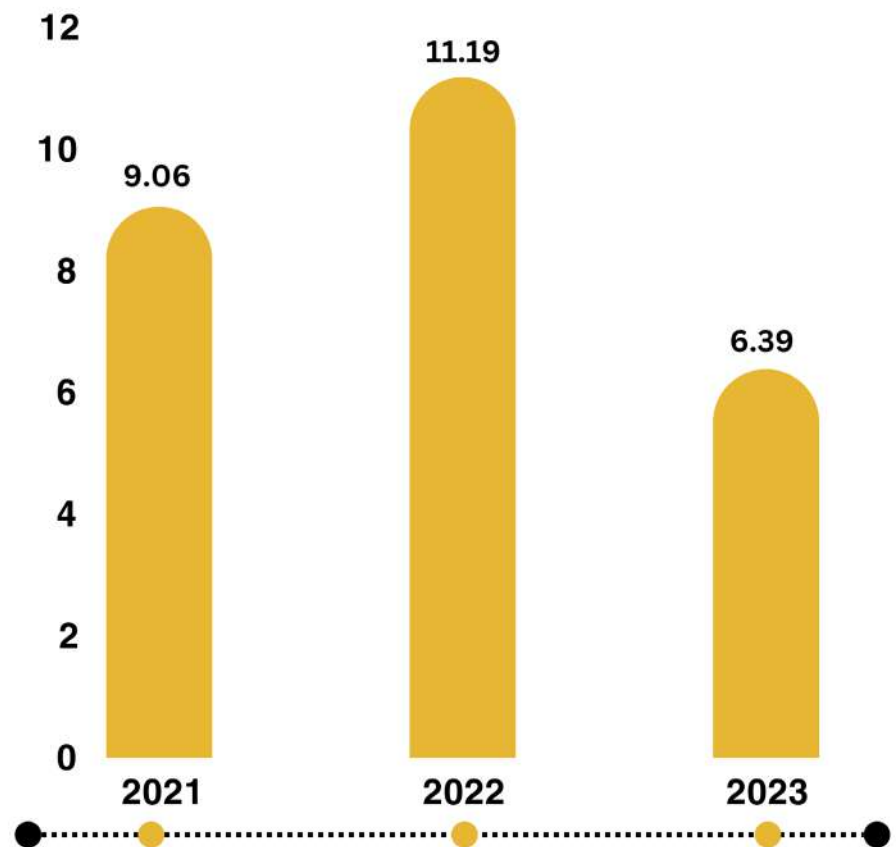
ARAM GHG Emissions (tCO2eq)



When maintaining our assets, we have established a standard that requires our contractors and property workers to prioritize energy efficiency and sustainability.

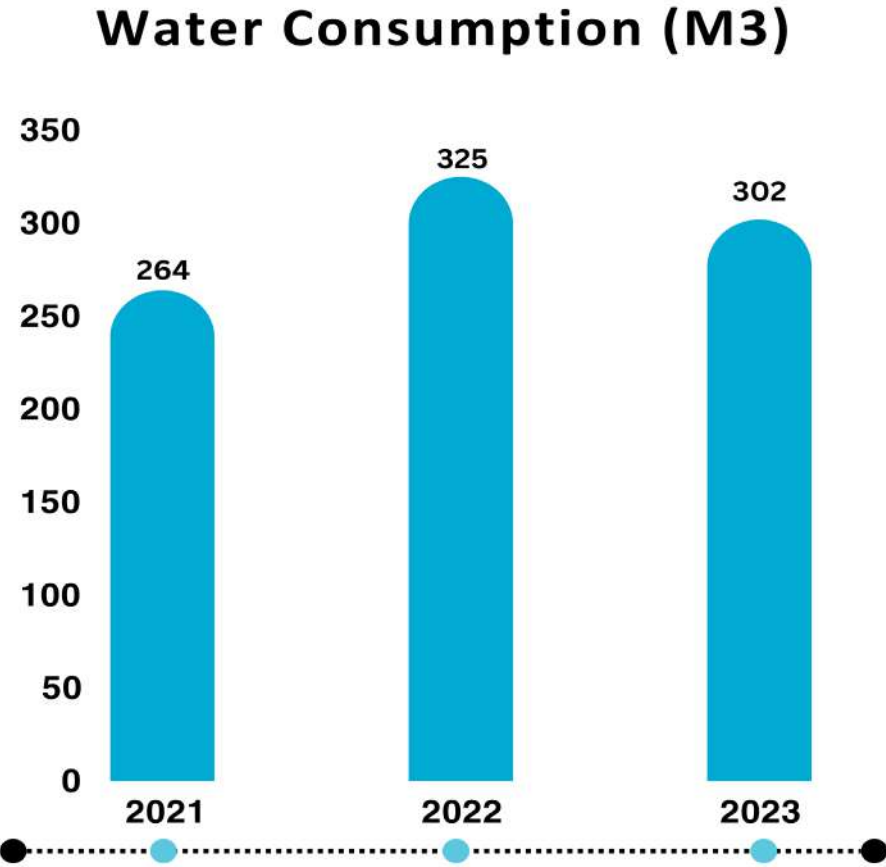


ARAM GHG Intensity (KgCO2eq/Sqft)



WATER USE INTENSITY

In 2023 Aram Group communities consumed approximately 302 m3 of water based on actual property water invoice consumption data. At our facilities, Aram’s Group is dedicated to water conservation. We will consider replacing the toilets, depending on the age of the building.



