

**SOKOUK HOLDING COMPANY - K.S.C. (HOLDING)
AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2008
(UNAUDITED)**

**WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

SOKOUK HOLDING COMPANY - K.S.C. (HOLDING)
AND SUBSIDIARIES
STATE OF KUWAIT

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(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Sokouk Holding Company - K.S.C. (Holding)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Sokouk Holding Company - K.S.C. (Holding) (the parent company) and subsidiaries (the group) as of September 30, 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the Nine-months period then ended. Management is responsible for the preparation and presentation of these interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim consolidated financial information based on our review.

We did not review the interim financial information of the associate Munshaat Real Estate Projects Co. - K.S.C (Closed). The investment in this associate and the group share of results from this associate constitute 32.47% and 27.18% of the respective consolidated assets and revenues. The financial information of the above mentioned associate for the period ended June 30, 2008 was reviewed by other auditors, whose report was provided to us and our conclusion in so far as it relates to the amounts included in the interim consolidated financial information related to this associate is based solely on the report of the other auditors.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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.

Basis for Qualified Conclusion

The group sold its investment in ELAF Bank – B.S.C (closed) to a related party for a total amount of KD 10,038,038 resulting in a gain of KD 1,068,795. As of the report date, since the investment in ELAF Bank – B.S.C (Closed) had not yet been registered in the name of the buyer, significant risks and rewards of ownership are not transferred to the buyer and further the Group had not yet received the sale proceeds, which practice, in our opinion, is not in accordance with International Financial Reporting Standards. Accordingly the net profit for the period before contribution to Zakat, KFAS and NLST is overstated by KD 1,068,795.

Qualified Conclusion

Based on our review and the report of the other auditors, except for the effect on the interim consolidated financial information of the matter referred in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not presented, in all material respects, in accordance with International Accounting Standard 34.



Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the Parent Company books of account and to the best of our knowledge and belief, there were no contraventions during the period ended September 30, 2008 of either the Commercial Companies Law or the Parent Company's Articles of Association, which might have materially affected the Group's financial position or results of its operations.

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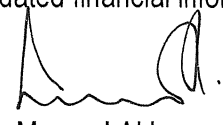
State of Kuwait
November 13, 2008

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS OF SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	<u>Note</u>	<u>September 30,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u> <u>(Audited)</u>	<u>September 30,</u> <u>2007</u>
Cash on hand and at banks		1,368,694	1,524,732	1,433,250
Investments at fair value through income statement	3	-	13,075,514	-
Accounts receivable and other debit balances		6,906,193	7,794,821	13,178,761
Sokouk utilization rights		7,284,200	7,284,200	7,284,200
Due from related parties	4	19,971,746	19,936,596	25,453,028
Investments in Murabaha	5	3,720,429	23,000,000	-
Investments in Wakala	6	8,990,022	2,261,938	2,236,527
Investments available for sale	7	10,862,041	4,172,707	4,265,269
Investment in associates	8	52,636,427	62,316,346	60,429,574
Investment in joint ventures	9	48,100,953	31,334,141	13,748,318
Advance payment for purchase of investments		-	-	224,248
Investment in unconsolidated subsidiaries		750,000	-	-
Property and equipment		102,790	109,028	116,848
Intangible assets		6,000	10,500	12,000
Goodwill		188,000	188,000	188,000
Total assets		<u>160,887,495</u>	<u>173,008,523</u>	<u>128,570,023</u>
<u>LIABILITIES AND EQUITY</u>				
Liabilities:				
Accounts payable and other credit balances		2,160,635	725,784	421,739
Due to related parties	4	8,218,818	11,635,608	56,713,395
Murabaha payables	10	12,119,353	25,673,758	23,369,895
Provision for end of service indemnity		78,972	69,242	60,846
Total liabilities		<u>22,577,778</u>	<u>38,104,392</u>	<u>80,565,875</u>
Equity:				
Capital	11	100,000,000	100,000,000	30,000,000
Share premium		17,500,000	17,500,000	-
Statutory reserve		2,229,106	2,229,106	1,593,017
Voluntary reserve		2,229,106	2,229,106	1,593,017
Foreign currency translation adjustment		(1,227,403)	(1,047,661)	-
Cumulative changes in fair value		(957,906)	(166,810)	-
Effect of changes in associate's equity		(247,946)	-	-
Retained earnings		17,830,135	13,291,362	13,972,412
Total equity attributable to parent company's shareholders		<u>137,355,092</u>	<u>134,035,103</u>	<u>47,158,446</u>
Minority interest		954,625	869,028	845,702
Total equity		<u>138,309,717</u>	<u>134,904,131</u>	<u>48,004,148</u>
Total liabilities and equity		<u>160,887,495</u>	<u>173,008,523</u>	<u>128,570,023</u>

