Grand Real Estate Projects Company
K.S.C. (Closed)
and its Subsidiaries
State of Kuwait
Interim condensed consolidated
financial information
For the Nine months ended September 30, 2010
with
Review report
(unaudited)

Grand Real Estate Projects Company
K.S.C. (Closed)
and its Subsidiaries
State of Kuwait

Interim condensed consolidated
financial information
For the Nine months ended September 30, 2010
With
Review report
(Unaudited)

Contents

	Exhibit
Review report on the interim condensed consolidated financial information	
Interim condensed consolidated statement of financial position (Unaudited)	A
Interim condensed consolidated statement of income (Unaudited)	B
Interim condensed consolidated statement of comprehensive income (Unaudited)	C
Interim condensed consolidated statement of cash flows (Unaudited)	D
Interim condensed consolidated statement of changes in equity (Unaudited)	E
	Page
Notes to the interim condensed consolidated financial information (Unaudited)	1 – 8

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Grand Real Estate Projects Company- K.S.C. (Closed)
And its subsidiaries
State of Kuwait

Review report on the interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Grand Real Estate Projects Company K.S.C. (Closed) - (the Parent Company) and its subsidiaries (together referred to as the Group) as of September 30, 2010 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the Nine months then ended. Management of the perent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No (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 the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors 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.

The basis of qualified conclusion

- The financial statements of some subsidiaries have been consolidated at September 30, 2010 based on the audited financial statements of these subsidiaries as of December 31, 2009 which statements reflect total assets KD 35,052,444 (except for Investors Holding Group subsidiary owned by 52.61%) as shown in (Note-3) to the interim condensed consolidated financial information .
- The Group's shares in the associates' results have not been recorded as shown in (Note 5) to the interim condensed consolidated financial information as there was no interim financial information for these companies for the Nine months ended September 30, 2010.

Qualified conclusion

Based on our review and the adjustments that may be required as a result of what mentioned above in the basis of qualified conclusion, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information has not been 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 in agreement with the books of the Parent Company. Also, to the best of our knowledge and belief, no violations neither of the Commercial Companies' Law of 1960, as amended, nor of the Articles of Association of the Parent Company have occurred during the period ended September 30, 2010 that might have had a material effect on the business of the Group or on its financial position.

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November 10, 2010
State of Kuwait

Exhibit - A

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Interim Condensed consolidated statement of financial position as of September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars"

	Note	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Assets				
Non-Current assets				
Investment properties	4	**35,960,204**	36,356,161	39,822,835
Investments in associates	5	**57,023,154**	56,978,606	61,760,577
Investments in unconsolidated subsidiaries		**255,001**	255,001	1,901,750
Intangible assets	6	**–**	11,631,502	13,169,955
Projects in progress		**3,008,756**	3,008,756	6,695,007
Property and equipment		**39,121**	45,686	188,768
Due from related parties	14	**2,958,973**	2,286,157	4,957,876
Joint venture		**1**	1	1
Available for sale investments		**9,727,595**	10,554,853	4,946,656
		108,972,805	121,116,723	133,443,425
Current assets				
Receivables and other debit balances	7	**1,675,107**	3,363,413	4,031,686
Investments at fair value - statement of income	8	**2,439,132**	3,528,682	5,042,689
Cash and cash equivalents		**234,326**	1,443,025	2,767,796
		4,348,565	8,335,120	11,842,171
Total assets		**113,321,370**	129,451,843	145,285,596
Equity and Liabilities				
Equity				
Share capital	9	**37,534,960**	45,480,162	45,480,162
Share premium	15	**84,171**	24,674,524	24,678,521
Statutory reserve	15	**–**	6,032,791	6,032,791
Voluntary reserve	15	**–**	6,032,791	6,032,791
Treasury shares		**(229,218)**	(229,218)	(229,218)
Profit on sale of treasury shares		**100,797**	100,797	100,797
Share option reserve		**178,864**	189,950	198,044
Cumulative changes in fair value		**(621,262)**	(206,104)	(126,052)
Foreign currency translation reserve		**821,322**	870,583	847,547
Accumulated losses	15	**(15,143,555)**	(44,596,108)	(27,299,409)
Group's share in associates' reserves		**(1,732,435)**	(1,835,939)	(879,920)
Equity attributable to the Parent Company's Shareholders		**20,993,644**	36,514,229	54,836,054
Non controlling interests		**35,580,298**	33,989,317	40,061,961
Total Equity		**56,573,942**	70,503,546	94,898,015
Non-Current Liabilities				
Provision for end of service indemnity		**190,728**	183,468	141,595
Due to related parties	14	**42,824,944**	44,668,229	34,109,857
		43,015,672	44,851,697	34,251,452
Current Liabilities				
Islamic debt instruments	10	**9,207,026**	9,976,501	11,736,924
Payables and other credit balances	11	**4,524,730**	4,120,099	4,399,205
		13,731,756	14,096,600	16,136,129
Total liabilities		**56,747,428**	58,948,297	50,387,581
Total equity and liabilities		**113,321,370**	129,451,843	145,285,596

