Al Mazaya Holding Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2012

Al Mazaya Holding Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2012

	Notes	Three months ended 30 June		Six months ended 30 June	
		2012 KD	(Restated*) 2011 KD	2012 KD	(Restated*) 2011 KD
Revenue from sale of properties held for trading		8,700,353	6,722,313	15,446,350	55,631,395
Rental income		684,468	353,296	1,265,203	675,301
Net management fees and commission income		372,357	(118,252)	506,710	385,881
REVENUE		9,757,178	6,957,357	17,218,263	56,692,577
Cost of sale of properties held for trading	6	(5,324,696)	(6,285,727)	(10,070,370)	(37,045,394)
Cost of rental		(258,115)	(173,501)	(491,707)	(343,574)
COST OF REVENUE		(5,582,811)	(6,459,228)	(10,562,077)	(37,388,968)
GROSS PROFIT		4,174,367	498,129	6,656,186	19,303,609
General and administrative expenses		(717,930)	(815,378)	(1,414,519)	(1,376,748)
Marketing expenses		(25,799)	(34,350)	(55,591)	(64,450)
Professional services fees		(122,161)	140,073	(196,643)	(17,000)
Expenses on completed projects		(11,876)	(4,618)	(11,876)	(4,618)
Depreciation		(21,711)	(72,054)	(49,260)	(149,649)
Net investment income		120,205	160,873	141,213	112,707
Impairment loss on financial assets available for sale		(1,556,943)	(14,641)	(1,610,105)	(14,641)
Impairment loss on properties held for trading	6	(698,634)	-	(698,634)	-
Allowance for doubtful debts		(1,388)	-	(1,388)	-
OPERATING PROFIT (LOSS)		1,138,130	(141,966)	2,759,383	17,789,210
Share of results of associates		(16,837)	(134,611)	(9,264)	(140,015)
Share of results of joint ventures		231,809	(229,464)	446,993	(474,088)
Loss on sale of a joint venture		-	(18,061)	-	(18,061)
Murabaha income		-	25,548	-	57,682
Interest income		32,485	26,983	72,705	59,849
Finance costs		(788,242)	(807,046)	(1,640,118)	(1,725,778)
Foreign exchange (loss) gain		(42,587)	178,279	(74,403)	343,080
Profit (loss) for the period before contribution to Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		554,758	(1,100,338)	1,555,296	15,891,879
Contribution to KFAS		(5,548)	-	(15,553)	-
NLST		(13,869)	-	(38,883)	-
ZAKAT		(5,548)	-	(15,553)	-
Profit (loss) for the period		529,793	(1,100,338)	1,485,307	15,891,879
Attributable to:					
Equity holders of the Parent Company		646,458	(1,147,509)	1,596,891	15,804,867
Non-controlling interests		(116,665)	47,171	(111,584)	87,012
Profit (loss) for the period		529,793	(1,100,338)	1,485,307	15,891,879
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	1.11 fils	(1.87) fils	2.73 fils	28.49 fils

* Certain comparative numbers presented do not correspond to the amounts disclosed in the condensed consolidated financial statements for the period ended 30 June 2011 due to restatement (Note 3).

The attached notes 1 to 13 form part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2012

	Three months ended 30 June		*Six months ended 30 June*	
	2012 KD	*(Restated*) 2011 KD*	*2012 KD*	*(Restated*) 2011 KD*
Profit (loss) for the period	**529,793**	(1,100,338)	**1,485,307**	15,891,879
Other comprehensive income (loss)				
Change in fair value of financial assets available for sale	**(1,610,916)**	693,455	**(1,705,774)**	468,887
Transferred to income statement on impairment of financial assets available for sale	**1,556,943**	14,641	**1,610,105**	14,641
Transferred to income statement on sale of financial assets available for sale	**-**	160,873	**(33,205)**	(107,207)
Foreign currency translation differences	**359,504**	(555,027)	**114,731**	(979,269)
Other comprehensive income (loss) for the period	**305,531**	313,942	**(14,143)**	(602,948)
Total comprehensive income (loss) for the period	**835,324**	(785,540)	**1,471,164**	15,288,931
Attributable to:				
Equity holders of the Parent Company	**948,301**	(1,030,713)	**1,579,304**	15,213,250
Non-controlling interests	**(112,977)**	245,173	**(108,140)**	75,681
	835,324	(785,540)	**1,471,164**	15,288,931

* Certain comparative numbers presented do not correspond to the amounts disclosed in the condensed consolidated financial statements for the period ended 30 June 2011 due to restatement (Note 3).

