

Ekttitab Holding Company  
K.S.C. Holding  
And its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Financial Information  
For the six months ended 30 June 2010  
With Review Report  
(Unaudited)

Ekttitab Holding Company  
K.S.C. Holding  
And its subsidiaries  
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**Ektitab Holding Company - K.S.C. Holding**  
**Kuwait**

## **Report on Review of Interim Condensed Financial Information to the Board of Directors**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ektitab Holding Company K.S.C. Holding "the Parent Company" and its subsidiaries "the Group" as of 30 June 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. The Parent Company's management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with IAS (34) "Interim Financial Reporting". 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 Standards on Review Engagements 2410, "Review of Interim condensed consolidated Financial Information Performed by the Independent Auditor of the Entity".

A review of interim condensed consolidated 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 is not prepared, in all material respects, in accordance with International Accounting Standard No. "34" - Interim Financial Reporting.

## **Report on Review of Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is an agreement with the books of the Parent Company and to the extent of information made available to us, nothing has come to our attention causes us to believe that there are contraventions of the Commercial Companies Law of year 1960, as amended or of the Parent Company's Articles of Association during the six-month period ended 30 June 2010 that might have had a material effect on the business of the Group or on its financial position.

**Bader A. Al Wazzan**  
Licence No. 62A  
Deloitte & Touche  
Al-Fahad, Al-Wazzan & Co.

Kuwait  
14 August 2010

**Barrk Al-Ateeqi**  
Licence No. 69A  
Independent Member of B.K.R International

**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2010**

**(Unaudited)**

*(All amounts are in Kuwaiti Dinars)*

|                                                                      | Note | 30 June<br>2010   | 31 December<br>2009<br>(Audited) | 30 June<br>2009   |
|----------------------------------------------------------------------|------|-------------------|----------------------------------|-------------------|
| <b>Assets</b>                                                        |      |                   |                                  |                   |
| Cash and cash equivalents                                            | 3    | 3,839,647         | 1,069,175                        | 4,257,602         |
| Investments at fair value through profit or loss                     | 4    | 10,802,531        | 13,833,661                       | 17,158,338        |
| Available for sale investments                                       | 5    | 5,403,407         | 12,136,254                       | 9,166,369         |
| Investment in an associate                                           |      | -                 | -                                | 21,667,858        |
| Murabaha investments                                                 | 6    | 18,904,941        | 18,289,830                       | 13,331,339        |
| Receivables and other debit balances                                 |      | 223,495           | 183,788                          | 253,673           |
| Due from related parties                                             | 10   | 637,010           | 1,039,640                        | 370,346           |
| Properties held for trading                                          |      | 2,447,959         | 2,447,959                        | -                 |
| Fixed assets                                                         |      | 17,025            | 19,077                           | 23,097            |
| <b>Total assets</b>                                                  |      | <b>42,276,015</b> | <b>49,019,384</b>                | <b>66,228,622</b> |
| <b>Liabilities and equity</b>                                        |      |                   |                                  |                   |
| <b>Liabilities</b>                                                   |      |                   |                                  |                   |
| Murabaha payables                                                    | 7    | 7,475,787         | 7,558,525                        | 7,586,680         |
| Payables and other credit balances                                   |      | 1,546,482         | 1,995,660                        | 4,771,622         |
| Due to related parties                                               | 10   | 3,894,719         | 3,320,485                        | 3,423,901         |
| <b>Total liabilities</b>                                             |      | <b>12,916,988</b> | <b>12,874,670</b>                | <b>15,782,203</b> |
| <b>Equity</b>                                                        |      |                   |                                  |                   |
| <b>Equity attributable to the shareholders of the Parent Company</b> |      |                   |                                  |                   |
| Share capital                                                        |      | 51,700,000        | 51,700,000                       | 51,700,000        |
| Statutory reserve                                                    |      | 1,545,914         | 1,545,914                        | 1,545,914         |
| Voluntary reserve                                                    |      | 1,545,914         | 1,545,914                        | 1,545,914         |
| Group's share in an associate reserve                                |      | -                 | -                                | 310,558           |
| Change in fair value reserve                                         |      | (3,891,049)       | (1,354,753)                      | 406,482           |
| Accumulated losses                                                   |      | (27,259,604)      | (23,001,413)                     | (10,683,956)      |
|                                                                      |      | 23,641,175        | 30,435,662                       | 44,824,912        |
| Non-controlling interest                                             |      | 5,717,852         | 5,709,052                        | 5,621,507         |
| <b>Total equity</b>                                                  |      | <b>29,359,027</b> | <b>36,144,714</b>                | <b>50,446,419</b> |
| <b>Total liabilities and equity</b>                                  |      | <b>42,276,015</b> | <b>49,019,384</b>                | <b>66,228,622</b> |

The accompanying notes form an integral part of this interim condensed consolidated financial information.

