

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
Six month period ended
30 June 2022

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the six-month period ended 30 June 2022

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The Shareholders
BHM Capital Financial Services PSC

We have reviewed the accompanying condensed consolidated interim financial information of BHM Capital Financial Services PSC ("the Company") and its subsidiary (collectively referred to as "the Group") as at 30 June 2022, comprising of the condensed consolidated interim statement of financial position as at 30 June 2022 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes, prepared for interim reporting purposes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not give a true and fair view of the financial position of the Group as at 30 June 2022, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards.

RSM Dahman



Ahmed Mohamed Salem Bamadhaf

Registration No.: 459

Dubai, United Arab Emirates

11 August 2022

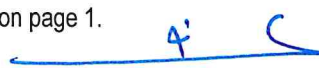
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

30 June 2022

		30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
	Note		
ASSETS			
NON-CURRENT ASSETS			
Goodwill and other intangible assets	4	41,934,061	42,329,061
Property and equipment		10,011,441	10,678,595
Investment properties	5	4,742,000	4,510,000
Financial assets through other comprehensive income	6	2,993,946	2,993,946
Total non-current assets		59,681,448	60,511,602
CURRENT ASSETS			
Short term deposit under lien		23,101,000	13,101,000
Prepayments and other receivables	7	181,056,260	168,834,301
Financial assets through profit and loss	6	1,774,275	11,775,977
Cash and bank balances	9	371,082,500	329,751,859
Total current assets		577,014,035	523,463,137
Total assets		636,695,483	583,974,739
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	10	173,431,068	173,431,068
Treasury shares	10(a)	(7,231,838)	(2,000,000)
Legal reserve	10(b)	5,540,272	5,540,272
Fair value through OCI reserve		(875,793)	(875,793)
Retained earnings		23,135,529	14,087,949
Merger reserve	10(c)	-	-
Total equity		193,999,238	190,183,496
NON-CURRENT LIABILITIES			
Bank borrowings	11	3,167,346	3,525,914
Employees' end of service benefits		2,996,855	2,596,698
Total non-current liabilities		6,164,201	6,122,612
CURRENT LIABILITIES			
Trade and other payables	12	399,114,908	386,951,495
Bank borrowings	11	717,136	717,136
Short term loan	11(b)	36,700,000	-
Total current liabilities		436,532,044	387,668,631
Total equity and liabilities		636,695,483	583,974,739

Independent auditors' review report on page 1.



 Abdel Hadi AL Sadi
 CEO

The attached notes 1 to 18 form an integral part of the condensed interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
Six Months Ended 30 June 2022

	Note	Six months ended		Three months ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		AED	AED	AED	AED
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
INCOME					
Commission and advisory income		23,587,477	15,822,286	12,331,612	7,582,145
Income from margin trading		11,197,664	7,962,575	4,648,248	4,270,504
Finance income		35,147	22,890	19,875	5,841
Other Income		6,579,933	2,976,555	3,507,337	1,268,606
		<u>41,400,221</u>	<u>26,784,306</u>	<u>20,507,072</u>	<u>13,127,096</u>
EXPENSES					
General and administrative expenses	15	(31,460,120)	(21,363,945)	(16,929,322)	(10,110,320)
Financial charges		(892,521)	(304,614)	(695,739)	(165,311)
		<u>(32,352,641)</u>	<u>(21,668,559)</u>	<u>(17,625,061)</u>	<u>(10,275,631)</u>
PROFIT FOR THE PERIOD		<u>9,047,580</u>	<u>5,115,747</u>	<u>2,882,011</u>	<u>2,851,465</u>
STATEMENT OF COMPREHENSIVE INCOME					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Other comprehensive income		-	-	-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-	-	-
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Net other comprehensive (loss) to be reclassified subsequently to profit or loss		-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		<u>9,047,580</u>	<u>5,115,747</u>	<u>2,882,011</u>	<u>2,851,465</u>
Basic and diluted earnings per share (AED per share)		<u>0.05</u>	<u>0.009</u>	<u>0.02</u>	<u>0.005</u>

The attached notes 1 to 18 form an integral part of the condensed interim financial information.