Although replacing a toilet is a significantly more involved, time-consuming, and disruptive process, it can result in water use from each fixture being reduced by 50% to 80%, which has a major influence on lowering consumption and the associated costs.



WASTE MANAGEMENT



Apart from monitoring and effectively controlling our energy, emissions, and water usage, Aram Group has initiated research and is developing a plan to deal with the trash generated by the inhabitants in our communities and daily tasks carried out by the employees on site.

shopping bags are regarded as contaminated materials when they are placed in "mixed" recycling containers.

Plastic films and bags are too challenging for most private or municipal recyclers to process when combined with other materials. The largest barrier to a successful recycling program is resident education and training.

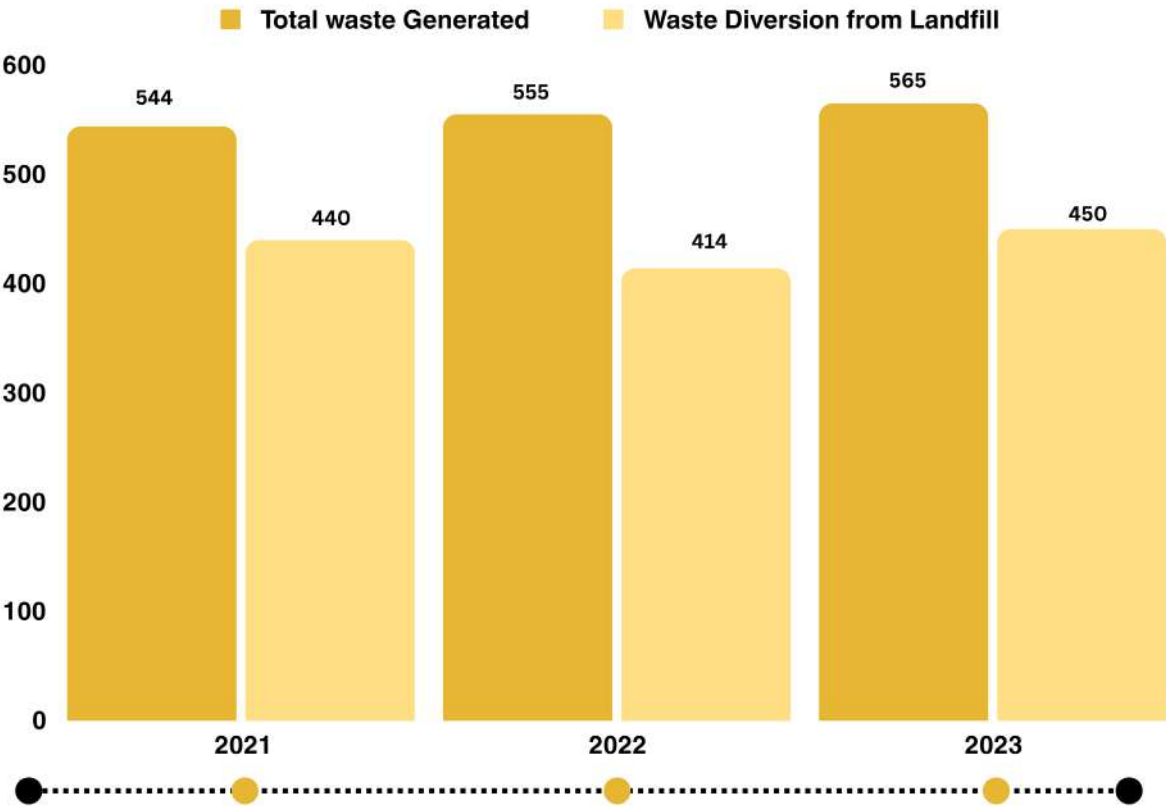
It is crucial that locals comprehend the significance of putting only appropriate, dry, and clean materials in the recycling bins. There can be no real decrease in the amount of waste diverted from landfills if there is otherwise significant inadvertent misuse.

In 2023, ARAM generated 565 MT of waste, with an impressive 80% diversion from landfill, marking a notable increase from the 75% achieved in 2022. This advancement underscores our commitment to sustainable waste management practices and environmental responsibility.

We continue our commitment to improve operational efficiency, reduce carbon emissions and energy and water use, and increase waste diversion. We closely monitor building performance over time, set reduction targets, and work with our tenants to execute efficiency projects.

Our ongoing efforts to reduce consumption are driven by our commitment to operational excellence in sustainability, building efficiency, and service to our tenants. For buildings in operation, we set goals to reduce carbon emissions, energy consumption, and potable water consumption and increase waste diversion.

Waste Consumption (MT)



Now, resident waste is collected in dumpsters at 80.7% of our buildings. Engaging and educating the residents is the next issue. In the United Arab Emirates, recycling laws can vary from city to city. When "mixed" recycling is provided, it is frequently misinterpreted or heedlessly abused.

