

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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2008
(UNAUDITED)
WITH**

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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AND SUBSIDIARIES
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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 March 31, 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the Three-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 the associate and the group share of results from that associate constitute 29.98% and 44.03 % of the respective consolidated assets and revenues. The financial information of the above mentioned associate for the period ended December 31, 2007 were 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

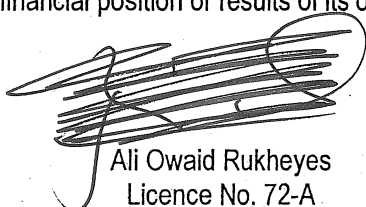
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible 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.

Conclusion

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

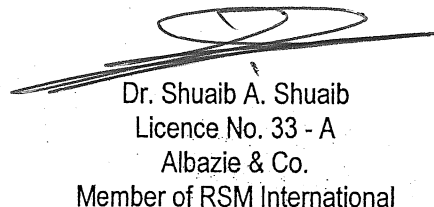
Report on other Legal and Regulatory Requirements

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 March 31, 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.



Ali Owaid Rukheyes
Licence No. 72-A

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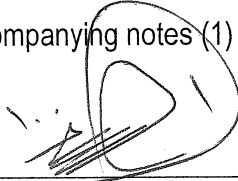
Dr. Shuaib A. Shuaib
Licence No. 33 - A
Albazie & Co.
Member of RSM International


SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS OF MARCH 31, 2008

(All amounts are in Kuwaiti Dinars)

| <u>ASSETS</u> | Note | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|--|------|--------------------|-----------------------------------|-------------------|
| Cash on hand and at banks | | 3,750,848 | 1,524,732 | 1,419,948 |
| Investments at fair value through income statement | 3 | 7,206,339 | 13,075,514 | - |
| Accounts receivable and other debit balances | | 7,817,095 | 7,794,821 | 6,848,844 |
| Sokouk utilization rights | | 7,284,200 | 7,284,200 | 26,139,545 |
| Due from related parties | 4 | 10,918,049 | 19,936,596 | 14,285,325 |
| Investments in Murabaha | 5 | 14,079,828 | 23,000,000 | - |
| Investments in Wakala | 6 | 13,164,044 | 2,261,938 | 219,267 |
| Investments available for sale | 7 | 5,138,394 | 4,172,707 | 4,080,126 |
| Investment in associates | 8 | 62,884,742 | 62,316,346 | 3,371,330 |
| Investment in joint ventures | 9 | 37,361,518 | 31,334,141 | 15,313,793 |
| Advance payment for purchase of investments | | - | - | 9,219,467 |
| Investment properties | | - | - | 2,005,888 |
| Property and equipment | | 107,582 | 109,028 | 100,313 |
| Intangible assets | | 9,000 | 10,500 | - |
| Goodwill | | 188,000 | 188,000 | 188,000 |
| Total assets | | <u>169,909,639</u> | <u>173,008,523</u> | <u>83,191,846</u> |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| Liabilities: | | | | |
| Accounts payable and other credit balances | | 514,722 | 725,784 | 435,303 |
| Due to related parties | 4 | 19,099,753 | 11,635,608 | 14,694,586 |
| Murabaha payables | 10 | 14,524,670 | 25,673,758 | 20,840,602 |
| Provision for end of service indemnity | | 81,534 | 69,242 | 48,056 |
| Total liabilities | | <u>34,220,679</u> | <u>38,104,392</u> | <u>36,018,547</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 | | (2,207,705) | (1,047,661) | - |
| Cumulative changes in fair value | | (257,889) | (166,810) | - |
| Retained earnings | | 15,297,145 | 13,291,362 | 13,104,269 |
| Total equity attributable to parent company's shareholders | | <u>134,789,763</u> | <u>134,035,103</u> | <u>46,290,303</u> |
| Minority interest | | 899,197 | 869,028 | 882,996 |
| Total equity | | <u>135,688,960</u> | <u>134,904,131</u> | <u>47,173,299</u> |
| Total liabilities and equity | | <u>169,909,639</u> | <u>173,008,523</u> | <u>83,191,846</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 Managing director