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

Dr. Abdulaziz Bader Aljenaei
Vice chairman and CEO

Exhibit - B

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of income for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars"

	Note	The three months ended September 30		The nine months ended September 30	
		2010	2009	**2010**	2009
Gains from sale of investment properties		**–**	–	**119,093**	171,360
Income from investment properties		**56,954**	20,869	**173,635**	96,601
Net (Loss) / profit from investments in securities	12	**(214,350)**	191,733	**(753,382)**	1,065,723
Losses from sale of share in a subsidiary		**(1,017,986)**	(6,084,675)	**(5,274,911)**	(8,815,695)
Impairment of goodwill	6	**–**	–	**(8,436,755)**	–
Other income		**–**	–	**–**	188,652
Finance charges		**(80,858)**	(360,701)	**(286,216)**	(569,334)
Foreign currency translation differences		**(107,084)**	659	**(126,722)**	540,797
General and administrative expenses		**(408,990)**	(312,753)	**(927,587)**	(856,761)
Net loss for the period before Contribution to Kuwait Foundation for the Advancement of Science, National Labor Support Tax and Zakat		**(1,772,314)**	(6,544,868)	**(15,512,845)**	(8,178,657)
Kuwait Foundation for the Advancement of Science		**–**	–	**–**	–
National Labor Support Tax		**–**	3,255	**–**	(18,692)
Zakat		**–**	1,266	**–**	(7,399)
Net loss for the period		**(1,772,314)**	(6,540,347)	**(15,512,845)**	(8,204,748)
Attributable to:					
Shareholders of the Parent Company		**(1,570,218)**	(6,535,702)	**(15,143,555)**	(8,586,615)
Non controlling interests		**(202,096)**	(4,645)	**(369,290)**	381,867
Net loss for the period		**(1,772,314)**	(6,540,347)	**(15,512,845)**	(8,204,748)
Loss per share attributable to the Parent Company's Shareholders (Fils)	13	**(3.82)**	(14.40)	**(34.46)**	(18.91)

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

Exhibit - C

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of comprehensive income for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars"

	The three months ended September 30		The nine months ended September 30	
	2010	2009	**2010**	2009
Net loss for the period	**(1,772,314)**	(6,540,347)	**(15,512,845)**	(8,204,748)
Other comprehensive income				
Loss on sale of treasury shares	**–**	(303)	**–**	(303)
Foreign currency translation reserve	**47,790**	(51,403)	**(49,261)**	556,983
Cumulative changes in fair value	**(234,230)**	168,083	**(799,637)**	(882,606)
Share option reserve	**–**	(19,192)	**(11,086)**	(30,593)
Group's share in associate's reserves	**73,866**	85,274	**103,504**	135,929
Total other comprehensive (loss)/income for the period	**(112,574)**	182,459	**(756,480)**	(220,590)
Total comprehensive loss for the period	**(1,884,888)**	(6,357,888)	**(16,269,325)**	(8,425,338)
Attributable to:				
Shareholders of the Parent Company	**(1,309,399)**	(6,353,243)	**(15,515,556)**	(8,816,057)
Non controlling interests	**(575,489)**	(4,645)	**(753,769)**	390,719
	(1,884,888)	(6,357,888)	**(16,269,325)**	(8,425,338)

