Grand Real Estate Projects Company

K.S.C. (Closed)

And its Subsidiaries

State of Kuwait

Interim Condensed Consolidated Financial Information

For the three months ended 31 March 2011

With

Review report

(Unaudited)

PKF

PKF Bouresli & Co.

Accountants & Business Advisers

Rödl

Middle East

Burgan – International Accountants

Ali Al-Hassawi & Co.

Grand Real Estate Projects Company

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Board of Directors
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 refer to as the Group) as of March 31, 2011 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the three months then ended. The Parent Company's management 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

As stated in note (6) to the interim condensed consolidated financial information, the Group's shares in the associates' results for the three months ended March 31, 2011 have not been recorded as there was no interim financial information for these associates which are Gulf Monetary Group Company B.S.C. and Ajal Holding Company K.S.C.(closed) for previous years. We don't have any certainties regarding the impairment in value of those associates (if any).

Qualified conclusion

Based on our review except for the affect of any 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 is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Emphasis of matters

Without qualifying our opinion, we draw attention to Note (13) on the financial statements regarding the going concern of the Parent Company.

Report on review of other legal and regulatory matters

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 has occurred during the period ended March 31, 2011 that might have had a material effect on the business of the Group or on its financial position.

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15 May 2011
State of Kuwait

Grand Real Estate Projects Company K.S.C. (Closed)

Exhibit – A

And its Subsidiaries

State of Kuwait

Interim Condensed Consolidated Statement of Financial Position as of 31 March 2011

(Unaudited)

"All amounts are in Kuwaiti Dinars"

	Note	31 March 2011	31 December 2010 (Audited)	31 March 2010
Assets				
Non-current assets				
Investment properties	5	**31,635,442**	32,851,776	36,308,094
Investments in associates	6	**40,478,741**	43,590,224	56,978,606
Investments in unconsolidated subsidiaries		**255,003**	255,003	255,001
Intangible assets		**-**	-	8,896,377
Projects in progress		**3,237,030**	3,276,340	3,008,756
Property and equipment		**24,087**	26,501	43,044
Due from related parties	14	**1,315,568**	1,361,505	2,999,663
Joint venture		**1**	1	1
Available for sale investments		**4,308,873**	4,853,521	10,615,643
		81,254,745	86,214,871	119,105,185
Current assets				
Receivables and other debit balances	7	**1,569,642**	1,684,116	2,612,634
Investments at fair value – statement of income	8	**1,792,711**	2,251,172	2,859,996
Cash and cash equivalents		**251,112**	37,572	1,504,427
		3,613,465	3,972,860	6,977,057
Total assets		**84,868,210**	90,187,731	126,082,242
Equity and Liabilities				
Equity				
Share capital		**37,534,960**	37,534,960	45,480,162
Share premium		**77,483**	82,185	24,674,400
Statutory reserve		**-**	-	6,032,791
Voluntary reserve		**-**	-	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		**164,652**	174,644	189,286
Cumulative changes in fair value		**(35,605)**	(37,197)	(174,794)
Foreign currency translation reserve		**432,051**	419,253	869,489
Accumulated losses		**(25,779,360)**	(23,709,296)	(47,851,251)
Group's share in associates' reserves		**(1,601,148)**	(1,698,311)	(1,833,384)
Loss from sale of a subsidiary		**(4,043,115)**	(2,777,160)	-
Equity attributable to the Parent Company's shareholders		**6,621,497**	9,860,657	33,291,069
Non-controlling interests		**27,279,290**	27,662,680	33,989,512
Total Equity		**33,900,787**	37,523,337	67,280,581
Non-current liabilities				
Provision for end of service indemnity		**82,270**	93,378	182,480
Due to related parties	14	**37,710,603**	39,299,739	45,077,956
		37,792,873	39,393,117	45,260,436
Current liabilities				
Islamic debt instruments	9	**8,211,850**	8,263,058	9,792,869
Payables and other credit balances	10	**4,962,700**	5,008,219	3,748,356
		13,174,550	13,271,277	13,541,225
Total liabilities		**50,967,423**	52,664,394	58,801,661
Total equity and liabilities		**84,868,210**	90,187,731	126,082,242

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

Dr. Abdulaziz Bader Al-Jenaie
Vice Chairman and CEO

Grand Real Estate Projects Company K.S.C. (Closed)

