

**SOKOUK HOLDING COMPANY
KUWAITI SHAREHOLDING COMPANY (HOLDING)
AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2006
(UNAUDITED)
WITH
REVIEW REPORT**

SOKOUK HOLDING COMPANY
KUWAITI SHAREHOLDING COMPANY (HOLDING)
AND SUBSIDIARIES
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FOR THE PERIOD ENDED JUNE 30, 2006
(UNAUDITED)

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Review report

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Review Report

The Board of Directors
Sokouk Holding Company
Kuwaiti Shareholding Company (Holding)
State of Kuwait

We have reviewed the accompanying interim condensed consolidated balance sheet of Sokouk Holding Company - Kuwaiti Shareholding Company (Holding) the "parent company" and subsidiaries "the group" as of June 30, 2006 and the related interim condensed consolidated statement of income, changes in equity, and cash flows for the period then ended. These interim condensed consolidated financial statements are the responsibility of the parent company's management. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of the parent company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented fairly, in all material respects, in accordance with the International Accounting Standard No. 34. Furthermore, and based on our review the interim condensed consolidated financial statements are in agreement with the books of account and to the best of our knowledge and belief, no violations of the Commercial Companies law nor of the parent company's Articles of Association have occurred during the period that might have had a material effect on the financial position of the company or the results of its operations except as mentioned in Note 1.


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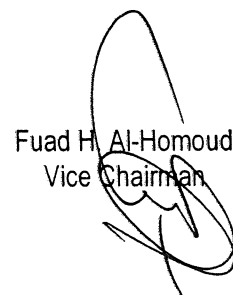
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State of Kuwait
July 12, 2006

SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS OF JUNE 30, 2006
 (All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	<u>Note</u>	<u>June 30, 2006 (Unaudited)</u>	<u>December 31, 2005 (Audited)</u>
Assets:			
Cash on hand and at banks		3,180,957	1,511,573
Utilization rights		32,610,434	33,839,447
Accounts receivable and other debit balances	3	18,983,302	30,226,339
Murabaha Investments	4	219,267	-
Investment in an associate	5	3,000,000	-
Investments available for sale	6	5,862,714	1,836,560
Advance payment		100,000	100,000
Investment property		480,000	480,000
Project under construction	7	2,020,000	9,889,653
Fixed assets		101,871	86,623
Goodwill		188,000	188,000
Total assets		<u>66,746,545</u>	<u>78,158,195</u>
 <u>LIABILITIES AND EQUITY</u> 			
Liabilities:			
Accounts payable and other credit balances	8	24,061,183	37,712,816
Provision for employee's end of service indemnity		28,378	27,489
Total liabilities		<u>24,089,561</u>	<u>37,740,305</u>
Equity:			
Capital		30,000,000	30,000,000
Statutory reserve		692,398	692,398
Voluntary reserve		692,398	692,398
Retained earnings		10,246,818	5,283,084
		<u>41,631,614</u>	<u>36,667,880</u>
Minority interest		1,025,370	3,750,010
Total equity		<u>42,656,984</u>	<u>40,417,890</u>
Total liabilities and equity		<u>66,746,545</u>	<u>78,158,195</u>