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

Exhibit - D

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of cash flows for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars"

	The nine months ended September 30	
	2010	2009
Cash flows from operating activities		
Net loss for the period	**(15,512,845)**	(8,586,615)
Adjustments		
Depreciation of property and equipment	**6,565**	28,271
Change in fair value of investments at fair value – statement of income	**760,374**	(681,677)
Gains / losses from sale of available for sale investments	**8,420**	(213,000)
Gains from sale of investments at fair value – statement of income	**(15,412)**	(150,727)
Gains loss from sale of investment properties and property held for trading	**(119,093)**	(171,360)
Dividends	**–**	(20,319)
Impairment of goodwill	**8,436,755**	–
Loss from sale of share in a subsidiaries	**5,274,911**	8,815,695
Finance charges	**286,216**	269,334
Provision for end of service indemnity	**9,968**	–
Operating loss before changes in working capital items	**(864,141)**	(951,195)
Investments at fair value – statement of income	**344,588**	(857,068)
Projects in progress	**–**	(302,137)
Receivables and other debit balances	**(2,074,285)**	(1,073,392)
Payables and other credit balances	**(3,404,670)**	(2,286,783)
Cash used in operations	**(5,998,508)**	(5,470,575)
End of service indemnity paid	**(2,708)**	(1,333)
Net cash used in operating activities	**(6,001,216)**	(4,931,111)
Cash flows from investing activities		
Proceeds from sale of investment properties	**515,050**	1,534,989
Paid for purchase of property and equipement	**–**	(735)
Available for sale investments	**(6,045)**	–
Dividends received	**–**	20,319
Proceeds from sale of share in a subsidiary	**3,048,964**	437,550
Net cash generated from investing activities	**3,557,969**	1,992,123
Cash flows from financing activities		
Paid for purchase of treasury shares	**–**	(83,013)
Proceeds from sale of treasury shares	**–**	82,710
Net movement on non controlling interests	**2,344,750**	8,757,654
Islamic debt instruments	**(769,475)**	(3,935,053)
Dividends paid	**(5,250)**	(39,484)
Finance charges paid	**(286,216)**	(269,334)
Net cash generated from financing activities	**1,283,809**	4,213,480
Foreign currency translation differences	**(49,261)**	–
Net change in cash and cash equivalents	**(1,208,699)**	4,213,480
Cash of a sold subsidiary	**–**	(13,291)
Cash and cash equivalents at beginning of the period	**1,443,025**	1,506,595
Cash and cash equivalents at end of the period	**234,326**	2,767,796

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

Exhibit - E

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of changes in equity for the Nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars"

	Equity attributable to the Parent Company's Shareholders							
	Share Capital	Share Premium	Reserves	Treasury shares	Accumulated losses	Equity attributable to the Parent Company's Shareholders	Non controlling interests	Total
Balance at January 1, 2009	45,480,162	24,692,918	12,435,440	(229,218)	(18,712,794)	63,666,508	30,913,588	94,580,096
Total other comprehensive loss during the period	–		(229,442)	–	–	(229,442)	8,852	(220,590)
Net loss for the period	–	–	–	–	(8,586,615)	(8,586,615)	381,867	(8,204,748)
Total comprehensive income during the period	–		(229,442)	–	(8,586,615)	(8,816,057)	390,719	(8,425,338)
The group's share in subsidiary's share premium	–	(14,397)	–	–	–	(14,397)	–	(14,397)
Net movement on non controlling interests	–	–	–	–	–	–	8,757,654	8,757,654
Balance at September 30, 2009	45,480,162	24,678,521	12,205,998	(229,218)	(27,299,409)	54,836,054	40,061,961	94,898,015
Balance at January 1, 2010	45,480,162	24,674,524	11,184,869	(229,218)	(44,596,108)	36,514,229	33,989,317	70,503,546
Total other comprehensive loss during the period	-	-	(372,001)	-	-	(372,001)	(384,479)	(756,480)
Net loss for the period	-	-	-	-	(15,143,555)	(15,143,555)	(369,290)	(15,512,845)
Total comprehensive loss during the period	-	-	(372,001)	-	(15,143,555)	(15,515,556)	(753,769)	(16,269,325)
Accumulated losses extinguishing and capital reduction	(7,945,202)	(24,585,324)	(12,065,582)	-	44,596,108	-	-	-
The group's share in subsidiary's share premium	-	(5,029)	-	-	-	(5,029)	-	(5,029)
Net movement on non controlling interests	-	-	-	-	-	-	2,344,750	2,344,750
Balance at September 30, 2010	**37,534,960**	**84,171**	**(1,252,714)**	**(229,218)**	**(15,143,555)**	**20,993,644**	**35,580,298**	**56,573,942**

