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**AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2008
(UNAUDITED)
WITH REVIEW REPORT ON INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES
STATE OF KUWAIT

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WITH REVIEW REPORT ON INTERIM CONSOLIDATED
FINANCIAL INFORMATION

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Review report on interim consolidated financial information

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AUDITING OFFICE
ALI OWAID RUKHAEYES



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REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Mazaya Holding Company K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Al Mazaya Holding Company K.S.C. (Closed) (the Parent Company) and subsidiaries (the Group) as of March 31, 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

We did not review the interim financial information of the subsidiary, First Dubai Real Estate Development Company K.S.C. (Closed), whose total assets and revenues constitute 24.55% and 24.21% of the respective consolidated totals. The financial information of the above mentioned subsidiary was reviewed by another auditor, whose report was provided to us and our conclusion in so far as it relates to the amounts included in the interim consolidated financial information related to this subsidiary is based solely on the report of the other auditor.

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 and the report of the other auditor, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.



Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the books of account. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies' Law of 1960, as amended, or of the Articles of Association of the Parent Company have occurred during the period ended March 31, 2008 that might have had a material effect on the business of the Parent Company or on its financial position.

Ali Owaid Rukheyes
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State of Kuwait
April 28, 2008

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

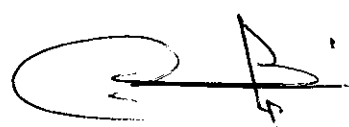
AS OF MARCH 31, 2008

(All amounts are in Kuwaiti Dinars)

		March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
ASSETS				
Cash and cash equivalents	3	36,801,004	27,500,543	27,303,256
Investments at fair value through income statement		11,442,733	17,171,474	18,725,875
Accounts receivable and other debit balances	4	31,115,695	43,268,002	32,695,655
Properties held for trading	5	7,064,733	-	-
Investments available for sale		10,691,948	11,728,068	2,260,954
Investment in joint ventures	6	14,984,373	7,016,428	1
Properties under development	7	162,960,928	122,359,810	64,343,026
Investment properties		13,998,839	25,662,337	35,538,499
Work in progress		9,558,298	8,824,150	8,783,503
Fixed assets		716,763	764,156	2,769,048
Leasehold land		1,747,858	1,766,002	-
Goodwill	2	1,044,993	1,005,927	1,052,479
		<u>302,128,165</u>	<u>267,066,897</u>	<u>193,472,296</u>
LIABILITIES AND EQUITY				
Liabilities:				
Bank overdraft		1,112,367	-	-
Accounts payable and other credit balances	8	80,267,716	47,728,304	55,155,669
Term loans	9	53,046,745	54,754,329	3,000,000
Wakala and Murabaha payables		11,109,068	10,039,068	10,373,155
Gross amount due to customers for properties under development		110,004	-	5,768,225
Deferred consideration on acquisition of properties		40,953,709	38,699,426	39,608,994
End of service indemnity		149,864	108,520	86,810
Total liabilities		<u>186,749,473</u>	<u>151,329,647</u>	<u>113,992,853</u>
Equity:				
Capital		37,906,980	31,589,150	31,589,150
Share premium		33,234,971	33,234,971	33,234,971
Statutory reserve		7,777,758	7,777,758	4,514,191
Voluntary reserve		7,777,758	7,777,758	4,514,191
Treasury shares reserve		1,334,823	1,359,542	93,958
Employees' share option reserve		-	-	305,339
Cumulative changes in fair value		72,000	-	-
Assets revaluation surplus		1,038,731	1,038,731	1,038,731
Foreign currency translation adjustment		(2,490,696)	(2,433,513)	(1,042)
Effect of changes in subsidiary's equity		68,900	68,900	68,900
Retained earnings		22,663,155	31,715,370	10,254,005
		<u>109,384,380</u>	<u>112,128,667</u>	<u>85,612,394</u>
Treasury shares	10	(2,027,624)	(2,889,821)	(9,432,338)
		<u>107,356,756</u>	<u>109,238,846</u>	<u>76,180,056</u>
Minority interest		8,021,936	6,498,404	3,299,387
Total equity		<u>115,378,692</u>	<u>115,737,250</u>	<u>79,479,443</u>
		<u>302,128,165</u>	<u>267,066,897</u>	<u>193,472,296</u>