  
**Emad Hossen Naema**  
Chairman



  
**Dr. Ali Darweesh Al-Shamali**  
Vice Chairman

**Ekttitab Holding Company**  
K.S.C. Holding  
And its subsidiaries

**Interim Condensed Consolidated Statement of Income for the six months ended 30 June 2010**  
**(Unaudited)**  
*(All amounts are in Kuwaiti Dinars)*

|                                                                        | Note | Three months ended<br>30 June |                  | Six months ended<br>30 June |                    |
|------------------------------------------------------------------------|------|-------------------------------|------------------|-----------------------------|--------------------|
|                                                                        |      | 2010                          | 2009             | 2010                        | 2009               |
| <b>Revenues</b>                                                        |      |                               |                  |                             |                    |
| (Losses) / gains from investments at fair value through profit or loss | 8    | (4,090,133)                   | 72,026           | (4,115,018)                 | (2,291,719)        |
| (Losses) / gains from sale of available for sale investments           |      | (585,026)                     | 175,054          | (284,802)                   | 175,054            |
| Group's share of an associate's result                                 |      | -                             | -                | -                           | (82,185)           |
| Murabaha income                                                        |      | 309,254                       | 626,298          | 615,111                     | 776,213            |
| Other income                                                           |      | (15,622)                      | 21,943           | 108,584                     | 147,978            |
|                                                                        |      | <u>(4,381,527)</u>            | <u>895,321</u>   | <u>(3,676,125)</u>          | <u>(1,274,659)</u> |
| <b>Expenses and other charges</b>                                      |      |                               |                  |                             |                    |
| Impairment of available for sale investments                           |      | -                             | (604,221)        | -                           | (696,941)          |
| Finance cost                                                           |      | (122,162)                     | (193,139)        | (254,387)                   | (320,086)          |
| General and administrative expenses                                    |      | (166,985)                     | (76,211)         | (318,265)                   | (165,588)          |
|                                                                        |      | <u>(289,147)</u>              | <u>(873,571)</u> | <u>(572,652)</u>            | <u>(1,182,615)</u> |
| (Loss) / profit before deductions                                      |      | <u>(4,670,674)</u>            | <u>21,750</u>    | <u>(4,248,777)</u>          | <u>(2,457,274)</u> |
| Kuwait Foundation for Advancement of Science (KFAS)                    |      | 3,509                         | -                | -                           | -                  |
| National Labor Support Tax                                             |      | 8,648                         | -                | -                           | -                  |
| Zakat expense                                                          |      | 3,459                         | -                | -                           | -                  |
| <b>Net (loss)/ profit for the period</b>                               |      | <u>(4,655,058)</u>            | <u>21,750</u>    | <u>(4,248,777)</u>          | <u>(2,457,274)</u> |
| Attributable to:                                                       |      |                               |                  |                             |                    |
| Shareholders of the Parent Company                                     |      | (4,592,865)                   | (137,060)        | (4,257,577)                 | (2,612,423)        |
| Non-controlling interest                                               |      | (62,193)                      | 158,810          | 8,800                       | 155,149            |
|                                                                        |      | <u>(4,655,058)</u>            | <u>21,750</u>    | <u>(4,248,777)</u>          | <u>(2,457,274)</u> |
| Loss per share (fils)                                                  | 9    | <u>(8.88)</u>                 | <u>(0.27)</u>    | <u>(8.23)</u>               | <u>(5.05)</u>      |

The accompanying notes form an integral part of this interim condensed consolidated financial information