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Six Months Ended 30 June 2022

	Share capital AED Note 10	Treasury reserve AED Note 10(a)	Legal shares AED Note 10(b)	Merger reserve AED Note 10(c)	Fair value through OCI AED	Retained earnings AED	Total AED
Balance at 1 January 2021	563,841,748	(2,000,000)	4,241,735	(390,410,680)	(115,793)	2,401,109	177,958,119
<u>Total comprehensive income for the period</u>							
Profit for the period	-	-	-	-	-	5,115,747	5,115,747
<i>Other comprehensive income for the period</i>							
<u>Total comprehensive income for the period</u>	-	-	-	-	-	5,115,747	5,115,747
<u>Transactions with owners</u>							
Total transactions with owners	-	-	-	-	-	-	-
Balance at 30 June 2021	563,841,748	(2,000,000)	4,241,735	(390,410,680)	(115,793)	7,516,856	183,073,866
Balance at 1 January 2022	173,431,068	(2,000,000)	5,540,272	-	(875,793)	14,087,949	190,183,496
<u>Total comprehensive income for the period</u>							
Profit for the period	-	-	-	-	-	9,047,580	9,047,580
<i>Other comprehensive income for the period</i>							
<u>Total comprehensive income for the period</u>	-	-	-	-	-	-	-
<u>Transactions with owners</u>							
Purchase of treasury shares	-	(5,231,838)	-	-	-	-	(5,231,838)
Total transactions with owners		(5,231,838)	-	-	-	-	(5,231,838)
Balance at 30 June 2022	173,431,068	(7,231,838)	5,540,272	-	(875,793)	23,135,529	193,999,238

The attached notes 1 to 18 form an integral part of the condensed interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

Six Months Ended 30 June 2022

	<i>Six months ended</i>	
	<i>30 June 2022</i>	<i>30 June 2021</i>
	<i>AED</i>	<i>AED</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
OPERATING ACTIVITIES		
Profit for the period	9,047,580	5,115,747
Adjustment for:		
Depreciation on property and equipment	977,332	942,805
Amortization of intangible assets	395,000	398,150
Unrealized gain / (loss) on investment	152,602	218,081
Interest on bank borrowings	447,184	69,760
Interest income on deposits	(35,147)	(22,890)
Provision for employees' end of service benefits	439,067	493,406
Operating profit before working capital changes	11,423,618	7,215,059
Change in short term deposit under lien	(10,000,000)	-
Change in prepayments and other receivables	(12,221,959)	(8,611,201)
Change in trade and other payables	(23,204,386)	(1,377,802)
	(34,002,727)	(2,773,944)
Interest received on deposits	35,147	22,890
Payment of gratuity	(38,910)	(3,350)
Cash (used in) operating activities	(34,006,490)	(2,754,404)
INVESTING ACTIVITIES		
Purchase of furniture and equipment - net	(310,179)	(715,316)
Disposal / (purchase) of financial assets through profit and loss	9,849,100	(1,505,978)
Addition in investment property	(232,000)	-
Cash flow from / (used in) investing activities	9,306,921	(2,221,294)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(358,568)	(358,568)
Interest paid on bank borrowings	(447,184)	(69,760)
Purchase of treasury shares	(5,231,838)	-
Additions of short term loan	36,700,000	-
Cash flow from / (used in) financing activities	30,662,408	(428,328)
INCREASE IN CASH AND CASH EQUIVALENTS	5,962,841	(5,404,024)
Cash and cash equivalents at 1 January	21,824,937	20,307,515
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>27,787,778</u>	<u>14,903,491</u>

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS *(continued)*

Six Months Ended 30 June 2022

	30 June 2022	30 June 2021
	AED	AED
	(Un-audited)	(Un-audited)
<u>Represented by:</u>		
Cash and bank balances	371,082,500	212,014,032
Client deposits	<u>(343,294,722)</u>	<u>(197,110,541)</u>
Cash and cash equivalents at the end of period	<u>27,787,778</u>	<u>14,903,491</u>

The attached notes 1 to 18 form an integral part of the condensed interim financial information

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2022

1 Legal status and principal activities

BHM Capital Financial Services PSC ("the Company"), was incorporated on 11 March 2006 in accordance with the provisions of UAE Federal Law No. 2 of 2015. The registered office of the Company is P.O. Box 26730, Dubai, United Arab Emirates. The current shareholding of company is as follows:

<u>Shareholders</u>	<u>Ownership</u>
Mr. Khaleefa Butti Omair Yousif Almuhairi	76.97%
Others	23.03%

On 14 July 2009, Al Safwa Islamic Financial Services established a subsidiary by subscribing to 10,000,000 shares of AED 1 each representing 100% equity shares in Al Safwa Capital LLC (the "subsidiary") incorporated in the Emirates of Sharjah in accordance with the provision of the UAE Federal Companies Law no. 2 of 2015. On 26 November 2015 Al Safwa was listed on Dubai Financial Market ("DFM") as Private Joint Stock Company (PrJSC). The principal activity of the subsidiary is to hold investment properties and investment securities.