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

| | Note | Three months ended March 31, | |
|---|------|---------------------------------|-------------|
| | | 2008 | 2007 |
| Operating revenue | | 626,322 | 7,108,684 |
| Operating cost | | (626,322) | (5,536,943) |
| Gross profit | | - | 1,571,741 |
| Other operating income | 12 | 687,096 | 308,880 |
| Expenses and charges: | | | |
| General and administrative | | 251,651 | 310,618 |
| Depreciation and amortization | | 13,300 | 11,800 |
| | | 264,951 | 322,418 |
| Operating profit | | 422,145 | 1,558,203 |
| Unrealized gain from investments at fair value through income statement | 3 | 174,307 | - |
| Realized gain from investments at fair value through income statement | | 35,940 | - |
| Group's share of result from associates | 8 | 1,378,192 | - |
| Group's share of result from joint ventures | 9 | (30,622) | - |
| Gain from investments in Murabaha | | 403,587 | 4,643 |
| Gain from investments in Wakala | | 181,485 | - |
| Realized gain on sale of investments available for sale | | 15,657 | - |
| Dividend income from investments available for sale | | 8,968 | - |
| Other income | | 2,500 | - |
| Finance charges | | (770,137) | (414,528) |
| Foreign currency exchange gain | | 242,546 | - |
| Profit for the period before contribution to Zakat, Kuwait Foundation for the Advancement of Sciences (KFAS) and National Labor Support Tax | | 2,064,568 | 1,148,318 |
| Contribution to Zakat | 13 | (11,425) | - |
| Contribution to Kuwait Foundation for the Advancement of Sciences | 14 | (786) | - |
| National Labor Support Tax | | (16,405) | (28,030) |
| Net profit for the period | | 2,035,952 | 1,120,288 |
| Attributable to : | | | |
| Parent company's shareholders | | 2,005,783 | 1,093,165 |
| Minority interest | | 30,169 | 27,123 |
| Net profit for the period | | 2,035,952 | 1,120,288 |
| Earnings per share attributable to the parent company's shareholders (fils) | 15 | 2.01 | 3.01 |

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 MARCH 31, 2008

(All amounts are in Kuwaiti Dinars)

| | Attributable to the parent company's shareholders | | | | | | | Total equity attributable to the Parent Company's shareholders | Minority interest | Total |
|--|---|-------------------|-------------------|-------------------|---|----------------------------------|-------------------|--|-------------------|--------------------|
| | Capital | Share premium | Statutory reserve | Voluntary reserve | Foreign currency translation adjustment | Cumulative changes in fair value | Retained earnings | | | |
| 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 | 134,035,103 | 869,028 | 134,904,131 |
| Foreign currency translation adjustment | - | - | - | - | (1,160,044) | - | - | (1,160,044) | - | (1,160,044) |
| Reversal due to sale of investments available for sale | - | - | - | - | - | 4,263 | - | 4,263 | - | 4,263 |
| Change in fair value of investments available for sale | - | - | - | - | - | (95,342) | - | (95,342) | - | (95,342) |
| Net loss recognized directly in equity | - | - | - | - | (1,160,044) | (91,079) | - | (1,251,123) | - | (1,251,123) |
| Net profit for the period | - | - | - | - | - | - | 2,005,783 | 2,005,783 | 30,169 | 2,035,952 |
| Total recognized loss (income) for the period | - | - | - | - | (1,160,044) | (91,079) | 2,005,783 | 754,660 | 30,169 | 784,829 |
| Balance at March 31, 2008 | 100,000,000 | 17,500,000 | 2,229,106 | 2,229,106 | (2,207,705) | (257,889) | 15,297,145 | 134,789,763 | 899,197 | 135,688,960 |
| Balance at December 31, 2006 | 30,000,000 | - | 1,593,017 | 1,593,017 | - | - | 12,011,104 | 45,197,138 | 855,873 | 46,053,011 |
| Net profit for the period | - | - | - | - | - | - | 1,093,165 | 1,093,165 | 27,123 | 1,120,288 |
| Total recognized income for the period | - | - | - | - | - | - | 1,093,165 | 1,093,165 | 27,123 | 1,120,288 |
| Balance at March 31, 2007 | 30,000,000 | - | 1,593,017 | 1,593,017 | - | - | 13,104,269 | 46,290,303 | 882,996 | 47,173,299 |

