

Interim condensed consolidated financial information and review report  
Injazzat Real Estate Development Company – KSC (Closed)  
and Subsidiaries  
Kuwait  
30 June 2009 (Unaudited)

**Injazzat Real Estate Development Company – KSC (Closed)  
and Subsidiaries  
Kuwait**

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## Review report

To the directors of  
Injazzat Real Estate Development Company – K.S.C. (Closed)  
Kuwait

### Report on review of interim condensed consolidated financial information

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial position of Injazzat Real Estate Development Company – K.S.C. (Closed) (the “Parent Company”) and subsidiaries (collectively the “Group”) as at 30 June 2009 and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

#### *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 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, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

#### **Report on review of other legal and regulatory requirements**

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, or of the articles of association of the Parent Company, as amended, have occurred during the six month period ended 30 June 2009 that might have had a material effect on the business of the Group or on its financial position.

WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
OF ERNST & YOUNG

ABDULLATIF M. AL AIBAN (CPA)  
LICENCE NO. 94 A  
OF GRANT THORNTON-  
AL-QATAMI, AL-AIBAN & PARTNERS

19 July 2009  
Kuwait

## Interim condensed consolidated statement of income

	Note	Three months ended		Six months ended	
		30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD
<b>Income</b>					
Rental income		729,706	827,595	1,608,434	1,417,180
Unrealised loss from investments at fair value through statement of income		-	(38,374)	-	(262,302)
Distribution income from available for sale investments		257,392	231,245	3,786,440	720,439
Income from sale of investment properties		-	4,545,354	-	6,192,546
Change in fair value of investment properties	6	-	4,590,923	-	7,054,319
Management and placement fees		34,360	1,238,280	242,207	2,119,693
Share of results of associates		969,822	(1,124)	775,974	56,987
Other income		257,154	253,103	571,654	459,770
Foreign exchange gain/(loss)		630,952	274,601	(1,143,642)	1,200,991
Impairment in value of available for sale investments		-	(1,466,506)	-	(1,466,506)
		<b>2,879,386</b>	<b>10,455,097</b>	<b>5,841,067</b>	<b>17,493,117</b>
<b>Expenses</b>					
Real estate operating costs		61,863	59,487	99,689	125,774
Staff costs		210,681	599,129	413,614	1,031,757
Depreciation		49,529	48,371	100,603	94,376
General and administrative expenses		86,664	148,574	198,283	227,276
Consultancy and professional fees		18,116	39,907	46,318	76,100
Finance costs		1,178,285	1,475,771	2,273,053	3,047,059
		<b>1,605,138</b>	<b>2,371,239</b>	<b>3,131,560</b>	<b>4,602,342</b>
<b>Profit before provision for contribution to KFAS, Zakat and NLST</b>		<b>1,274,248</b>	<b>8,083,858</b>	<b>2,709,507</b>	<b>12,890,775</b>
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(11,156)	(72,654)	(25,953)	(115,854)
Provision for Zakat		(15,115)	(99,211)	(31,530)	(149,672)
Provision for National Labour Support Tax (NLST)		(31,879)	(202,301)	(67,889)	(322,702)
<b>Profit for the period</b>		<b>1,216,098</b>	<b>7,709,692</b>	<b>2,584,135</b>	<b>12,302,547</b>
<b>Attributable to:</b>					
Shareholders of the parent company		1,217,028	7,717,890	2,590,203	12,319,857
Minority interest		(930)	(8,198)	(6,068)	(17,310)
		<b>1,216,098</b>	<b>7,709,692</b>	<b>2,584,135</b>	<b>12,302,547</b>
<b>BASIC &amp; DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>					
	3	3.5 Fils	22.8 Fils	7.5 Fils	37.1 Fils

*The notes set out on pages 7 to 11 form an integral part of this interim condensed consolidated financial information.*

