

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

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

30 SEPTEMBER 2009

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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 subsidiary (the "group") as at 30 September 2009 and the related interim condensed consolidated statement of income and comprehensive income for the three month and nine month periods then ended, and the related interim condensed consolidated statements of cash flows and changes in equity for the nine 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 Financial Reporting Standard IAS 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

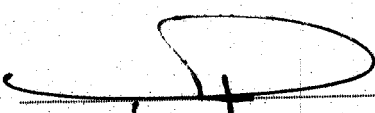
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons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

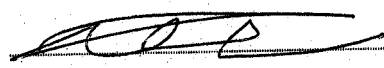
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

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, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the parent company have occurred during the nine month period ended 30 September 2009, that might have had a material effect on the business of the parent company or on its financial position.



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



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

7 November 2009
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

For the period ended 30 September 2009

	Notes	3 months ended 30 September		9 months ended 30 September	
		2009 KD	2008 KD	2009 KD	2008 KD
Murabaha income		-	-	-	96,247
Gain on part disposal of investment in a subsidiary	3	135,670	-	135,670	-
Share of results of associates	5	134,244	57,720	189,845	352,568
Other income		-	-	2,425	1,947
Gain/(loss) on sale of associates	5	-	3,971,843	(7,979)	7,278,524
Foreign exchange gain		-	-	273,664	-
INCOME		<u>269,914</u>	<u>4,029,563</u>	<u>593,625</u>	<u>7,729,286</u>
Murabaha expense		-	-	-	28,376
Impairment loss on investment available for sale		-	-	30,000	-
General and administrative expenses		96,503	77,968	235,770	274,237
EXPENSES		<u>96,503</u>	<u>77,968</u>	<u>265,770</u>	<u>302,613</u>
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), ZAKAT AND NATIONAL LABOUR SUPPORT TAX (NLST)		<u>173,411</u>	<u>3,951,595</u>	<u>327,855</u>	<u>7,426,673</u>
Contribution to KFAS		(1,561)	(35,564)	(2,951)	(66,840)
Contribution to Zakat		(1,694)	(39,436)	(3,279)	(74,267)
Contribution to NLST		(4,335)	-	(8,196)	-
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		<u>165,821</u>	<u>3,876,595</u>	<u>313,429</u>	<u>7,285,566</u>
Basic and diluted earnings per share attributable to equity holders of the parent company	4	<u>1.66 fils</u>	<u>38.77 fils</u>	<u>3.13 fils</u>	<u>72.86 fils</u>

The attached notes 1 to 8 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 30 September 2009

	<i>3 months ended 30 September</i>		<i>9 months ended 30 September</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
<i>Note</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	<u>165,821</u>	<u>3,876,595</u>	<u>313,429</u>	<u>7,285,566</u>
Other comprehensive income (loss):				
Cumulative change in fair values of investments available for sale	(16,644)	-	(458,818)	(280,490)
Impairment loss on investments available for sale	-	-	30,000	-
Foreign currency translation adjustments – associates	(38,570)	-	86,887	(72,926)
Foreign currency translation adjustments – subsidiaries	13,995	-	315,563	(33,610)
Other comprehensive (loss) income for the period	<u>(41,219)</u>	<u>3,876,595</u>	<u>(26,368)</u>	<u>(387,026)</u>
Total comprehensive income for the period	<u>124,602</u>	<u>3,876,595</u>	<u>287,061</u>	<u>6,898,540</u>

The attached notes 1 to 8 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

At 30 September 2009

		(Audited)	
	30 September 2009	31 December 2008	30 September 2008
	KD	KD	KD
ASSETS			
Non-current assets			
Property under development	9,550,655	9,229,778	8,766,796
Investment in associates	4,936,658	4,816,550	5,913,427
Investments available for sale	5,173,070	57,398	420,829
	<u>19,660,383</u>	<u>14,103,726</u>	<u>15,101,052</u>
Current assets			
Amounts due from the ultimate parent company	-	-	5,364,921
Amounts due from related parties	51,179	2,834	6,797
Other assets	1,206,749	6,470,310	3,118
Bank balances and cash	13,240	19,263	129,071
	<u>1,271,168</u>	<u>6,492,407</u>	<u>5,503,907</u>
TOTAL ASSETS	<u><u>20,931,551</u></u>	<u><u>20,596,133</u></u>	<u><u>20,604,959</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10,000,000	10,000,000	10,000,000
Statutory reserve	1,187,999	1,187,999	834,179
Voluntary reserve	1,231,736	1,231,736	877,916
Cumulative changes in fair values	(464,506)	(35,688)	(280,490)
Foreign currency translation reserve	520,615	118,165	(199,464)
Retained earnings	4,239,764	3,926,335	8,537,018
	<u>16,715,608</u>	<u>16,428,547</u>	<u>19,769,159</u>
Attributable to the equity holders of the parent company	<u>16,715,608</u>	<u>16,428,547</u>	<u>19,769,159</u>
Minority interest	1,365,791	-	-
Total equity	<u>18,081,399</u>	<u>16,428,547</u>	<u>19,769,159</u>
Non-current liability			
Employees' end of service benefits	33,473	27,428	22,920
Current liabilities			
Amount due to ultimate parent company	2,374,977	3,813,916	-
Other liabilities	441,702	326,242	812,880
	<u>2,816,679</u>	<u>4,140,158</u>	<u>812,880</u>
Total liabilities	<u>2,850,152</u>	<u>4,167,586</u>	<u>835,800</u>
TOTAL EQUITY AND LIABILITIES	<u><u>20,931,551</u></u>	<u><u>20,596,133</u></u>	<u><u>20,604,959</u></u>