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


Ebrahim A. Al-Khuzam
Chairman


Masood Akbar
Vice Chairman and Chief Executive
Officer

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30	
		2008	2007	2008	2007
Operating revenue		-	1,618,515	626,322	28,837,908
Operating cost		-	(1,618,515)	(626,322)	(22,695,234)
Gross profit		-	-	-	6,142,674
Other operating income	12	395,741	708,472	1,616,590	1,813,249
Expenses and charges:					
General and administrative		196,421	354,996	740,968	1,039,046
Depreciation and amortization		13,304	11,394	39,786	34,544
		209,725	366,390	780,754	1,073,590
Operating profit		186,016	342,082	835,836	6,882,333
Unrealized gain from investments at fair value through income statement	3	-	-	182,129	-
Realized gain from investments at fair value through income statement		16,989	-	226,580	-
Group's share of result from associates	8	109,662	-	2,221,212	(36,482)
Group's share of result from joint ventures	9	101,493	77,787	70,363	75,917
Gain from investments in Murabaha		79,240	-	793,788	-
Gain from investments in Wakala		179,157	20,541	493,348	36,752
Realized gain on sale of investments available for sale		18,707	18,380	34,364	18,380
Gain from sale of investment property		-	135,250	-	200,065
Dividend income from investments available for sale		-	-	8,968	-
Gain from sale of investment in associates	8	694,010	-	694,010	-
Finance charges		(242,714)	(474,858)	(1,260,786)	(1,426,788)
Foreign currency exchange (loss) gain		(40,351)	53,356	404,144	35,906
Profit for the period before contribution to Zakat, Kuwait Foundation for the Advancement of Sciences (KFAS) and National Labor Support Tax		1,102,209	172,538	4,703,956	5,786,083
Contribution to Zakat	13	(8,287)	-	(16,155)	-
Contribution to Kuwait Foundation for the Advancement of Sciences	14	(8,784)	-	(13,151)	-
National Labor Support Tax		(32,190)	(3,331)	(50,280)	(142,598)
Net profit for the period		1,052,948	169,207	4,624,370	5,643,485
Attributable to :					
Parent company's shareholders		1,024,991	129,900	4,538,773	5,561,308
Minority interest		27,957	39,307	85,597	82,177
Net profit for the period		1,052,948	169,207	4,624,370	5,643,485
Earnings per share attributable to the parent company's shareholders (fils)	15	1.02	0.36	4.54	15.33

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

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

(All amounts are in Kuwaiti Dinars)

	Attributable to the parent company's shareholders							Total equity attributable to the Parent Company's shareholders		
	Capital	Share premium	Statutory reserve	Voluntary reserve	Effect of changes in associate's equity	Foreign currency translation adjustment	Cumulative changes in fair value	Retained earnings	Minority interest	Total
Balance at December 31, 2007	100,000,000	17,500,000	2,229,106	2,229,106	-	(1,047,661)	(166,810)	13,291,362	869,028	134,904,131
Foreign currency translation adjustment	-	-	-	-	-	(874,808)	-	-	-	(874,808)
Change in fair value of investments available for sale	-	-	-	-	-	-	(795,359)	-	-	(795,359)
Reversal due to sale of investments available for sale	-	-	-	-	-	-	4,263	-	-	4,263
Changes in associate's equity	-	-	-	-	(247,946)	-	-	-	-	(247,946)
Reversal due to sale of investment in associate	-	-	-	-	(247,946)	695,066	(791,096)	-	-	(1,218,784)
Net loss recognized directly in equity	-	-	-	-	-	(179,742)	-	4,538,773	85,597	4,624,370
Net profit for the period	-	-	-	-	(247,946)	(179,742)	(791,096)	4,538,773	85,597	3,405,586
Total recognized loss (income) for the period	-	-	-	-	(247,946)	(179,742)	(791,096)	4,538,773	85,597	4,624,370
Balance at September 30, 2008	100,000,000	17,500,000	2,229,106	2,229,106	(247,946)	(1,227,403)	(957,906)	17,830,135	954,625	138,309,717
Balance at December 31, 2006	30,000,000	-	1,593,017	1,593,017	-	-	-	12,011,104	855,873	46,053,011
Net profit for the period	-	-	-	-	-	-	-	5,561,308	82,177	5,643,485
Total recognized income for the period	-	-	-	-	-	-	-	5,561,308	82,177	5,643,485
Cash dividends (subsidiary)	-	-	-	-	-	-	-	-	(92,348)	(92,348)
Cash dividends (Note 17)	-	-	-	-	-	-	-	(3,600,000)	-	(3,600,000)
Balance at September 30, 2007	30,000,000	-	1,593,017	1,593,017	-	-	-	13,972,412	845,702	48,004,148

