

**Sharjah Group Company P.S.C.
and its Subsidiary**

Interim Condensed Consolidated
Financial Information (Unaudited)

For the period ended September 30, 2016

Sharjah Group Company P.S.C. and its Subsidiary
Interim Condensed Consolidated Financial Information (Unaudited)
For the period ended September 30, 2016

Table of contents

	Page
Report on review of the interim condensed consolidated financial information	1
Interim consolidated statement of financial position	2
Interim consolidated statement of profit or loss and other comprehensive income	3
Interim consolidated statement of changes in equity	4
Interim consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial information	6 - 13

Report on review of interim condensed consolidated financial information to the Shareholders of Sharjah Group Company P.S.C

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Sharjah Group Company P.S.C. (“the Company”) and its Subsidiary (“the Group”) as at September 30, 2016, comprising of the interim consolidated statement of financial position as at September 30, 2016 and the related interim consolidated statement of profit or loss and other comprehensive income for the three months and nine months periods then ended and the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

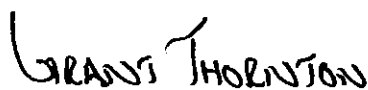
We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 interim condensed consolidated financial information are not prepared, in all material respects, in accordance with IAS 34.

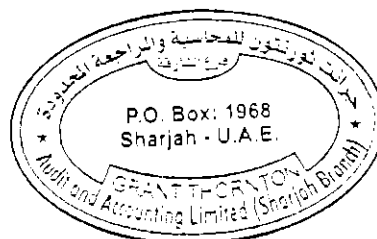
Other Matter

The interim condensed consolidated financial information for the period ended September 30, 2015 were reviewed by another auditor whose review report dated October 27, 2015 expressed unqualified conclusion on those interim condensed consolidated financial information.



GRANT THORNTON

Osama El Bakry
Registration No. 935
Sharjah, United Arab Emirates



October 30, 2016

Sharjah Group Company P.S.C. and its Subsidiary
Interim Condensed Consolidated Financial Information

Interim consolidated statement of financial position
As at September 30, 2016

	Notes	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
ASSETS			
Non-current assets			
Property and equipment		171,462	300,047
Investment properties	3	222,651,520	216,747,723
Available for sale investments	4	3,383,296	3,090,171
Investments at fair value through other comprehensive income	5	21,029,760	15,244,416
		<u>247,236,038</u>	<u>235,382,357</u>
Current assets			
Investments at fair value through profit or loss	6	2,112,325	2,260,259
Trade and other receivables		1,030,043	818,853
Cash and cash equivalents		3,695,224	12,900,508
		<u>6,837,592</u>	<u>15,979,620</u>
TOTAL ASSETS		<u>254,073,630</u>	<u>251,361,977</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		78,901,086	78,901,086
Statutory reserve		27,499,924	27,499,924
Voluntary reserve		7,818,983	7,818,983
Fair value reserve		5,875,587	224,439
Foreign currency translation reserve		(333,091)	(633,629)
Retained earnings		40,497,375	44,061,558
Total equity		<u>160,259,864</u>	<u>157,872,361</u>
Non-current liabilities			
Employees' end of service benefits		<u>758,793</u>	<u>652,983</u>
Current liabilities			
Trade and other payables	7	61,894,179	59,798,058
Dividends payable		31,160,794	33,038,575
		<u>93,054,973</u>	<u>92,836,633</u>
Total liabilities		<u>93,813,766</u>	<u>93,489,616</u>
TOTAL EQUITY AND LIABILITIES		<u>254,073,630</u>	<u>251,361,977</u>

This interim condensed consolidated financial information was approved and authorised for issue by the Board of Directors on October 30, 2016 and were signed on their behalf by:


 Mr. Ziyad Mahmoud Khairullah Al Haji
 Chairman


 Mr. Mohammed Al Wazzan
 Managing Director

The accompanying notes from 1 to 12 form an integral part of this interim condensed consolidated financial information

Sharjah Group Company P.S.C. and its Subsidiary
Interim Condensed Consolidated Financial Information

Interim consolidated statement of profit or loss
and other comprehensive income
For the period ended September 30, 2016 (Unaudited)