Exhibit – B

And its Subsidiaries

State of Kuwait

Interim Condensed Consolidated Statement of Income

For the three months ended 31 March 2011

(Unaudited)

"All amounts are in Kuwaiti Dinars"

	Note	The three months ended 31 March 2011	31 March 2010
Impairment in value of investment in an associate	6	**(3,078,294)**	-
Net losses from investments in securities	11	**(641,012)**	(309,259)
Profit from sale of investment properties		**-**	25,916
Revenue from investment properties		**48,581**	69,442
Losses from sale of share in a subsidiary		**-**	(392,814)
Impairment in Goodwill		**-**	(2,414,944)
Losses / (profits) from foreign currency differences		**(174,311)**	24,703
Other revenues		**16,762**	-
General and administrative expenses		**(234,706)**	(216,540)
Finance charges		**(3,374)**	(125,379)
Net loss for the period		**(4,066,354)**	(3,338,875)
Attributable to:			
The Parent Company's shareholders		**(2,070,064)**	(3,255,143)
Non-controlling interests		**(1,996,290)**	(83,732)
Net loss for the period		**(4,066,354)**	(3,338,875)
Loss per share attributable to the Parent Company's shareholders (Fils)	12	**(5.53)**	(7.17)

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

Grand Real Estate Projects Company K.S.C. (Closed)

Exhibit – C

And its Subsidiaries

State of Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2011

(Unaudited)

"All amounts are in Kuwaiti Dinars"

	The three months ended	
	31 March 2011	31 March 2010
Net loss for the period	**(4,066,354)**	(3,338,875)
Other comprehensive income		
Cumulative changes in fair value	**1,592**	55,725
Foreign currency translation reserve	**23,801**	(1,094)
Group's share in associate's reserves	**97,163**	2,555
Loss from sale of a subsidiary	**(1,265,955)**	-
Total other comprehensive (loss) / income for the period	**(1,143,399)**	57,186
Total comprehensive loss for the period	**(5,209,753)**	(3,281,689)
Attributable to:		
The Parent Company's shareholders	**(3,224,466)**	(3,222,372)
Non-controlling interests	**(1,985,287)**	(59,317)
Total comprehensive loss for the period	**(5,209,753)**	(3,281,689)

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

Grand Real Estate Projects Company K.S.C. (Closed)

Exhibit – D

And its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2011
(Unaudited)
"All amounts are in Kuwaiti Dinars"

	The three months ended	
	31 March 2011	31 March 2010
Cash flows from operating activities		
Net loss for the period	**(4,066,354)**	(3,338,875)
Adjustments:		
Depreciation of property and equipment	**2,414**	3,062
Dividends	**(7,109)**	-
Impairment in investment in an associate	**3,078,294**	-
Impairment in investments available for sale	**535,150**	-
Loss from sale of share in a subsidiary	**-**	392,814
Change in fair value of investments at fair value – statement of income	**153,432**	327,701
Gains from sale of investments at fair value – statement of income	**(40,461)**	(18,442)
Gains from sale of investment properties	**-**	(25,916)
Impairment in goodwill	**-**	2,414,944
Provision for end of service indemnity	**14,275**	-
Operating losses before the effect of changes in working capital items	**(330,359)**	(244,712)
Investments at fair value – statement of income	**345,490**	606,789
Related parties	**(1,448,135)**	(628,166)
Receivables and other debit balances	**121,583**	750,779
Payables and other credit balances	**(45,519)**	(371,743)
Cash (used in) / generated from operations	**(1,356,940)**	112,947
End of service indemnity paid	**(25,383)**	(988)
Net cash (used in) / generated from operating activities	**(1,382,323)**	111,959
Cash flows from investing activities		
Proceeds from sale of investment properties	**-**	73,983
Paid for purchase of property and equipment	**-**	(420)
Net cash generated from investing activities	**-**	73,563
Cash flows from financing activities		
Net movement in non-controlling interests	**1,601,897**	59,512
Loss from sale of share in a subsidiary	**(1,265,955)**	-
Islamic debt instruments	**(51,208)**	(183,632)
Net cash generated from / (used in) financing activities	**284,734**	(124,120)
Foreign currency translation differences	**1,311,129**	-
Net increase in cash and cash equivalents	**213,540**	61,402
Cash and cash equivalents at beginning of the period	**37,572**	1,443,025
Cash and cash equivalents at end of the period	**251,112**	1,504,427