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

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars unless stated otherwise"

1- Incorporation and activities

Grand Real Estate Projects Company K.S.C. (Closed) was incorporated in the state of Kuwait on June 20, 1989 as per the Articles of Association No. 29 volume 216 under the name of Nour Al-Sharq Real Estate Company - Kuwaiti Shareholding Company (Closed). The Article No (2) of the Articles of Association and Article No (1) of the Memorandum of Association related to the Company name have been amended several times up to the current name (Grand Real Estate Projects Company K.S.C. (Closed)) which was endorsed in the Commercial Register at the Ministry of Commerce and Industry based on resolutions of the Shareholders' ordinary General Assembly.

The Group's main activities are conducted in accordance with Islamic Sharia' and the following are the objectives for which the Group was established:

- Acquiring, buying, improving and selling real estate and land, and importing their necessary materials, with the intention of selling or leasing them, as well as managing others' properties without contradiction with the law in force.
- Utilizing financial surpluses of the group through investing them in real estate and financial portfolios managed by the group or by specialized companies and institutions.
- Providing studies and researches and other technical services related to real estate investment operations and investing money for others.
- Performing real estate consultations and brokerage.
- Performing real estate investment operations in order to develop and improve land, residential and commercial complexes, for the purpose of managing or selling them in cash or by installments or leasing them.
- Acquiring, managing, lease or rent hotels, health clubs and touristic utilities.
- Performing maintenance works related to buildings and properties owned by the group or by others including the civil, mechanical, electrical operations, elevators and air-conditioning works in order to maintain buildings and their safety.
- Managing, operating, investing and renting hotels, clubs, motels, guest houses, rest houses, parks, gardens, exhibitions, residential complexes, entertainment and health resorts and recreational and sport projects in different classes and levels including all utilities and all their services.
- Conducting real estate auctions.
- Establishing and managing real estate investment funds according to the law and after the approval of concerned authorities.

The parent Company may conduct the previous mentioned business objectives inside and outside the state of Kuwait by itself or as an agent.
The parent Company may have an interest in, or may participate in any form with the institutions that have a similar business or that will assist the group to achieve its objectives inside or outside Kuwait. Also it may establish or participate in or acquire these institutions or join them.

The registered address of the parent Company is P.O. Box 2734 Safat - 13028 Kuwait.

The interim condensed consolidated financial information for the Nine months ended September 30, 2010 was authorized for issue by the Board of Directors on November 10, 2010.

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2010 (Unaudited)
"All amounts are in Kuwaiti Dinars unless stated otherwise"

2- Basis of presentation

The interim condensed consolidated financial information has been prepared in compliance with the International Accounting Standard No. 34 and the guidelines issued by the Kuwait Stock Exchange. The interim condensed consolidated financial information does 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. The operating results for the nine months period ended September 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010. For further information, refer to the financial statements and notes thereto included in the company's annual report for the year ended December 31, 2009.