The attached notes 1 to 13 form part of these interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2012

	Notes	30 June 2012 KD	(Audited) 31 December 2011 KD	(Restated*) 30 June 2011 KD
ASSETS				
Non-current assets				
Goodwill		3,091,732	3,091,732	3,091,732
Property and equipment		159,880	129,703	193,386
Investment properties	5	74,757,501	73,856,672	117,412,152
Investment in joint ventures		3,689,211	3,221,917	3,075,071
Investment in associates		13,590,388	13,568,654	12,842,187
Financial assets available for sale		13,300,250	16,334,617	18,267,242
		108,588,962	110,203,295	154,881,770
Current assets				
Properties held for trading	6	102,026,600	107,372,223	75,232,865
Accounts receivable and other debit balances		11,191,776	20,576,478	21,182,364
Cash and cash equivalents	7	17,592,093	23,542,732	21,541,153
		130,810,469	151,491,433	117,956,382
Total assets		239,399,431	261,694,728	272,838,152
EQUITY AND LIABILITIES				
Equity				
Share capital		64,931,977	64,931,977	64,931,977
Share premium	8	21,655,393	79,760,732	79,760,732
Statutory reserve		9,646,725	9,646,725	9,646,725
Voluntary reserve		6,711,805	6,711,805	6,711,805
Effect of changes in subsidiary's equity		88,612	88,612	(260,814)
Effect of changes in subsidiary's treasury shares		(457,645)	(457,645)	(457,645)
Fair value reserve		195,382	327,700	185,282
Treasury shares	9	(21,788,181)	(21,788,181)	(18,113,786)
Foreign currency translation reserve		578,379	463,648	2,156
Retained earnings / (accumulated losses)	8	1,596,891	(58,105,339)	(26,458,254)
Equity attributable to equity holders of the Parent Company		83,159,338	81,580,034	115,948,178
Non-controlling interests		5,178,422	5,286,562	8,913,830
Total equity		88,337,760	86,866,596	124,862,008
Liabilities				
Non-current liabilities				
Employee's end of service benefits		296,746	286,890	265,393
Term loans		38,000,000	38,000,000	36,000,000
		38,296,746	38,286,890	36,265,393
Current liabilities				
Deferred consideration on acquisition of properties		3,846,968	3,866,170	29,729,146
Wakala and murabaha payables		8,500,000	8,500,000	8,500,000
Term loans	10	3,000,000	4,500,000	4,500,000
Advances from customers		73,674,831	80,451,988	18,163,201
Accounts payable and other credit balances		20,777,827	36,251,242	45,786,656
Bank overdrafts	7	2,965,299	2,971,842	5,031,748
		112,764,925	136,541,242	111,710,751
Total liabilities		151,061,671	174,828,132	147,976,144
TOTAL LIABILITIES AND EQUITY		239,399,431	261,694,728	272,838,152

* Certain comparative numbers presented do not correspond to the amounts disclosed in the condensed consolidated financial statements for the period ended 30 June 2011 due to restatement (Note 3).

Rasheed Y. Al Nafisi
Chairman

The attached notes 1 to 13 form part of these interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2012

