

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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2009
(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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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 financial position of Sokouk Holding Company - K.S.C. (Holding) (the parent company) and subsidiaries (the group) as of March 31, 2009 and the related interim condensed consolidated statements of income, comprehensive statement 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 this associate and the group share of results from this associate constitute 28.56% and 6.81% of the respective consolidated assets and revenues respectively. The financial information of the above mentioned associate for the period ended March 31, 2009 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 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.



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Conclusion

Based on our review and the report of the other auditors, 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 March 31, 2009 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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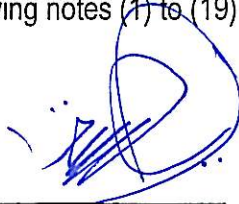
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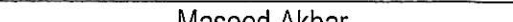
State of Kuwait
May 13, 2009

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2009
(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Cash on hand and at banks		1,266,464	2,311,187	3,776,067
Investments at fair value through income statement	3	-	-	7,206,339
Accounts receivable and other debit balances		4,803,124	5,310,898	8,013,869
Sokouk utilization rights		7,284,200	7,284,200	7,284,200
Due from related parties	4	48,865,723	46,648,885	10,162,722
Investments in Murabaha		-	-	14,079,828
Investments in Wakala	5	4,418,654	4,302,351	11,086,613
Investments available for sale	6	5,853,580	5,978,746	5,138,394
Project under construction	7	15,204,132	14,137,543	11,788,973
Investment in associates	8	49,964,276	49,346,631	62,884,742
Investment in joint ventures	9	2,614,299	2,474,608	27,352,162
Investment in unconsolidated subsidiaries		750,000	750,000	-
Property and equipment		82,968	93,214	107,582
Intangible assets		3,000	4,500	9,000
Goodwill		1,312,029	1,312,029	1,312,029
Total assets		<u>142,422,449</u>	<u>139,954,792</u>	<u>170,202,520</u>
<u>LIABILITIES AND EQUITY</u>				
Liabilities:				
Accounts payable and other credit balances		2,289,702	2,390,729	807,603
Due to related parties	4	5,915,995	5,980,526	19,099,753
Murabaha payables	10	11,891,166	11,498,436	14,524,670
Provision for end of service indemnity		91,228	81,155	81,534
Total liabilities		<u>20,188,091</u>	<u>19,950,846</u>	<u>34,513,560</u>
Equity:				
Capital	11	100,000,000	100,000,000	100,000,000
Share premium		17,500,000	17,500,000	17,500,000
Statutory reserve		2,229,106	2,229,106	2,229,106
Voluntary reserve		2,229,106	2,229,106	2,229,106
Foreign currency translation adjustment		172,244	(463,365)	(2,207,705)
Cumulative changes in fair value		(138,549)	-	(257,889)
Effect of changes in associates' equity		(839,760)	(824,231)	-
Retained earnings (accumulated losses)		72,688	(1,647,708)	15,297,145
Equity attributable to equity holders of the parent company		<u>121,224,835</u>	<u>119,022,908</u>	<u>134,789,763</u>
Non-controlling interests		1,009,523	981,038	899,197
Total equity		<u>122,234,358</u>	<u>120,003,946</u>	<u>135,688,960</u>
Total liabilities and equity		<u>142,422,449</u>	<u>139,954,792</u>	<u>170,202,520</u>

The accompanying notes (1) to (19) 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 MARCH 31, 2009
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31,	
		2009	2008
Operating revenue		-	626,322
Operating cost		-	(626,322)
Gross profit		-	-
Other operating income	12	246,077	695,260
Expenses and charges:			
General and administrative		266,060	251,651
Depreciation and amortization		11,757	13,300
		<u>277,817</u>	<u>264,951</u>
Operating (loss) profit		(31,740)	430,309
Net investment income	13	66,824	234,872
Group's share of result from associates	8	152,118	1,378,192
Group's share of result from joint ventures	9	-	(36,286)
Gain from investments in Murabaha		-	403,587
Gain from investments in Wakala		30,263	181,485
Finance charges		(224,698)	(770,137)
Foreign currency exchange gain		1,819,929	242,546
Profit for the period before contribution to Zakat, Kuwait Foundation for the Advancement of Sciences (KFAS) and National Labor Support Tax		1,812,696	2,064,568
Contribution to Zakat	14	(12,635)	(11,425)
Contribution to Kuwait Foundation for the Advancement of Sciences	15	(12,222)	(786)
National Labor Support Tax		(38,958)	(16,405)
Net profit for the period		<u>1,748,881</u>	<u>2,035,952</u>
Attributable to:			
Equity holders of the parent company		1,720,396	2,005,783
Non controlling interests		28,485	30,169
Net profit for the period		<u>1,748,881</u>	<u>2,035,952</u>
Earnings per share attributable to the parent company's shareholders (fils)	16	<u>1.72</u>	<u>2.01</u>