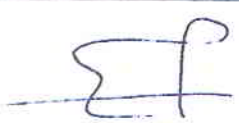
## **Interim condensed consolidated statement of comprehensive income**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June 2009 (Unaudited) KD</b>	<b>30 June 2008 (Unaudited) KD</b>	<b>30 June 2009 (Unaudited) KD</b>	<b>30 June 2008 (Unaudited) KD</b>
<b>Profit for the period</b>	<b>1,216,098</b>	<b>7,709,692</b>	<b>2,584,135</b>	<b>12,302,547</b>
<b>Other comprehensive income</b>				
Net movement in cumulative change in fair value	<b>448,993</b>	<b>1,486,980</b>	<b>(2,422,328)</b>	<b>860,257</b>
Exchange differences arising on translation of foreign operations	<b>(286,196)</b>	<b>(142,391)</b>	<b>1,218,205</b>	<b>(535,043)</b>
<b>Other comprehensive income/(loss) for the period</b>	<b>162,797</b>	<b>1,344,589</b>	<b>(1,204,123)</b>	<b>325,214</b>
<b>Total comprehensive income for the period</b>	<b>1,378,895</b>	<b>9,054,281</b>	<b>1,380,012</b>	<b>12,627,761</b>
<b>Attributable to:</b>				
Shareholders of the Parent Company	<b>1,379,825</b>	<b>9,062,479</b>	<b>1,386,080</b>	<b>12,645,071</b>
Minority interest	<b>(930)</b>	<b>(8,198)</b>	<b>(6,068)</b>	<b>(17,310)</b>
	<b>1,378,895</b>	<b>9,054,281</b>	<b>1,380,012</b>	<b>12,627,761</b>

*The notes set out on pages 7 to 11 form an integral part of this interim condensed consolidated financial information.*

## Interim condensed consolidated statement of financial position

	Note	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
<b>Assets</b>				
Cash and cash equivalents	10	14,393,227	22,882,098	8,562,764
Accounts receivable and other assets	4	8,588,515	9,587,827	13,508,419
Investments at fair value through statement of income		-	-	2,183,990
Available for sale investments	5	26,407,726	28,143,013	24,943,289
Investment properties	6	126,901,689	125,232,295	118,931,054
Investment in associates		16,289,160	15,291,669	30,981,249
Property and equipment		1,807,572	1,888,997	1,976,471
<b>Total assets</b>		<b>194,387,889</b>	<b>203,025,899</b>	<b>201,087,236</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks		-	-	360,950
Accounts payable and other liabilities	7	10,900,789	14,067,570	18,215,718
Ijara sukuk payable		17,247,000	16,581,000	15,912,000
Murabaha payable		-	-	6,028,500
Bank loans	8	83,085,719	81,962,562	74,889,268
<b>Total liabilities</b>		<b>111,233,508</b>	<b>112,611,132</b>	<b>115,406,436</b>
<b>Equity attributable to shareholders of the Parent Company</b>				
Share capital	9	34,564,860	34,564,860	34,564,860
Share premium		2,869,130	2,869,130	2,869,130
Statutory reserve		7,209,059	7,209,059	5,591,024
Voluntary reserve		3,604,530	3,604,530	2,795,512
Gain on sale of treasury shares reserve		4,505,947	4,505,130	4,502,533
Foreign currency translation reserve		1,026,823	(191,382)	(1,177,637)
Cumulative changes in fair value		1,421,367	3,843,695	3,202,135
Retained earnings		22,849,296	28,900,308	28,321,347
		<b>78,051,012</b>	<b>85,305,330</b>	<b>80,668,904</b>
Minority interest		5,103,369	5,109,437	5,011,896
<b>Total equity</b>		<b>83,154,381</b>	<b>90,414,767</b>	<b>85,680,800</b>
<b>Total liabilities and equity</b>		<b>194,387,889</b>	<b>203,025,899</b>	<b>201,087,236</b>