	Equity attributable to equity holders of the Parent Company												
	Share capital KD	*Share premium KD*	*Statutory reserve KD*	*Voluntary reserve KD*	*Effect of changes in subsidiary's equity KD*	*Effect of changes in subsidiary's treasury shares KD*	*Fair value reserve KD*	*Treasury shares KD*	*Foreign currency translation reserve KD*	*Retained earnings / (accumulated losses) KD*	*Sub-total KD*	*Non-controlling interests KD*	*Total KD*
At 1 January 2012	64,931,977	79,760,732	9,646,725	6,711,805	88,612	(457,645)	327,700	(21,788,181)	463,648	(58,105,339)	81,580,034	5,286,562	86,866,596
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	1,596,891	1,596,891	(111,584)	1,485,307
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(132,318)	-	114,731	-	(17,587)	3,444	(14,143)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(132,318)	-	114,731	1,596,891	1,579,304	(108,140)	1,471,164
Extinguishment of accumulated losses against share premium (Note 8)	-	(58,105,339)	-	-	-	-	-	-	-	58,105,339	-	-	-
At 30 June 2012	**64,931,977**	**21,655,393**	**9,646,725**	**6,711,805**	**88,612**	**(457,645)**	**195,382**	**(21,788,181)**	**578,379**	**1,596,891**	**83,159,338**	**5,178,422**	**88,337,760**
At 1 January 2011 (As previously reported)	49,947,675	75,714,971	9,646,725	6,711,805	88,612	(457,645)	(202,370)	(18,113,786)	981,425	(11,320,941)	112,996,471	7,926,429	120,922,900
Effect of restatement (Note 3)	-	-	-	-	-	-	-	-	-	(30,942,180)	(30,942,180)	-	(30,942,180)
At 1 January 2011 (restated*)	49,947,675	75,714,971	9,646,725	6,711,805	88,612	(457,645)	(202,370)	(18,113,786)	981,425	(42,263,121)	82,054,291	7,926,429	89,980,720
Profit for the period	-	-	-	-	-	-	-	-	-	15,804,867	15,804,867	87,012	15,891,879
Other comprehensive income (loss) for the period	-	-	-	-	-	-	387,652	-	(979,269)	-	(591,617)	(11,331)	(602,948)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	387,652	-	(979,269)	15,804,867	15,213,250	75,681	15,288,931
Issuance of share capital	14,984,302	4,045,761	-	-	-	-	-	-	-	-	19,030,063	-	19,030,063
Arising on disposal of a subsidiary	-	-	-	-	(349,426)	-	-	-	-	-	(349,426)	911,720	562,294
At 30 June 2011 (restated*)	64,931,977	79,760,732	9,646,725	6,711,805	(260,814)	(457,645)	185,282	(18,113,786)	2,156	(26,458,254)	115,948,178	8,913,830	124,862,008

* Certain comparative numbers presented do not correspond to the amounts disclosed in the condensed consolidated financial statements for the period ended 30 June 2011 due to restatement (Note 3).

The attached notes 1 to 13 form part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2012

	Notes	Six months ended 30 June 2012 KD	Six months ended 30 June (Restated*) 2011 KD
OPERATING ACTIVITIES			
Profit for the period		1,485,307	15,891,879
Adjustments for:			
Depreciation		49,260	149,649
Net investment income		(141,213)	(112,707)
Impairment loss on financial assets available for sale		1,610,105	14,641
Impairment on properties held for trading	6	698,634	-
Allowance for doubtful debts		1,388	-
Share of results of associates		9,264	140,015
Share of results of joint ventures		(446,993)	474,088
Loss on sale of a joint venture		-	18,061
Murabaha income		-	(57,682)
Interest income		(72,705)	(59,849)
Finance costs		1,640,118	1,725,778
Foreign exchange (loss) gain		74,403	(343,080)
Provision for employees' end of service benefits		48,503	38,937
		4,956,071	17,879,730
Working capital adjustments:			
Additions to investment properties	5	(665,310)	(534,413)
Additions to properties held for trading	6	(5,660,656)	(1,227,245)
Proceeds from sale of properties held for trading		4,409,714	(174,455)
Accounts receivable and other debit balances		15,013,063	(24,664,620)
Accounts payable and other credit balances		(15,482,911)	6,282,510
Advances from customers		(6,777,157)	-
Cash used in operations		(4,207,186)	(2,438,493)
Employees' end of service benefits paid		(38,647)	(30,820)
Net cash flows used in operating activities		(4,245,833)	(2,469,313)
INVESTING ACTIVITIES			
Purchase of property and equipment		(79,437)	(12,225)
Proceeds from sale of investment in a joint venture		-	6,000,000
Proceeds from sale of financial assets available for sale		3,312,230	708,438
Purchase of financial assets available for sale		(2,009,101)	-
Dividends income received		138,915	5,500
Interest income received		72,705	59,849
Net cash flows from investing activities		1,435,312	6,761,562
FINANCING ACTIVITIES			
Term loans		(1,500,000)	(1,500,000)
Finance costs paid		(1,640,118)	(1,725,778)
Dividends paid		-	(69,907)
Net cash flows used in financing activities		(3,140,118)	(3,295,685)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVILANTS		(5,950,639)	996,564
Cash and cash equivalents at the beginning of the period		23,542,732	15,512,841
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	14,626,794	18,575,854

* Certain comparative numbers presented do not correspond to the amounts disclosed in the condensed consolidated financial statements for the period ended 30 June 2011 due to restatement (Note 3).