The accompanying notes (1) to (19) form an integral part of the interim consolidated financial information

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31,	
		2009	2008
Net profit for the period		<u>1,748,881</u>	<u>2,035,952</u>
Other comprehensive income:			
Exchange differences on translating foreign operations		635,609	(1,160,044)
Change in fair value of investments available for sale	6	(138,549)	(91,079)
Change in associates' equity		(15,529)	-
Other comprehensive income (loss) for the period		<u>481,531</u>	<u>(1,251,123)</u>
Total comprehensive income for the period		<u>2,230,412</u>	<u>784,829</u>
Attributable to:			
Shareholders of the parent company		2,201,927	754,660
Non-controlling interests		<u>28,485</u>	<u>30,169</u>
Total comprehensive income for the period		<u>2,230,412</u>	<u>784,829</u>

The accompanying notes from (1) to (19) 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, 2009

(All amounts are in Kuwaiti Dinars)

	Attributable to the Parent Company's shareholders										
	Capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation adjustments	Cumulative changes in fair value	Effect of changes in associates' equity	Retained earnings (accumulated losses)	Sub - Total	Non - controlling interests	Total
Balance at December 31, 2008	100,000,000	17,500,000	2,229,106	2,229,106	(463,365)	-	(324,231)	(1,647,708)	119,022,908	981,038	120,003,946
Total comprehensive income (loss) for the period	-	-	-	-	635,609	(138,549)	(15,529)	1,729,396	2,201,927	28,485	2,230,412
Balance at March 31, 2009	100,000,000	17,500,000	2,229,106	2,229,106	172,244	(138,549)	(839,760)	72,688	121,224,835	1,009,523	122,234,358
Balance at December 31, 2007	100,000,000	17,500,000	2,229,106	2,229,106	(1,047,661)	(168,810)	-	13,291,362	134,035,103	869,028	134,904,131
Total comprehensive (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

The accompanying notes (1) to (19) 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, 2009
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2009	2008
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	1,812,696	2,064,568
Adjustments for:		
Depreciation and amortization	11,757	13,300
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	(68,280)	(8,968)
Realized (loss) gain on sale of investments available for sale	1,456	(15,657)
Group's share of result from associates	(152,118)	(1,378,192)
Group's share of result from joint ventures and elimination of profit on inter company transactions	-	155,871
Gain from investments in Murabaha	-	(403,587)
Gain from investments in Wakala	(30,263)	(181,485)
Finance charges	224,698	770,137
Provision for end of service indemnity	11,204	13,510
Asset management fees	-	(220,890)
	<u>1,811,150</u>	<u>598,360</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	507,774	12,233
Due from related parties	(2,216,849)	9,239,437
Accounts payable and other credit balances	(164,842)	(230,943)
Due to related parties	(49,669)	380,631
Cash (used in) generated from operations	(112,436)	9,999,718
Payment from provision for end of service indemnity	(1,131)	(1,218)
Net cash (used in) generated from operating activities	<u>(113,567)</u>	<u>9,998,500</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
Gain from investment in Murabaha received	-	354,360
Net paid from investments in Wakala	(86,040)	(9,260,488)
Paid for purchase of investments available for sale	(24,771)	(1,126,614)
Proceeds from sale of investments available for sale	9,932	85,505
Cash dividends received from investments available for sale	68,280	8,968
Paid for project under construction	(1,066,589)	(169,021)
Paid for purchase of investment in an associate	-	(195,861)
Cash dividends received from associate	-	773,950
Paid for purchase of property and equipment	-	(10,354)
Net cash (used in) generated from investing activities	<u>(1,099,188)</u>	<u>5,539,867</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, 2009
 (All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	<u>2009</u>	<u>2008</u>
Cash flows from financing activities:		
Net movement of Murabaha payables	168,032	(13,318,169)
Net cash generated from (used in) financing activities	<u>168,032</u>	<u>(13,318,169)</u>
Net (decrease) increase in cash on hand and at banks	(1,044,723)	2,220,198
Cash on hand and at banks at the beginning of the period	2,311,187	1,538,886
Cash at bank due to increase of Group's ownership percentage in a joint venture	-	16,983
Cash on hand and at banks at the end of the period	<u><u>1,266,464</u></u>	<u><u>3,776,067</u></u>