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 MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

| | Three months ended March 31, - | |
|--|-----------------------------------|--------------------|
| | 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 | 2,064,568 | 1,148,318 |
| Adjustments for: | | |
| Depreciation and amortization | 13,300 | 11,800 |
| Unrealized gain from investments at fair value through income statement | (174,307) | - |
| Realized gain from investments at fair value through income statement | (35,940) | - |
| Dividends from investments available for sale | (8,968) | - |
| Realized gain on sale of investment available for sale | (15,657) | - |
| Group's share of result from associates | (1,378,192) | - |
| Group's share of result from joint ventures and elimination of profit on intercompany transactions | 150,207 | - |
| Gain from investments in Murabaha | (403,587) | (4,643) |
| Gain from investments in Wakala | (181,485) | - |
| Finance charges | 770,137 | 414,528 |
| Provision for end of service indemnity | 13,510 | 12,640 |
| Asset management fees | (220,890) | (90,000) |
| | <u>592,696</u> | <u>1,492,643</u> |
| Changes in operating assets and liabilities: | | |
| Accounts receivable and other debit balances | 65,811 | (682,404) |
| Sokouk utilization rights | - | 5,511,087 |
| Due from related parties | 9,239,437 | (5,209,080) |
| Accounts payable and other credit balances | (239,678) | (92,615) |
| Due to related parties | 358,224 | 1,718,606 |
| Cash generated from operations | <u>10,016,490</u> | <u>2,738,237</u> |
| Paid for Kuwait Foundation for the Advancement of Sciences | - | (61,017) |
| Payment from provision for end of service indemnity | (1,218) | (4,412) |
| Proceeds from asset management fees income | - | 360,000 |
| Net cash generated from operating activities | <u>10,015,272</u> | <u>3,032,808</u> |
| Cash flows from investing activities: | | |
| Paid for purchase of investments at fair value through income statement | (5,000,000) | - |
| Proceeds from sale of investments at fair value through income statement | 11,079,422 | - |
| Paid for investments in Murabaha | (15,000,000) | - |
| Proceeds from investments in Murabaha | 24,000,000 | 2,095,250 |
| Gain from investments in Murabaha received | 354,360 | 4,643 |
| Paid for investments in Wakala | (10,839,307) | - |
| Paid for purchase of investments available for sale | (1,126,614) | (8,726,469) |
| Proceeds from sale of investment available for sale | 85,505 | 1,335,000 |
| Dividends received from investments available for sale | 8,968 | - |
| Paid for purchase of investment in an associate | (195,861) | - |
| Dividends received from associate | 773,950 | - |
| Paid for purchase of property and equipment | (10,354) | (7,340) |
| Net cash generated from (used in) investing activities | <u>4,130,069</u> | <u>(5,298,916)</u> |

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTD.)
FOR THE PERIOD ENDED MARCH 31, 2008
 (All amounts are in Kuwaiti Dinars)

| | Three months ended March 31, | |
|--|------------------------------|-------------------------|
| | <u>2008</u> | <u>2007</u> |
| Cash flows from financing activities: | | |
| Murabaha payables received | - | 634,824 |
| Paid for murabaha payables | (11,767,362) | - |
| Finance charges paid | (151,863) | (414,528) |
| Net cash used in (generated from) financing activities | <u>(11,919,225)</u> | <u>220,296</u> |
| Net increase (decrease) in cash on hand and at banks | 2,226,116 | (2,045,812) |
| Cash on hand and at banks at the beginning of the period | 1,524,732 | 3,465,760 |
| Cash on hand and at banks at the end of the period | <u>3,750,848</u> | <u>1,419,948</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)
MARCH 31, 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 May 18, 2008.