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

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

	Nine months ended September 30,	
	2008	2007
Cash flows from operating activities:		
Profit for the period before contribution to Zakat, Kuwait Foundation for the Advancement of Sciences and National Labor Support Tax	4,703,956	5,786,083
Adjustments for:		
Depreciation and amortization	39,786	34,544
Unrealized gain from investments at fair value through income statement	(182,129)	-
Realized gain from investments at fair value through income statement	(226,580)	-
Dividends from investments available for sale	(8,968)	-
Realized gain on sale of investments available for sale	(34,364)	(18,380)
Group's share of result from associates and elimination of profit on inter company transactions	(2,221,212)	36,482
Group's share of result from joint ventures and elimination of profit on inter company transactions	353,574	1,963,587
Gain from investments in Murabaha	(793,788)	-
Gain from investments in Wakala	(493,348)	(36,752)
Gain from sale of investment in associates	(694,010)	-
Gain from sale of investment property	-	(200,065)
Finance charges	1,260,786	1,426,788
Provision for end of service indemnity	39,786	34,353
	<u>1,743,489</u>	<u>9,026,640</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	786,903	1,041,802
Sokouk utilization rights	-	24,366,432
Due from related parties	13,337,736	(21,181,588)
Accounts payable and other credit balances	1,459,639	139,297
Due to related parties	(3,416,666)	(4,550,589)
Cash generated from operations	<u>13,911,101</u>	<u>8,841,994</u>
Paid to Zakat	(6,467)	-
Paid for Kuwait Foundation for the Advancement of Sciences	(95,092)	(61,017)
Paid to National Labor Support Tax	(148,449)	-
Board of Directors Remuneration Paid	(60,000)	-
Payment from provision for end of service indemnity	(30,056)	(13,335)
Net cash generated from operating activities	<u>13,571,037</u>	<u>8,767,642</u>
Cash flows from investing activities:		
Paid for purchase of investments at fair value through income statement	(10,152,464)	-
Proceeds from sale of investments at fair value through income statement	22,184,187	-
Proceeds from investments in Murabaha	20,196,348	2,095,250
Paid for investments in Wakala	(22,594,962)	(2,000,000)
Proceeds from investments in Wakala	16,339,994	-
Paid for purchase of investments available for sale	(7,541,168)	(261,420)
Proceeds from sale of investment available for sale	1,547,602	94,657
Dividends received from investments available for sale	8,968	-
Paid for purchase of investment in an associate	(1,654,978)	(11,694,726)
Proceeds from sale of investment in associates	297,087	-
Paid for purchase of investment in Joint Ventures	(17,537,400)	-
Advance payments for purchase of investments	-	(224,248)
Proceeds from sale of investment property	-	2,206,203
Proceeds from sale of project under construction	-	1,335,000
Dividends received from associate	773,950	-
Paid for investment in unconsolidated subsidiaries	(750,000)	-
Paid for purchase of property and equipment	(29,048)	(58,619)
Net cash generated from (used in) investing activities	<u>1,088,116</u>	<u>(8,507,903)</u>

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTD.)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

	Nine months ended September 30,	
	<u>2008</u>	<u>2007</u>
Cash flows from financing activities:		
Proceeds from Murabaha payables	-	1,760,143
Paid for murabaha payables	(14,815,191)	(360,044)
Cash dividends paid	-	(3,600,000)
Cash dividends paid (subsidiary)	-	(92,348)
Net cash used in financing activities	<u>(14,815,191)</u>	<u>(2,292,249)</u>
Net decrease in cash on hand and at banks	(156,038)	(2,032,510)
Cash on hand and at banks at the beginning of the period	<u>1,524,732</u>	<u>3,465,760</u>
Cash on hand and at banks at the end of the period	<u>1,368,694</u>	<u>1,433,250</u>

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

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2008

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities

Sokouk Holding Company – K.S.C (Holding) “the parent company”, (previously known as Sokouk Real Estate Development Company – K.S.C (Closed) and prior before as Al-Wasta Real Estate Development Company – K.S.C (Closed)), is registered in the State of Kuwait and was incorporated and authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 1909/Volume 1 on August 23, 1998 and registered on commercial register under Ref. No. 74323 dated August 29, 1998.