The accompanying notes (1) to (19) 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, 2009
(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 13, 2009.

2. Basis of presentation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2008 except for the changes due to implementation of certain amendments to the following International Financial Reporting Standards:

IAS 1 "Presentation of Financial Statements" (Revised)

Effective January 1, 2009, the Group has applied IAS 1 (Revised), which has impacted the presentation of financial statements to enhance the usefulness of the information presented. The revised Standard has introduced a number of terminology changes (including revised titles for the interim consolidated financial information) and has resulted in a number of changes in presentation and disclosure. The revised IAS 1 has introduced a new interim condensed consolidated statement of comprehensive income, wherein all changes in equity arising from transactions other than with owners in their capacity as owners should be presented. Accordingly only changes in equity arising from transactions with owners in their capacity as owners are permitted to be presented in the statement of changes in equity.

IFRS 8 "Operating Segments"

Effective January 1, 2009, the Group has applied IFRS 8, which requires disclosure of information to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Accordingly, operating segments should 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.

IAS 23 "Borrowing Cost" (Revised)

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009
 (All amounts are in Kuwaiti Dinars)

Effective January 1, 2009, the Group has applied IAS 23 (Revised), which requires an entity to capitalize borrowing costs attributable to the acquisition, construction or production of a qualifying asset as a part of the cost of that asset and removing an option of expensing these borrowing costs in the interim condensed consolidated statement of income.

The interim consolidated financial information do 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. Operating results for the period ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2008.

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

Subsidiaries	Country of incorporation	Percentage of holding %		
		March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Gulf Real Estate Development House Co. K.S.C. (Closed)	Kuwait	75	75	75
Sokouk Investment Advisory Co.	Cayman Island	100	100	100
Sokouk Real Estate Co.– K.S.C. (Closed)	Kuwait	100	100	100
Gulf Money House for Money Collection - W.L.L.	Kuwait	100	100	100

The interim consolidated financial information includes also the financial information of the following joint venture:

Joint venture	Country of incorporation	Percentage of holding %		
		March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Joint Venture Al-Salmiya Hotel Project	Kuwait	74.25	74.25	74.25

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009

(All amounts are in Kuwaiti Dinars)

3. Investments at fair value through income statement

The movement during the period / year is as follows:

	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Balance at the beginning of the period / year	-	13,075,514	13,075,514
Additions during the period / year	-	9,611,920	5,000,000
Disposals during the period / year	-	(21,242,756)	(11,043,482)
Unrealized gain on investments at fair value through income statement	-	7,822	174,307
Reclassified to investments available for sale (Note 6)	-	(1,452,500)	-
Balance at the end of the period / year	-	-	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:

Interim condensed consolidated statement of financial position	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
<u>Assets:</u>			
Due from associates	47,661,458	42,803,501	9,026,066
Due from joint ventures	729,031	331,474	1,061,067
Due from companies under common control	-	3,513,910	-
Due from other related parties	475,234	-	75,589
Total due from related parties	48,865,723	46,648,885	10,162,722
Cash with portfolios managers	421,574	74,601	-
Investments available for sale managed by related parties	2,101,274	2,005,810	-
Investments in Murabaha	-	-	5,394,962
Investments in Wakala	1,818,651	1,702,349	669,744
<u>Liabilities:</u>			
Due to associates	-	-	12,018,942
Due to companies under common control	4,605,637	4,666,168	7,080,811
Due to unconsolidated subsidiaries	738,250	742,250	-
Due to other related parties	572,108	572,108	-
Total due to related parties	5,915,995	5,980,526	19,099,753
Murabaha payables	11,891,166	11,498,436	8,006,310