2. Basis of preparation

These interim consolidated financial information have been prepared in accordance with the same accounting policies and methods of computation as were followed in the most recent annual 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” and the guidelines issued by the Kuwait Stock Exchange. 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 March 31, 2008 are not necessarily indicative of the 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 % | | |
|---|--------------------------|-------------------------|-----------------------------|----------------|
| | | March 31, 2008 | December 31, 2007 (Audited) | March 31, 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 |

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008

(All amounts are in Kuwaiti Dinars)

3. Investments at fair value through income statement

The movement during the period is as follows:

| | March 31,2008 |
|--|--------------------------|
| Balance at the beginning of the period | 13,075,514 |
| Additions during the period | 5,000,000 |
| Disposals during the period | (11,043,482) |
| Change in fair value | 174,307 |
| Balance at the end of the period | 7,206,339 |

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:

| | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|--------------------------------------|---------------------------|-----------------------------------|-------------------|
| <u>Assets:</u> | | | |
| Due from associates | 9,026,066 | 8,447,035 | 9,138,078 |
| Due from joint ventures | 1,816,394 | 2,064,330 | 5,028,215 |
| Due from principal shareholders | - | 9,400,000 | 9,078 |
| Due from other related parties | 75,589 | 25,231 | 109,954 |
| Total due from related parties | 10,918,049 | 19,936,596 | 14,285,325 |
| Purchase of investment in associates | - | 58,797,662 | - |
| Investments in Murabaha | 5,394,962 | - | - |
| Investments in Wakala | 2,747,175 | 2,261,938 | 219,267 |
| <u>Liabilities:</u> | | | |
| Due to associates | 12,018,942 | 11,631,486 | 12,973,911 |
| Due to joint venture | - | - | 1,717,559 |
| Due to other related parties | 7,080,811 | 4,122 | 3,116 |
| Total due to related parties | 19,099,753 | 11,635,608 | 14,694,586 |
| Murabaha payables | 8,006,310 | 12,621,485 | 14,547,194 |

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

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008

(All amounts are in Kuwaiti Dinars)

| | Three months ended March 31, | |
|-------------------------------------|---------------------------------|-------------|
| | 2008 | 2007 |
| Statement of income: | | |
| Operating revenue | - | 4,428,656 |
| Operating cost | - | (3,280,486) |
| Gain from investment in Murabaha | 110,787 | 4,643 |
| Gain from investment in Wakala | 40,892 | - |
| Other operating income | 100,522 | 90,000 |
| Finance charges | (535,425) | (275,632) |
| General and administrative expenses | - | (135,787) |

| | Three months ended March 31, | |
|-------------------------------------|---------------------------------|--------|
| | 2008 | 2007 |
| Key management compensation: | | |
| Short term benefits | 32,088 | 34,738 |
| Termination benefits | 3,155 | 1,563 |

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 8.95% per annum.

7. Investments available for sale

The movement during the period is as follows:

| | March 31, 2008 | March 31, 2007 |
|--|-------------------|-------------------|
| Balance at the beginning of the period | 4,172,707 | 4,080,126 |
| Additions | 1,126,614 | - |
| Disposals | (69,848) | - |
| Change in fair value | (91,079) | - |
| Balance at the end of the period | 5,138,394 | 4,080,126 |

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

8. Investment in associates

The investment in associates consists of the following:

| Name of the associate | Country of Incorporation | Ownership percentage % | | | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|--|--------------------------|------------------------|-----------------------------|----------------|-------------------|-----------------------------|------------------|
| | | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 | | | |
| MAS International Company for General Trading and Contracting – W.L.L. | Kuwait | 40 | 40 | 40 | 3,334,848 | 3,334,848 | 3,371,330 |
| Sokouk Al Tdawl – B.S.C. (Closed) | Bahrain | 15 | 15 | - | 8,203,416 | 8,435,123 | - |
| Munshaat Real Estate Projects Co. – K.S.C.C. | Kuwait | 27.80 | 27.53 | - | 50,946,478 | 50,146,375 | - |
| Mas Holding Company – K.S.C | Kuwait | 40 | 40 | - | 400,000 | 400,000 | - |
| | | | | | 62,884,742 | 62,316,346 | 3,371,330 |