The accompanying notes (1) to (18) are an integral part of the interim consolidated financial information


Rashid Y. Al-Nafisi
Chairman


Khalid S. Esbaitah
Vice Chairman and Managing Director

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended March 31,	
		2008	2007
Revenues			
Revenue from sale of properties completed and under development		14,625,319	11,282,947
Revenue from sale of property held for trading	5	10,412,570	-
Additional gain from sale of investment property	11	2,570,838	-
Total revenues		27,608,727	11,282,947
Cost of revenues			
Cost of sale of properties completed and under development		(8,661,089)	(5,783,216)
Cost of sale of property held for trading	5	(6,845,893)	-
Total cost of revenues		(15,506,982)	(5,783,216)
Gross profit		12,101,745	5,499,731
Management fees, commission and consultancy income		759,347	523,093
Net investment loss	12	(589,148)	(82,650)
Gain on partial disposal of subsidiary		3,391,755	-
Share of results from joint ventures		713,453	-
Marketing expenses		(252,883)	(551,749)
Administrative expenses		(1,256,928)	(851,396)
Expenses related to equity settled share based payments		(364,928)	(305,339)
Depreciation and amortization		(80,203)	(19,820)
Expenses on completed projects		(237,725)	(204,605)
Foreign currency exchange gain		587,917	2,970
Interest income		506,889	154,733
Finance charges		(1,204,751)	(354,861)
Other income		110,245	-
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences, National Labor Support Tax and contribution to Zakat		14,184,785	3,810,107
Contribution to Kuwait Foundation for the Advancement of Sciences		(99,081)	(19,831)
Contribution to Zakat		(263,569)	-
National Labor Support Tax		(103,559)	(93,166)
Net profit for the period		13,718,576	3,697,110
Attributable to:			
Equity holders of the Parent Company		12,877,600	3,613,652
Minority interest		840,976	83,458
Net profit for the period		13,718,576	3,697,110
		Fils	Fils
Earnings per share attributable to the equity holders of the Parent Company	13	34.51	10.03

The accompanying notes (1) to (18) are an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