**Interim Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2010**  
**(Unaudited)**  
*(All amounts are in Kuwaiti Dinars)*

|                                                                                        | Three months ended |                | Six months ended   |                    |
|----------------------------------------------------------------------------------------|--------------------|----------------|--------------------|--------------------|
|                                                                                        | 30 June            |                | 30 June            |                    |
|                                                                                        | 2010               | 2009           | 2010               | 2009               |
| <b>Net (loss) / profit for the period</b>                                              | <u>(4,655,058)</u> | <u>21,750</u>  | <u>(4,248,777)</u> | <u>(2,457,274)</u> |
| Group's share in associate's reserve                                                   | -                  | -              | -                  | 310,558            |
| Change in fair value of available for sale investments                                 | (2,603,086)        | 406,482        | (2,936,483)        | 406,482            |
| Transferred to statement of income in result of sale of available for sale investments | 31,420             | 346,500        | 400,187            | 396,000            |
| Other comprehensive income                                                             | <u>(2,571,666)</u> | <u>752,982</u> | <u>(2,536,296)</u> | <u>1,113,040</u>   |
| <b>Total comprehensive (loss) / income for the period</b>                              | <u>(7,226,724)</u> | <u>774,732</u> | <u>(6,785,073)</u> | <u>(1,344,234)</u> |
| <i>Attributable to :</i>                                                               |                    |                |                    |                    |
| Shareholders of the Parent Company                                                     | (7,164,531)        | 615,922        | (6,793,873)        | (1,499,383)        |
| Non controlling interest                                                               | <u>(62,193)</u>    | <u>158,810</u> | <u>8,800</u>       | <u>155,149</u>     |
|                                                                                        | <u>(7,226,724)</u> | <u>774,732</u> | <u>(6,785,073)</u> | <u>(1,344,234)</u> |

The accompanying notes form an integral part of this interim condensed consolidated financial information

**Ektitab Holding Company**  
K.S.C. Holding  
And its subsidiaries

**Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2010**  
**(Unaudited)**

(All amounts are in Kuwaiti Dinars)

|                                                                                                       | Equity attributable to the shareholders of the Parent Company |                 |                   |                   |                                      |                              | Non-controlling interest | Total equity |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------|-------------------|-------------------|--------------------------------------|------------------------------|--------------------------|--------------|
|                                                                                                       | Share capital                                                 | Treasury shares | Statutory reserve | Voluntary reserve | Group's share in associate's reserve | Change in fair value reserve | Accumulated losses       | Total        |
| <b>Balance as at 1 January 2009</b>                                                                   | 51,700,000                                                    | (2,184)         | 1,545,914         | 1,545,914         | -                                    | (396,000)                    | 766,822                  | 55,160,466   |
| Effect of reclassification investment at fair value through profit or loss to investment in associate | -                                                             | -               | -                 | -                 | -                                    | -                            | (8,841,975)              | (8,841,975)  |
| <b>Total comprehensive income/ (loss) for the period</b>                                              | 51,700,000                                                    | (2,184)         | 1,545,914         | 1,545,914         | -                                    | (396,000)                    | (8,075,153)              | 46,318,491   |
| Change in non-controlling interest                                                                    | -                                                             | -               | -                 | -                 | 310,558                              | 802,482                      | (2,612,423)              | (1,499,383)  |
| Purchase of treasury shares                                                                           | -                                                             | (683,974)       | -                 | -                 | -                                    | -                            | -                        | -            |
| Sale of treasury shares                                                                               | -                                                             | 686,158         | -                 | -                 | -                                    | -                            | -                        | (683,974)    |
| <b>Balance as at 30 June 2009</b>                                                                     | 51,700,000                                                    | -               | 1,545,914         | 1,545,914         | 310,558                              | 406,482                      | 3,620                    | 689,778      |
| <b>Balance as at 1 January 2010</b>                                                                   | 51,700,000                                                    | -               | 1,545,914         | 1,545,914         | -                                    | (1,354,753)                  | (23,001,413)             | 30,435,662   |
| Total comprehensive (loss) / income for the period                                                    | -                                                             | -               | -                 | -                 | -                                    | (2,536,296)                  | (4,257,577)              | (6,793,873)  |
| Purchase of treasury shares                                                                           | -                                                             | (784,552)       | -                 | -                 | -                                    | -                            | -                        | (784,552)    |
| Sale of treasury shares                                                                               | -                                                             | 784,552         | -                 | -                 | -                                    | -                            | (614)                    | 783,938      |
| <b>Balance as at 30 June 2010</b>                                                                     | 51,700,000                                                    | -               | 1,545,914         | 1,545,914         | -                                    | (3,891,049)                  | (27,259,604)             | 23,641,175   |
|                                                                                                       |                                                               |                 |                   |                   |                                      |                              |                          | 5,717,852    |
|                                                                                                       |                                                               |                 |                   |                   |                                      |                              |                          | 29,359,027   |