 Fawaz S. Al-Ahmed
 Chairman


 Fuad H. Al-Homoud
 Vice Chairman

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements

SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2006
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended June 30, 2006 (Unaudited)	Six months ended June 30, 2006 (Unaudited)	Year ended December 31, 2005 (Audited)
Operating revenue		777,727	1,388,539	58,597,976
Operating cost		(643,912)	(1,200,827)	(53,725,023)
Gross profit		133,815	187,712	4,872,953
Other operating income	9	1,737,855	3,462,643	1,390,519
Expenses and charges:				
Staff cost		134,194	234,112	417,008
General and administrative		262,645	344,110	272,959
Depreciation		7,881	15,409	24,798
		404,720	593,631	714,765
Operating profit		1,466,950	3,056,724	5,548,707
Murabaha income		28,541	29,237	211,495
Gain on sale of investment in subsidiary	1	1,887,089	1,887,089	-
Realized gain on sale of investments available for sale		-	74,502	33,430
Foreign currency exchange gain		116,853	117,238	110,176
Profit for the period / year before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and Board of Directors' remuneration and National Labor Support Tax		3,499,433	5,164,790	5,903,808
Contribution to KFAS		(30,689)	(44,805)	(51,964)
Board of Directors' remuneration		-	-	(34,000)
National Labor Support Tax		(75,955)	(110,892)	-
Net profit for the period / year		3,392,789	5,009,093	5,817,844
Attributable to :				
Equity holders of the parent company		3,372,118	4,963,734	5,787,834
Minority interest		20,671	45,359	30,010
Net profit for the period / year		3,392,789	5,009,093	5,817,844
Earnings per share attributable to equity holders of the parent company (fils)	10	11.24	16.55	19.29

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements

SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

	Attributable to equity holders of the parent company					Minority interest	Total
	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Subtotal		
Balance at December 31, 2004	30,000,000	105,018	105,018	670,010	30,880,046	-	30,880,046
Net profit for the year	-	-	-	5,787,834	5,787,834	30,010	5,817,844
Total recognized income for the year	-	-	-	5,787,834	5,787,834	30,010	5,817,844
Transfer to reserves	-	587,380	587,380	(1,174,760)	-	-	-
Acquisition of consolidated subsidiaries	-	-	-	-	-	3,720,000	3,720,000
Balance at December 31, 2005	30,000,000	692,398	692,398	5,283,084	36,667,880	3,750,010	40,417,890
Net profit for the period	-	-	-	4,963,734	4,963,734	45,359	5,009,093
Total recognized income for the period	-	-	-	4,963,734	4,963,734	45,359	5,009,093
Acquisition of consolidated subsidiary	-	-	-	-	-	200,000	200,000
Sale of consolidated subsidiary	-	-	-	-	-	(2,969,999)	(2,969,999)
Balance at June 30, 2006	30,000,000	692,398	692,398	10,246,818	41,631,614	1,025,370	42,656,984

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements

SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2006
(All amounts are in Kuwaiti Dinars)

	Six months ended June 30, 2006 (Unaudited)	Year ended December 31, 2005 (Audited)
Cash flows from operating activities		
Profit for the period / year before contribution to Kuwait Foundation for the Advancement of Sciences and Board of Directors' remuneration and National Labor Support Tax	5,164,790	5,903,808
Adjustments for:		
Depreciation	15,409	24,798
Murabaha income	(29,237)	(211,495)
Gain on sale of investment in subsidiary	(1,887,089)	-
Realized gain on sale of investments available for sale	(74,502)	(33,430)
Provision for employee's end of service indemnity	16,873	28,543
Operating profit before changes in working capital	3,206,244	5,712,224
Decrease (increase) in utilization rights	1,229,013	(468,473)
Decrease (increase) in accounts receivable and other debit balances	11,464,566	(24,094,909)
(Decrease) increase in accounts payable and other credit balances	(17,605,901)	16,917,221
Cash used in operations	(1,706,078)	(1,933,937)
Paid to Kuwait Foundation for the Advancement of Sciences	(51,964)	(7,527)
Payment for employee's end of service indemnity	(15,984)	(7,551)
Net cash used in operating activities	(1,774,026)	(1,949,015)
Cash flows from investing activities		
Paid for purchase of fixed assets	(30,657)	(40,697)
Paid for purchase of investments available for sale	(4,703,451)	(1,836,560)
Proceeds from sale of investments available for sale	751,800	1,183,430
Paid for purchase of investment in an associate	(3,000,000)	-
Paid for purchase of investment in subsidiary	(2,600,000)	-
Proceeds from sale of investment in subsidiary	7,500,000	-
(Paid for) proceeds from Murabaha investments	(219,267)	8,350,000
Purchase of investment property	-	(480,000)
Increase in advance payment	-	(100,000)
Paid for project under construction	-	(9,889,653)
Net paid for acquisition of consolidated subsidiary	-	(188,000)
Murabaha income received	29,237	254,388
Net cash used in investing activities	(2,272,338)	(2,747,092)
Cash flows from financing activities		
Murabaha payable received	5,515,748	752,629
Minority contribution in equity of consolidated subsidiary	200,000	3,720,000
Net cash generated from financing activities	5,715,748	4,472,629
Net increase (decrease) in cash on hand and at banks	1,669,384	(223,478)
Cash on hand and at banks at the beginning of the period / year	1,511,573	1,735,051
Cash on hand and at banks at the end of the period / year	3,180,957	1,511,573