	Attributable to equity holders of the Parent Company												Minority interest	Total
	Capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares reserve	Employees' share option reserve	Cumulative changes in fair value	Assets revaluation surplus	Foreign currency translation adjustment	Effect of changes in subsidiary's equity	Retained earnings	Treasury shares		
Balance at December 31, 2007	31,589,150	33,234,971	7,777,758	7,777,758	1,359,542	-	-	1,038,731	(2,433,513)	68,900	31,715,370	(2,889,821)	109,238,846	115,737,250
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	(57,183)	-	-	-	(57,183)	(57,183)
Cumulative changes in fair value of investments available for sale	-	-	-	-	-	-	72,000	-	-	-	-	-	72,000	72,000
Loss on sale of treasury shares	-	-	-	-	(24,719)	-	-	-	-	-	-	-	(24,719)	(24,719)
Net income (expense) recognized directly in equity	-	-	-	-	(24,719)	-	72,000	-	(57,183)	-	-	-	(9,902)	(9,902)
Profit for the period	-	-	-	-	-	-	-	-	-	-	12,877,600	-	12,877,600	13,718,576
Total recognized income (expense) for the period	-	-	-	-	(24,719)	-	72,000	-	(57,183)	-	12,877,600	-	12,867,698	13,708,674
Cash dividend (2007 – 50 fils per share)	-	-	-	-	-	-	-	-	-	-	(15,611,985)	-	(15,611,985)	(15,611,985)
Bonus shares (2007 – 20%)	6,317,830	-	-	-	-	-	-	-	-	-	(6,317,830)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(38,349)	(38,349)	(38,349)
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	900,546	900,546	900,546
Net movement in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	682,556	682,556
Balance at March 31, 2008	<u>37,906,980</u>	<u>33,234,971</u>	<u>7,777,758</u>	<u>7,777,758</u>	<u>1,334,823</u>	<u>-</u>	<u>72,000</u>	<u>1,038,731</u>	<u>(2,490,696)</u>	<u>68,900</u>	<u>22,663,155</u>	<u>(2,027,624)</u>	<u>107,356,756</u>	<u>115,378,692</u>
Balance at December 31, 2006	28,601,242	32,758,688	4,514,191	4,514,191	97,258	-	-	1,038,731	-	-	23,290,875	(7,013,148)	87,802,028	91,629,732
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	(1,042)	-	-	-	(1,042)	(1,042)
Loss on sale of treasury shares	-	-	-	-	(3,300)	-	-	-	-	-	-	-	(3,300)	(3,300)
Net expense recognized directly in equity	-	-	-	-	(3,300)	-	-	-	(1,042)	-	-	-	(4,342)	(4,342)
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,613,652	-	3,613,652	3,697,110
Total recognized (expense) income for the period	-	-	-	-	(3,300)	-	-	-	(1,042)	-	3,613,652	-	3,609,310	3,692,768
Increase in capital	116,167	-	-	-	-	-	-	-	-	-	-	-	116,167	116,167
Share premium	-	476,283	-	-	-	-	-	-	-	-	-	-	476,283	476,283
Cash dividend (2006 – 50 fils per share)	-	-	-	-	-	-	-	-	-	-	(13,778,781)	-	(13,778,781)	(13,778,781)
Bonus shares (2006 – 10%)	2,871,741	-	-	-	-	-	-	-	-	-	(2,871,741)	-	-	-
Effect of changes in subsidiary's equity	-	-	-	-	-	-	-	-	-	68,900	-	-	68,900	68,900
Employees' share option reserve	-	-	-	-	-	305,339	-	-	-	-	-	-	305,339	305,339
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(2,664,694)	(2,664,694)	(2,664,694)
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	245,504	245,504	245,504
Net movement in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(611,775)	(611,775)
Balance at March 31, 2007	<u>31,589,150</u>	<u>33,234,971</u>	<u>4,514,191</u>	<u>4,514,191</u>	<u>93,958</u>	<u>305,339</u>	<u>-</u>	<u>1,038,731</u>	<u>(1,042)</u>	<u>68,900</u>	<u>10,254,005</u>	<u>(9,432,338)</u>	<u>76,180,056</u>	<u>79,479,443</u>

The accompanying notes (1) to (18) are an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2008	2007
Cash flows from operating activities:		
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences and National Labour Support Tax and contribution to Zakat	14,184,785	3,810,107
Adjustments for:		
Gain on sale of properties completed and under development	(5,964,230)	(5,499,731)
Gain on sale of property held for trading	(3,566,677)	-
Additional gain on sale of investment property	(2,570,838)	-
Net investment loss	589,148	82,650
Gain on partial disposal of subsidiary	(3,391,755)	-
Share of results from joint ventures	(713,453)	-
Expenses related to equity settled share based payments	364,928	305,339
Depreciation and amortization	80,203	19,820
Interest income	(506,889)	(154,733)
Finance charges	1,204,751	354,861
Provision for end of service indemnity	43,534	35,456
	(246,493)	(1,046,231)
Accounts receivable and other debit balances	12,887,259	(9,102,243)
Properties under development	(38,641,117)	804,821
Accounts payable and other credit balances	17,705,387	10,372,107
Gross amount due to customers for properties under development	111,564	5,768,225
Deferred consideration on acquisition of properties	2,562,394	6,187,148
	(5,621,006)	12,983,827
Paid to Kuwait Foundation for the Advancement of Sciences	-	(216,197)
End of service indemnity paid	(1,347)	(3,104)
Net cash (used in) generated from operating activities	(5,622,353)	12,764,526
Cash flows from investing activities:		
Purchase of investments at fair value through income statement	(1,993)	(316,345)
Proceed from sale of investments at fair value through income statement	5,157,377	1,240,110
Proceed from sale of properties held for trading	10,412,570	-
Proceed from sale of investments available for sale	1,145,718	-
Proceed from partial disposal of subsidiary	4,964,916	-
Increase in investment in joint ventures	(7,458,373)	-
Purchase of investment properties	(1,195,990)	-
Work in progress	(734,148)	105,676
Interest income received	351,360	196,494
Dividend income received	52,560	-
Paid against increase in equity holding of a subsidiary	-	(1,250)
Purchase of fixed assets	(27,455)	(2,513,964)
Net cash generated from (used in) investing activities	12,666,542	(1,289,279)