3- Consolidated financial information and subsidiaries

The interim condensed consolidated financial information comprises the financial information of Grand Real Estate Projects Company K.S.C (Closed) and its following subsidiaries:

A- Companies directly owned:

	Country	Activity	Share percentage		
			September 30, 2010	December 31, 2009	September 30, 2009
Investors Holding Group Co. K.S.C. (Closed) - Previously Grand Real Estate and Touristic Development Company K.S.C. (Closed).	Kuwait	Real Estate Investment	**% 52.61**	% 55.75	% 58.25
Esdarat Holding Company K.S.C (Closed).	Kuwait	Consultancy	**% 95**	% 95	% 95
Lagoon Egypt for Real Estate and Touristic Investment Co. E.S.C.	Egypt	Real Estate Investment	-	-	% 79.12
Grand Real Estate Projects Co. (Jordan) – Private Limited.	Jordan	Real Estate - Industrial	**% 55**	% 55	% 55
Arabian Family Leisure Co. W.L.L.	Kuwait	Tourism Marketing	**% 95**	% 95	% 95
IDG International Property Group Co. W.L.L.	Kuwait	Properties Management	**% 100**	% 100	% 100
Sakani Housing Projects Co. K.S.C. (Closed)	Kuwait	Contracting	**% 100**	% 100	% 100
International Projects Consultancy Co. W.L.L.	Kuwait	Consultations	**% 95**	% 95	% 95

During the period, a part of the components of the portfolio managed by a related party that includes shares of Investors Holding Group Company K.S.C (subsidiary) has been liquidated. This party has liquidated the number of 39,200,000 shares for the subsidiary as a payment of debt in dispute with that party. The parent company has resort to the court to cancel the sale process which the parent company deemed invalid.
The financial statements of Investors Holding Group Company K.S.C have been recognized without affecting the parent company's share in the process of shares liquidation until the dispute is ended.

B- Companies owned by subsidiary (Investors Holding Group Co. K.S.C. - Closed):

	Country	Activity	Share percentage		
			September 30, 2010	December 31, 2009	September 30, 2009
Grand Real Estate Projects Co. – Grand Bahrain - B.S.C.	Bahrain	Real Estate Consultations	**%90**	%90	%90
Grand Real Estate Projects Co. – Grand Egypt - E.S.C.	Egypt	Real Estate Investments	**%59.6**	%59.6	%59.6

The Parent company has used the interim condensed consolidated financial information (unaudited) of Investors Holding Group Company for the nine months ended September 30, 2010 when preparing this interim condensed consolidated financial information. Total assets of the subsidiary amounted to KD 103,665,469 as of September 30, 2010, and the subsidiary's net loss was KD 779,207 for the nine months ended September 30, 2010.

The parent company has used the financial statements of remaining subsidiaries for the year ended December 31, 2009 when preparing the interim condensed consolidated financial information for the nine months ended September 30, 2010. The total assets of these subsidiaries amounted to KD 35,052,444.

4- Investment properties

The movement on the investment properties during the period/year is as follows:

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Balance at beginning of the period/year	**36,356,161**	52,550,152	52,550,152
Additions during the period/year	**–**	–	238,853
Change in fair value	**–**	(3,850,650)	–
Disposals from sale of a subsidiary	**–**	(946,466)	–
Disposals during the period/year	**(395,957)**	(11,396,875)	(12,966,170)
Balance at end of the period/year	**35,960,204**	36,356,161	39,822,835

- Investment properties have not been evaluated as of September 30, 2010.
- Investment properties include a property mortgaged against Islamic debt instruments - Murabahat (Note 10).

5- Investments in associates

The Group's share in the associates' results has not been recorded as there was no financial information of these companies for the period ended September 30, 2010.

6- Intangible assets

As per a study prepared by consultancy body, the Group has cancelled the goodwill of Investors Holding Group Company K.S.C (closed) (previously Grand Real Estate and Touristic Development Company K.S.C (closed)), Esdarat Holding Company K.S.C and IDG International W.L.L and recognized it in the interim condensed consolidated statement of income for the nine months ended September 30, 2010 with amount of KD 8,436,755.