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

Exhibit – E

Interim Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2011

(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 1 January 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 income for the period	-	-	32,771	-	-	32,771	24,415	57,186
Net loss for the period	-	-	-	-	(3,255,143)	(3,255,143)	(83,732)	(3,338,875)
Total comprehensive loss for the period	-	-	32,771	-	(3,255,143)	(3,222,372)	(59,317)	(3,281,689)
Group's share in a subsidiary's share premium	-	(124)	-	-	-	(124)	-	(124)
Cost of shares based payment	-	-	(664)	-	-	(664)	-	(664)
Net movement in non-controlling interests	-	-	-	-	-	-	59,512	59,512
Balance at 31 March 2010	45,480,162	24,674,400	11,216,976	(229,218)	(47,851,251)	33,291,069	33,989,512	67,280,581
Balance at 1 January 2011	37,534,960	82,185	(3,817,974)	(229,218)	(23,709,296)	9,860,657	27,662,680	37,523,337
Total other comprehensive loss for the period	-	-	(1,154,402)	-	-	(1,154,402)	11,003	(1,143,399)
Net loss for the period	-	-		-	(2,070,064)	(2,070,064)	(1,996,290)	(4,066,354)
Total comprehensive loss for the period	-	-	(1,154,402)	-	(2,070,064)	(3,224,466)	(1,985,287)	(5,209,753)
Group's share in a subsidiary's share premium	-	(4,702)	-	-	-	(4,702)	-	(4,702)
Cost of shares based payment	-	-	(9,992)	-	-	(9,992)	-	(9,992)
Net movement in non-controlling interests	-	-	-	-	-	-	1,601,897	1,601,897
Balance at 31 March 2011	**37,534,960**	**77,483**	**(4,982,368)**	**(229,218)**	**(25,779,360)**	**6,621,497**	**27,279,290**	**33,900,787**

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

1. Incorporation and activities

Grand Real Estate Projects Company K.S.C. (Closed) was incorporated in the state of Kuwait as per articles of association no. 29 volume 216 dated 20 June 1989 under the name of Nour Al-Sharq Real Estate Company Kuwaiti Shareholding Company (Closed). The Group's name has 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 Ministry of Commerce and Industry based on resolutions of the shareholders' ordinary general assembly in prior years.

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, purchasing, selling and improving real estate and lands, 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 lands, residential and commercial complexes to manage or sell them in cash or by installments or leasing them.
- Acquiring, managing, leasing or renting hotels, health clubs and touristic utilities.
- Performing maintenance works related to buildings and properties owned by the Group or by others including civil, mechanical and 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 company may conduct the previous mentioned business objectives inside and outside the state of Kuwait by itself or as an agent. The 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 Company 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 Company is P.O. Box 2734, Safat 13028, Kuwait.

The interim condensed consolidated financial information for the three months ended 31 March 2011 was authorized for issuance by the board of directors on 15 May 2011.

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 three months period ended 31 March 2011 are not necessarily indicative of the results that may be expected for the year ending 31 December 2011. For further information, refer to the financial statements and notes thereto included in the company's annual report for the year ended 31 December 2010.

3. Significant accounting policies

The following amendments to the standards and interpretations are applied from January 1, 2011:

IAS 24: "Related Party Disclosures" - (Revised)

The amended standard is effective for annual periods beginning on or after January 1, 2011.

The amendment clarifiers the definition of the related party to simplify the identification of such relationships and to eliminate inconsistence in its application. The revised standard introduces a partial exemption of disclosures requirements for government related entities.

IAS 32: "Financial Instruments – Presentation" – (Revised)

The revised standard is effective for annual periods beginning on or after February 1, 2010; related to classification of rights issues as the definition of a financial liability has been amended in order to classify rights issue and certain other options as equity instruments in cases where such rights are given pro rate to all of the existing owners of some class of an entity's non-derivative equity instruments or to acquire a fixed number of the entity's own equity instrument for a fixed amount in any currency.

IFRS 14 : "The limit of a defined benefit asset and minimum funding requirement and their interaction"

The amendment to IFRIC 14 is effective for annual periods beginning on or after January 1, 2011 with retrospective applications.

The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as assets.

