

**Al Mudon International Real Estate Company  
K.S.C. (Closed) and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2010**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF AL MUDON INTERNATIONAL REAL ESTATE COMPANY  
K.S.C. (CLOSED)**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mudon International Real Estate Company K.S.C. (Closed) (the “parent company”) and its subsidiaries (the “group”) as at 31 March 2010 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the three 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 (“IAS 34”). Our responsibility is to express a conclusion on this 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 condensed 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. Consequently it 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 IAS 34.

*Report on Other Legal and Regulatory Requirements*

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the parent company. We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the parent company have occurred during the period ended 31 March 2010, that might have had a material effect on the business of the parent company or on its financial position.

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

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DR. SAUD AL-HUMAIDI  
LICENSE NO. 51 A  
DR. SAUD AL-HUMAIDI & PARTNERS  
MEMBER OF BAKER TILLY INTERNATIONAL

Al Mudon International Real Estate Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2010

	Notes	3 months ended 31 March	
		2010 KD	2009 KD
Share of results of an associate	4	79,965	66,895
Foreign exchange gain		-	274,298
<b>REVENUE</b>		<b>79,965</b>	<b>341,193</b>
Impairment loss on investment available for sale		-	30,000
General and administrative expenses		78,151	41,955
<b>EXPENSES</b>		<b>78,151</b>	<b>71,955</b>
<b>PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), ZAKAT AND NATIONAL LABOUR SUPPORT TAX (NLST)</b>		<b>1,814</b>	<b>269,238</b>
Contribution to KFAS		(39)	(2,423)
Contribution to Zakat		(43)	(2,692)
Contribution to NLST		(107)	(6,731)
<b>PROFIT FOR THE PERIOD</b>		<b>1,625</b>	<b>257,392</b>
Attributable to:			
Equity holders' of the parent company		4,094	257,392
Non-controlling interests		(2,469)	-
		<b>1,625</b>	<b>257,392</b>
<b>Basic and diluted earnings per share attributable to equity holders of the parent company</b>	3	<b>0.04 fils</b>	<b>2.57 fils</b>

The attached notes 1 to 7 form part of this interim condensed consolidated financial information.

Al Mudon International Real Estate Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 31 March 2010

	<i>3 months ended 31 March</i>	
	<b>2010</b>	2009
	<b>KD</b>	KD
<b>Profit for the period</b>	<b>1,625</b>	257,392
<b>Other comprehensive income (loss):</b>		
Cumulative change in fair values of investments available for sale	<b>16,300</b>	(6,150)
Impairment loss on investments available for sale	-	30,000
Foreign currency translation adjustments - associates	<b>16,887</b>	62,991
Foreign currency translation adjustments - subsidiaries	<b>67,114</b>	478,516
Other comprehensive income for the period	<b>100,301</b>	565,357
<b>Total comprehensive income for the period</b>	<b>101,926</b>	822,749
Attributable to:		
Equity holders' of the parent company	<b>90,285</b>	822,749
Non-controlling interests	<b>11,641</b>	-
	<b>101,926</b>	822,749

Al Mudon International Real Estate Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)

At 31 March 2010

		<i>(Audited)</i>	
	<i>Notes</i>	<i>31 March 2010 KD</i>	<i>31 December 2009 KD</i>
		<i>31 March 2009 KD</i>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property		9,623,996	9,557,258
Investment in an associate	4	5,998,515	5,049,977
Investments available for sale	5	5,162,247	5,145,947
		<u>20,784,758</u>	<u>19,753,182</u>
			<u>14,710,523</u>
<b>Current assets</b>			
Other assets		1,263,815	2,114,820
Bank balances and cash		50,865	26,051
		<u>1,314,680</u>	<u>2,140,871</u>
			<u>6,753,877</u>
<b>TOTAL ASSETS</b>		<u><u>22,099,438</u></u>	<u><u>21,894,053</u></u>
			<u><u>21,464,400</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		10,000,000	10,000,000
Statutory reserve		1,202,220	1,202,220
Voluntary reserve		1,245,957	1,245,957
Cumulative changes in fair values		(206,533)	(222,833)
Foreign currency translation reserve		618,776	548,885
Retained earnings		4,038,837	4,183,727
		<u>16,899,257</u>	<u>16,808,972</u>
		<u>1,376,534</u>	<u>1,364,893</u>
<b>Attributable to the equity holders of the parent company</b>		<u>18,275,791</u>	<u>18,173,865</u>
Non-controlling interest			-
<b>Total equity</b>		<u>18,275,791</u>	<u>18,173,865</u>
			<u>17,251,296</u>
<b>Non-current liability</b>			
Employees' end of service benefits		1,255	1,255
		<u>1,255</u>	<u>1,255</u>
			<u>29,443</u>
<b>Current liabilities</b>			
Other liabilities		3,822,392	3,718,933
		<u>3,822,392</u>	<u>3,718,933</u>
			<u>4,183,661</u>
<b>Total liabilities</b>		<u>3,823,647</u>	<u>3,720,188</u>
			<u>4,213,104</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>22,099,438</u></u>	<u><u>21,894,053</u></u>
			<u><u>21,464,400</u></u>

Adnan Yaqoub Bou Rhama  
Chairman

Omar Ali Alzumai  
Vice chairman

The attached notes 1 to 7 form part of this interim condensed consolidated financial information.