The accompanying notes form an integral part of this interim condensed consolidated financial information

**Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2010**  
**(Unaudited)**  
*(All amounts are in Kuwaiti Dinars)*

|                                                                                  | Note | Six months ended<br>30 June |             |
|----------------------------------------------------------------------------------|------|-----------------------------|-------------|
|                                                                                  |      | 2010                        | 2009        |
| <b>Cash flows from operating activities</b>                                      |      |                             |             |
| Net loss for the period                                                          |      | (4,248,777)                 | (2,457,274) |
| Adjustments:                                                                     |      |                             |             |
| Losses from investments at fair value through profit or loss                     |      | 4,115,018                   | 2,291,719   |
| Group's share of associate's result                                              |      | -                           | 82,185      |
| Gain from sale of available for sale investments                                 |      | 284,802                     | (147,978)   |
| Impairment of available for sale investments                                     |      | -                           | 696,941     |
| Depreciation                                                                     |      | 2,052                       | 2,343       |
| Murabaha income                                                                  |      | (615,111)                   | (776,213)   |
| Finance Cost                                                                     |      | 254,387                     | 320,086     |
| Operating (loss) / profit before changes in the operating assets and liabilities |      | (207,629)                   | 11,809      |
| Investments at fair value through profit or loss                                 |      | (1,144,770)                 | 382,915     |
| Receivables and other debit balances                                             |      | (39,707)                    | 1,317       |
| Due from related parties                                                         |      | 402,630                     | (215,508)   |
| Payables and other credit balances                                               |      | (449,178)                   | (262,635)   |
| Due to related parties                                                           |      | 574,234                     | 108,910     |
| Net cash (used in)/ generated from operating activities                          |      | (864,420)                   | 26,808      |
| <b>Cash flows from investing activities</b>                                      |      |                             |             |
| Murabaha investments                                                             |      | -                           | (1,622,181) |
| Paid for purchase of available for sale investments                              |      | (4,637,679)                 | (4,325,652) |
| Proceeds from sale of available for sale investments                             |      | 8,549,428                   | 6,066,116   |
| Cash dividends received                                                          |      | 60,882                      | -           |
| Net cash generated from investing activities                                     |      | 3,972,631                   | 118,283     |
| <b>Cash flows from financing activities</b>                                      |      |                             |             |
| Purchase of treasury shares                                                      |      | (784,552)                   | (683,974)   |
| Sale of treasury shares                                                          |      | 783,938                     | 689,778     |
| Non-controlling interest share in subsidiary's share capital increase            |      | -                           | 416,750     |
| Finance cost paid                                                                |      | (139,184)                   | (449,605)   |
| (Paid for) / proceeds from Murabaha payables                                     |      | (197,941)                   | 378,665     |
| Net cash (used in)/ generated from financing activities                          |      | (337,739)                   | 351,614     |
| Change in cash and cash equivalent                                               |      | 2,770,472                   | 496,705     |
| Cash and cash equivalent at the beginning of the period                          |      | 1,069,175                   | 3,760,897   |
| Cash and cash equivalents at the end of the period                               | 3    | 3,839,647                   | 4,257,602   |

The accompanying notes form an integral part of this interim condensed consolidated financial information

**Notes to Interim Condensed Consolidated Financial Information for the six months ended 30 June 2010**  
(Unaudited)  
(All amounts are in Kuwaiti Dinars unless otherwise stated)

**1. Overview**

Ektitab Holding Company (The Parent Company) - K.S.C.C.H is a Kuwaiti Shareholding Company established in 1999. The Parent Company is registered in the Commercial register under No. 105414, and listed on Kuwait Stock Exchange on 19 December 2005.

The Parent Company's office is located at Jassim Al Asfour Building – Kuwait city, P. O. Box 2799 Safat 13028 State of Kuwait.