Adnan Yaqoub Bou Rhama
Chairman

Omar Ali Al-Zuhairi
Vice chairman

The attached notes 1 to 8 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 FLOW
(UNAUDITED)

For the period ended 30 September 2009

	<i>9 months ended 30 September</i>	
	<i>2009</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES		
Profit before contribution to KFAS, Zakat and NLS	327,855	7,426,673
Adjustments for:		
Murabaha income	-	(96,247)
Share of results of associates	(189,845)	(352,568)
Loss/(gain) on sale of associates	7,979	(7,278,524)
Gain on disposal of investments available for sale	(851)	-
Impairment loss on investment available for sale	30,000	-
Murabaha expenses	-	28,376
Provision for employees' end of service benefits	(6,045)	-
Gain on part disposal of investment in a subsidiary	(135,670)	-
	<u>33,423</u>	<u>(272,290)</u>
Changes in operating assets and liabilities:		
Amounts due from related parties	(48,345)	-
Other assets	13,792	(1,774,146)
Other liabilities	101,034	(40,160)
	<u>99,904</u>	<u>(2,086,596)</u>
Net cash from (used in) operating activities		
INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(8,786,170)
Addition to property under development	(6,609)	-
Investment in associates	(19,480)	(2,735,797)
Investment available for sale	(36,211)	(701,319)
Dividend received from an associate	64,606	-
Proceeds from sale of investment in associates	23,016	10,587,479
Proceeds from sale of investment available for sale	-	-
Proceeds from part disposal of investment in a subsidiary	1,581,964	-
Murabaha income	-	96,247
	<u>1,607,286</u>	<u>(1,539,560)</u>
Net cash from (used in) investing activities		
FINANCING ACTIVITIES		
Murabaha payables	-	(1,208,497)
Amount due to the ultimate parent company	(1,438,939)	(12,564)
Murabaha expenses	-	(28,376)
Amount received from related parties	-	5,003,785
	<u>(1,438,939)</u>	<u>3,754,348</u>
Net cash (used in) from financing activities		
INCREASE IN BANK BALANCES AND CASH	268,251	101,611
Bank balances and cash on acquisition of subsidiaries	-	-
Net foreign exchange difference	(274,274)	-
Bank balances and cash at 1 January	19,263	879
BANK BALANCES AND CASH AT 30 SEPTEMBER	<u><u>13,240</u></u>	<u><u>129,071</u></u>

The attached notes 1 to 8 form part of this interim condensed consolidated financial information.

Al Mudon International Real Estate Company K.S.C. (Closed)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
At 30 September 2009

	<i>Attributable to equity holders of the parent company</i>							<i>Total</i> KD	
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Cumulative changes in fair values</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Retained earnings</i> KD	<i>Sub total</i> KD		<i>Minority interest</i> KD
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	-	-	-	-	-	313,429	313,429	-	313,429
Other comprehensive (expense) income for the period	-	-	-	(428,818)	402,450	-	(26,368)	-	(26,368)
Total comprehensive (expense) income for the period	-	-	-	(428,818)	402,450	313,429	287,061	-	287,061
Arising on part disposal of a subsidiary (Note 3)	-	-	-	-	-	-	-	1,365,791	1,365,791
Balance at 30 September 2009	10,000,000	1,187,999	1,231,736	(464,506)	520,615	4,239,764	16,715,608	1,365,791	18,081,399
Balance at 1 January 2008	5,000,000	834,179	877,916	-	(92,928)	6,251,452	12,870,619	-	12,870,619
Profit for the period	-	-	-	-	-	7,285,566	7,285,566	-	7,285,566
Other comprehensive expense for the period	-	-	-	(280,490)	(106,536)	-	(387,026)	-	(387,026)
Total comprehensive (expense) income for the period	-	-	-	(280,490)	(106,536)	7,285,566	6,898,540	-	6,898,540
Bonus shares issued	5,000,000	-	-	-	-	(5,000,000)	-	-	-
Balance at 30 September 2008	10,000,000	834,179	877,916	(280,490)	(199,464)	8,537,018	19,769,159	-	19,769,159

The attached notes 1 to 8 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 30 September 2009

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 30 September 2009 was authorised for issue by the Board of Directors on 7 November 2009.

The parent company is a closed shareholding company incorporated and registered in Kuwait in 1996. 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 2008 except for the adoption of new policies, as mentioned below, during the period.

During the period, the group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009:-

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in a single statement, or in two linked statements. The group has elected to present two statements.

