22 April 2014

Mr. Hassan Abdulrahman Al Serkal
Executive Vice President, Chief - Operations Officer
(COO), Head Of Operation Division
Dubai Financial Market

Subject: Board of Directors meeting of Al-Madina For Finance & Investment Company

The Consolidated Financial Statements for the year ended on 31 December 2013 was approved by the Board of Directors which was held at 1:30 pm on Tuesday 22 April 2014.

1) Current & Comparative Years:

(All Amounts Are in Kuwaiti Dinars)

Details	Year Ended on 31/12/2013 (Current Year)	Year Ended on 31/12/2012 (Comparative Year)
Total Revenues (losses)	7,680,777	7,894,771
Net loss For The Period	(8,214,000)	(3,337,962)
Loss basic per share (Fils)	(21.15)	(8.69)
Total current assets	23,402,353	32,224,839
Total assets	106,132,889	143,790,770
Total current liabilities	55,171,560	63,366,346
Total liabilities	59,700,658	69,468,888
Total Equity	39,544,381	50,566,748

- **Total Revenues from transactions with related parties amounting to Kuwaiti Dinar 152,600.**
- **Total Expenses from transactions with related parties amounting to Kuwaiti Dinar 589, 961.**

2) Explanation Paragraph.

Without qualifying our opinion, we draw attention to Note 2.1 from these consolidated financial statements which indicates that the Wakala and other Payable are due and unpaid, also to lawsuits between the Group and the creditors, An executive confiscation has been made on the Company's pledged assets for Wakala payables. The company submitted an application to a Kuwaiti court for protection from creditors in accordance with Law No.2 " Financial stability Law" (the law) for the year 2009. These conditions, along with other matters as set forth in Note mentioned above, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

3) other legal and regulatory requirements:

With reference to the note # (13) in this Consolidated Financial Statements related to obtained Murabaha from investment funds.

4) Dividends:

The Board Of Directors proposed not to distribute dividends for the year ended on 31/12/2013, this suggestion is subject to the approval of the General Assembly of the shareholders & the competent authorities

شركة المدينة للتمويل والاستثمار

Mohamed Darwesh Al-Shamali
Chairman

شركة المدينة للتمويل والاستثمار
AL-MADINA FOR FINANCE AND INVESTMENT.

Mirqab - Al Soor Street - Jassem Al Asfoor Tower
P.O.Box: 2799 Safat 13028 Kuwait • Tel: 22960 777 • Fax: 22960 955
www.almadinainvest.com
المرقاب - شارع السور - برج جاسم العصفور
ص.ب: ٢٧٩٩ الصفاة، ر.ب. ١٣٠٢٨ كويت • هاتف: ٢٢٩٦٠٧٧٧ • فاكس: ٢٢٩٦٠٩٥٥