If the recycling container becomes contaminated, some or all of its contents may be disposed of in a landfill. When non-acceptable or non-recyclable material is put in the recycling bin, it is deemed contaminated recycling. For instance, materials polluted by food waste are likewise regarded as contaminated. Despite being a typical practice, plastic film and

SOCIAL



SOCIAL

Putting People First is about upholding company continuity and profitability while acting morally toward all ARAM stakeholders, including workers, tenants, and community members. Aram Group is pushing policies in support of diversity, equity, and inclusion while placing a high priority on the health, safety, and well-being of its stakeholders.

The COVID-19 epidemic is in its fourth year, and societal inequities, economic hardships, and the effects of viral variations are still being felt. As a result, Aram Group is increasing the priority and level of effort that goes into securing the long-term health and wellness of its workers and enhancing its involvement in the community.

Aram Group made sure that they were always evolving and that their offices and residential spaces were reaching the highest requirements to keep people safe by continuing to invest in healthy building modifications, improved cleaning, and health and safety measures.

The Aram Group is well-positioned to contribute significantly to social responsibility because of its mission. According to Aram, owning multifamily commercial real estate sustainably requires making a concerted effort to understand, interact with, and improve the lives of everyone we encounter.

Our objective is to offer our inhabitants more than just a place to call home. Our goal is to create communities that encourage general health and well-being, offer our people a good value, and enhance their quality of life.

In order to raise resident satisfaction, resident opinion, and community reputation, Aram is constantly benchmarking, measuring, and working. The ESG strategy of Aram Group integrates resident engagement and happiness.

Gender Diversity in Leadership

ARAM Group is committed to maintaining the gender diversity of its directors of its board currently consisting of women or diverse, independent members. Internally, its talent pipeline and mentorship programs have allowed the company to identify experienced, highperforming associates for leadership.



Aram Core Values

Valuing People First

We foster a people-first environment where individuals are valued, and team-work is strengthened. We invest in growing and developing our talent and recognize exceptional individual and group achievement.

Collaborating & Communicating With Transparency

Together, we win by cultivating a culture rooted in honest, transparent dialogue, and active listening.

We promote collaboration through continual multi-source feedback and the sharing of ideas to realize our team's full potential.

Delivering Excellence

We deliver best-in-class quality through exceptional customer service for our tenants. Reliability, trust, and accountability underpin our excellence in customer care and our commitment to driving shareholder value.

Nurturing Sustainable Communities

We're accountable to our environment and our communities, and we strive to be recognized as a leader in our industry.

Tirelessly improving the energy and efficiency of our properties, we ensure Piedmont is an exemplary corporate citizen that participates in and contributes to the fabric of our local communities.

Working Together As One Team

We work collaboratively to deliver a better service. Living by a culture of equality and respect, we embrace the unique talents, gifts, and perspective of each team member and how this helps us learn and grow together.

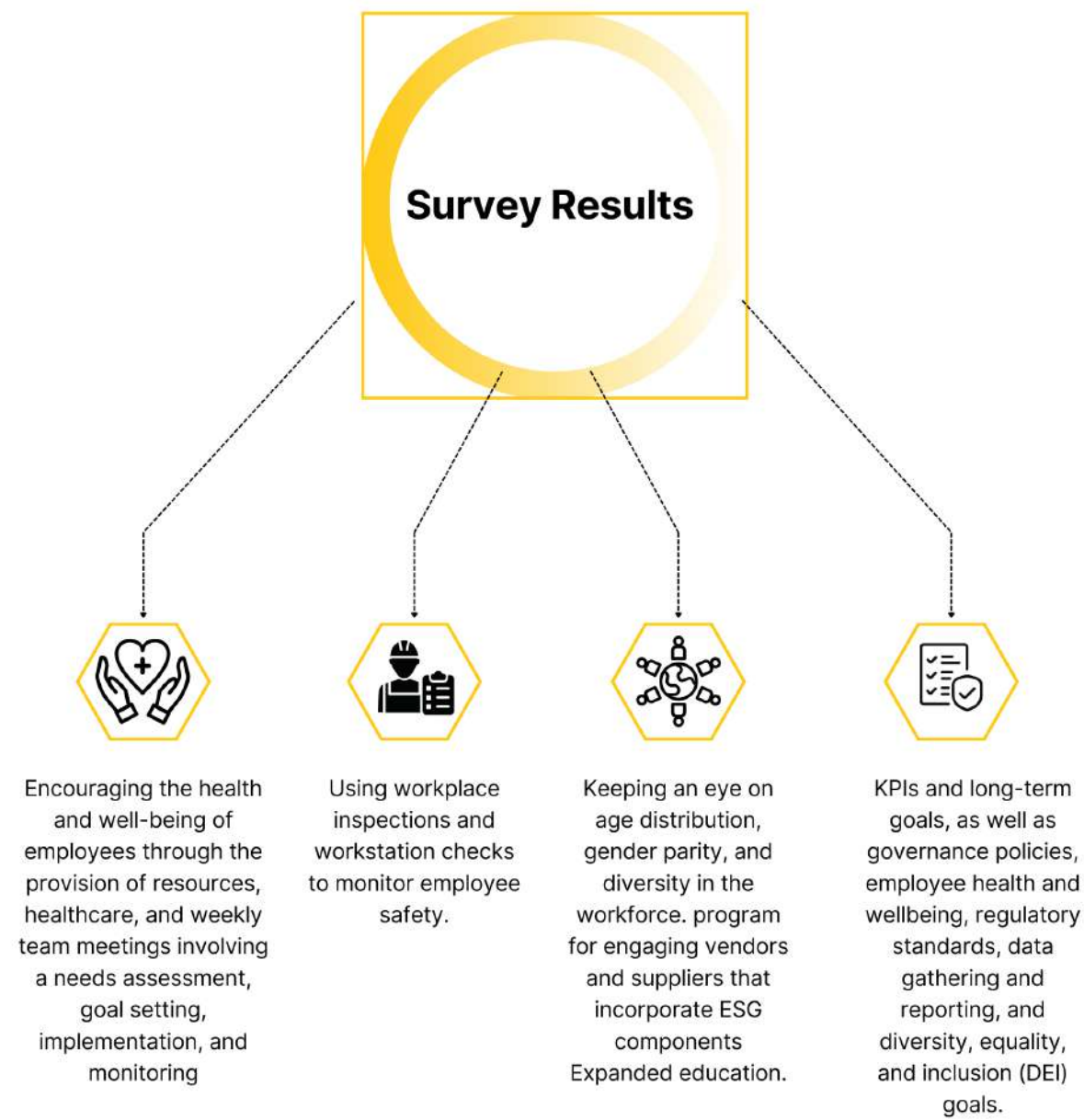
We actively foster inclusive policies and programs that extend beyond our team to our tenants and the communities we serve.