	Notes	Three months period ended September 30, 2016 AED	Three months period ended September 30, 2015 AED	Nine months period ended September 30, 2016 AED	Nine months period ended September 30, 2015 AED
Rental income		3,762,287	3,571,021	11,177,277	10,400,241
Dividend income		6,015	-	78,442	73,783
Gain on sale of investment properties		-	-	-	108,363
Unrealised loss on investments at fair value through profit and loss		(176,566)	(104,848)	(341,688)	(183,427)
General and administrative expenses	8	(1,090,688)	(1,065,809)	(3,432,462)	(3,369,822)
Repairs and maintenance expenses		(243,386)	(231,993)	(767,960)	(639,226)
Provision for claims and settlement	7	(483,442)	(371,076)	(1,225,594)	(1,113,228)
Impairment loss on investments classified at fair value through profit or loss		-	(350,868)	-	(350,868)
Impairment loss on available for sale investments		-	-	(172,290)	-
Reversal of impairment loss on available for sale investments		188,227	-	318,771	-
Other income		80,928	88,814	759,451	263,858
PROFIT FOR THE PERIOD		2,043,375	1,535,241	6,393,947	5,189,674
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss in subsequent periods</i>					
Changes in fair value of investment at fair value through other comprehensive income		6,236,352	1,292,890	5,543,424	1,292,890
<i>Items that are or may be reclassified to profit or loss in subsequent periods</i>					
Changes in value of available for sale investments		(80,028)	(238,789)	107,724	(877,477)
Foreign currency translation reserve		186,593	(45,374)	300,538	(569,026)
Other comprehensive income		6,342,917	1,008,727	5,951,686	(153,613)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,386,292	2,543,968	12,345,633	5,036,061
Basic and diluted earnings per share	11	0.026	0.019	0.081	0.066

The accompanying notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Interim consolidated statement of changes in equity
For the period ended September 30, 2016 (Unaudited)

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Retained earnings AED	Total AED
Balance at January 1, 2016	78,901,086	27,499,924	7,818,983	224,439	(633,629)	44,061,558	157,872,361
Profit for the period	-	-	-	-	-	6,393,947	6,393,947
Other comprehensive income for the period	-	-	-	5,651,148	300,538	-	5,951,686
Total comprehensive income for the period	-	-	-	5,651,148	300,538	6,393,947	12,345,633
Board of Directors' remuneration (Note 10)	-	-	-	-	-	(490,000)	(490,000)
Dividends declared	-	-	-	-	-	(9,468,130)	(9,468,130)
Balance at September 30, 2016	78,901,086	27,499,924	7,818,983	5,875,587	(333,091)	40,497,375	160,259,864

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Retained earnings AED	Total AED
Balance at January 1, 2015	78,901,086	25,673,296	5,992,355	(2,725,696)	104,846	40,752,083	148,697,970
Profit for the period	-	-	-	-	-	5,189,674	5,189,674
Other comprehensive income for the period	-	-	-	415,413	(569,026)	-	(153,613)
Total comprehensive income for the period	-	-	-	415,413	(569,026)	5,189,674	5,036,061
Board of Directors' remuneration (Note 10)	-	-	-	-	-	(490,000)	(490,000)
Dividends declared	-	-	-	-	-	(7,890,109)	(7,890,109)
Balance at September 30, 2015	78,901,086	25,673,296	5,992,355	(2,310,283)	(464,180)	37,561,648	145,353,922

The accompanying notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Interim consolidated statement of cash flows
For the period ended September 30, 2016 (Unaudited)

	Notes	Nine months period ended September 30, 2016 AED	Nine months period ended September 30, 2015 AED
OPERATING ACTIVITIES			
Profit for the period		6,393,947	5,189,674
<i>Adjustments to reconcile profit to net cash flows:</i>			
Unrealised loss on investments classified at fair value through profit or loss		341,688	183,427
Impairment loss on investments classified at fair value through profit or loss		-	350,868
Impairment loss on available for sale investments		172,290	-
Reversal of impairment loss on available for sale investments		(318,771)	-
Provision for employee's end of service benefits		103,939	159,595
Gain on sale of investment properties		-	(108,363)
Depreciation on property and equipment		146,506	152,345
Provision for claims and settlement		1,225,594	1,113,228
		<u>8,065,193</u>	<u>7,040,774</u>
<i>Changes in working capital</i>			
Trade and other receivables		(210,966)	(153,739)
Trade and other payables		444,317	(257,029)
Cash from operations		<u>8,298,544</u>	<u>6,630,006</u>
Employee's end of service benefits paid		(300)	(30,278)
Net cash from operating activities		<u>8,298,244</u>	<u>6,599,728</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(17,644)	(2,300)
Purchase of investments at fair value through profit of loss	6	(173,716)	(1,103,296)
Additions of investment properties	3	(5,903,797)	(67,887)
Proceeds from sale of investment properties		-	1,253,736
Net cash (used in)/from investing activities		<u>(6,095,157)</u>	<u>80,253</u>
FINANCING ACTIVITIES			
Dividends paid		(11,410,157)	(5,853,938)
Net cash used in financing activities		<u>(11,410,157)</u>	<u>(5,853,938)</u>
Net change in cash and cash equivalents		<u>(9,207,070)</u>	<u>826,043</u>
Exchange differences on translating foreign operations		1,786	-
Cash and cash equivalents, beginning of period		12,900,508	10,839,244
Cash and cash equivalents, end of period		<u>3,695,224</u>	<u>11,665,287</u>

The accompanying notes from 1 to 12 form an integral part of this interim condensed consolidated financial information.