IFRIC 19: "Extinguishing Financial Liabilities with Equity Instrument"

This IFRIC is effective for annual period beginning on or after July 1, 2010.

The Interpretation classifies that equity instrument issued to a creditor in order to extinguish a financial liability quality as consideration paid. The equity instruments issued are measured at their fair value. In case that this can't be reliably measured, the instruments are measured at fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss.

These new amendments have no significant impact on the company's interim condensed financial information.

4. 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:

			Share percentage		
				31 December	
	Country	Activity	**31 March 2011**	2010 (Audited)	31 March 2010
Investors Holding Group Co. K.S.C.C. (Previously Grand Real Estate & Touristic Development Company K.S.C.C.)	Kuwait	Real estate investment	**48.45%**	51.37%	55.67%
Esdarat Holding Company K.S.C.C.	Kuwait	Consultancy	**95%**	95%	95%
Sakani Housing Projects Co. K.S.C.C.	Kuwait	Real estate	**100%**	100%	100%
Awtad Al-Bait Housing Projects Co. W.L.L.	K.S.A.	Residential	**100%**	100%	100%
IDG International Property Group Co. W.L.L.	Kuwait	Real estate management	-	-	100%
International Projects Consultancy Co. W.L.L.	Kuwait	Consultancy	**95%**	95%	95%
Grand Real Estate Projects Co. – Grand Bahrain – B.S.C.	Bahrain	Real estate	**100%**	100%	100%
Grand Real Estate Projects Co. – Grand Egypt – E.S.C.	Egypt	Real estate	**59.6%**	59.6%	59.6%
Grand Real Estate Projects Co. – Jordan – Limited Private Shareholding	Jordan	Real estate – industrial	**55%**	55%	55%
Arabian Family Leisure Co. W.L.L.	Kuwait	Tourism marketing	-	-	95%

- During the period, the group consolidated the financial information of Investors Holding Group Company K.S.C. Closed (a subsidiary) in which the shareholding percentage is 48.45% based on the parent company's control on the subsidiary.
- During 2010, part of the components of the portfolio managed by a related party has been liquidated, which includes shares in Investors Holding Group Company K.S.C. Closed (a subsidiary) as this party liquidated a number of 42,399,874 shares of the subsidiary in order to settle the debt which is in legal dispute with that party. The parent company went to the court to cancel the sale process as the parent company finds it incorrect.
- The financial statements have been recorded for Investors Holding Group Company K.S.C. – Closed without the influence of the parent company's share in the process of liquidating the shares referred to above for the pending dispute.
- The parent company used unaudited interim condensed consolidated financial information for the three months ended 31 March 2011 for Investors Holding Company in the preparation of these interim condensed consolidated financial information. The total assets of a subsidiary are 78,516,239 KD as of 31 March 2011, and net loss of the subsidiary reported is 3,870,814 KD for the three months ended 31 March 2011.
- The parent company used the financial statements for the year ended 31 December 2010 for the rest of subsidiaries when preparing the interim condensed consolidated financial information for the three months ended 31 March 2011, the total assets of these subsidiaries is 2,990,992 KD.

5. Investment properties

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

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Balance at beginning of the year	**32,851,776**	36,356,161	36,356,161
Foreign currency translation reserve	**(1,216,334)**	(2,376,166)	-
Change in fair value	-	67,182	-
Disposals during the year	-	(1,195,401)	(48,067)
Balance at end of the year	**31,635,442**	32,851,776	36,308,094

6. Investments in associates

The statement of these is as follows:

	Ownership percentage	Country of incorporation	Activity	31 March 2011	31 December 2010 (Audited)	31 March 2010
Gulf Monetary Group Co. B.S.C.	26.29%	Bahrain	Investments & real estate development	**19,094,239**	22,172,533	33,428,577
Ajal Holding Co. K.S.C. (Closed)	29.2%	Kuwait	Investments	**10,830,432**	10,830,432	12,319,376
Lagoon Egypt for Real Estate and Touristic Investment Co. E.S.C.	50%	Egypt	Real estate & touristic investments	**7,764,561**	7,797,750	8,408,578
Safat Real Estate Development Company K.S.C. (Closed)	25%	Kuwait	Investments	**1,576,205**	1,576,205	1,564,291
Marafe for Providing International Projects Company K.S.C.	23.75%	Kuwait	Logistic services	**1,135,556**	1,135,556	1,179,154
Gateway Group General Trading and Contracting Company W.L.L.	40%	Kuwait	General trading & contracting	**77,747**	77,747	100,000
Hojjaj Real Estate & Touristic Investment Co. K.S.C. (Closed)	50%	Kuwait	Real estate & touristic investments	**1**	1	(21,370)
Total				**40,478,741**	43,590,224	56,978,606