The attached notes 1 to 13 form part of these interim condensed consolidated financial information.

1 INCORPORATION AND ACTIVITIES

Al Mazaya Holding Company - K.S.C. (the"Parent Company") was incorporated on 7 November 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is engaged in investment in local and foreign companies, real estate properties and consultancy services. The registered Head Office of the Parent Company is at Salhiya complex, Fahed Al Salem Street, P.O. Box 3546, Safat 13036, State of Kuwait.

The interim condensed consolidated financial information of the Group for the period ended 30 June 2012 was authorised for issue in accordance with a resolution of the Board of Directors on ---- ---- 2012.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard ("IAS") 34: Interim Financial Reporting.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2011. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the consolidated financial statements. Operating results for the interim period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the year ending 31 December 2012. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2011.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD").

Significant accounting policies
The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2011, except for the adoption of the following amended International Accounting Standards Board (IASB) Standard applicable to the Group.

IFRS 7: Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements (Amendment) (effective 1 July 2011)
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

The adoption of the above mentioned amendments did not have material impact on the financial position or performance of the Group.

The Group has not early adopted any IASB Standards, International Financial Reporting Interpretations Committee ("IFRIC") Interpretations or amendments that have been issued but not yet effective.

3 RESTATEMENT

During the year ended 31 December 2011, the Group's management discovered that the method of calculating the income based on percentage of completion method from certain properties under development, classified as held for trading was incorrect. This was based on certain items specified in the contracts for the sale of these properties and laws governing real estate in the jurisdiction where the Group builds and sells these properties. These regulations indicate that the transfer of risks and rewards associated with ownership of properties may cease due to cancellation of sale contracts to customers. Accordingly, in accordance with International Accounting Standards (IAS) 8 – "Accounting Policies, Changes in Accounting Estimates and Errors", the Group reversed the revenues recognised based on percentage of completion method and recorded revenue using completed contract basis for the previous years in order to make the revenue recognition consistent with the transfer of risk and rewards to the buyer and rectified the error in compliance with IAS 18 "Revenue". Consequently the three and six month figures for the periods ended 30 June 2011 and 31 March 2011 respectively have been restated.

The comparative figures in this interim condensed consolidated financial information have been restated as follows:

	(As previously reported) 30 June 2011 KD	*Adjustments KD*	***(Restated) 30 June 2011 KD***
The interim condensed consolidated statement of financial position:			
Investment properties	115,900,771	1,511,381	**117,412,152**
Investment in joint ventures	3,638,812	(563,741)	**3,075,071**
Properties held for trading	137,368,644	(62,135,779)	**75,232,865**
Accumulated losses	(11,742,260)	(14,715,994)	**(26,458,254)**
Equity attributable to shareholders of the Parent Company	130,664,172	(14,715,994)	**115,948,178**
Advances from customers	73,758,719	(55,595,518)	**18,163,201**

	Three months ended 30 June			*Six months ended 30 June*		
	(As previously reported) 2011 KD	*Adjustments KD*	***(Restated) 2011 KD***	*(As previously reported) 2011 KD*	*Adjustments KD*	***(Restated) 2011 KD***
The interim condensed consolidated statement of income:						
Revenue from sale of properties held for trading	35,878	6,686,435	**6,722,313**	35,878	55,595,517	**55,631,395**
Cost of sale of properties held for trading	(479,531)	(5,806,196)	**(6,285,727)**	(479,531)	(36,565,863)	**(37,045,394)**
(loss) profit for the period	(2,117,334)	1,016,996	**(1,100,338)**	(3,045,437)	18,937,316	**15,891,879**
Basic and diluted (loss) earnings for the period attributable to equity holders of the Parent Company	(3.53) fils	(1.66) fils	**(1.87) fils**	(5.56) fils	(34.05) fils	**28.49 fils**