The principal activities of the Parent Company are represented in undertaking all the operations related to incorporation of Kuwaiti and foreign limited liabilities and shareholding companies, acquiring thereof, extending borrowings and acting as grantor for such companies.

This interim condensed consolidated financial information includes the financial information of the Parent Company and its following subsidiaries (together referred to as "the Group"):

| Company's name                        | Legal form | Incorporation country | Ownership %  |                               |              |
|---------------------------------------|------------|-----------------------|--------------|-------------------------------|--------------|
|                                       |            |                       | 30 June 2010 | 31 December 2009<br>(Audited) | 30 June 2009 |
| India Holding Company                 | K.S.C.H.   | Kuwait                | 66.67        | 66.67                         | 66.67        |
| Aswaq Al-Madina Holding Company       | K.S.C.H.   | Kuwait                | 100          | 100                           | 100          |
| Petrol Market for Central Markets Co. | K.S.C.C.   | Kuwait                | 100          | 100                           | 100          |

Management accounts of the subsidiaries have been used in the consolidated financial information as of 30 June 2010 whose total assets is KD 14,247,226 (KD 13,638,028 as of 31 December 2009, KD 10,196,396 as of 30 June 2009) and their net loss is KD 78,193 for the period ended 30 June 2010 (net income of KD 437,661 for the period ended 30 June 2009).

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 14 August 2010.

**2. Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34) "Interim financial reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the interim financial information. The operation results for the six months period ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010. For further information, refer to the financial statements and its related disclosures for the year ended 31 December 2009.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the latest annual financial statements that were prepared in accordance with International Financial Reporting Standards except for standards disclosed below:

During the period, the Group has adopted standards and amendments which have been effective from 1 January 2010. The most significant of these amendments are IFRS 3 (revised) "Business combination" and the consequential amendments to IAS 27 "Consolidated and separate financial statements".

Notes to Interim Condensed Consolidated Financial Information for the six months ended 30 June 2010  
(Unaudited)  
(All amounts are in Kuwaiti Dinars unless otherwise stated)

Following is the most significant changes in the accounting policies on the Group:

- The acquisition-related cost is charged to the statement of income in the periods in which the costs are incurred.
- Changes in the interest of a subsidiary that will not result in loss of control are treated as group's equity transactions and they are accounted in equity.
- The interest held before obtaining control is re-measured at fair value at the date of obtaining control and the resulting gain or loss are charged to the statement of income.

There is no significant impact on the interim condensed consolidated financial information from these changes.

3. Cash and cash equivalents

|                                            | 30 June<br>2010  | 31 December<br>2009<br>(Audited) | 30 June<br>2009  |
|--------------------------------------------|------------------|----------------------------------|------------------|
| Cash on hand                               | 960              | 600                              | 600              |
| Cash with banks and financial institutions | 261,154          | 81,606                           | 99,498           |
| Cash at investment portfolios              | 3,577,533        | 986,969                          | 4,157,504        |
|                                            | <u>3,839,647</u> | <u>1,069,175</u>                 | <u>4,257,602</u> |

4. Investments at fair value through profit or loss

|                                                                | 30 June<br>2010   | 31 December<br>2009<br>(Audited) | 30 June<br>2009   |
|----------------------------------------------------------------|-------------------|----------------------------------|-------------------|
| Investments held for trading                                   | 6,071,668         | 6,684,687                        | 3,008,876         |
| Investments at fair value through profit and loss at inception | 4,730,863         | 7,148,974                        | 14,149,462        |
|                                                                | <u>10,802,531</u> | <u>13,833,661</u>                | <u>17,158,338</u> |
| Investments in local shares – quoted                           | 4,017,371         | 3,768,670                        | 2,180,682         |
| Investments in local shares – unquoted                         | 3,425,028         | 5,740,942                        | 6,573,961         |
| Investments in foreign shares – quoted                         | 2,054,297         | 2,916,017                        | 6,956,780         |
| Investments in foreign shares –unquoted                        | 219,524           | 230,708                          | -                 |
| Investments in local funds – unquoted                          | 1,086,311         | 1,177,324                        | 1,446,915         |
|                                                                | <u>10,802,531</u> | <u>13,833,661</u>                | <u>17,158,338</u> |

4.1 The fair value of the quoted investments is determined based on there current bid prices. The fair value of unquoted investments are determined based on the latest deals that took place on those investments, discounted cash flows and by using other valuation techniques. The fair value of the investments in funds is determined by reference to the net assets value of those funds.