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009
(All amounts are in Kuwaiti Dinars)

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

	Three months ended March 31,	
	2009	2008
Interim condensed consolidated statement of income:		
Gain from investments in Murabaha	-	110,787
Gain from investments in Wakala	30,263	40,892
Other operating income	88,012	100,522
Foreign currency exchange gain	1,656,857	-
Finance charges	(224,698)	(535,425)
General and administrative expenses	(21,158)	-

	Three months ended March 31,	
	2009	2008
Key management compensation:		
Short term benefits	34,120	32,088
Termination benefits	2,487	3,155
	<u>36,607</u>	<u>35,243</u>

5. Investments in Wakala

Investments in Wakala represent Wakala investment contracts with Kuwaiti Financial Institutions (with related parties). Investment earns an average rate of return 8.5% per annum (December 31,2008 – 8.5%, March 31,2008 – 8.95%).

6. Investments available for sale

During 2008, the Group has elected to apply the amendments of IAS 39 and IFRS 7 effective July 1, 2008 and has reclassified the amount of KD 1,452,500 from investments held for trading to available for sale investments, and the unrealized loss on investments reclassified from investments held for trading to available for sale that would have been recognized in the interim condensed consolidated statement of income if these financial assets had not been reclassified is 44,146 (December 31, 2008 – KD 1,166,322, March 31, 2008 – Nil).

The movement during the period / year was as follows:

	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Balance at the beginning of the period / year	5,978,746	4,172,707	4,172,707
Additions	24,771	9,146,995	1,126,614
Disposals	(11,388)	(3,415,404)	(69,848)
Reclassified from investments held for trading (Note 3)	-	1,452,500	-
Reclassified to investment in joint ventures (Note 9)	-	(2,511,828)	-
Change in fair value	(138,549)	31,112	(91,079)
Impairment loss	-	(2,897,336)	-
Balance at the end of the period / year	<u>5,853,580</u>	<u>5,978,746</u>	<u>5,138,394</u>

SOKOUK HOLDING COMPANY – K.S.C. (HOLDING) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2009
(All amounts are in Kuwaiti Dinars)

7. Project under construction

	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Balance at the beginning of the period / year	14,137,543	3,682,629	3,682,629
Addition during the period / year	1,066,589	10,454,914	8,106,344
Balance at the end of the period / year	<u>15,204,132</u>	<u>14,137,543</u>	<u>11,788,973</u>

During March 2008, Sokouk Holding Company – K.S.C. (Holding) purchased Joint Venture – Qitaf G.C.C. share in Joint venture – Al Salmiya Hotel Project. This has resulting in a goodwill amounting to KD 1,124,029.

8. Investment in associates

The investment in associates consists of the following:

Name of the associate	Country of Incorporation	Ownership percentage %			March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
		March 31, 2009	December 31, 2008 (Audited)	March 31, 2008			
MAS International Company for General Trading and Contracting – W.L.L.	Kuwait	-	-	40	-	-	3,334,848
ELAF Bank – B.S.C. (Closed)	Bahrain	15	15	15	8,444,235	7,976,113	8,203,416
Munshaat Real Estate Projects Co. – K.S.C. (Closed)	Kuwait	27.67	27.67	27.80	40,679,977	40,537,884	50,946,478
Mas Holding Company – K.S.C.	Kuwait	40	40	40	840,064	832,634	400,000
					<u>49,964,276</u>	<u>49,346,631</u>	<u>62,884,742</u>

The movement during the period / year is as follows:

	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Balance at the beginning of the period / year	49,346,631	62,316,346	62,316,346
Acquisition of associates	-	3,903,945	195,861
Disposal of associates	-	(9,808,498)	-
Group's share of results from associates	152,118	3,161,038	1,378,192
Change in associates' equity	(15,529)	(824,231)	-
Cash dividends received from associate	-	(773,950)	(773,950)
Foreign currency translation adjustment	481,056	94,869	(231,707)
Provision for impairment in value	-	(8,357,578)	-
Elimination of profit on intercompany transactions	-	(365,310)	-
Balance at the end of the period / year	<u>49,964,276</u>	<u>49,346,631</u>	<u>62,884,742</u>

The Group's share of results from associates represent the Group's share of results from MAS Holding Company – K.S.C. and from ELAF Bank – B.S.C. (Closed) is based on management accounts and from Munshaat Real Estate Projects Company – K.S.C. (Closed) is based on interim condensed consolidated financial information for the period ended March 31, 2009.