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2006**

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities

Sokouk Holding Company - Kuwaiti Shareholding Company (Holding) "the parent company", (previously known as Sokouk Real Estate Development Company- Kuwaiti Shareholding Company Closed and prior before as Al-Wasta Real Estate Development Company – Kuwaiti Shareholding Company Closed), is registered in the State of Kuwait and was incorporated and authenticated on August 23, 1998 at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 1909/Volume 1.

According to the memorandum issued by the Ministry of Commerce and Industry under Ref. No. 259/2005 dated August 29, 2005 and based on the extraordinary General Assembly held on August 28, 2005, it was approved and recorded in the commercial register the following:

1. Amending the 2nd item of the article of incorporation and the first item of the company's article of association to become as follows.

The company's name is: Sokouk Holding Company – Kuwaiti Shareholding Company (Holding).

2. Amending the 5th item of the article of incorporation and the 4th item of article of association of the company to become:
 1. Ownership of shares of Kuwaiti or foreign shareholding companies or units in limited liability companies, or establishing, managing, financing and sponsoring such companies.
 2. Financing and sponsoring entities in which the Company has an ownership interest of not less than 20% of those entities.
 3. Owning industrial rights such as patents, industrial trademarks, sponsoring foreign companies or any other related industrial rights and leasing such rights for the benefit of companies inside or outside the State of Kuwait.
 4. Ownership of movable assets or real estate required to pursue the Company's activities within the limits acceptable by law.
 5. Utilizing available surplus funds by investing these funds in portfolios managed by specialized parties.

The Company shall have the right to have an interest or to take part in any manner with the authorities that practice similar operations, or that may help the Company to achieve its objectives inside and outside Kuwait. The Company shall also acquire these authorities or merge them to the Company. The objectives for which the Company was established shall be practiced according to Islamic Shari'a, and the Company shall not analyze the above objectives as it allows the Company directly or indirectly to deal in usury in the form of interest or any other form.

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2006**

(All amounts are in Kuwaiti Dinars)

According to the latest amendments in the parent company's Article of Association and Articles of Incorporation, the parent company's activities do not permit certain current activities as at June 30, 2006.

The parent company's registered address is P.O. Box 29110 Safat – 13152 - State of Kuwait.

The parent company's shares were listed on Kuwait Stock Exchange on December 27, 2005.

The interim condensed consolidated financial statements include the financial statements of Sokouk Holding Company - Kuwaiti Shareholding Company (Holding) " the parent company" and the following subsidiaries "the group":

Subsidiaries	Percentage of holding	
	June 30, 2006 %	December 31, 2005 %
Gulf Real Estate Development House Co. K.S.C.C. (previously known as Prince Real Estate Group K.S.C.C.)	75	75
Joint venture	-	33.56
Sokouk Investment Advisory Co. (Cayman Island)	100	-
Sokouk Real Estate Co W.L.L.	90	-

During the period, the parent company incorporated Sokouk Investment Advisory Co. (Cayman Island), a new wholly owned subsidiary, also the parent company incorporated another 90% owned subsidiary, Sokouk Real Estate Co. W.L.L.