4.2 Investments in local quoted and unquoted shares include KD 117,306 (KD 221,352 as of 31 December 2009, KD 386,746 as of 30 June 2009) registered in the name of related parties and they provided a letters of assignment of the ownership of these investments in favor of the Group.

4.3 Investments at fair value through profit or loss includes investments amounted to KD 1,488,344 as of 30 June 2010 (KD 1,830,021 as of 31 December 2009 – KD 2,819,789 as of 30 June 2009) pledged against Murabaha payables

Notes to Interim Condensed Consolidated Financial Information for the six months ended 30 June 2010  
(Unaudited)  
(All amounts are in Kuwaiti Dinars unless otherwise stated)

5. Available for sale investments

|                       | 30 June<br>2010  | 31 December<br>2009<br>(Audited) | 30 June<br>2009  |
|-----------------------|------------------|----------------------------------|------------------|
| Local quoted shares   | 4,742,187        | 8,924,592                        | 1,829,168        |
| Foreign quoted shares | 451,220          | 3,001,662                        | 7,337,201        |
| Local unquoted shares | 210,000          | 210,000                          | -                |
|                       | <u>5,403,407</u> | <u>12,136,254</u>                | <u>9,166,369</u> |

6. Murabaha investments

6.1 This balance represents the amounts granted to related parties. This Murabaha are guaranteed by portfolios in quoted shares managed by a related party, the guarantee fair value amount is KD 9,167,282 as of 30 June 2010 (KD 7,333,825 as of 31 December 2009, KD 10,955,721 as of 30 June 2009).

6.2 The average effective rate of return is 7.35% as of 30 June 2010 (7.35% as of 31 December 2009, 8.75% as of 30 June 2009). All Murabaha investments are dominated in Kuwait Dinars. All Murabaha investments matured during 2010.

7. Murabaha payables

7.1 This item represents the amounts received from local and foreign financial institutions in accordance with Murabaha contracts. These Murabaha carry a fixed finance cost rate. The average effective cost rate is 7.94% as of 30 June 2010 (7.94% as of 31 December 2009, 7.94% as of 30 June 2009).

7.2 Murabaha payables are secured against investments at fair value through Profit and loss of KD 1,488,344 as of 30 June 2010 (KD 1,830,021 as of 31 December 2009, KD 2,819,789 as of 30 June 2009).

7.3 During the period, Murabaha payable amounted to KD 2,301,540 matured and the necessary procedures are in process to renew or settle it.

8. (Losses) / gains from investments at fair value through profit or loss

|                            | Three months ended<br>30 June |               | Six months ended<br>30 June |                    |
|----------------------------|-------------------------------|---------------|-----------------------------|--------------------|
|                            | 2010                          | 2009          | 2010                        | 2009               |
| (Losses) / gains from sale | (499,050)                     | 959,444       | (615,722)                   | 514,224            |
| Change in fair value       | (3,638,466)                   | (891,443)     | (3,560,178)                 | (2,809,968)        |
| Dividends income           | 47,383                        | 4,025         | 60,882                      | 4,025              |
|                            | <u>(4,090,133)</u>            | <u>72,026</u> | <u>(4,115,018)</u>          | <u>(2,291,719)</u> |

9. Loss per share

Loss per share is calculated by dividing net loss for the period by the weighted average number of outstanding shares during the period as follows the calculation of loss per share:

|                                                                 | Three months ended<br>30 June |               | Six months ended<br>30 June |               |
|-----------------------------------------------------------------|-------------------------------|---------------|-----------------------------|---------------|
|                                                                 | 2010                          | 2009          | 2010                        | 2009          |
| Net loss for the period                                         | (4,592,865)                   | (137,060)     | (4,257,577)                 | (2,612,423)   |
| Weighted average number of outstanding shares during the period | 516,996,464                   | 516,532,444   | 516,995,580                 | 516,870,883   |
| Loss per share (fils)                                           | <u>(8.88)</u>                 | <u>(0.27)</u> | <u>(8.23)</u>               | <u>(5.05)</u> |

Notes to Interim Condensed Consolidated Financial Information for the six months ended 30 June 2010  
(Unaudited)  
(All amounts are in Kuwaiti Dinars unless otherwise stated)