STAKEHOLDERS ENGAGEMENT

The way a business interacts and collaborates with staff members, investors, and the general public regarding the potential and effects of energy and sustainability is known as stakeholder engagement. Over the course of 2023, Aram Group has made several attempts to enhance its stakeholder engagement initiatives in order to continue pursuing its continuous goals of accountability, transparency, and trust.

Among our ongoing initiatives are the following: ESG Policy Monitoring the adherence of property operating teams to ESG-specific regulations (such as general management and tenant/resident involvement). Aram Group conducted a survey on employee satisfaction and developed a plan to raise satisfaction in response to the results of the survey



Stakeholder Engagement	HOW WE ENGAGE?		KEY ISSUES?
	Investors	- Investor Conferences - Individual Meetings in 2023 - Periodic Investor Days Perception Surveys	- Development Plans - Capital Allocation - ESG Initiatives - Financial Performance - Risk Management
	Employees	- Straight forward Comments Staff Meetings and Calls - Working Together on a Project - Reviews of Performance Every Year - Programs for Education and Training	- Health, Safety, & Wellness - Career Development - Diversity, Equality, & Inclusion Recognition
	Tenants	- Newsletters and social media - Communications and direct meetings	- Open Communication with Local - Communities Goodwill
	Vendors	- Direct Communication - Vendor Point of Contact Contractual	- Ethical Business Practices - ESG Initiatives - Performance Expectations - Obligation to Comply with Vendor Code

It is important that our stakeholders influence our ESG goals and programs. We have various ways in which we regularly collect feedback and communicate information to each stakeholder group. In addition, we have established means for stakeholders to communicate their concerns to our Board of Directors.

If the concern relates to our governance practices, business ethics, or corporate conduct, the concern may be submitted in writing to the Chairman of our Nominating and Corporate Governance Committee.