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information
For the period ended September 30, 2016

1 Legal status and principal activities

Sharjah Group Company P.S.C. ("the Company") is a public share holding company, registered in the Emirate of Sharjah, United Arab Emirates under Emiri Decree number 133/76 dated 16 November 1976. The registered office of the Company is P O. Box 5440, Sharjah, United Arab Emirates. The shares of the Company are traded on the Abu Dhabi Securities Market.

The Company holds the following investment as at September 30, 2016. The entity has been consolidated in these interim condensed financial information:

Name of subsidiary	Ownership interest		Country of operation and incorporation	Principal activity
	2016	2015		
Tarfan General Trading and Contracting (Ebrahim Ahmed Al-Mannaai and Partners) W.L.L	100%	100%	State of Kuwait	Trading in investments

The Subsidiary is a limited liability company incorporated in Kuwait. The Subsidiary is owned by Mr. Mohammed Al Wazzan 1 % and Mr. Ibrahim Ahmed Al-Manaey 1% as beneficiaries for and on behalf of the Company.

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

2 Summary of significant accounting policies

a) Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standards 34: Interim Financial Reporting, and does not include all of the information and disclosures required in the annual financial statements in accordance with International Financial Reporting Standard (IFRS), and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2015.

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

Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of this interim condensed consolidated financial information are the same as those applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2015, except for new standards, interpretations and amendments mandatorily effective for the first time as of January 1, 2016 [refer note 2(d)].

b) Functional and presentation currency

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

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

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

2 Summary of significant accounting policies (continued)

c) Basis of consolidation

The interim condensed consolidated financial information consolidates the un-audited financial information of the subsidiary referred to in Note 1, on a line-by-line basis, with un-audited financial information of the Company for the period. All significant inter-group investments, receivables, payables and other such transactions are eliminated on consolidation.

d) Standards, interpretations and amendments to existing standards that are effective in 2016

Certain standards, interpretations and amendments to existing standards, issued by the IASB, that are effective for the accounting period beginning on or after January 1, 2016 are relevant to the Group and have been applied for the first time. The nature and impact of these standards, interpretations and amendments is described below.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

2 Summary of significant accounting policies (continued)

d) Standards, interpretations and amendments to existing standards that are effective in 2016 (continued)

Annual Improvements 2012-2014 Cycle (continued)

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to interim condensed consolidated financial information

The amendment clarifies that the offsetting disclosure requirements do not apply to interim condensed consolidated financial information, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments do not have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
 - That specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position may be disaggregated
 - That entities have flexibility as to the order in which they present the notes to financial statements
 - That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.
-

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

2 Summary of significant accounting policies (continued)

d) Standards, interpretations and amendments to existing standards that are effective in 2016 (continued)

Annual Improvements 2012-2014 Cycle (continued)

Amendments to IAS 1 Disclosure Initiative (continued)

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

e) Significant judgement and estimates

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

In preparing these interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in preparing to the Group's consolidated statements for the year ended December 31, 2015.

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

3 Investment properties

	September 30, 2016 AED (Unaudited)	December 31, 2015 AED (Audited)
Balance at January 1,	216,747,723	208,613,209
Additions during the period / year	5,903,797	67,887
Disposals during the period / year	-	(1,145,373)
Gain on fair valuation of investment properties	-	9,212,000
	<u>222,651,520</u>	<u>216,747,723</u>

Investment properties consist of residential tower and buildings, offices and warehouses. It also includes undeveloped parcels of land.

During the period, the Group acquired a parcel of land located in Sharjah. The Group incurred certain costs to construct warehouses and a labor camp on another existing land in Sharjah (Note 12).

Fair Value

Investment properties are stated at market value based on a valuation carried out by an independent external valuer as at December 31, 2015.

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

4 Available for sale investments

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Unquoted investments	<u>3,383,296</u>	<u>3,090,171</u>

The movement in available for sale investments is as follows:

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Balance at January 1,	3,090,171	3,942,877
Changes in the fair value	107,724	(66,607)
Impairment losses	(172,290)	(673,075)
Reversal of impairment loss	318,771	-
Translation reserve	38,920	(113,024)
	<u>3,383,296</u>	<u>3,090,171</u>

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

5 Investments at fair value through other comprehensive income

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Quoted investments	21,029,760	15,244,416

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

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Balance at January 1,	15,244,416	12,785,242
Changes in fair value	5,543,424	3,016,742
Translation reserve	241,920	(557,568)
	<u>21,029,760</u>	<u>15,244,416</u>

6 Investments classified at fair value through profit or loss

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Quoted investments	2,112,325	2,260,259