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The auditors' report on review of interim condensed consolidated financial information of Munshaat Real Estate Projects Company – K.S.C. (Closed) for the three months ended March 31, 2009 included an emphasis of matter which was as follows:

The interim condensed consolidated financial information which indicates that the associate's current liabilities exceeded its current assets by KD 16,230,025. The associate is in discussion with lenders which include a significant shareholder for restructuring the liabilities. The management is confident of a positive outcome of the discussion.

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, 2009	December 31, 2008 (Audited)	March 31, 2008	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
		March 31, 2009	December 31, 2008 (Audited)						
Joint Venture – Zamzam Tower	Kuwait	-	-	-	-	45.74	-	-	27,352,162
Joint Venture – Qitaf G.C.C.	Kuwait	17.15	17.15	-	-	-	2,614,299	2,474,608	-
							<u>2,614,299</u>	<u>2,474,608</u>	<u>27,352,162</u>

The movement during the period / year was as follows:

	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Balance at the beginning of the period / year	2,474,608	28,436,483	28,436,483
Reclassified from investment available for sale (Note 6)	-	2,511,828	-
Increase of investment in joint venture	-	10,637,000	-
Group's share of results from joint ventures	-	(4,951,142)	(36,286)
Elimination of profit on intercompany transactions	-	(423,938)	(119,585)
Foreign currency translation adjustments	139,691	(622,647)	(928,450)
Disposals	-	(33,112,976)	-
Balance at the end of the period / year	<u>2,614,299</u>	<u>2,474,608</u>	<u>27,352,162</u>

10. Murabaha payables

The balance of Murabaha payables represent payments received from Islamic Financing Companies . Murabaha payables carrying an annual average charge from 5 % to 10.5 % (December 31,2008 – from 5% to 10.5% , March 31,2008 – from 5% to 9%).

11. Capital

Authorized, issued and fully paid-up capital consist of 1,000,000,000 shares (December 31,2008 - 1,000,000,000 shares, March 31, 2008 – 1,000,000,000 shares) of 100 fils each.

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12. Other operating income

	Three months ended March 31,	
	2009	2008
Realized income from deferred profit	120,703	349,998
Assets management fees	-	220,890
Income from consulting services	64,837	79,590
Others	60,537	44,782
	<u>246,077</u>	<u>695,260</u>

13. Net investment income

	Three months ended March 31,	
	2009	2008
Unrealized gain from investment at fair value through income statement	-	174,307
Realized gain from investment at fair value through income statement	-	35,940
Realized (loss) gain on sale of investments available for sale	(1,456)	15,657
Dividend income from investments available for sale	68,280	8,968
	<u>66,824</u>	<u>234,872</u>

14. 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.

15. 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.

16. 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:

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	Three months ended March 31,	
	2009	2008
Net profit for the period attributable to the parent company's shareholders	1,720,396	2,005,783
	Shares	Shares
<u>Number of shares outstanding:</u>		
Number of issued shares at the beginning of the period	1,000,000,000	1,000,000,000
Weighted average number of shares outstanding	1,000,000,000	1,000,000,000
	Fils	Fils
Earnings per share	1.72	2.01

17. Commitments and contingent liabilities

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

	March 31, 2009	December 31, 2008 (Audited)	March 31, 2008
Capital commitments	5,504,560	6,230,437	6,225,366
Contingent liabilities	137,455	151,618	-
	5,642,015	6,382,055	6,225,366

18. General assembly

The Board of Directors held on April 6, 2009 did not propose any cash dividends or bonus shares for the year ended December 31, 2008. This proposal is subject to the approval of the shareholders' General Assembly.

The shareholders' General Assembly for the year ended December 31, 2008 had not been held until the date of preparation of these interim consolidated financial information. Accordingly, the consolidated financial statements for the year ended December 31, 2008 have not been approved yet. The interim consolidated financial information for the three months period ended March 31, 2009 do not include any adjustments which might have been required had the General Assembly not approved the consolidated financial statements for the year ended December 31, 2008.

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

19. Comparative figures

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