The parent company’s registered address is at P.O. Box 29110 Safat – Postal code 13152 - State of Kuwait.

The parent company was listed on Kuwait Stock Exchange on December 27, 2005.

The interim consolidated financial information were authorized for issue by the Board of Directors on November 13, 2008.

2. Basis of preparation

The accounting policies applied by the Group are consistent with those used in the previous year except for the changes due to implementation of certain amendments to revised IAS 39: Financial Instruments – Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures.

IAS 39: Financial Instruments – Recognition and Measurement

Effective July 1, 2008, the Group has implemented certain amendments to revised IAS 39: Financial Instruments – Recognition and Measurement. The Group has identified the deterioration of the global financial markets and the consequent impact on the financial markets of the Middle East region as a rare situation resulting in the implementation of these amendments.

This has resulted in the reclassification of investments held for trading amounting to KD 1,452,500 to investments available for sale as per revised IAS 39. Unrealized gain from these investments recognized in the consolidated income statement till the date of reclassification amounted to KD 7,822. Unrealized gain on these investments that would have been recognized in the consolidated income statement if these financial assets had not been reclassified amounted to KD 70,000 for the three months ended September 30,2008.

IFRS 7 Financial Instruments: Disclosures

Implementation of the amendments to revised IAS 39: Financial Instruments – Recognition and Measurement has resulted in additional disclosures in the accompanying consolidated financial statements.

The interim consolidated financial information have been prepared to present interim consolidated financial information in compliance with the International Accounting Standard No. 34 “Interim Financial Reporting”. Interim 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 in the accompanying interim consolidated financial information. Operating results for the interim period ended September 30, 2008 are not necessarily indicative of the

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2008

(All amounts are in Kuwaiti Dinars)

results that may be expected for the year ending December 31, 2008. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2007.

The interim consolidated financial information include the financial information of Sokouk Holding Company – K.S.C. (Holding) and the following subsidiaries:

Subsidiaries	Country of incorporation	Percentage of holding %		
		September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Gulf Real Estate Development House Co. K.S.C.C.	Kuwait	75	75	75
Sokouk Investment Advisory Co.	Cayman Island	100	100	100
Sokouk Real Estate Co.– K.S.C.C.	Kuwait	100	100	100
Gulf Money House for Money Collection - W.L.L.	Kuwait	100	100	100

3. Investments at fair value through income statement

The movement during the period / year is as follows:

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Balance at the beginning of the period / year	13,075,514	-	-
Additions during the period / year	10,152,464	13,000,000	-
Disposals during the period / year	(21,957,607)	-	-
Reclassified to investments available for sale (Note 7)	(1,452,500)	-	-
Unrealized gain on investments at fair value through income statement	182,129	75,514	-
Balance at the end of the period / year	-	13,075,514	-

4. Related party transactions

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel, associates, joint ventures and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Assets:			
Due from associates	5,581,580	8,447,035	4,266,590
Due from joint ventures	1,240,664	2,064,330	21,161,207
Due from major shareholders	10,038,038	9,400,000	-
Due from unconsolidated subsidiaries	5,750	-	-
Due from companies under common control	3,105,714	25,231	25,231
Total due from related parties	19,971,746	19,936,596	25,453,028

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2008

(All amounts are in Kuwaiti Dinars)

Cash with portfolios managers	131,711	195,531	-
Investment available for sale managed by related parties	4,657,309	-	-
Investments in Murabaha	8,990,022	-	-
Investments in Wakala	13,372,885	2,261,938	2,236,527
Purchase of investment in associates	-	58,797,662	48,420,526
Liabilities:			
Due to associates	2,580,554	11,631,486	11,202,651
Due to joint venture	3,490,328	-	-
Due to companies under common control	2,147,936	4,122	45,510,744
Total due to related parties	8,218,818	11,635,608	56,713,395
Murabaha payables	6,704,043	12,621,485	21,369,895

Due from / to related parties mainly result from purchase and sale of Sokouk utilization rights and investments.