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

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Balance at January 1,	2,260,259	1,083,180
Purchased during the period / year	173,716	1,963,705
Change in fair value	(341,688)	(724,442)
Translation reserve	20,038	(62,184)
	<u>2,112,325</u>	<u>2,260,259</u>

7 Trade and other payables

	September 30, 2016 (Unaudited) AED	December 31, 2015 (Audited) AED
Trade payables	1,257,313	76,952
Rental income received in advance	1,967,204	1,802,790
Provision for claims and other legal expenses	57,198,723	56,085,495
Refundable deposits	960,457	1,000,582
Accrued expenses	398,116	832,239
Other payables	112,366	-
	<u>61,894,179</u>	<u>59,798,058</u>

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

7 Trade and other payables (continued)

Provision for claims and other legal expenses relate to a legal case filed against the Group in December 1999. The final verdict on this case dated November 2010 required the Group to pay an amount of USD 5.7 million or its equivalent in Kuwaiti Dinars using the exchange rate announced by the Central Bank of Kuwait in December 1999 and interest of 7% of the claimed amount for the period starting June 22, 1992 to the date of settlement. The claimed amount has been fully provided as at September 30, 2016.

8 General and administrative expenses

	Three months period ended September 30, 2016 AED	Three months period ended September 30, 2015 AED	Nine months period ended September 30, 2016 AED	Nine months period ended September 30, 2015 AED
Staff costs	437,828	445,062	1,339,960	1,420,037
Salaries and other benefits to executive director	159,382	122,794	546,718	539,261
Legal and professional fees	182,833	93,677	473,077	349,483
Directors sitting fee and other benefits	-	54,347	146,500	205,575
Depreciation	48,377	51,814	146,506	152,345
Rent	36,090	37,412	108,270	112,232
Others	226,178	260,703	671,431	590,889
	<u>1,090,688</u>	<u>1,065,809</u>	<u>3,432,462</u>	<u>3,369,822</u>

9 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 is recognised in the income statement on a straight line method and in accordance with different terms of these contracts. In addition, there is limited fluctuation on the rent rates where the Group's investment properties are located. Investment income depends on market conditions, investment activities of the Group and declaration of profit by investee companies, which are of a seasonal nature. Accordingly, results of investment income for the period ended September 30, 2016 are not comparable to those relating to the comparative period, and are not indicative of the results that might be expected for the year ending December 31, 2016.

10 Related parties

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

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

Sharjah Group Company P.S.C and its Subsidiary
Interim Condensed Consolidated Financial Information

Notes to the interim condensed consolidated financial information (continued)
For the period ended September 30, 2016

10 Related parties (continued)

Compensation of key management personnel

Details of related party transactions entered into during the period are set out below. These transactions have been carried out at the terms mutually agreed between the related parties. There was no outstanding balance receivable or payable to related parties as at September 30, 2016. (December 31, 2015: AED Nil).

Key management personnel of the Company include the Managing Director and Directors. Key management personnel compensation includes the following:

	Three months period ended September 30, 2016 AED	Three months period ended September 30, 2015 AED	Nine months period ended September 30, 2016 AED	Nine months period ended September 30, 2015 AED
Salaries and other short-term employee benefits	150,359	113,441	519,650	511,203
Directors sitting fee and other expenses	-	54,347	146,500	205,575
Board of Directors' remuneration	-	-	490,000	490,000
End of service benefits charged to profit and loss	9,023	9,353	27,068	28,058

Board of Directors' remuneration

This represents professional fees paid to the Group's Directors for serving as the board, and devoting special time and attention to the business and affairs of the Group. In accordance with the interpretation of Article 169 of the UAE Federal Law no.2 of 2015, the Group's policy is to recognise the Board of Directors' remuneration as an appropriation of retained earnings.

11 Basic and diluted earnings per share

	Three months period ended September 30, 2016 AED	Three months period ended September 30, 2015 AED	Nine months period ended September 30, 2016 AED	Nine months period ended September 30, 2015 AED
Profit for the period	2,043,370	1,535,241	6,393,947	5,189,674
Weighted average number of shares	78,901,086	78,901,086	78,901,086	78,901,086
Basic and diluted earnings per share	0.026	0.019	0.081	0.066
Basic and diluted earnings per share	2.59 fills	1.95 fills	8.10 fills	6.58 fills

12 Capital commitments

Capital commitments

At September 30, 2016, the Group had estimated capital commitments of construction of investment properties of AED 1,550,260 (December 31, 2015: AED 6,430,000).

Operating lease agreements – Company as lessor

The Group has entered into various operating lease agreements for investments properties. As at the period end, the future lease amounting to AED 6,873,654 (December 31, 2015: AED 6,861,949) are due within one year, future lease amounting to AED 812,500 (December 31, 2015: AED 1,950,000) are due above one year to five years, from the statement of financial position date under these operating leases.