3 RESTATEMENT (continued)

Further, the comparative figures in the reviewed interim condensed consolidated financial information for the period ended 31March 2012 were not restated, consequently the three month period figures have been rectified during the current period as follow:

	(As previously reported) 31 March 2011 KD	*Adjustments KD*	***(Restated) 31 March 2011 KD***
The interim condensed consolidated statement of income:			
Revenue from sale of properties held for trading	-	48,909,082	**48,909,082**
Cost of sale of properties held for trading	-	(30,759,667)	**(30,759,667)**
(loss) profit for the period	(927,243)	17,919,459	**16,992,216**
Basic and diluted (loss) earnings for the period attributable to equity holders of the Parent Company	(1.67) fils	28.96 fils	**30.63 fils**

4 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basis and diluted earnings (loss) per share is calculated by dividing the profit (loss) for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2012 KD	*(Restated) 2011 KD*	***2012 KD***	*(Restated) 2011 KD*
Profit (loss) for the period attributable to equity holders of the Parent Company	**646,458**	(1,147,509)	**1,596,891**	15,804,867
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period	**584,517,657**	613,449,901	**584,517,657**	554,671,712
Basic and diluted earnings (loss) per share	**1.11 fils**	(1.87) fils	**2.73 fils**	28.49 fils

5 INVESTMENT PROPERTIES

	30 June 2012 KD	*(Audited) 31 December 2011 KD*	*(Restated) 30 June 2011 KD*
Balance at the beginning of the period / year	**73,856,672**	116,921,489	116,921,489
Additions	**665,310**	-	534,413
Transferred from properties held for trading (Note 6)	**235,219**	801,770	-
Adjustments	-	(32,538,709)	-
Changes in fair value	-	(11,166,563)	-
Foreign currency translation adjustments	**300**	(161,315)	(43,750)
Balance at the end of the period / year	**74,757,501**	73,856,672	117,142,152

6 PROPERTIES HELD FOR TRADING

	30 June 2012 KD	*(Audited) 31 December 2011 KD*	*(Restated) 30 June 2011 KD*
Balance at the beginning of the period / year	**128,044,428**	114,814,365	115,314,965
Additions	**5,660,656**	73,452,345	1,227,245
Disposals	**(10,070,370)**	(59,361,095)	(37,045,394)
Transferred to investment properties (Note 5)	**(235,219)**	(801,770)	-
Foreign currency translation adjustments	**(2,056)**	(59,417)	(2,351,951)
	123,397,439	128,044,428	77,144,865
Less:			
Provision for impairment loss	**(21,370,839)**	(20,672,205)	(1,912,000)
Balance at the end of the period / year	**102,026,600**	107,372,223	75,232,865

6 PROPERTIES HELD FOR TRADING (continued)

Provision for impairment loss movement is as follows:

	30 June 2012 KD	*(Audited) 31 December 2011 KD*	*30 June 2011 KD*
Balance at the beginning of the period / year	**20,672,205**	1,912,000	1,912,000
Charged during the period / year	**698,634**	18,760,205	-
Balance at the end of the period / year	**21,370,839**	(20,672,205)	(1,912,000)

During the period ended 30 June 2012, the Group has recorded impairment loss of KD 698,634 (31 December 2011: KD 18,760,205 and 30 June 2011: KD Nil) based on recent arms length transaction that indicated a decline in the fair value.

Certain properties held for trading with carrying value of KD 41,793,685 (31 December 2011: KD 42,492,319 and 30 June 2011: KD 32,912,982) are collateralized against a term loans (Note 10).

7 CASH AND CASH EQUIVILANTS

	30 June 2012 KD	*(Audited) 31 December 2011 KD*	*30 June 2012 KD*
Cash in hand and at banks	**14,249,312**	16,652,549	15,218,359
Short term deposits	**3,362,932**	5,476,413	6,303,272
Cash in portfolios	**(20,151)**	1,413,770	19,522
	17,592,093	23,542,732	21,541,153
Bank overdrafts	**(2,965,299)**	(2,971,842)	(2,965,299)
	14,626,794	20,570,890	18,575,854
Restricted bank balances	**(7,165,041)**	(2,971,842)	(5,031,748)

	7,461,753	17,599,048	13,544,106

Restricted bank balances represent escrow accounts restricted for receiving and making payments for specific construction activity and these may not be available for use within 90 days.