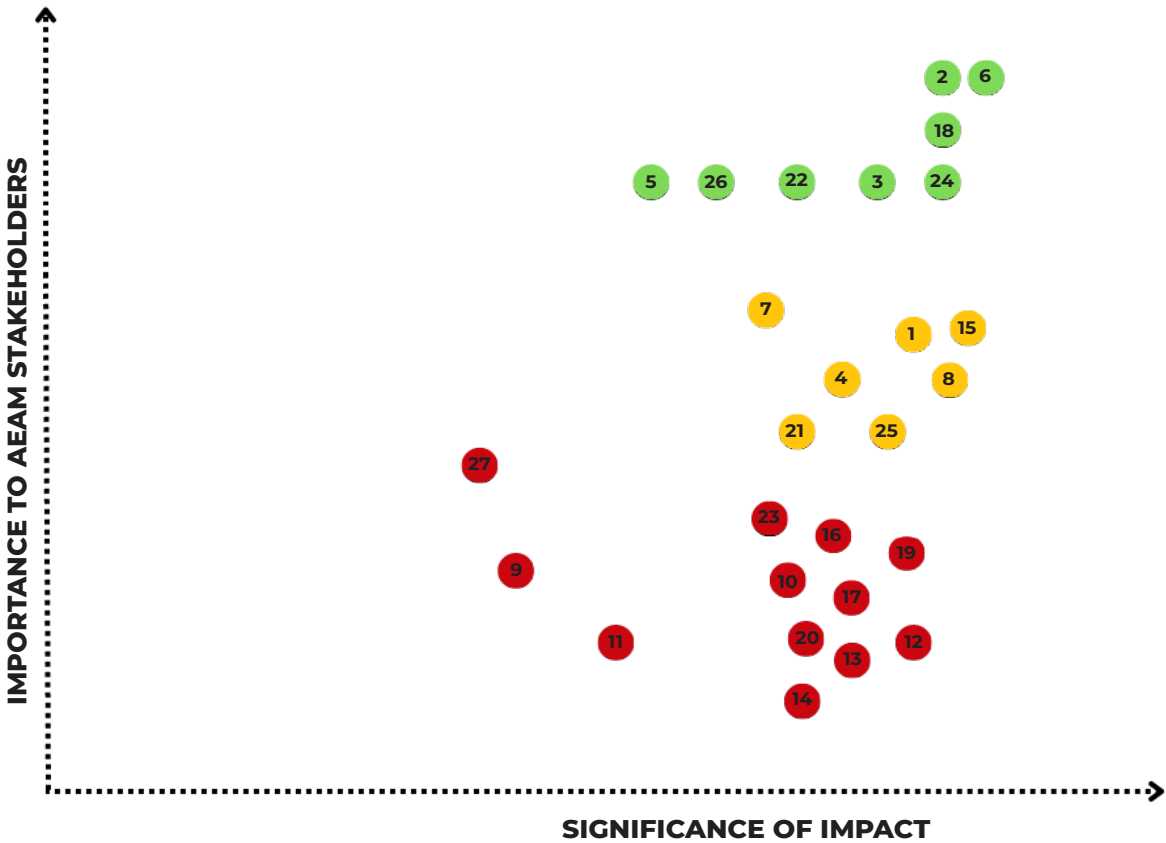
MATERIALITY ENGAGEMENT

A sustainability report serves as a reflection of a company’s economic, environmental, and social impact both internally and externally. It provides stakeholders with valuable insights into the operations of the organization and offers them the opportunity to provide feedback and influence decisions for the betterment of the organization and the broader community. In determining the disclosures to be included in the report, various methodologies were employed.

MATERIAL MATRIX

Materiality analysis is a critical instrument for identifying our most pertinent economic, environmental, social, and governance priorities in alignment with ARAM Group’s vision and business strategy, and for delineating the contents of our sustainability report.

The topics, as depicted in the matrix above, were mapped out through extensive stakeholder consultation. This matrix aids in pinpointing issues that have a substantial impact on the economic, social, and environmental performance of the Enterprise or that may significantly shape stakeholders' perceptions and decisions.



Regular sessions are held to grasp the sustainability priorities of the organization across various departments and divisions. These sessions establish the framework and central theme for the ongoing sustainability report



The finalized topics were cross-referenced with a range of national and international commitments and priorities, including the Paris Climate Agreement and the UN's Sustainable Development Goals (SDGs)



Numerous brainstorming sessions were held to create a format for a survey questionnaire. The questions were structured according to GRI standards and covered a broad spectrum of economic, environmental, social, and governance issues



In addition to the brainstorming sessions and questionnaire distribution, Enterprise conducted an online survey to broaden the scope of feedback collection. A comprehensive survey questionnaire format was developed online and disseminated across multiple channels to gather responses from stakeholders



The results from the surveys' questionnaires were consolidated according to the priorities identified by our stakeholders



GOVERNANCE



GOVERNANCE

“One of the objectives we set early in our environmental, social, and governance (ESG) evaluation process was to give this report to our investors and stakeholders in terms of governance as it related to sustainability. The Aram Group is proud to have reached this objective and takes great pleasure in the material as it marks the start of many significant achievements and significant future growth”.

Businesses, both public and private, are being judged more and more on the effectiveness of their environmental, social, and governance (ESG) initiatives. Being proactive and in a good position to report thoroughly on ESG-related topics, Aram Group plans to formally use a widely recognized sustainability reporting standard in the next years in addition to reporting from a corporate values viewpoint.

One of the best practices for honest disclosure is to combine ESG data into complete reports, usually annual statements like this one. This paper is Aram's first attempt at doing so. The company's commitment to advancing a clear agenda for sustainability governance is based on this report.

Investors and other stakeholders that want to assess how well sustainability, climate risk, and key performance indicators (KPIs) related to real estate investments and overall operations are being addressed rely on ESG reports. Investors and stakeholders are better able to assess a company's attention to these variables over time in comparison to its peers with the use of ESG reporting and third-party norms and reporting schemes. commitments necessary for the collection and reporting of pertinent data.

Any ESG plan must start with data, and this is especially true for the commercial real estate industry. This is an extremely tough and demanding undertaking, especially for multifamily real estate investments.

The environmental parts of ESG, such cutting back on energy and water use, have historically received the attention of the real estate industry since they offer portfolios instantaneous and obvious returns on investment (ROI). Property-level metrics on energy, water, and waste diversion must be acquired in order to provide a more comprehensive view of portfolio performance.

With this year's data collecting, Aram has made great strides, and there will be many advantages. It is also becoming more and more expected that portfolio owners will seek and obtain green building certifications at the property level; data benchmarking is the cornerstone of any certification process.