	Three months ended September 30,		Nine months ended September 30	
	2008	2007	2008	2007
Statement of income:				
Operating revenue	-	-	-	22,891,121
Operating cost	-	-	-	(17,271,306)
Gain from investments in Murabaha	79,241	-	231,216	-
Gain from investments in Wakala	46,031	-	115,249	16,212
Gain from sale of investment property	-	-	-	64,815
Gain from sale of investment in associate	1,068,795	-	1,068,795	-
Other operating income	227,061	287,123	873,372	951,526
Finance charges	(45,900)	-	(550,216)	-
General and administrative expenses	(32,393)	(395,204)	(32,393)	(1,170,226)

	Nine months ended September 30,	
	2008	2007
Key management compensation:		
Short term benefits	95,901	100,223
Termination benefits	11,956	14,126

5. Investments in Murabaha

Investments in Murabaha represent deposits held with Kuwaiti financial institutions and with related parties, which have experience in fund investment management in local and international market. These investments earn an average annual rate of return of 8%.

6. Investments in Wakala

Investments in Wakala represent Wakala investment contracts with Kuwaiti Financial Institutions and with related parties. Investment earns an average rate of return 8.5% per annum.

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2008
(All amounts are in Kuwaiti Dinars)

7. Investments available for sale

Quoted securities available for sale includes investments reclassified from investments held for trading amounting to KD 1,522,500. Cumulative changes in fair value related to these investments accounted in equity as of September 30, 2008 amounted to KD 70,000.

The movement during the period was as follows:

	September 30, 2008
Balance at the beginning of the period	4,172,707
Additions	7,541,168
Disposals	(1,513,238)
Reclassified from investments at fair value through income statement (Note 3)	1,452,500
Change in fair value	(791,096)
Balance at the end of the period	10,862,041

8. Investment in associates

The investment in associates consists of the following:

Name of the associate	Country of Incorporation	Ownership percentage %			September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
		September 30, 2008	December 31, 2007 (Audited)	September 30, 2007			
MAS International Company for General Trading and Contracting – W.L.L.	Kuwait	-	40	40	-	3,334,848	3,334,848
ELAF Bank – B.S.C. (Closed)	Bahrain	-	15	15	-	8,435,123	8,674,200
Munshaat Real Estate Projects Co. – K.S.C. (Closed)	Kuwait	29.05	27.53	26.78	52,236,427	50,146,375	48,420,526
Mas Holding Company – K.S.C.	Kuwait	40	40	-	400,000	400,000	-
					52,636,427	62,316,346	60,429,574

The movement during the period / year is as follows:

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Balance at the beginning of the period / year	62,316,346	3,371,330	3,371,330
Acquisition of associates	1,654,977	58,797,662	48,420,526
Transferred from advance payment for purchase of investments	-	-	8,674,200
Group's share of results from associates	2,221,212	589,104	-
Change in associate's equity	(247,946)	-	-
Disposal of associates	(12,280,896)	-	-
Cash dividends received	(773,950)	-	-
Foreign currency translation adjustment	(253,316)	-	-
Elimination of profit on intercompany transactions	-	(441,750)	(36,482)
Balance at the end of the period / year	52,636,427	62,316,346	60,429,574

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The Group's share of results from associates represent the Group' share of results from Munshaat Real Estate Projects Co. – K.S.C. (Closed) based on reviewed financial information for the period ended June 30, 2008 and from ELAF Bank – B.S.C. (Closed) based on reviewed financial information for the period ended June 30, 2008.

The group's share of results from associates comprise of:

	September 30, 2008	September 30, 2007
Share of results from associates	1,925,623	(36,482)
Excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost	295,589	-
	<u>2,221,212</u>	<u>(36,482)</u>

The excess of acquirer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition over cost resulting from the purchase of additional shares in Munshaat Real Estate Projects Co. - K.S.C. (Closed) during the period is as follows:

	KD
Group's share of fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition	1,754,705
Less: consideration paid	(1,459,116)
Excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost	<u>295,589</u>

During the period, the group sold its investment in associate ELAF Bank – B.S.C (Closed) resulting in a gain of KD 1,068,795, and a part of its share in Munshaat Real Estate Project – K.S.C (Closed) resulting in a loss of KD 374,785.