  
Faisal Fahed Al-Shaya  
Vice Chairman

  
Mohammad Ibrahim Al-Farhan  
Managing Director

*The notes set out on pages 7 to 11 form an integral part of this interim condensed consolidated financial information.*

## Interim condensed consolidated statement of changes in equity (Unaudited)

### Equity attributable to shareholders of the Parent Company

	Share capital KD	Treasury shares KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Gain on sale of treasury shares reserve KD	Foreign currency translation reserve KD	Cumulative changes in fair value KD	Retained earnings KD	Sub-total KD	Minority Interest KD	Total KD
Balance at 1 January 2009	34,564,860	-	2,869,130	7,209,059	3,604,530	4,505,130	(191,382)	3,843,695	28,900,308	85,305,330	5,109,437	90,414,767
Cash dividend (Note 15)	-	-	-	-	-	-	-	-	(8,641,215)	(8,641,215)	-	(8,641,215)
Purchase of treasury shares	-	(23,591)	-	-	-	-	-	-	-	(23,591)	-	(23,591)
Sale of treasury shares	-	23,591	-	-	-	817	-	-	-	24,408	-	24,408
Transactions with shareholders	-	-	-	-	-	817	-	-	(8,641,215)	(8,640,398)	-	(8,640,398)
Profit for the period	-	-	-	-	-	-	-	-	2,590,203	2,590,203	(6,068)	2,584,135
Other comprehensive income/(loss)	-	-	-	-	-	-	1,218,205	(2,422,328)	-	(1,204,123)	-	(1,204,123)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	1,218,205	(2,422,328)	2,590,203	1,386,080	(6,068)	1,380,012
Balance at 30 June 2009	34,564,860	-	2,869,130	7,209,059	3,604,530	4,505,947	1,026,823	1,421,367	22,849,296	78,051,012	5,103,369	83,154,381
Balance at 1 January 2008	30,056,400	(4,734,000)	2,869,130	5,591,024	2,795,512	875,250	(642,594)	2,341,878	24,767,865	63,920,465	4,929,206	68,849,671
Issue of bonus shares	4,508,460	-	-	-	-	-	-	-	(4,508,460)	-	-	-
Cash dividend (Note 15)	-	-	-	-	-	-	-	-	(4,257,915)	(4,257,915)	-	(4,257,915)
Purchase of treasury shares	-	(1,334,090)	-	-	-	-	-	-	-	(1,334,090)	-	(1,334,090)
Sale of treasury shares	-	6,068,080	-	-	-	3,627,283	-	-	-	9,695,373	-	9,695,373
Arising on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Transactions with shareholders	4,508,460	4,734,000	-	-	-	3,627,283	-	-	(8,766,375)	4,103,368	100,000	4,203,368
Profit for the period	-	-	-	-	-	-	-	-	12,319,857	12,319,857	(17,310)	12,302,547
Other comprehensive income	-	-	-	-	-	-	(535,043)	860,257	-	325,214	-	325,214
Total comprehensive income for the period	-	-	-	-	-	-	(535,043)	860,257	12,319,857	12,645,071	(17,310)	12,627,761
Balance at 30 June 2008	34,564,860	-	2,869,130	5,591,024	2,795,512	4,502,533	(1,177,637)	3,202,135	28,321,347	80,668,904	5,011,896	85,680,800