Movement details on investments in associates are as follows:

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Balance at beginning of the period	**43,590,224**	56,978,606	56,978,606
Foreign currency translation reserve	**(33,189)**	(609,601)	-
Writing off payable balance of investment in an associate	-	21,371	-
Group's share in results of associates	-	(13,138)	-
Group's share in associates' reserves	-	(381,334)	-
Impairment in value	**(3,078,294)**	(12,405,680)	-
Balance at end of the period	**40,478,741**	43,590,224	56,978,606

The Group's share in the associates' results has not been recorded as there was no interim financial information of these associates for the three months ended 31 March 2011.

During the year, the Parent Company calculated the impairment in value of investment in an associate (Gulf Monetary Group Co. – B.S.C.) at 3,078,294 KD. Impairment in value is determined based on the management's estimations.

7. Receivables and other debit balances

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Receivables	**1,568,601**	1,715,680	2,666,230
Provision for doubtful debts	**(442,834)**	(442,834)	(442,834)
	1,125,767	1,272,846	2,223,396
Advance payments for purchasing investments	**184,257**	184,257	203,757
Accrued revenues	**46,537**	46,537	-
Other debit balances	**213,081**	180,476	185,481
	1,569,642	1,684,116	2,612,634

8. Investments at fair value – statement of income

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Local securities (quoted)	**1,681,942**	1,852,876	2,199,635
Foreign securities (quoted)	**110,769**	398,296	660,361
	1,792,711	2,251,172	2,859,996

- Investments in securities include portfolios managed by related parties and other institutions with the amount of 454,908 KD (31 December 2010: 773,461 KD – 31 March 2010: 1,219,819 KD). They have been evaluated as per the reports of portfolios managers as at the consolidated financial position date.
- The managed portfolios include an amount of 579,009 KD mortgaged to a related party against Islamic debt instruments (Investment in Wakalat) (note 9), and as a guarantee for credit facility granted to another related party.

9. Islamic debt instruments

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Murabahat	-	-	1,394,404
Investment in Wakalat	**8,211,850**	8,263,058	8,398,465
	8,211,850	8,263,058	9,792,869

- The average effective cost rate is (6%) as of 31 March 2011, (31 December 2010: 6% – 31 March 2011: 6%). Contracts of investment in Wakalat are signed with related parties (note 14).
- Investment in Wakalat is guaranteed against mortgage of the portfolio owned by the company and managed by a related party (note 14).
- Investment in Wakalat includes two contracts with related party of 5,999,337 KD expire on 4 January 2011 and they were not renewed until the sate of issuing the financial statements.

10. Payables and other credit balances

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Accounts payable	**1,851,782**	1,845,106	107,913
Accrued expenses	**1,622,288**	1,666,429	1,628,534
National labor support tax	**1,078,680**	1,078,680	1,078,680
Kuwait Foundation for the Advancement of Science	**228,886**	228,886	228,886
Other credit balances	**181,064**	189,118	704,343
	4,962,700	5,008,219	3,748,356

11. Net Losses from investments in securities

	The three months ended	
	31 March 2011	31 March 2010
Gains on sale of investments at fair value – statement of income	**40,461**	18,442
Change in fair value of investments at fair value – statement of income	**(153,432)**	(327,701)
Impairment in value of available for sale investments	**(535,150)**	-
Dividends	**7,109**	-
	(641,012)	(309,259)

12. Loss per share

Loss per share is computed by dividing net (loss) / profit for the period by the weighted average number of shares outstanding during the period as follows:

	The three months ended	
	31 March 2011	31 March 2010
Net loss for the period	**(2,070,064)**	(3,255,143)
Weighted average number of the Parent Company's shares issued and paid up in full (share)	**375,349,600**	454,801,620
Weighted average number of the Parent Company's purchased shares (share)	**(689,772)**	(835,775)
Weighted average number of the outstanding shares (share)	**374,659,828**	453,965,845
Loss per share attributable to the Parent Company's shareholders (Fils)	**(5.53)**	(7.17)

13. Going concern

The current liabilities are 13,174,550 KD and current assets are 3,613,465 KD; this significantly indicates the company's inability to pay its current liabilities through its current assets, this may have an impact on the continuity of the company and requires taking the necessary actions for providing the liquidity required to pay the current liabilities. The company's management finds itself able to negotiate for rescheduling those current liabilities.