9. Investment in Joint Ventures

The investment in joint ventures consists of the following:

Name of the joint venture	Country of incorporation	Ownership Percentage			September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
		September 30, 2008	December 31, 2007 (Audited)	September 30, 2007			
Joint Venture – Zamzam Tower	Kuwait	53.73	45.94	24.65	38,107,305	28,436,483	10,829,056
Joint Venture – Al-Salmiya Hotel Project	Kuwait	74.25	24.25	24.25	9,993,648	2,897,658	2,919,262
					<u>48,100,953</u>	<u>31,334,141</u>	<u>13,748,318</u>

The movement during the period / year was as follows:

	September 30, 2008	December 31, 2007 (Audited)	September 30, 2007
Balance at the beginning of the period / year	31,334,141	15,711,905	15,711,905
Increase of investment in joint venture	17,743,034	-	-
Joint venture's capital increase	-	18,500,000	-
Group's share of results from joint ventures	70,363	(98,650)	75,917
Elimination of profit on intercompany transactions	(423,937)	(2,153,944)	(2,039,504)
Foreign currency translation adjustments	(622,648)	(625,170)	-
Balance at the end of the period / year	<u>48,100,953</u>	<u>31,334,141</u>	<u>13,748,318</u>

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Goodwill amounting to KD 1,124,029 is included in the investment in Joint Venture – Al Salmiya Hotel Project.

10. Murabaha payables

The balance of Murabaha payables represent payments received from Islamic Financing Company. Murabaha payables carrying an annual average charge from 5 % to 9 %.

11. Capital

Authorized, issued and fully paid-up capital consist of 1,000,000,000 shares (December 31,2007 - 1,000,000,000 shares, September 30, 2007 - 300,000,000 shares) of 100 fils each.

12. Other operating income

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Realized income from deferred profit	166,377	167,377	698,805	513,704
Asset management fees	218,961	237,454	658,311	632,411
Income from consulting services	-	139,800	-	139,800
Investment structure revenue	-	96,741	-	285,010
Others	10,403	67,100	259,474	242,324
	395,741	708,472	1,616,590	1,813,249

13. Contribution to Zakat

Contribution to Zakat is calculated at 1% of the profit of the Parent Company after deducting its share of income from shareholding subsidiaries and associates in accordance with Ministry of Finance resolution No. 58/2007 effective December 10, 2007.

14. Contribution to Kuwait Foundation for the Advancement of Sciences

Contribution to Kuwait Foundation for the Advancement of Sciences is calculated at 1% of the profit of the Parent Company after deducting its share of income from shareholding subsidiaries and associates and transfer to statutory reserve.

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15. Earnings per share attributable to the parent company's shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007 (Restated)	2008	2007 (Restated)
Net profit for the period attributable to the parent company's shareholders	<u>1,024,991</u>	<u>129,900</u>	<u>4,538,773</u>	<u>5,561,308</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
<u>Number of shares outstanding:</u>				
Number of issued shares at the beginning of the period	1,000,000,000	300,000,000	1,000,000,000	300,000,000
Adjusted outstanding shares due to right issue	-	62,709,395	-	62,709,395
Weighted average number of shares outstanding	<u>1,000,000,000</u>	<u>362,709,395</u>	<u>1,000,000,000</u>	<u>362,709,395</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share	<u>1.02</u>	<u>0.36</u>	<u>4.54</u>	<u>15.33</u>

Earnings per share attributable to Parent Company's shareholders for the three months ended September 30, 2007 and for the Nine months ended September 30, 2007 were 0.43 fils and 18.54 fils respectively before retroactive adjustment relating to rights issue.

16. Capital commitments

The Group had capital commitments in respect of future capital expenditure related to the construction of a hotel in a joint venture and capital commitments in respect of construction cost in an associate as follows:

	September 30,	December 31,	September 30,
	2008	2007 (Audited)	2007
Capital commitments	<u>7,997,795</u>	<u>4,258,415</u>	<u>4,409,671</u>

17. General Assembly

The Shareholders' General Assembly held on April 1, 2008 approved non distribution of dividends for the year ended December 31, 2007.

The Shareholders' General Assembly held on April 16, 2007 approved distribution of cash dividends of 12 Fils per share for the year ended December 31, 2006.

18. Comparative figures

Certain of the prior period / year amounts have been reclassified to conform with the current period presentation.