The accompanying interim condensed consolidated balance sheet of the group as of June 30, 2006 and the related interim condensed consolidated statement of income for the period then ended include the following financial information relating to Sokouk Investment Advisory Co. and Sokouk Real Estate Co. W.L.L. while the comparative amounts do not include such information:

Balance sheet	KD
Cash on hand and at banks	<u>2,000,000</u>
Accounts receivable and other debit balances	461,323
Income statement:	
Other operating income	461,323

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

During year 2005, the group entered into a joint venture agreement with Mr. Abdullah Khaled Dalijan. The authorized capital for the joint venture (subsidiary) is KD 12,000,000 distributed over 120,000,000 units of 100 fils each. As of March 31, 2006, the paid-up capital of the joint venture amounted to KD 6,370,000 (December 31, 2005 - KD 4,470,000) and the group's share from this paid-up capital as of March 31, 2006 amounted to KD 3,400,000 (December 31, 2005 - KD 1,500,000). During the period the group increased its interest in the equity of this joint venture to be 66.89% and subsequently during the period the group sold all its interest in the joint venture (December 31, 2005 - 33.56%).

The net assets value of the joint venture as of the date of sale amounted to KD 5,612,911 and this joint venture was sold against a consideration amounting to KD 7,500,000 which resulted in a gain amounting to KD 1,887,089. The above transaction is summarized as follows:

	KD
Proceeds from sale of the subsidiary	7,500,000
Net assets value for the subsidiary as of the selling date	(5,612,911)
Gain on sale of investment in subsidiary	<u>1,887,089</u>

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on July 12, 2006.

2. Basis of preparation

The interim condensed consolidated financial statements are presented in accordance with the most recent accounting policies and procedures followed in the most recent annual consolidated financial statements, except for the use of equity method for accounting for an investment in associate.

The interim condensed consolidated financial statement have been prepared to present interim condensed consolidated financial information in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting" and the guidelines issued by the Kuwait Stock Exchange. Condensed 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 in the accompanying interim condensed consolidated financial statements. Operating results for the interim period ended June 30, 2006 are not necessarily indicative of the results that may be expected for the year ending December 31, 2006. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2005.

The group did not prepare any interim financial statements for the six months period ended June 30, 2005 therefore the comparative figures are only for the year ended December 31, 2005.

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

Investment in an associate:

Associates are those enterprises in which the group has significant influence, but not control, over the financial and operating policy decisions. The consolidated financial statements include the group's share of the results and assets and liabilities of associates under the equity method of accounting from the date that significant influence effectively commences until the date that significant influence effectively ceases, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognized.

Gains or losses arising from transactions with associates are eliminated against the investment in the associate to the extent of the group's interest in the associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment in associates and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in statement of income.

On disposal of an associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

3. Accounts receivable and other debit balances

	June 30, 2006 (Unaudited)	December 31, 2005 (Audited)
Trade receivables	18,485,306	28,673,172
Due from related parties	104,533	1,208,592
Other receivables	393,463	344,575
	<u>18,983,302</u>	<u>30,226,339</u>

The due from related parties represents amounts due from major shareholders and parties related to them, resulting from certain commercial transactions. Prices and terms of payment relating to these transactions are approved by the Executive Management.

4. Murabaha investments

Murabaha investments represents deposits with Kuwaiti financial institution – related party, which has experience in management of investment funds in the local and international markets. These investments earn a weighted average income of 4% per annum.

5. Investment in associate

During the period, the group invested an amount of KD 3,000,000 against 40% ownership in the equity of MAS International Company for General Trading and Contracting W.L.L. The main activities of the associate company are general trading and contracting. This associate was acquired on June 30, 2006 and accordingly share of results from this associate was not accounted for the period.

The details for the investment in associate as of June 30, 2006 is as follows:

	KD
Group's share of fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition	1,545,443
Goodwill	1,454,557
	<u>3,000,000</u>

SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

6. Investments available for sale

	June 30, 2006 (Unaudited)	December 31, 2005 (Audited)
Managed funds available-for-sale	<u>2,674,002</u>	-
Unquoted investments available-for-sale	<u>3,188,712</u>	1,836,560
	<u>5,862,714</u>	<u>1,836,560</u>

It was not possible to reliably measure the fair value of the available-for-sale investments for which no quoted market price in an active market is available, accordingly, the investments are stated at their original cost less impairment losses, if any.