The notes set out on pages 7 to 11 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2009 (Unaudited) KD	Six months ended 30 June 2008 (Unaudited) KD
<b>OPERATING ACTIVITIES</b>			
Profit before provision for contribution to KFAS, Zakat and NLST		2,709,507	12,890,775
Adjustments for:			
Depreciation		100,503	94,376
Unrealised loss on investments at fair value through statement of income		-	262,302
Distribution income from available for sale investments		(3,786,440)	(720,439)
Income from sale of investment properties		-	(6,192,546)
Change in fair value of investment properties		-	(7,054,319)
Share of results of associates		(775,974)	(56,987)
Foreign exchange loss (gain) on non operating assets and liabilities		1,789,157	(1,200,991)
Interest income (included in other income)		(507,988)	(206,667)
Finance costs		2,273,053	3,047,059
Impairment of available for sale investments		-	1,466,506
		1,801,918	2,329,069
Changes in operating assets and liabilities:			
Accounts receivable and other assets		999,312	(3,787,801)
Accounts payable and other liabilities		(1,484,970)	(7,173,794)
Cash from/(used in) operations		1,336,260	(8,632,526)
National Labour Support Tax paid		-	(429,342)
Board of directors' remuneration paid		(100,000)	-
<b>Net cash from/(used in) operating activities</b>		<b>1,236,260</b>	<b>(9,061,868)</b>
<b>INVESTING ACTIVITIES</b>			
Additions to property and equipment		(19,178)	(35,097)
Additions to available for sale investments		(687,041)	(2,907,973)
Proceeds from redemption of available for sale investments		-	148,326
Additions to investment properties		(2,560,330)	(11,206,003)
Proceeds from sale of investment properties		-	11,555,815
Additions to investment in associates		(119,402)	(18,198,826)
Distribution income received from available for sale investments		3,786,440	1,360,439
Interest income received		507,988	206,667
<b>Net cash from/(used in) investing activities</b>		<b>908,477</b>	<b>(19,076,652)</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(8,641,215)	(4,257,915)
Purchase of treasury shares		(23,591)	(1,334,090)
Proceeds from sale of treasury shares		24,408	9,695,373
Murabaha obtained		-	6,000,000
Loans obtained		-	22,000,000
Loans repaid		-	(7,000,000)
Finance costs paid		(1,993,210)	(3,004,136)
<b>Net cash (used in)/from financing activities</b>		<b>(10,633,608)</b>	<b>22,099,232</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,488,871)</b>	<b>(6,039,288)</b>
Cash and cash equivalents at beginning of the period		22,882,098	14,241,102
<b>Cash and cash equivalents at end of the period</b>	10	<b>14,393,227</b>	<b>8,201,814</b>

*The notes set out on pages 7 to 11 form an integral part of this interim condensed consolidated financial information.*

## **Notes to the interim condensed consolidated financial information**

**30 June 2009 (Unaudited)**

### **1 Incorporation and Activities**

Injazzat Real Estate Development Company – KSC (Closed) (the Parent Company) was established in August 1998 and listed on the Kuwait Stock Exchange on 17 June 2002. The Parent Company and subsidiaries (collectively “the Group”) are primarily engaged in real estate development and investment activities.

The address of the Parent Company’s registered office is PO Box 970, Safat 13010, State of Kuwait.

The Board of Directors of the Parent Company approved the interim condensed consolidated financial information for issue on 19 July 2009.

### **2 Basis of preparation and accounting policies**

#### **Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Financial Reporting Standard 34 “Interim Financial Reporting”.

#### **Accounting policies**

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in preparation of annual consolidated financial statements for the year ended 31 December 2008 except for the adoption of new and revised International Financial Reporting Standards discussed below:

#### **Adoption of new and revised International Financial Reporting Standards**

During the period, the Group adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

#### **IFRS 8 Operating Segments**

The new standard which replaced IAS 14 ‘Segment reporting’ requires a management approach for segment reporting under which segment information is presented on the same basis as that used for internal reporting purposes. However, the application of the revised standard has had no impact on designation of the Group’s reporting segments as it has previously been consistent with the internal reporting provided to the chief operating decision maker.

#### **IAS 1 (revised 2007) Presentation of Financial Statements**

The revised IAS 1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity either in one statement of comprehensive income or in two separate statements (i.e. a statement of income and a statement of comprehensive income). Components of comprehensive income such as change in fair value of available for sale investments and exchange differences arising from translating the financial statements of foreign operations may not be presented in the statement of changes in equity.