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTD.)
FOR THE PERIOD ENDED MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2008	2007
Cash flows from financing activities:		
Bank overdraft	1,112,367	-
Movement in term loans	(936,281)	(1,864,600)
Paid for purchase of treasury shares	(38,349)	(2,664,694)
Cash dividends paid	(7,670)	-
Finance charges paid	(782,435)	(394,166)
Increase in Wakala and Murabaha payable	1,314,684	4,338,555
Proceeds from sale of treasury shares	510,899	242,204
Paid to minority	583,762	-
Movement in equity of a subsidiary	-	68,900
Net cash generated from (used in) financing activities	1,756,977	(273,801)
Net increase in cash and cash equivalents	8,801,166	11,201,446
Foreign currency translation adjustment	885,775	(1,042)
Cash balance related to movement in equity holding in a subsidiary	(386,480)	6,350
Cash and cash equivalents at the beginning of the period	27,500,543	16,096,502
Cash and cash equivalents at the end of the period (Note 3)	36,801,004	27,303,256

The accompanying notes (1) to (18) are an integral part of the interim consolidated financial information

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

1. Establishment and activities of the Group

Al Mazaya Holding Company - K.S.C. (Closed) was incorporated on November 7, 1998 under the Commercial Companies Law No. 15 of 1960 and amendments there to.

The Parent Company is engaged in investment in local and foreign companies, real estate properties and consultancy services. The registered office of the Parent Company is at Salhia complex, Fahed Al Salem Street, P.O. Box 3546, Safat 13036, Kuwait.

These interim consolidated financial information were approved for issue by the board of Directors on April 28, 2008.

2. Basis of preparation

These interim consolidated financial information have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the guidelines issued by the Kuwait Stock Exchange. The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2007.

The interim consolidated financial information do not include all of the information and footnotes required for complete financial statements prepared in accordance with 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. Operating results for the period ended March 31, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2007.

The interim consolidated financial information include the financial information of Al Mazaya Holding Company - K.S.C. (Closed) (the Parent Company) and the following subsidiaries (the Group):

Subsidiaries	Country of incorporation	Percentage of holding		
		March 31, 2008 %	December 31, 2007 %	March 31, 2007 %
Al Mazaya Real Estate Development Company – K.S.C. (Closed)	Kuwait	100	100	100
Al Mazaya Real Estate FZ/LLC and its subsidiaries:	U.A.E.	100	100	100
Al Dana Real Estate Limited	U.A.E.	100	100	100
Al Rayhan Real Estate Limited	U.A.E.	100	100	100
Advantage General Trading Co. W.L.L.	U.A.E.	100	100	-
Al Mazaya Al Khalijia for General Trading and Contracting – Khalid S. Esbaitah and Partners – W.L.L.	Kuwait	100	100	100
Al Mazaya Arabian Real Estate Company – Khalid S. Esbaitah and Partners – W.L.L.	Kuwait	100	100	100
Al Mazaya International for Projects Management Company – Khalid S. Esbaitah and Partners – W.L.L.	Kuwait	100	100	100
Mazaya Lebanon Holding - S.A.L. (Holding) and its subsidiary:	Lebanon	100	100	100
Mazaya Lamartien - S.A.L.	Lebanon	100	100	100
Seven Zones Real Estate Company K.S.C.C	Kuwait	100	-	-
First Dubai Real Estate Development Company - K.S.C. (Closed)	Kuwait	77.03	81.78	91.73