10. Related party transactions

Related parties are the Parent Company's shareholders who have representation in the Board of Directors, members of the Board of Directors and major shareholders. In the normal course of business, subject to the Parent Company's management approval, there were transactions with related parties, the existing major shareholder, its subsidiaries, the significant transactions and outstanding balances with related parties, other than what disclosed in other notes, were as follows:

|                                                              | Three months ended<br>30 June |                                           | Six months ended<br>30 June |           |
|--------------------------------------------------------------|-------------------------------|-------------------------------------------|-----------------------------|-----------|
|                                                              | 2010                          | 2009                                      | 2010                        | 2009      |
| <b>Transactions</b>                                          |                               |                                           |                             |           |
| Murabaha income                                              | 309,254                       | 626,298                                   | 615,111                     | 776,213   |
| Sale of investments at fair value through profit or loss     | 2,220,616                     | -                                         | 2,220,616                   | -         |
| Purchase of investments at fair value through profit or loss | 2,282,896                     | -                                         | 2,282,896                   | -         |
| Purchase of available for sale investments                   | -                             | -                                         | -                           | 6,187,215 |
|                                                              | <b>30 June<br/>2010</b>       | <b>31 December<br/>2009<br/>(Audited)</b> | <b>30 June<br/>2009</b>     |           |
| <b>Balances</b>                                              |                               |                                           |                             |           |
| Murabaha investments                                         | 18,904,941                    | 18,289,830                                | 13,331,339                  |           |
| Due from related parties                                     | 637,010                       | 1,039,640                                 | 370,346                     |           |
| Due to related parties                                       | 3,894,719                     | 3,320,485                                 | 3,423,901                   |           |
| Cash at investment portfolios                                | 2,240,995                     | -                                         | -                           |           |

Related parties' transactions are subject to the approval of shareholders in the General Assembly.

11. Dividends

On 20 May 2010, the shareholders' General Assembly approved the financial statements for the year ended 31 December 2009 and approved not to distribute dividends for the year ended 31 December 2009 (not to distribute dividends for the year 2008).

12. Segment distribution

Segment information

The Group carries out only in investment segment which represents in owed investment through profit and loss, available for sale investments.

A financial analysis of activities for the six months ended 30 June 2010:

|                                       | Investment activities |             |           |          | Total       |
|---------------------------------------|-----------------------|-------------|-----------|----------|-------------|
|                                       | Kuwait                | UAE         | Egypt     | Other    |             |
| Revenues                              | (1,668,025)           | (1,513,234) | (483,682) | (11,184) | (3,676,125) |
| Loss for the period before deductions | (2,195,973)           | (1,557,104) | (484,516) | (11,184) | (4,248,777) |
| Assets                                | 34,114,210            | 6,476,328   | 1,465,954 | 219,523  | 42,276,015  |

A financial analysis of activities for the six months ended 30 June 2009:

|                                       | Investment activities |           |            |           | Total       |
|---------------------------------------|-----------------------|-----------|------------|-----------|-------------|
|                                       | Kuwait                | UAE       | Egypt      | Other     |             |
| Revenues                              | (1,332,222)           | (610,616) | 509,312    | 158,867   | (1,274,659) |
| Loss for the period before deductions | (1,786,003)           | (610,616) | (187,629)  | 126,974   | (2,457,274) |
| Assets                                | 49,558,977            | 3,885,081 | 10,428,899 | 2,355,665 | 66,228,622  |

Notes to Interim Condensed Consolidated Financial Information for the six months ended 30 June 2010  
(Unaudited)  
*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

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**13. Employee stock option plan**

The extra ordinary General Assembly held on 25 May 2009 approved to decrease of the Company's authorized share capital from 521,700,000 shares to 517,000,000 share by cancelling 4,700,000 which represent the unsubscribed shares issued in terms of the proposed employees' stock option plan (ESOP) as per the General Assembly resolution dated 1 May 2008, in addition, it approved increasing the authorized share capital to 526,400,000 by issuing 9,400,000 shares for the Parent Company's employees as stock option plan (ESOP) with price of 100 fils each. Currently, the determination of program conditions, terms of the methods of shares issuance, the program duration, and the allocation of shares between the employees is under process.