## **2 Significant accounting policies (continued)**

### **IAS 23 (Revised 2007) Borrowing Costs**

IAS 23 Borrowing Costs been amended resulting in elimination of the previously available option to expense all borrowing costs when incurred. Under the revised standard, all borrowing costs that are directly attributable to qualifying assets are to be capitalised. The application of the revised standard did not have a material impact on the interim condensed consolidated financial information because it has always been the Group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six months period ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2008.

## **3 Basic and diluted earnings per share**

Earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June 2009 (Unaudited)</b>	<b>30 June 2008 (Unaudited)</b>	<b>30 June 2009 (Unaudited)</b>	<b>30 June 2008 (Unaudited)</b>
Profit for the period attributable to the shareholders of the Parent Company (KD)	1,217,028	7,717,890	2,590,203	12,319,857
Weighted average number of shares outstanding during the period (excluding treasury shares)	345,638,710	338,356,045	345,643,628	332,171,420
Basic & diluted earnings per share	3.5 Fils	22.8 Fils	7.5 Fils	37.1 Fils

## **4 Accounts receivable and other assets**

	<b>30 June 2009 (Unaudited) KD</b>	<b>31 Dec. 2008 (Audited) KD</b>	<b>30 June 2008 (Unaudited) KD</b>
<b>Financial assets</b>			
Due from associate company	1,935,117	2,258,546	-
Due from other related parties	513,752	475,378	1,009,881
Due on sale of investment property	4,233,136	4,242,856	6,971,018
Other financial assets	668,947	1,454,671	247,638
	<b>7,350,952</b>	<b>8,431,451</b>	<b>8,228,537</b>
<b>Non-financial assets</b>			
Payments towards property purchases	5,743	81,367	3,367,855
Advances to contractors	796,682	850,888	839,960
Prepayment and other assets	435,138	224,121	1,072,067
	<b>1,237,563</b>	<b>1,156,376</b>	<b>5,279,882</b>
	<b>8,588,515</b>	<b>9,587,827</b>	<b>13,508,419</b>

## 5 Available for sale investments

Available for sale investments primarily represent investments in real estate development projects and portfolios through specialised real estate investment managers. Due to the nature of these investments, the unpredictability of their cash flows and the absence of an active market for these investments, fair value is not reliably measurable. As a result, such investments are carried at cost less impairment, if any.

## 6 Investment properties

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Opening carrying value	125,232,295	102,411,392	102,411,392
Additions during the period/year	2,560,330	18,294,503	12,060,045
Disposals during the period/year	-	(5,514,534)	(3,946,216)
Reversal on termination of a purchase contract	(1,578,934)	-	-
Change in fair value	-	9,952,528	7,054,319
Foreign currency translation adjustment arising on consolidation	687,998	88,406	1,351,514
<b>Ending carrying value</b>	<b>126,901,689</b>	<b>125,232,295</b>	<b>118,931,054</b>

During the period, the Parent Company terminated a contract entered into during the year ended 31 December 2008 in relation to a property purchase.

## 7 Accounts payable and other liabilities

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
<b>Financial liabilities</b>			
Accounts payable	2,792,653	3,104,427	4,774,354
Payable on purchase of investment properties	4,772,372	7,002,270	4,000,938
Accrued expenses	788,432	2,272,092	1,697,288
Due to associate company	107,100	-	-
Due to other related parties	350,323	251,625	5,995,639
Rent received in advance	1,123,469	419,689	1,042,597
Other liabilities	966,440	1,017,467	704,902
	<b>10,900,789</b>	<b>14,067,570</b>	<b>18,215,718</b>

Included within "payable on purchase of investment properties" is an amount of KD2,916,138 (31 December 2008: KD1,452,797 and 30 June 2008: KD2,652,332) which is due after more than one year.