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

During the period, the Parent Company acquired additional 0.11% interest in the equity of First Dubai Real Estate Development Company - K.S.C. (Closed) for an amount of KD 132,961. The goodwill movement resulting from the additional acquisition of this subsidiary is as follows:

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Beginning balance	1,005,927	920,096	920,096
Consideration paid during the period / year	132,961	714,934	593,700
Less: The group's share of fair value of identifiable assets and liabilities at the date of the acquisition	(34,167)	(513,936)	(461,317)
Net goodwill related to additions	98,794	200,998	132,383
Related to disposals	(59,728)	(115,167)	-
	<u>1,044,993</u>	<u>1,005,927</u>	<u>1,052,479</u>

Also, the Parent Company sold a portion of its interest in the equity of First Dubai Real Estate Development Company - K.S.C. (Closed) representing 4.86% resulting in a gain of KD 3,391,755. The decrease in the goodwill related to the sale transaction amounted to KD 59,728.

As of March 31, 2008, the balances in the consolidated financial information of the Group include the following assets and revenue of Seven Zones Real Estate Company K.S.C.C. while the comparative figures for December 31, 2007 and March 31, 2007 do not include such information:

	Amount
<u>Balance Sheet:</u>	
Accounts receivable and other debit balances	10,409,985
Investment in joint venture	7,436,323
Accounts payable and other credit balances	7,785,365
<u>Income Statement:</u>	
Management, commission and consultancy income	82,993
Share of results from joint venture	(22,050)

3. Cash and cash equivalents

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Cash and bank balances	25,483,884	15,956,840	6,531,340
Short term bank deposits	11,273,500	11,500,000	20,728,076
Cash in investment portfolios	43,620	43,703	43,840
	<u>36,801,004</u>	<u>27,500,543</u>	<u>27,303,256</u>

Short term bank deposits earn an average interest rate of 5.33 % (December 31, 2007 - 7.08 % and March 31, 2007 - 5.325 %) per annum.

AL MAZAYA HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

4. Accounts receivable and other debit balances

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Trade receivable	15,975,910	25,060,707	22,151,955
Advances payments	7,135,976	9,450,941	9,968,409
Amount due from related parties	6,588,199	7,770,607	443,773
Staff receivable	40,477	31,177	26,390
Other receivable	1,375,133	954,570	105,128
	<u>31,115,695</u>	<u>43,268,002</u>	<u>32,695,655</u>

5. Properties held for trading

	March 31, 2008
Transfer from investment properties	13,691,787
Transfer from properties under development	218,839
Disposals	(6,845,893)
Balance at the end of the period	<u>7,064,733</u>

6. Investment in joint ventures

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Balance at the beginning of the period / year	7,016,428	1	1
Additions	7,458,373	3,726,877	-
Share of results from Joint ventures	713,453	3,398,690	-
Foreign currency translation adjustment	(203,881)	(109,140)	-
Balance at the end of the period / year	<u>14,984,373</u>	<u>7,016,428</u>	<u>1</u>

7. Properties under development

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Cost incurred to date	185,948,922	201,611,808	70,245,552
Recognized profit	18,479,316	15,612,024	7,199,105
Transfer from work in progress	-	6,780,670	-
Transfer to properties held for trading	(218,839)	-	-
Less: Progress billings	(41,248,471)	(101,644,692)	(13,101,631)
	<u>162,960,928</u>	<u>122,359,810</u>	<u>64,343,026</u>

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8. Accounts payable and other credit balances

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Trade payable	18,814,325	29,085,787	15,272,773
Advances received from customers	28,753,401	9,712,251	18,057,056
Amount due to related parties	10,372,887	4,336,830	924,128
Dividend payable	16,277,033	672,718	14,383,990
Other payables and accrued expenses	6,050,070	3,920,718	6,517,722
	<u>80,267,716</u>	<u>47,728,304</u>	<u>55,155,669</u>

9. Term loans

Term loans carry interest rates ranging from 7.02 % to 8.77 % (December 31, 2007 – ranging from 7.02 % to 8.5 % and March 31, 2007 – ranging from 7.25 % to 7.5 %) per annum.