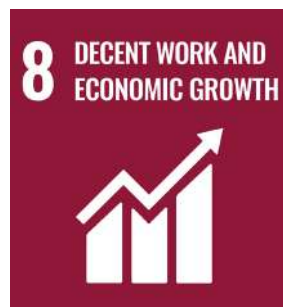
It is now standard practice to monitor and validate this data in addition to including official property-level assessments of climate risk. Aram will also continue to strengthen and become more resilient to market and climatic threats if it keeps an eye on broader ESG measures, such as diversity demographics, resident/occupant comfort and happiness, and stakeholder involvement, to name a few.

Aram has made significant progress and has a long-term plan for the path ahead, even though it is just starting out and has only released its maiden report. Sustainability is integrated into the management and operations of the company through consistent internal communications and high employee engagement.

Aram strives to foster a fair and inclusive workplace where the rights of our employees are respected and the virtues of corporate responsibility are espoused throughout our organization and upheld in our relationships with third parties with which we do business.

In addition to strict discrimination policies in place that cover our entire operations. Our Business Integrity Policy, which all employees acknowledge annually, details the expectations and requirements related to ethical conduct, including anti-bribery, anticorruption, and whistleblowing mechanisms.

Our Diversity, Equal Employment Opportunity and Fair Labor Policy outlines our standards in the areas of diversity, equal employment opportunity, workers' rights, and labor-management relationships. Aram executives also receive diversity and equal opportunity employment training.



BORAD OF DIRECTORS

The Board of Directors and officials of Aram Group bear the responsibility of supervising, identifying, and disseminating information regarding all climate-related risks and opportunities. Concerning important ESG issues, such as climate change, the company's strategy, policies, and practices are supervised by the Nominating and Corporate Governance Committee.



**Mr. Ahmed Ali Mohamed
Abdelaziz Alsarkal
Chairman**



**Mr. Khamis Mohamed
Khamis Buharoon Alshamsi
Vice Chairman**



**Mr. Ziyad Mahmoud
Khairallah Alhaji Alharmouzi
Board Member**



**Mr. Mansoor Abduljabbar
Abdulmohsen Ahmed
Alsayegh
Board Member**



**Ms. Alyazia Naser Yousef
Naser Alzaabi
Board Member**



The CEO leads both the employees and executive management team in overseeing the day-to-day operations of the company. The Board of Directors, in collaboration with its Nomination and Remuneration Committee, appoints the CEO and works with them and the committee to select other members of the executive management team who are tasked with managing the company's operations.

The Board of Directors holds the responsibility for supervising the company's overall activities and ensuring alignment with the interests of both the company and its shareholders. Meanwhile, the Executive Management team is accountable for executing their duties as assigned by the Board of Directors, adhering to the regulations set forth by the Abu Dhabi Securities and Commodities Authority.

Code of Business conduct and ethics

Employees at Aram receive training at hire, and it is a yearly requirement for all staff members to accept and comprehend Aram's employment policies. Several of the policies are included here because they deal with topics related to Aram's shared sustainability practices:



Equitable Chance of
Employment



Policy on Genetic
Non-discrimination



Benefits of Timekeeping
and Compensation



Vacation Time Travel
Charges



Social media and
electronic resources



Keep Information Private



Absence of
Solicitation



Conflict of Interest



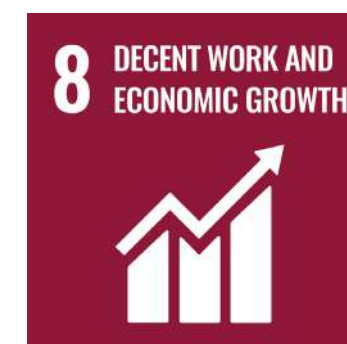
Workplace Violence

ESSENTIALS

The Aram Group's board and shareholders have shown a great deal of trust. This trust is based on the shared principles of honesty, transparency, and a commitment to excellence among all levels of employees in these firms.

Aram has developed a number of points that are placed into perspective and put into reality as the group expands, new team members are added, and new relationships are formed. The team is expected to place the week's Fundamental first on the agenda and have a brief discussion on how it applies to the task at hand or to a pertinent scenario. These habits are known as "Essentials." Furthermore, to keep the topic front of mind and to discuss our dedication to living out our principles with both staff and guests.

This is a practice that is advantageous to all. The same continuous practice of integrating these characteristics into their job is applied to both new and seasoned staff members. By taking these steps, the team remains committed to its goal of providing results for all of its stakeholders and defending the interests of its investors.



Best-in-Class Governance Practices



We require stockholder approval in the event a staggered board is ever proposed.



Our board is comprised of a super majority of independent directors.



We have a separate Board Chair and CEO.



We permit stockholders to amend the by-laws.



We require an annual performance evaluation of our board.

Assurance

Aram's Internal Audit is also involved in performing assessments of the underlying control framework supporting publicly available information and validating the completeness and accuracy of the data used in reporting. This department actively reviews policies, controls, and responsibilities as well as provides a deeper dive into specific areas where stockholders have highlighted concerns.