## 8 Bank loans

	Effective interest rate	Security	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Local banks – Kuwaiti Dinar	CBK discount rate				
	2% - 3%	Unsecured	54,000,000	54,000,000	54,000,000
Local banks – U.S. Dollars	2.35% - 5.50%	Unsecured	29,085,719	27,962,562	20,889,268
			<b>83,085,719</b>	<b>81,962,562</b>	<b>74,889,268</b>

**8 Bank loans (continued)**

The loans are due for repayment as follows:

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Within one year	59,605,719	52,722,005	33,412,830
One to five years	23,480,000	29,240,557	41,476,438
	<b>83,085,719</b>	<b>81,962,562</b>	<b>74,889,268</b>

**9 Share capital**

At 30 June 2009, the authorised, issued and paid up capital of the Parent Company comprised 345,648,600 (31 December 2008: 345,648,600 and 30 June 2008: 345,648,600) shares of 100 fils each.

**10 Cash and cash equivalents**

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD
Cash and bank balances	2,462,799	2,095,610	8,562,764
Short term deposits	11,930,428	20,786,488	-
Cash and cash equivalents per financial position	14,393,227	22,882,098	8,562,764
Less: Due to banks	-	-	(360,950)
Cash and cash equivalent for the purpose of cash flow statement	<b>14,393,227</b>	<b>22,882,098</b>	<b>8,201,814</b>

**11 Segmental analysis**

The Group primarily operates in one business segment: real estate investments. Although management of the Group is based primarily on business segments, the Group operates in two geographical segments: Domestic and International (Kingdom of Bahrain, United Arab Emirates, Saudi Arabia, Qatar, Europe and USA). The geographical analysis of segment information is as follows:

	Domestic		International		Total	
	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD
<b>Three months ended</b>						
Income	1,051,160	763,455	1,828,226	9,691,642	2,879,386	10,455,097
(Loss)/profit before provision for contribution to KFAS, Zakat and NLST	(528,552)	(1,607,761)	1,802,800	9,691,619	1,274,248	8,083,858
<b>Six months ended</b>						
Income	1,566,812	4,719,626	4,274,255	12,773,491	5,841,067	17,493,117
(Loss)/profit before provision for contribution to KFAS, Zakat and NLST	(1,537,500)	144,530	4,247,007	12,746,245	2,709,507	12,890,775

## 12 Related party transactions

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party transactions and balances are as follows:

	30 June 2009 (Unaudited) KD	31 Dec. 2008 (Audited) KD	30 June 2008 (Unaudited) KD	
<b>Condensed consolidated financial position:</b>				
Due from associate company (refer Note 4)	1,935,117	2,258,546	-	
Due from other related parties (refer Note 4)	513,752	475,378	1,009,881	
Due to associate company (refer Note 7)	107,100	-	-	
Due to other related parties (refer Note 7)	350,323	251,625	5,995,639	
	Three months ended		Six months ended	
	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD	30 June 2009 (Unaudited) KD	30 June 2008 (Unaudited) KD
<b>Condensed consolidated statement of income</b>				
Income from sale of investment properties	-	-	-	975,843
Management and placement fees	-	1,154,764	146,605	1,949,235
<b>Compensation of key management personnel of the Group</b>				
Short-term benefits	85,581	84,896	177,797	158,830
Employees' end of service benefits	5,425	2,902	10,992	9,375
	91,006	87,798	188,789	168,205

## 13 Capital commitments and contingent liabilities

At the financial position date the Group had capital commitments of KD3,397,968 in respect of investment properties (31 December 2008 : KD4,577,575 and 30 June 2008 : KD6,354,838).

At the financial position date, the Group does not have any contingent liabilities in respect of outstanding bank guarantees (31 December 2008: KD900,000 and 30 June 2008 : KD1,200,000).

## 14 Fiduciary assets

Fiduciary assets comprise investments managed on behalf of clients amounting to KD173,344 (31 December 2008: KD166,225 and 30 June 2008: KD178,858)

## 15 Dividend distribution

Following approval of the annual general assembly of the shareholders on 18 February 2009 the Parent Company distributed cash dividend of 25 Fils (2007: 15 Fils) per share amounting to KD8,641,215 (2007: KD4,257,915).