As further explained in note 4, on 8 December 2016, the operations of Mubasher Financial Services LLC ("MFS") merged with Al Safwa and the combined entity was renamed as Al Safwa Mubasher Financial Services PrJSC. The Company continues to be listed on the DFM as a Private Joint Stock Company.

On 30 May 2019, the structure of shareholding has been changed of the Company's and it has been updated with DFM. The name of the Company also changed from Al Safwa Mubasher Financial Services (PrJSC) to BH Mubasher Financial Services PSC.

The condensed consolidated financial information comprise of the Company and its wholly owned subsidiary, Al Safwa Capital LLC (collectively referred to as "the Group").

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and other securities including margin trading.

The consolidated financial information have been approved by Board of Directors on 11 August 2022.

2 SIGNIFICANT ACCOUNTING POLICIESStatement of compliance

This condensed consolidated interim financial information for the six-months period ended 30 June 2022 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

a) New and amended standards adopted by the Group:

The following revised new and amended standards are adopted in condensed consolidated interim financial information.

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020

b) New and amended standards not effective and not yet adopted by the Company

At the date of the condensed consolidated interim financial information, the following other standards, amendments, and interpretations have not been effective and have not been early adopted by the Group:

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 June 2022

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**b) New and amended standards not effective and not yet adopted by the Group (continued)**

- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2021.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Pursuant to a merger agreement between Al Safwa and MFS and shareholder resolutions of respective entities dated 21 January 2016, Ministerial Resolution number (499)/2016 issued by Ministry of Economy on 19 September 2016, and Emirates Securities and Commodities Authority ("ESCA") approval dated 11 October 2016 approving the merger, the Company commenced operations and traded as a combined entity under the revised name of Al Safwa Mubasher Financial Services with effect from 8 December 2016, on completion of the formalities of the UAE exchanges. As a result of the merger goodwill and client relationship arose, goodwill is tested annually for the impairment and client relationship is being amortised over its useful life.

The movement in goodwill and other intangible assets during the year is as follows:

	<i>Goodwill AED</i>	<i>Client relationships AED</i>	<i>Software AED</i>	<i>Total AED</i>
As at 1 January 2022	38,379,061	3,950,000	-	42,329,061
Amortisation for the period	-	(395,000)	-	(395,000)
As at 30 June 2022 (Un-audited)	<u>38,379,061</u>	<u>3,555,000</u>	<u>-</u>	<u>41,934,061</u>
As at 31 December 2021 (Audited)	<u>38,379,061</u>	<u>3,950,000</u>	<u>-</u>	<u>42,329,061</u>

5 INVESTMENT PROPERTIES

	<i>30 June 2022 AED (Un-audited)</i>	<i>31 December 2021 AED (Audited)</i>
Cost:		
As at 1 January	4,510,000	5,250,000
Payment during the period	232,000	
Impairment loss	-	(740,000)
At 30 June / 31 December	<u>4,742,000</u>	<u>4,510,000</u>

The fair value of Group's investment properties as at 30 June 2022 is AED 4.74 million (31 December 2021: 4.5 million based on unobservable market inputs (i.e. level 3). The investment property consists of warehouse constructed in Sharjah, United Arab Emirates.

The above investment property is on the name of Company chairman Alhur Mohammed Hamad AlSuwaidi. He has confirmed that Group is the beneficial owner of this property.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 June 2022

6 FINANCIAL ASSETS

The Group have the following financial assets:

FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
Investment in National Real Estate Development & Investment SAOC	<u>2,993,946</u>	<u>2,993,946</u>

This investment represents 2.5% of interest held in National Real Estate Development & Investment SAOC, a private joint stock company incorporated in the sultanate of Oman and primarily involved in real estate development.

FINANCIAL ASSETS THROUGH PROFIT AND LOSS

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
<u>Investments in local and foreign quoted shares</u>		
As at 1 January	11,775,977	8,848,421
(Disposals) / additions during the period	(9,849,100)	2,882,818
Fair value change during the period / year	<u>(152,602)</u>	<u>44,738</u>
As at 30 June / 31 December	<u>1,774,275</u>	<u>11,775,977</u>

Investment in securities classified as fair value through profit and loss (FVTPL) represent a portfolio of investments in local and foreign quoted shares.