7- Receivables and other debit balances

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Accounts receivable (net)	**1,298,016**	2,841,609	2,341,430
Advance payments for purchasing investments	**204,987**	203,757	1,408,096
Accrued revenues	**155,106**	142,326	142,326
Other debit balances (net)	**16,998**	175,721	139,834
	1,675,107	3,363,413	4,031,686

8- Investments at fair value – statement of income

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Local quoted securities	**1,940,312**	2,873,381	4,377,850
Foreign quoted securities	**498,820**	655,301	664,839
	2,439,132	3,528,682	5,042,689

- This item is represented in investments in quoted securities amounted KD 2,439,132 (December 31, 2009: KD 3,528,682) - (September 30, 2009: KD 5,042,689). They have been evaluated as per the last bid price at the interim condensed consolidated financial position date.
- These investments include portfolios managed by related parties and other institutions with the amount of KD 871,521 (December 31, 2009: KD 1,681,613) - (September 30, 2009: KD 2,459,888). They have been evaluated as per the reports of portfolios managers as at the consolidated financial position date.
- The managed portfolios include the amount of KD 1,023,626 (December 31, 2009: KD 868,531) - (September 30, 2009: KD 1,695,259)mortgaged to a related party against Islamic debt instruments (Investment in Wakalat) (note - 10), and as a guarantee for credit facility granted to another related party.

9- Share capital

- Under the Memorandum of the management companies no. 386 dated on September 16, 2010 , in accordance with the resolution of the Shareholders Ordinary General Assembly held on August 12, 2010 approved the reduction of the company's capital (note - 15) to be as follows: -

"The company's capital KD 37,534,960 (only thirty-seven million five hundred thirty-four thousand, nine hundred sixty-KD), distributed among 375,349,600 shares (three hundred seventy-five million three hundred forty-nine thousand six hundred shares), the value of each share is 100 fils and all the shares in cash.

Grand Real Estate Projects Company K.S.C. (Closed)
And its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars unless stated otherwise"

10- Islamic debt instruments

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Murabahat	**728,591**	1,420,384	2,118,025
Investment in wakalat	**8,478,435**	8,556,117	9,618,899
	9,207,026	9,976,501	11,736,924

The effective cost rate is (6%) as of September 30, 2010, (7 %: 8.75%) as of December 31, 2009. (7 %: 8.75%) as of September 30, 2009.
Murabahat has been granted against mortgage of an investment property (Note 4) .
Wakalat investments contracts are signed with related parties (Note 14).

11- Payables and other credit balances

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Accounts payable	**336,568**	116,213	138,820
Accrued expenses	**2,156,350**	1,986,322	2,252,727
National labor support tax	**1,078,680**	1,078,680	1,097,372
Zakat	**-**	-	7,399
Kuwait Foundation for the Advancement of science	**228,886**	228,886	228,886
Other credit balances	**724,246**	709,998	674,001
	4,524,730	4,120,099	4,399,205

12- Net (loss)/profit from investments in securities

	The three months ended September 30		The nine months ended September 30	
	2010	2009	**2010**	2009
(Losses) / gains from sale of investments at fair value - statement of income	**(5,753)**	113,951	**15,412**	150,727
Change in fair value of investments at fair value – statement of income	**(208,597)**	77,782	**(760,374)**	681,677
Losses from sale of investments available for sale	**-**	-	**(8,420)**	213,000
Cash dividends	**-**	-	**-**	20,319
	(214,350)	191,733	**(753,382)**	1,065,723

13- loss per share

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

	The three months ended September 30		The nine months ended September 30	
	2010	2009	**2010**	2009
Net loss for the period	**(1,570,218)**	(6,535,702)	**(15,143,555)**	(8,586,615)
Weighted average number of the company's shares issued and paid up (share)	**411,621,174**	454,801,620	**440,249,967**	454,801,620
Less: weighted average number of the company's purchased shares (share)	**(756,424)**	(835,775)	**(809,034)**	(835,775)
Weighted average number of outstanding shares (share)	**410,864,750**	453,965,845	**439,440,933**	453,965,845
Loss per share attributable to the parent company's shareholders (Fils)	**(3.82)**	(14.40)	**(34.46)**	(18.91)