7. Project under construction

During the period, the group sold its interest in the joint venture and accordingly an amount of KD 7,869,653 recorded previously as project under construction relating to the sold joint venture is no longer recorded in the group's consolidated financial statements.

8. Accounts payable and other credit balances

	June 30, 2006 (Unaudited)	December 31, 2005 (Audited)
Trade payables	<u>2,241,345</u>	2,058,374
Due to related parties	<u>17,229,965</u>	34,685,254
Murabaha payable	<u>4,375,582</u>	752,629
Accrued expenses and leave pay	<u>58,594</u>	164,595
Kuwait Foundation for the Advancement of Sciences	<u>44,805</u>	51,964
National Labor Support Tax	<u>110,892</u>	-
	<u>24,061,183</u>	<u>37,712,816</u>

The due to related party represent the amount due to Munshaat Real Estate Projects Company K.S.C.C., resulting from certain commercial transactions. Prices and terms of payment relating to these transactions are approved by the Executive Management.

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

9. Other operating income

	Three months ended June 30 2006 (Unaudited)	Six months ended June 30, 2006 (Unaudited)	Year ended December 31, 2005 (Audited)
Gain from financing activities	132,959	272,354	372,086
Commission income on sale of utilization rights	-	-	239,197
Income from consulting services	1,250,000	2,700,000	750,000
Investment structure revenue	342,184	461,323	-
Others	12,712	28,966	29,236
	<u>1,737,855</u>	<u>3,462,643</u>	<u>1,390,519</u>

Commission income on sale of utilization rights relates to Sokouk secured for a related party where the company acted as a broker on behalf of the related party.

10. Earnings per share

Earnings per share is calculated by dividing net profit for the period / year over the weighted average number of shares outstanding during the period / year as follows:

	Three months ended June 30, 2006 (Unaudited)	Six months ended June 30, 2006 (Unaudited)	Year ended December 31, 2005 (Audited)
Net profit for the period / year attributable to equity holders of the parent company	<u>3,372,118</u>	<u>4,963,734</u>	<u>5,787,834</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of shares outstanding:			
Weighted average number of shares issued	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to equity holders of the parent company	<u>11.24</u>	<u>16.55</u>	<u>19.29</u>

SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

11. Related party transactions

In the ordinary course of business, the group has entered into commercial transactions with parties related to the shareholders and parties related to them. Prices and terms of payment relating to these transactions are approved by the Executive Management.

	June 30, 2006 (Unaudited)	December 31, 2005 (Audited)	
Assets:			
Accounts receivable and other debit balances:			
Trade receivables	342,184	15,687	
Due from related parties	104,533	1,208,592	
	<u>446,717</u>	<u>1,224,279</u>	
Liabilities:			
Accounts payable and other credit balances:			
Due to related party	17,229,965	34,685,254	
	<u>17,229,965</u>	<u>34,685,254</u>	
	Three months ended June 30, 2006 (Unaudited)	Six months ended June 30, 2006 (Unaudited)	Year ended December 31, 2005 (Audited)
Statement of income:			
Realized gain on sale of investments available for sale	-	74,502	-
Gain on sale of investment in subsidiary	1,887,089	1,887,089	-
Other operating income	1,592,184	3,161,323	254,884
	<u>3,479,273</u>	<u>5,122,914</u>	<u>254,884</u>
	Three months ended June 30, 2006 (Unaudited)	Six months ended June 30, 2006 (Unaudited)	Year ended December 31, 2005 (Audited)
Key management compensation:			
Short term benefits and Board of Directors' remuneration	58,350	99,300	191,400
Terminal benefits	17,169	21,107	10,605
	<u>75,519</u>	<u>120,407</u>	<u>202,005</u>

**SOKOUK HOLDING COMPANY KUWAITI SHAREHOLDING COMPANY (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

JUNE 30, 2006

(All amounts are in Kuwaiti Dinars)

12. General Assembly

The shareholders General Assembly held on April 19, 2006 approved the proposal of the Board of Directors not to make any distributions for the year ended December 31, 2005 (2004 – Nil).

13. Comparative figures

Certain comparative amounts have been reclassified to conform with the current period presentation.