7 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
Receivable from customers (note 7.1)	142,906,625	162,671,130
Allowances for expected credit losses (note 7.2)	<u>(4,536,408)</u>	<u>(4,518,708)</u>
	<u>138,370,217</u>	<u>158,152,422</u>
Prepayments	1,563,948	2,001,868
<u>Other receivables:</u>		
Net settlement due from:		
- NASDAQ	-	79,299
- DFM	2,626,653	
- ADX	25,888,184	313,574
Deposits	8,227,219	6,250,335
Receivable from broker	-	515,210
Others	<u>4,380,039</u>	<u>1,521,593</u>
	<u>181,056,260</u>	<u>168,834,301</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

30 June 2022

7 PREPAYMENTS AND OTHER RECEIVABLES *(continued)*

7.1 As at 30 June 2022, market value of securities held as collateral amounted to AED 1.4 billion (31 December 2021: AED 1.1 billion) against receivables from customers.

7.2 Movement in allowance for expected credit losses:

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
At 1 January	4,518,708	47,358
Addition of provision	17,700	4,500,000
Reversal of provision	-	(28,650)
At 30 June / 31 December	<u>(4,536,408)</u>	<u>4,518,708</u>

8 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include, parent, subsidiaries, key management personnel or their close family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. Transactions with related parties are conducted on terms agreed mutually between the parties.

Significant transactions with related parties during the period are as follows:

8(a) Transactions during the period

	<u>Six months ended</u>	
	30 June 2022 AED (Un-audited)	30 June 2021 AED (Un-audited)
Salary and benefits provided to key management personnel	3,261,285	2,121,723

9 CASH AND BANK BALANCES

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
Cash and bank		
- Group's deposits	27,787,642	21,824,741
- Petty cash	136	196
- Customers' deposits (note 9.1)	343,294,722	307,926,922
Cash and bank	<u>371,082,500</u>	<u>329,751,859</u>
Customer deposits	<u>(343,294,722)</u>	<u>(307,926,922)</u>
Cash and cash equivalents	<u>27,787,778</u>	<u>21,824,937</u>

9.1 In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("SCA"), the Group maintains separate bank accounts for amounts received from its customers ("customer deposits") which are not available to the Group other than to settle transactions executed on behalf of such customers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 June 2022

10 SHARE CAPITAL

	30 June 2022	31 December 2021
	Number of shares	Number of shares
	(Un-audited)	(Audited)
In issue at 1 January	173,431,068	563,841,748
Cancellation of shares (Note 10(c))	-	(390,410,680)
In issue at 31 December	-	173,431,068
Total paid in capital (AED)	173,431,068	173,431,068

10(a) Treasury shares

The treasury shares represent 6,501,019 shares of the Group held by BHM Capital Financial Services PSC ("the Company").

10(b) Legal reserve

The legal reserve of the current and comparative year is those of Safwa, which is the legal acquirer. In accordance with UAE Federal Law (2) of 2015 (as amended), a minimum of 10% of the annual profit is to be transferred to this non-distributable statutory reserve. Such transfers may cease when the statutory reserve becomes equal to half of the paid up share capital.

10(c) Merger reserve

The deficit Merger Reserve amounting AED 390 million resulted during the merger between two Companies: 1) Al Safwa Islamic Financial Services (PrJSC) ("Al-Safwa") and 2) Mubasher Financial Services LLC ("Mubasher") which happened in 2016. The deficit arising amounting AED 390 million at the transaction date was recognised as merger reserve in the Consolidated Statement of Financial Position with the corresponding credit in share capital through issuance of shares at par value i.e. AED 1 per share. Since the transaction date, there has been nil movement in the Merger Reserve.

During financial year 2021, management has reduced the share capital with the amount equivalent to the deficit merger reserve amounting AED 390 million, with the consent of the Securities & Commodities Authority in accordance with UAE Federal Law (2) of 2015 (as amended).

The movement of the merger reserve is shown in the table below.