14- Transactions with related parties

Related parties represent the Group's shareholders who have representation in the Board of Directors, members of the Board of Directors and key management personnel. Transactions with related parties are conducted in the normal course of business and subject to the approval of Group's management, there were transactions with related parties during the period ended September 30, 2010, and these transactions and balances which are related to these parties are as follows:

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Transactions			
Net (losses)/gains from investments in securities	**(40,512)**	(493,608)	213,276
Bad debts	**–**	(4,923,833)	–
Loss from sale of investment properties	**–**	(535,008)	–
Finance charges	**(286,216)**	(730,992)	(569,334)
Salaries, bonus and benefits of key management personnel	**(140,800)**	(136,204)	(99,158)
Balances			
Cash in investment portfolio	**3,941**	1,355,566	–
Due from related parties	**2,958,973**	2,286,157	4,957,876
Investments at fair value – statement of income	**871,521**	1,681,613	2,459,888
Accrued revenue	**142,326**	142,326	142,326
Islamic debt instruments	**8,478,435**	8,556,117	9,618,899
Due to related parties	**42,824,944**	44,668,229	34,109,857

Transactions with related parties are subject to the approval of the shareholder's General Assembly.

15- Shareholders' General Assembly

On July 26, 2010 the shareholders' Ordinary General Assembly has been held and approved the financial statements for the year ended December 31, 2009 while the shareholders' Extraordinary General Assembly has been held on August 12, 2010 and approved to extinguish part of the accumulated losses until December 31, 2009 with amount of KD 44,596,108 through full using of share premium, voluntary reserve and statutory reserve of a balance amounts to KD 36,650,906 also approved reduction the company's authorized capital from KD 45,480,162 to KD 37,534,960 with amount of KD 7,945,202 to extinguish the remain amount of accumulated losses of the Company after extinguishing part of the accumulated losses theough full using of share premium, voluntary reserve and statutory reserve of the company.

16- Capital commitments

	September 30, 2010	December 31, 2009 (Audited)	September 30, 2009
Against purchasing investments in securities	**275,000**	275,000	275,000
Against projects in progress	**227,155**	227,155	319,356

17- Operating segments

The Group has adopted IFRS 8 "operating Segments" effective from January 1, 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standards (IAS 14 Segment Reporting) required an entity to identify two sets of segments using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. However, there has been no change to the Group's reportable segments following the adoption of IFRS 8 as the Group's reporting segments under IAS 14 were consistent with the internal reporting being provided to the chief operating decision maker.

Grand Real Estate Projects Company K.S.C. (Closed)
and its subsidiaries
State of Kuwait

Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2010
(Unaudited)
"All amounts are in Kuwaiti Dinars unless stated otherwise"

The Group is divided into business divisions to manage its various activities. For the purposes of primary segment analysis reporting, the Group's management has classified the Group's activities into the following business segments:

- Direct investments
- Investment Properties

	Direct investments		Investment Properties		Unallocated		Total	
	September 30		September 30		September 30		September 30	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
Primary segments								
Operating losses	**(6,028,293)**	(7,749,972)	**660,971**	650,588	**–**	729,449	**(5,367,322)**	(6,369,935)
Operating losses	**(9,650,558)**	(1,426,095)	**(368,243)**	(382,627)	**–**	–	**10,018,801**	(1,808,722)
Other unallocated expenses	**–**	–	**–**	–	**(126,722)**	(26,091)	**(126,722)**	(26,091)
Net loss for the period	**(15,678,851)**	(9,176,067)	**292,728**	267,961	**126,722**	703,358	**(15,512,845)**	(8,204,748)
Assets	**74,078,963**	95,811,190	**38,968,960**	46,517,842	**273,447**	2,956,564	**113,321,370**	145,285,596
Liabilities	**50,845,300**	42,826,212	**728,591**	2,118,025	**5,173,537**	5,443,344	**56,747,428**	50,387,581

18- Comparative figures

Certain comparative figures of previous period have been reclassified to conform with the current period presentation.