Internal Audit has adopted an integrated approach, incorporating ESG risk area into broader audit plans of the Company, ensuring ESG related activities being tracked, considered, and documented.

Cyber Security

The Audit Committee, comprised of three independent members, all of whom have information security experience, oversees the Company's management of cyber risk, and is briefed quarterly on information technology and information security matters. Any significant issues identified would be reported to the board on a quarterly basis as well. Although Aram has never experienced an information security breach or incurred any expenses related to an information security breach, the Company takes a proactive approach to managing information security risk.

During 2023, the Company engaged an external accounting firm to update its Information Technology Cybersecurity Risk Assessment. The results were reported to the Audit Committee and the board of directors. An annual audit focusing on entity-level, application and information technology general computer controls is performed by an external audit firm. Vulnerability and penetration tests are also performed annually by a third-party. The Company has an information security training and compliance program that all employees are required to participate in on a formal basis at least annually, with cybersecurity updates, notices, reminders, and simulated cyber-attacks emailed to all employees bi-weekly. The Company carries an information security risk insurance policy.

Whistleblowing and Data Protection

ARAM is dedicated to fostering a workplace environment that values integrity and ethical conduct. One of our key initiatives is the establishment of a whistleblowing policy designed to provide employees with a secure and confidential channel to report any instances of wrongdoing within the company. We emphasize the importance of creating a culture where employees feel comfortable expressing concerns, ensuring that their reports will be treated seriously and investigated impartially. Our commitment to addressing unethical or illegal conduct is clearly outlined in the "Company Policies and Procedures Handbook," distributed comprehensively across the organization.

In addition to promoting a culture of transparency and accountability, ARAM places a high priority on upholding legal and regulatory standards, particularly in safeguarding shareholder information. We are vigilant in our collection, use, and secure retention of personal data, adhering to strict measures to prevent unauthorized processing and protect against accidental loss or damage.

The continuous review and enhancement of our security protocols underscore our commitment to maintaining the confidentiality, integrity, availability, and resilience of our systems and services. This comprehensive approach reflects ARAM's unwavering dedication to ethical practices and regulatory compliance.

Enterprise Risk Management

Enterprise Risk Management (ERM) is the systematic process of identifying, evaluating, and controlling risks that could impede an organization's ability to achieve its objectives. An effective ERM system enables organizations to proactively anticipate and address risks rather than reacting to them retroactively. This proactive approach aids in minimizing the adverse effects of risks on an organization's operations, financial health, and reputation.

Given the dynamic nature of the contemporary business landscape, marked by the continual emergence of new risks, it is imperative for organizations to establish a robust ERM framework. This framework entails the formulation of clear risk management policies and procedures, comprehensive identification, and assessment of risks across all organizational domains, and the implementation of suitable risk mitigation strategies.

At ARAM, we view risk management as a proactive endeavor that engages the participation of the Board of Directors, senior management, departmental leaders, and employees. It is crucial to underscore that the goal of risk management is not to eradicate risks but to acknowledge and regulate them within predefined acceptable thresholds. Additionally, the relationship between risk and reward is acknowledged, recognizing that a higher expectation of rewards may heighten an organization's exposure to risks, and vice versa. Consequently, our risk management strategy is designed to maintain risks within predetermined levels as stipulated by the policies of the Board of Directors.