10. Treasury shares

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Number of shares (shares)	4,382,154	5,228,695	19,501,612
Percentage of issued shares (%)	1.16%	1.66%	6.17%
Market value (KD)	3,768,652	3,450,938	10,725,887
Cost (KD)	2,027,624	2,889,821	9,432,338

11. Additional gain from sale of investment property

During the period ended March 31, 2008, there was a delay in a settlement payment relating to sale of investment property that occurred in 2007. This resulted in increase in the selling price amounting to KD 2,570,838, the increase was booked directly in the interim condensed consolidated income statement as an additional gain from sale of investment property.

12. Net investment loss

	Three months ended March 31,	
	2008	2007
Unrealized (loss) gain from changes in fair value of investments at fair value through income statement	(549,406)	39,229
Realized loss on sale of investments at fair value through income statement	(129,900)	(121,879)
Realized gain on sale of investments available for sale	37,598	-
Dividend income	52,560	-
	<u>(589,148)</u>	<u>(82,650)</u>

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13. Earnings per share

Earnings per share is computed by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period.

	Three months ended March 31,	
	2008	2007
Net profit for the period attributable to equity holders of the Parent Company	<u>12,877,600</u>	<u>3,613,652</u>
	Shares	Shares
Weighted average number of issued and fully paid-up shares	315,891,500	315,491,369
Bonus shares for 2007	63,178,300	63,178,300
Less: weighted average number of treasury shares	(5,942,220)	(18,537,388)
Weighted average number of shares outstanding	<u>373,127,580</u>	<u>360,132,281</u>
	Fils	Fils
Earnings per share attributable to equity holders of the Parent Company	<u>34.51</u>	<u>10.03</u>

Earnings per share reported for three months ended March 31, 2007 were 10.99 fils before retroactive adjustment relating to issue of bonus shares for the year 2007.

14. Related party transactions

These represent transactions with related parties i.e. shareholders, directors and executive officers of the Group and entities of which they are principal owners. The Group's management approves pricing policies and terms of these transactions. Significant transactions with Group's related parties included are as follows:

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Balance sheet:			
Properties under development	-	-	11,651,320
Accounts receivable and other debit balances	6,588,199	7,770,607	443,773
Accounts payable and other credit balances	10,372,887	4,336,830	924,128
Wakala and Murabaha payables	8,109,068	10,039,068	8,733,155
		Three months ended March 31,	
		2008	2007
Statement of income:			
Revenue from sale of properties completed and under development		-	1,058,850
Management fees, commission and consultancy income		26,000	273,165
Finance charges		150,281	123,411
Key management compensation:			
Salaries and other short term benefits		155,940	68,389
Terminal benefits		6,184	3,166

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15. General Assembly

The General Assembly held on March 31, 2008 approved the distribution of cash dividend of 50 fils per share and 20 bonus shares for every 100 shares held as of the General Assembly date, for the year ended December 31, 2007. Also, the General Assembly had approved the increase in capital by 75,000,000 shares at 100 fils par value and 766 fils share premium or the equivalent price after the distribution of cash and bonus shares.

The General Assembly held on March 21, 2007 approved the distribution of cash dividend of 50 fils per share and 10 bonus shares for every 100 shares held as of the General Assembly date, for the year ended December 31, 2006.

16. Fiduciary accounts

The Group manages projects on behalf of others, and maintains cash balances and notes receivable in fiduciary accounts, which are not reflected in the interim consolidated financial information. Assets under management at March 31, 2008, amounted to KD 2,754,632 (December 31, 2007 – KD 2,832,792 and March 31, 2007 – KD Nil).

17. Contingent liabilities and commitments

	March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
Letters of guarantee	20,579,000	24,944,145	26,040,950
Capital commitments	53,191,262	57,538,953	92,832,228
	<u>73,770,262</u>	<u>82,483,098</u>	<u>118,873,178</u>

18. Comparative figures

Certain prior period figures have been reclassified to conform with the current period presentation.