The movement during the period / year is as follows:

| | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|--|-------------------|-----------------------------|------------------|
| Balance at the beginning of the period / year | 62,316,346 | 3,371,330 | 3,371,330 |
| Acquisition of associates | 195,861 | 58,797,662 | - |
| Group's share of results from associates | 1,378,192 | 589,104 | - |
| Cash dividends received | (773,950) | - | - |
| Foreign currency translation adjustment | (231,707) | - | - |
| Elimination of profit on intercompany transactions | - | (441,750) | - |
| Balance at the end of the period / year | 62,884,742 | 62,316,346 | 3,371,330 |

The Group's share of results from associates represent the Group's share of results from Munshaat Real Estate Projects Co. K.S.C (Closed) based on reviewed financial information for the period ended December 31,2007.

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2008
(All amounts are in Kuwaiti Dinars)

9. Investment in Joint Ventures

The investment in joint ventures consists of the following:

| Name of the joint venture | Country of incorporation | Ownership Percentage % | | | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|--|--------------------------|------------------------|-----------------------------|----------------|-------------------|-----------------------------|-------------------|
| | | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 | | | |
| Joint Venture – Zamzam Tower | Kuwait | 45.94 | 45.94 | 24.65 | 27,352,162 | 28,436,483 | 12,351,556 |
| Joint Venture – Al-Salmiya Hotel Project | Kuwait | 74.25 | 24.25 | 25.00 | 10,009,356 | 2,897,658 | 2,962,237 |
| | | | | | <u>37,361,518</u> | <u>31,334,141</u> | <u>15,313,793</u> |

The movement during the period / year was as follows:

| | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|--|-------------------|-----------------------------|-------------------|
| Balance at the beginning of the period / year | <u>31,334,141</u> | 15,711,905 | 15,711,905 |
| Increase of investment in joint venture | 7,106,034 | - | - |
| Joint venture's capital increase | - | 18,500,000 | - |
| Group's share of results from joint ventures | (30,622) | (98,650) | - |
| Elimination of profit on intercompany transactions | (119,585) | (2,153,944) | (398,112) |
| Foreign currency translation adjustments | (928,450) | (625,170) | - |
| Balance at the end of the period / year | <u>37,361,518</u> | <u>31,334,141</u> | <u>15,313,793</u> |

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 carries an annual average charge from 5% to 9%.

11. Capital

Authorized, issued and fully paid-up capital consist of 1,000,000,000 shares (2006 - 300,000,000 shares) of 100 fils each.

12. Other operating income

| | Three months ended March 31, | |
|--------------------------------------|------------------------------|----------------|
| | 2008 | 2007 |
| Realized income from deferred profit | 349,998 | 149,100 |
| Asset management fees | 220,890 | 90,000 |
| Others | 116,208 | 69,780 |
| | <u>687,096</u> | <u>308,880</u> |

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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.

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 March 31, | |
|---|------------------------------|--------------------|
| | 2008 | 2007 (Restated) |
| Net profit for the period attributable to the parent company's shareholders | 2,005,783 | 1,093,165 |
| | Shares | Shares |
| <u>Number of shares outstanding:</u> | | |
| Number of issued shares at the beginning of the period | 1,000,000,000 | 300,000,000 |
| Adjusted outstanding shares due to right issue | - | 62,709,395 |
| Weighted average number of shares outstanding | 1,000,000,000 | 362,709,395 |
| | Fils | Fils |
| Earnings per share | 2.01 | 3.01 |

Earnings per share attributable to Parent Company's shareholders for the period ended March 31, 2007 was 3.64 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 as follows:

| | March 31, 2008 | December 31, 2007 (Audited) | March 31, 2007 |
|---------------------|-------------------|-----------------------------------|-------------------|
| Capital commitments | 6,225,366 | 1,505,907 | 2,267,915 |

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