CONCLUSION

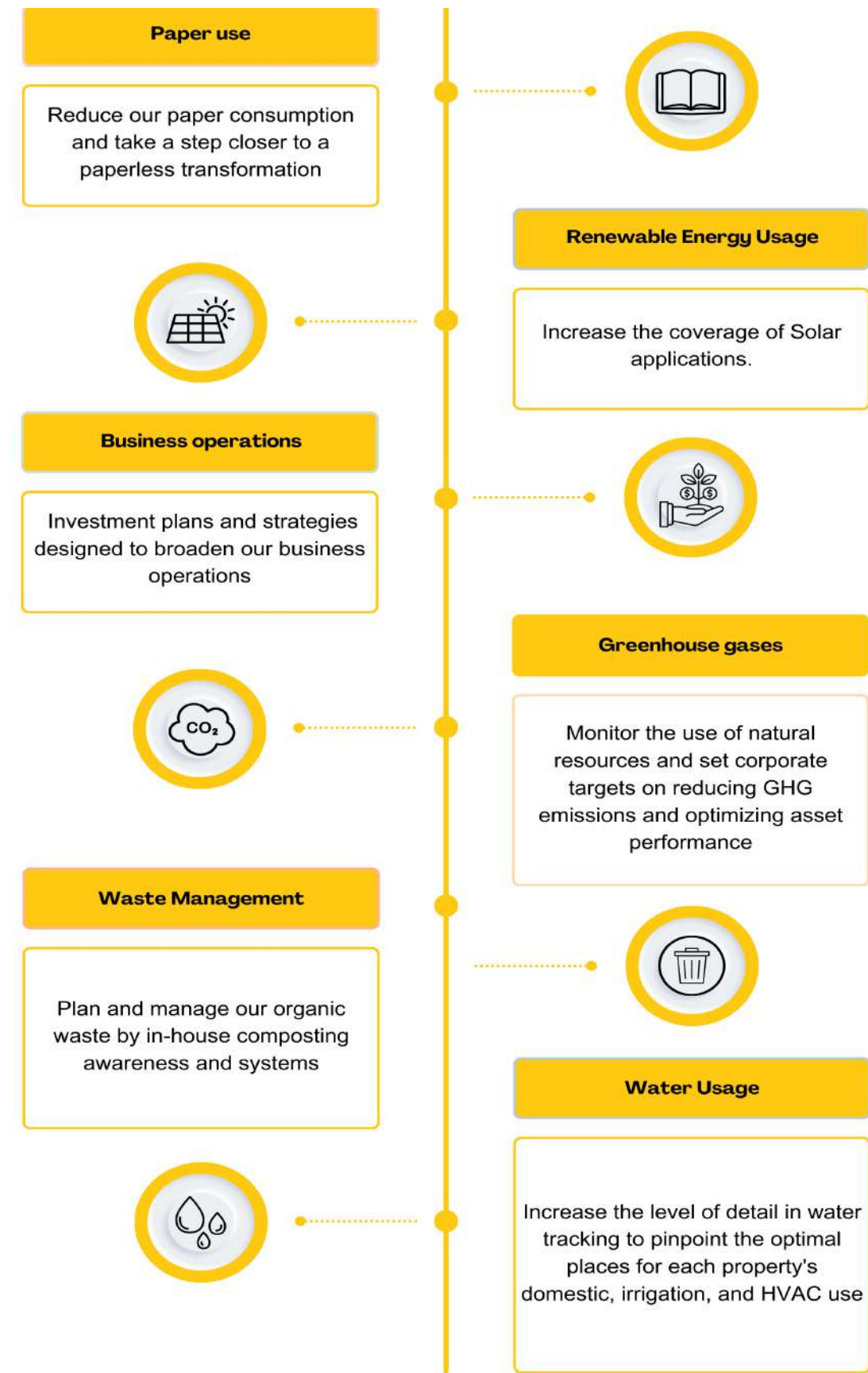
The Fourth ESG Report from Arams shows the strides achieved by the publicly traded real estate sector in adopting, putting into practice, and promoting ESG principles to benefit all of their stakeholders in the social, environmental, and governance spheres.

With increased pressure from investors, regulators, and reputation managers, ESG issues are finding their way into company strategy, and Aram is showing how comprehensive ESG policies can provide long-term value.

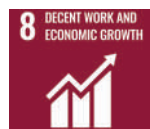
Prioritizing ESG issues in both short- and long-term operations, Aram Group is deciding which industry issues are most important, ensuring top-level ESG oversight, incorporating ESG into strategy, culture, and operations, and managing leverage to lower overall risk and increase resilience. Aram is setting an example for others to follow by safeguarding the world and human well-being through this endeavor.

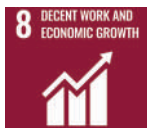
Aram is equipped to address growing stakeholder requirements by fostering equity and wellness in meaningful and pertinent ways, both within their Group and in their communities. Aram will also keep improving environmental resilience strategies as climate change becomes more significant by managing climate risks and opportunities, attempting to decarbonize, and supporting conservation efforts. Additionally, Aram will keep encouraging the cooperative advancement of industry-leading sustainability practices and the real estate sector as ESG plays an increasingly important and defining role in the business landscape.

2024 PLANS



APPENDIX

SLNO	Material Topics GRI	Description	Material Topic UN SDG	Boundaries	Priority
1		Privacy & security		ARAM Group	Most Important
2		Clear and fair terms and conditions		ARAM Group	Most Important
3		Anti-Corruption		ARAM Group	Most Important
4	302	Energy Uses		ARAM Group	Most Important
5		Customer experience		ARAM Group	Most Important
6		Emissions		ARAM Group	Most Important
7		Climate Change Mitigation & Adaptation		ARAM Group	Most Important
8		Monitoring our carbon footprint		ARAM Group	Most Important
9	405	Women empowerment		ARAM Group	Most Important
10		ARAM Group overall Services		ARAM Group	Most Important
11	413	Economic growth of the organization, people, and community		wARAM Group	Most Important
12		Waste Management		ARAM Group	Most Important
13		Environmental stewardship		ARAM Group	Most Important
14		Procurement Practices		ARAM Group	Most Important
15		Indirect economic impacts		ARAM Group	Most Important

S. No	Material Topics GRI	Description	Material Topic UN SDG	Boundaries	Priority
16		Emiratization		ARAM Group	Most Important
17		Customer health and safety		ARAM Group	Most Important
18	405	Equal Opportunity for All		ARAM Group	Most Important
19	103	Human rights assessment		ARAM Group	Most Important
20		Training and development		ARAM Group	Most Important
21		Emissions Youth empowerment		ARAM Group	Most Important
22		Working culture		ARAM Group	Most Important
23		Healthy and safe work environment		ARAM Group	Most Important
24		Engagement strategy and knowledge sharing		ARAM Group	Most Important
25	413	Socioeconomic compliance		ARAM Group	Most Important
26		Talent attraction and development		wARAM Group	Most Important
27		Corporate volunteering		ARAM Group	Most Important