	30 June 2022	31 December 2021
	AED	AED
	(Un-audited)	(Audited)
At 1 January	-	390,410,680
Transfer to share capital (Note 10(c))	-	(390,410,680)
At 30 June / 31 December	-	-

11 BANK BORROWINGS

	30 June 2022	31 December 2021
	AED	AED
	(Un-audited)	(Audited)
Bank borrowings (note 11.1)	3,884,482	4,243,050
<u>Disclosed under statement of financial position as follows:</u>		
Non-current portion of bank borrowings	3,167,346	3,525,914
Current portion of bank borrowings	717,136	717,136
	3,884,482	4,243,050

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

30 June 2022

11 BANK BORROWINGS *(continued)*

- 11(a)** In 2008, the Group was granted a forward Ijarah facility from the Islamic Bank to purchase an office space in the Emirate of Dubai. On 8 November 2012, the Group obtained the possession of office premises and the Ijarah facility of AED 24,051,620 was rescheduled to be repayable in 180 equal monthly instalments commencing from 8 December 2012. The Ijarah facility bears a profit rate of EIBOR plus 1.75% p.a. and is secured by a first degree registered mortgage over the property.
- 11(b)** Short term loan amounting AED 36.7 million is interest bearing loan at an initially agreed rate of 5.5% which parties might mutually agree to adjust in future depending upon prevailing economic conditions. The loan amount is payable on demand.

12 TRADE AND OTHER PAYABLES

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
Customers' deposits	343,294,722	307,926,922
Customers' deposits with foreign markets	17,963,655	15,988,013
Net settlement due to:		
- Dubai Financial Market	-	9,661,978
- NASDAQ	2,884	-
Short term advances	16,508,012	31,078,549
Other payables and accruals	21,345,635	22,296,033
Total trade and other payables	399,114,908	386,951,495

Trade payables mainly represent deposits from customers for the purpose of trading by the Group on their behalf.

13 CONTINGENT LIABILITIES

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
Abu Dhabi Securities Exchange (ADX)	23,000,000	23,000,000
Dubai Financial Markets (DFM)	11,000,000	11,000,000
NASDAQ Dubai Limited (NASDAQ)	5,527,500	5,527,500
Securities and Commodities Authority (SCA)	1,000,000	1,000,000
	40,527,500	40,527,500

The guarantees issued are secured by fixed deposits of AED 13,101,000 (31 December 2021: AED 13,101,000).

14 COMMITMENTS

	30 June 2022 AED (Un-audited)	31 December 2021 AED (Audited)
Development expenditure on investment property	-	281,507

The Group signed an agreement with a contractor on 2 February 2014 to construct six sheds on land which is classified as investment property in the Group's condensed consolidated interim financial information. The total value of the contract was AED 2.6 million and initially the Group paid AED 2.38 million as per the agreement. The Group had a commitment of development expenditure on investment properties amounting to AED 281,507 (31 December 2021: AED 281,507) which has been settled with mutually agreed amount AED 232,000 during 2nd quarter of 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 June 2022

15 GENERAL AND ADMINISTRATIVE EXPENSES

	<u>Six months ended</u>		<u>Three months ended</u>	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	AED	AED	AED	AED
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Staff cost	19,270,521	12,550,006	9,029,430	6,046,591
Trading cost	3,991,464	2,792,287	1,905,025	1,389,194
Depreciation	977,332	942,805	491,234	484,455
Amortization	395,000	398,150	197,500	199,074
Rent	220,149	213,027	107,783	106,515
Legal and Professional	2,784,888	291,615	2,522,896	135,365
Registration and licensing	410,149	425,437	212,119	220,534
Communication	163,805	166,386	81,905	84,464
Other expenses	3,246,812	3,584,232	2,381,430	1,444,128
	<u>31,460,120</u>	<u>21,363,945</u>	<u>16,929,322</u>	<u>10,110,320</u>

16 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
<u>30 June 2022 (Un-audited)</u>				
Financial assets – Investment at fair value through P&L	1,774,275	-	-	1,774,275
Financial assets – Investment at fair value through OCI	-	-	2,993,946	2,993,946
<u>31 December 2021 (Audited)</u>				
Financial assets – Investment at fair value through P&L	11,775,977	-	-	11,775,977
Financial assets – Investment at fair value through OCI	-	-	2,993,946	2,993,946

There is no movement in Investment at fair value through OCI and hence, a level 3 reconciliation is not presented.

17 BASIS AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit or loss for the period attributable to owners of the Group by the weighted average number of shares outstanding during the period as follows:

	30 June 2022	30 June 2021
	AED	AED
	(Un-audited)	(Un-audited)
Profit for the period attributable to shareholders of the Group	<u>9,047,580</u>	<u>5,115,747</u>
Weighted average number of shares outstanding during the period	<u>166,101,030</u>	<u>561,841,748</u>
Basic and diluted earning per share (AED per share)	<u>0.05</u>	<u>0.009</u>

18 COMPARATIVE FIGURES

Certain of prior year amount have been regrouped or reclassified, whenever necessary, to conform with the presentation in the current year.