The average effective interest rate on short term deposits is 1.4% (31 December 2011:1.4%, 30 June 2011:1.75%).

The average effective interest rate on bank overdrafts is 2.5% (31 December 2011: 2.5%, 30 June 2011: 2.5%).

8 SHARE PREMIUM

On 14 June 2012, the ordinary Annual General Meeting of the Parent Company's shareholders approved to extinguish accumulated losses of KD 58,105,339 as of 31 December 2011 against the share premium.

9 TREASURY SHARES

	30 June 2012 KD	*(Audited) 31 December 2011 KD*	*30 June 2011 KD*
Number of shares	**64,802,113**	64,802,113	35,869,869
Percentage of issued shares (%)	**9.98%**	9.98%	5.52%
Market value (KD)	**4,406,544**	4,017,731	2,690,240

10 TERM LOANS

	30 June 2012	*(Audited) 31 December 2011*	*30 June 2011*
Current	**3,000,000**	4,500,000	4,500,000
Non-current	**38,000,000**	38,000,000	36,000,000
	41,000,000	42,500,000	40,500,000

During the year ended 31 December 2011, the Group rescheduled its' long term loans through renegotiation with a local bank. The rescheduling terms require the Group to repay the loan in sixteen equal quarterly instalments between 2012 and 2016 at an approximately similar interest rate. The average effective interest rate on the term loans is 5.8% (2011: 5.63%).

Certain assets with carrying value of KD 52,377,828 (31 December 2011: KD 53,076,462 and 30 June 2011: KD 42,559,982) were collateralized against the term loans (Note 5 & 6).

11 RELATED PARTIES TRANSACTIONS

	Major shareholders	*Other related*	*30 June 2012*	*(Audited) 31 December*

		parties		*2011*
	KD	*KD*	***KD***	*KD*
Interim condensed consolidated statement of income:				
Rental income	136,203	-	**136,203**	254,253
Net management fees and commission income	-	230,991	**230,991**	405,725

	Major shareholders	*Other related parties*	***30 June 2012***	*(Audited) 31 December 2011*	*(Restated) 30 June 2011*
Interim condensed consolidated statement of financial position:					
Amounts due from related parties *	837,140	379,424	**1,216,564**	4,796,836	1,243,293
Amounts due to related parties *	387,540	1,748,328	**2,135,868**	6,365,991	3,653,585

11 RELATED PARTIES TRANSACTIONS (continued)

	30 June 2012 KD	*(Audited) 31 December 2011 KD*	*(Restated) 30 June 2011 KD*
Key management compensation:			
Salaries and other short term benefits	**137,677**	287,301	88,332
Terminal benefits	**6,976**	13,962	3,793
	144,653	301,263	92,125

* Amounts due from / to related parties are interest free and are receivable / payable on demand.

12 SEGMENT INFORMATION

For management purposes, the Group is divided into three geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA) and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Six months period ended 30 June 2012					*Six months period ended 30 June 2011*				
	Kuwait	***UAE***	***KSA***	***Others***	***Total***	*Kuwait*	*UAE*	*KSA*	*Others*	*Total*
Segment revenue	361,790	16,415,663	152,136	288,674	**17,218,263**	(399,048)	56,775,904	128,087	187,634	56,692,577
Segment (loss) profit	(4,114,700)	5,195,564	140,853	263,590	**1,485,307**	(3,000,636)	18,612,884	128,087	151,544	15,891,879

	At 30 June 2012					*At 30 June 2011*				
	Kuwait	***UAE***	***KSA***	***Others***	***Total***	*Kuwait*	*UAE*	*KSA*	*Others*	*Total*
Total segment assets	63,372,608	153,500,543	5,584,910	16,941,370	**239,399,431**	72,224,338	174,941,119	6,364,996	19,307,699	272,838,152
Total segment liabilities	88,711,578	62,348,727	-	1,366	**151,061,671**	86,899,590	61,075,216	-	1,338	147,976,144

13 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Group has capital commitments in respect of the following:

- The Group has agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of properties under construction amounting to KD 23,952,803 (31 December 2011: KD 27,650,062 and 30 June 2011: KD 57,084,288).