IFRS 8 'Operating segments':

The new standard which replaced IAS 14 'Segment reporting' requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The application of this IFRS does not have any implication as the reportable segments used in the previous periods were consistent with the internal reporting provided to the chief operating decision - maker.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statement prepared in accordance with the International Financial Reporting Standard. 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 nine months ended 30 September 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009. For more details please refer to the consolidated financial statements and its related disclosure for the year ended 31 December 2008.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

3 GAIN ON PART DISPOSAL OF INVESTMENT IN A SUBSIDIARY

During the period, the group sold a portion of a subsidiary to an associate resulting in net gain of KD 135,670 (net of downstream transaction amounting to KD 80,503) (Note 5).

4 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.

	3 months ended 30 September		9 months ended 30 September	
	2009 KD	2008 KD	2009 KD	2008 KD
Profit for the period attributable to the equity holders of the parent company	165,821	3,876,595	313,429	7,285,566
	Share	Share	Share	Share
Weighted average number of ordinary shares outstanding for basic earnings per share	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share	1.66 fils	38.77 fils	3.13 fils	72.86 fils

5 INVESTMENT IN ASSOCIATES

	30 September	(Audited) 31 December	30 September
	2009 KD	2008 KD	2008 KD
Opening balances	4,816,550	9,714,843	9,714,843
Additions	19,480	2,740,527	2,735,797
Disposals	(30,995)	(6,816,855)	(6,816,855)
Share of results of associates	189,845	450,961	352,568
Dividends received	(64,606)	-	-
Foreign exchange translation adjustment	86,887	(72,926)	(72,926)
Upstream transaction with parent company (Note 3)	(80,503)	-	-
Impairment losses	-	(1,200,000)	-
	4,936,658	4,816,550	5,913,427

During the period, the group has sold 0.24% and purchased 0.24% equity interest of an associate, Development and Engineering Consultants Company (S.A.E.) realising a loss of KD 7,979.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

6 INVESTMENTS AVAILABLE FOR SALE

	<i>30 September 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>30 September 2008 KD</i>
Quoted investments			
Equity investment	83,097	57,398	-
Unquoted investments			
Equity investment	5,089,973	-	-
	<u>5,173,070</u>	<u>57,398</u>	<u>-</u>

An impairment charge of KD 30,000 (30 September 2008: KD Nil) has been recognised in respect of investment available for sale for which there has been a significant or prolonged decline in fair value below cost.

7 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 parent company KD</i>	<i>Associate KD</i>	<i>Other related parties KD</i>	<i>9 months ended 30 September</i>	
				<i>2009 KD</i>	<i>2008 KD</i>
Interim condensed consolidated statement of income					
Gain on part disposal of investment in a subsidiary	-	135,670	-	135,670	-
Murabaha income	-	-	-	-	91,939
Murabaha expense	-	-	-	-	28,376
General and administrative expenses	25,780	-	97,579	123,359	-

	<i>30 September 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>30 September 2008 KD</i>
Interim condensed consolidated statement of financial position			
Amount due from related parties	51,179	2,834	6,797
Other assets	-	4,632,225	-
Amount due to ultimate parent company	2,374,977	3,813,916	3,137
Amount due to related parties (included in other liabilities)	261,554	108,949	595,256

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2009

7 RELATED PARTY TRANSACTIONS (continued)

Other transactions:

	30 September 2009 KD	(Audited) 31 December 2008 KD	30 September 2008 KD
<i>Other transaction</i>			
Purchase of investment in associate	-	2,280,992	-
Sale of investment available for sale	851	-	-

Key management personnel compensation

	<u>9 months ended 30 September</u>	
	2009 KD	2008 KD
Short-term employee benefits	19,800	19,800
Termination benefits	3,808	3,808
	<u>23,608</u>	<u>23,608</u>

8 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.

<i>9 months ended 30 September 2009</i>	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
Segment revenue	(7,957)	411,737	403,780
Share of results in associate	-	189,845	189,845
Total segment revenue	<u>(7,957)</u>	<u>601,582</u>	<u>593,625</u>
Segment (loss)/profit before tax	<u>(256,372)</u>	<u>584,227</u>	<u>327,855</u>
As at 30 September 2009			
Segment assets	1,264,005	14,730,888	15,914,390
Investment in associate	-	4,936,658	4,936,658
Total segment assets	<u>1,264,005</u>	<u>19,667,546</u>	<u>20,931,551</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2009

8 SEGMENTAL INFORMATION (continued)

<i>9 months ended 30 September 2008</i>	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
Segment revenue	7,376,718	-	7,376,718
Share of results in associate	-	352,568	352,568
Total segment revenue	<u>7,376,718</u>	<u>352,568</u>	<u>7,729,286</u>
Segment profit before tax	<u>7,074,105</u>	<u>352,568</u>	<u>7,426,673</u>
As at 30 June 2008			
Segment assets	5,475,847	9,215,685	14,691,532
Investment in associates	-	5,913,427	5,913,427
Total segment assets	<u>5,475,847</u>	<u>15,129,112</u>	<u>20,604,959</u>