14. Related parties transactions

Related parties represent group's shareholders who have representation in the Board of Directors, members of the Board of Directors, senior management personnel and associates in the normal course of business, subject to the Group's management approval. There were transactions with related parties during the year ended 31 December 2010 and these transactions and balances which related to these parties are as follows:

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Transactions			
Impairment in value of investments in associates	-	(12,405,680)	-
Impairment in value of investments in unconsolidated subsidiary	-	(124,614)	-
Impairment in value of available for sale investments	-	(4,118,342)	-
Net profits / (losses) of investments in securities	**14,980**	(317,820)	(125,468)
Bad debts	-	(98,390)	-
Provision for doubtful debts	-	(56,746)	-
Finance costs	**(3,374)**	(352,034)	(125,379)
Salaries and remunerations and top management rewards	**(45,849)**	(198,272)	(36,536)

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Balances			
Cash in investment portfolios	—	-	1,394,375
Due from related parties	**1,315,568**	1,361,505	2,999,663
Accrued revenue	**46,537**	46,537	-
Investments at fair value – statement of income	**454,908**	773,461	1,219,819
Due to related parties	**37,710,603**	39,299,739	45,077,956
Islamic debt instruments	**8,211,850**	8,263,058	8,398,465

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

15. Shareholders' general assembly

The shareholders' general assembly for the year ended 31 December 2010 up to the date of approving this interim condensed consolidated financial information has not been held, therefore, the consolidated financial statements for the year ended 31 December 2010 have not been approved yet. The interim condensed consolidated financial information for the three months ended 31 March 2011 do not include any adjustments that could have been required incase the general assembly do not approve the consolidated financial statements for the year ended 31 December 2010. The board of directors of the Parent Company didn't recommend any distribution of profits for the year ended 31 December 2010.

16. Capital commitments and arrangements for operating lease contracts

A- Capital commitments

	31 March 2011	31 December 2010 (Audited)	31 March 2010
Against purchasing investments in securities	-	-	275,000
Against projects under progress	-	-	227,155

B- Arrangements for operating lease contracts

At the end of the financial year, the group had outstanding commitments for operating lease contracts can't be written off as follows:

	March 31, 2011	31 December 2010 (Audited)	March 31, 2010
Less than a year	**325,824**	329,781	338,971
1 – 5 years	**1,629,122**	1,648,906	1,694,856
More than 5 years	**6,597,939**	6,678,069	7,203,137
	8,552,885	8,656,756	9,236,964

17. Operating segments

The Group has adopted IFRS 8 "operating Segments" with effect from 1 January 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 Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical).

Hence, the information declared for decision makers for the purpose of allocating sources and assessing the performance as per the IFRS (8) "Operating Segments" is substantially focusing on investments and investments properties activities as follows:

Segment information:

	31 March 2011			31 March 2010		
	Real estate investment activities	Direct investment activities	**Total**	Real estate investment activities	Direct investment activities	**Total**
Operating revenues	48,581	64,332	**112,913**	95,358	43,145	**138,503**
Segment results	(51,415)	(4,014,939)	**(4,066,354)**	(30,021)	(3,308,854)	**(3,338,875)**
Assets	36,157,973	48,710,237	**84,868,210**	40,644,235	85,438,007	**126,082,242**
Liabilities	24,031,949	26,935,474	**50,967,423**	28,074,847	30,726,814	**58,801,661**

Geographical segment:

	Kuwait		GCC & Jordan		Egypt & North Africa		Total	
	31 March 2011	31 March 2010	**31 March 2011**	31 March 2010	**31 March 2011**	31 March 2010	**31 March 2011**	31 March 2010
Assets	**48,282,527**	85,007,252	**11,195,584**	12,602,996	**25,390,099**	28,471,994	**84,868,210**	126,082,242
Operating revenues	**17,012**	43,145	**95,901**	95,358	**-**	-	**112,913**	138,503