Al Mudon International Real Estate Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the period ended 31 March 2010

	<i>3 months ended 31 March</i>	
	<b>2010</b>	<b>2009</b>
	<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	<b>1,625</b>	257,392
Adjustments for:		
Share of results of an associate	<b>(79,965)</b>	(66,895)
Impairment loss on investment available for sale	-	30,000
Provision for employees' end of service benefits	-	2,015
	<b>(78,340)</b>	222,512
Changes in operating assets and liabilities:		
Other assets	<b>(681)</b>	1,240
Other liabilities	<b>8,714</b>	29,408
Net cash (used in) from operating activities	<b>(70,307)</b>	253,160
<b>INVESTING ACTIVITIES</b>		
Addition to property under development	-	(6,562)
Proceeds from sale of investment available for sale	-	851
Net cash used in investing activities	-	(5,711)
<b>FINANCING ACTIVITIES</b>		
Amount due to the ultimate parent company	<b>94,745</b>	14,095
Net cash from financing activities	<b>94,745</b>	14,095
<b>INCREASE IN BANK BALANCES AND CASH</b>	<b>24,438</b>	261,544
Net foreign exchange difference	<b>376</b>	(273,132)
Bank balances and cash at 1 January	<b>26,051</b>	19,263
<b>BANK BALANCES AND CASH AT 31 MARCH</b>	<b>50,865</b>	7,675

**Al Mudon International Real Estate Company K.S.C. (Closed)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
 At 31 March 2010

	<i>Atributable to equity holders of the parent company</i>							<i>Total KD</i>	
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Cumulative changes in fair values KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub total KD</i>		<i>Non- controlling interests KD</i>
Balance at 1 January 2010	10,000,000	1,202,220	1,245,957	(222,833)	548,885	4,034,743	16,808,972	1,364,893	18,173,865
Profit (loss) for the period	-	-	-	-	-	4,094	4,094	(2,469)	1,625
Other comprehensive income for the period	-	-	-	16,300	69,891	-	86,191	14,110	100,301
Total comprehensive income for the period	-	-	-	16,300	69,891	4,094	90,285	11,641	101,926
<b>Balance at 31 March 2010</b>	<b>10,000,000</b>	<b>1,202,220</b>	<b>1,245,957</b>	<b>(206,533)</b>	<b>618,776</b>	<b>4,038,837</b>	<b>16,899,257</b>	<b>1,376,534</b>	<b>18,275,791</b>
Balance at 1 January 2009	10,000,000	1,187,999	1,231,736	(35,688)	118,165	3,926,335	16,428,547	-	16,428,547
Profit for the period	-	-	-	-	-	257,392	257,392	-	257,392
Other comprehensive income for the period	-	-	-	23,850	541,507	-	565,357	-	565,357
Total comprehensive income for the period	-	-	-	23,850	541,507	257,392	822,749	-	822,749
Balance at 31 March 2009	10,000,000	1,187,999	1,231,736	(11,838)	659,672	4,183,727	17,251,296	-	17,251,296

The attached notes 1 to 7 form part of this interim condensed consolidated financial information.

# Al Mudon International Real Estate Company K.S.C. (Closed)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

### 1 CORPORATE INFORMATION AND ACTIVITIES

The interim condensed financial information of Al Mudon International Real Estate Company K.S.C. (Closed), (the “parent company”) and its subsidiaries (the “group”) for the period ended 31 March 2010 was authorised for issue by the Board of Directors on 13 May 2010.

The parent company is a Kuwaiti closed shareholding company incorporated and registered in Kuwait in 1996 and is listed on the Kuwait Stock Exchange. The parent company’s registered office is at 2 Floor, Building No. 4, Block No. 8, Al Mubarkia Area, Kuwait.

The principal activities of the parent company comprise investments in real estates and securities.

The parent company is a subsidiary of Watheeqa Holding Group K.S.C. (Closed) (the “ultimate parent company”).

### 2.1 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

### 2.2 BASIS OF PREPARATION

The interim condensed consolidated financial information is prepared under the historical cost convention as modified for the revaluation at fair value of investments available for sale. The interim condensed consolidated financial information is prepared in Kuwaiti Dinars, which is the functional currency of the parent company.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2009.

The interim condensed consolidated financial information does not contain all information and disclosures required in the annual financial statements, and should be read in conjunction with the group’s annual financial statements as at 31 December 2010. In addition, results for the three month ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

### 3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

	<i>3 months ended 31 March</i>	
	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to the equity holders of the parent Company	<b>4,094</b>	257,392
	<b>Share</b>	Share
Weighted average number of ordinary shares outstanding for basic earnings per share	<b>100,000,000</b>	100,000,000
<b>Basic and diluted earnings per share</b>	<b>0.04 fils</b>	2.57 fils

# Al Mudon International Real Estate Company K.S.C. (Closed)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

### 4 INVESTMENT IN AN ASSOCIATE

	<i>31 March</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>31 March</i> <i>2009</i> <i>KD</i>
Opening balances	5,049,977	4,816,550	4,816,550
Addition	851,686	25,426	-
Disposals	-	(30,995)	-
Share of results of associates	79,965	269,740	66,895
Dividends received	-	(64,606)	-
Foreign exchange translation adjustment	16,887	114,365	62,991
Upstream transaction with parent company	-	(80,503)	-
	<u>5,998,515</u>	<u>5,049,977</u>	<u>4,946,436</u>

In the current period, the group increased their equity interest of an associate, Development and Engineering Consultants Company (S.A.E.) from 37.33% to 38.81%.

### 5 INVESTMENTS AVAILABLE FOR SALE

	<i>31 March</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>31 March</i> <i>2009</i> <i>KD</i>
Quoted equity investment	52,191	55,974	50,397
Unquoted equity investment	5,110,056	5,089,973	-
	<u>5,162,247</u>	<u>5,145,947</u>	<u>50,397</u>

### 6 RELATED PARTY TRANSACTIONS

These represent transactions with certain parties (major shareholders, associated companies, directors and executive officers of the group, close members of their families and entities over which they exercise control or over which they are able to exercise significant influence) entered into by the groups in the ordinary course of business. The terms of these transactions are approved by the group's management.

The transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

	<i>Ultimate</i> <i>parent</i> <i>company</i> <i>KD</i>	<i>Other</i> <i>related</i> <i>parties</i> <i>KD</i>	<i>3 months ended</i> <i>31 March</i>	
<b>Interim condensed consolidated statement of income</b>			<u><i>2010</i></u> <i>KD</i>	<u><i>2009</i></u> <i>KD</i>
General and administrative expenses	8,957	22,836	31,793	24,488

Al Mudon International Real Estate Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2010

6 RELATED PARTY TRANSACTIONS (continued)

Interim condensed consolidated statement of financial position	31 March	(Audited) 31 December	31 March
	2010	2009	2009
	KD	KD	KD
Amount due from related parties (included in other assets)	58,301	909,305	2,834
Amount due to ultimate parent company (included in other liabilities)	3,501,220	3,412,475	3,828,011
Amount due to related parties (included in other liabilities)	121,580	113,170	132,346

Other transactions:

Other transaction	31 March	(Audited) 31 December	31 March
	2010	2009	2009
	KD	KD	KD
Sale of investment available for sale	-	851	851

Key management personnel compensation

	3 months ended 31 March	
	2010	2009
	KD	KD
Short-term employee benefits	16,040	9,900
Termination benefits	-	1,904
	<u>16,040</u>	<u>11,804</u>

7 SEGMENTAL INFORMATION

The group operates in primarily two business regions a) Kuwait and b) International. The group does not have material inter-segment transactions.

Management monitors operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segmental return on investments.

The following table presents total revenue, profit before tax for the period and total assets information regarding the group's segment.

3 months ended 31 March 2010	Kuwait KD	International KD	Total KD
Total revenue	-	79,965	79,965
Segment (loss) profit	(60,883)	62,697	1,814
Unallocated expenses			(189)
Profit for the period			<u>1,625</u>
As at 31 March 2010			
Total assets	<u>1,301,152</u>	<u>20,798,286</u>	<u>22,099,438</u>

Al Mudon International Real Estate Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

At 31 March 2010

7 SEGMENTAL INFORMATION (continued)

<i>3 months ended 31 March 2009</i>	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
Total revenue	274,298	66,895	341,193
Segment profit	207,787	61,451	269,238
Unallocated expenses			(11,846)
Profit for the period			257,392
As at 31 March 2009			
Total assets	1,213,737	20,250,663	21,464,400