

**Grand Real Estate Projects Company  
K.S.C. (Closed)  
and its Subsidiaries  
State of Kuwait  
Review report on the interim condensed consolidated  
financial information  
For the three months ended march 31, 2008  
(unaudited)**

**Grand Real Estate Projects Company  
K.S.C. (Closed)  
and its Subsidiaries  
State of Kuwait**

**Review report on the interim condensed consolidated  
financial information  
For the three months ended march 31, 2008  
(unaudited)**

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**PKF Bouresli & Co.**  
**Accountants & Business Advisor**

P.O Box 20986 Safat, 13070 Kuwait

Tel : (965) 2655777

Fax : (965) 2659100

E-mail: [tareq@pkf-kuwait.com](mailto:tareq@pkf-kuwait.com)



**BDO Burgan – International Accountants**  
**Ali Al Hassawi & Co.–Member of BDO**  
**International**

P.O. Box: 22351 Safat 13084 Kuwait

Sharq – Dasman Complex – Block 2 – 9 Floor

Tel 2464574-6 /2426862-3 Fax: 2414956

Email: [info@bdokuwait.com](mailto:info@bdokuwait.com)

**Messrs/ Board of Directors**  
**Grand Real Estate Projects Company- K.S.C. (Closed)**  
**And its subsidiaries**  
**State of Kuwait**

**Review Report on the interim condensed financial information**

**Introduction**

We have reviewed the accompanying interim condensed consolidated balance sheet of Grand Real Estate Projects Company K.S.C. (Closed) - (the Parent Company) and its subsidiaries (the Group) as of March 31, 2008 and the related condensed consolidated statements of income, cash flows and changes in equity for the three months then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard No (34) "Interim Financial Reports". 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 the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

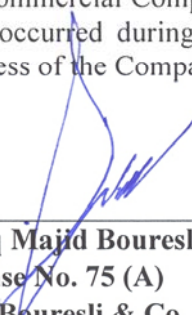
A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 respect in accordance with International Accounting Standard No. (34) "Interim Financial Reports".

**Report on review of other legal and regulatory matters**

Furthermore, based on our review, the interim condensed consolidated financial information are in agreement with the books of the Company. Also, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the Articles of Association of the Company have occurred during the period ended March 31, 2008 that might have had a material effect on the business of the Company or on its financial position.



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**Tariq Majid Bouresli**  
**License No. 75 (A)**  
**PKF Bouresli & Co.**  
**Member of PKF International**

May 18, 2008  
State of Kuwait



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**Ali A. Al-Hasawi**  
**License No. 30 (A)**  
**BDO Burgan-International Accountants**

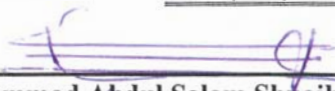
**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Condensed consolidated balance sheet as of March 31, 2008**

**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

		March 31, 2008	December 31, 2007 (Audited)	March 31, 2007
	Note			
<b>Assets</b>				
<b>Non-Current assets</b>				
Investments properties	3	65,022,491	58,066,174	47,042,394
Investment in associates	4	24,028,316	24,028,316	30,678,068
Intangible assets		24,053,654	25,605,559	22,085,791
Projects In Progress		1,383,761	1,383,761	908,987
Property and equipment		188,824	199,563	91,042
Joint ventures		1	1	1
Available for sale investments		9,778,594	7,161,567	16,361,917
		<u>124,455,641</u>	<u>116,444,941</u>	<u>117,168,200</u>
<b>Current assets</b>				
Accounts receivables and other debit balances	5	46,754,030	45,913,303	27,908,591
Property held for sale		-	137,695	348,288
Investments at fair value - income statement	6	26,922,855	25,028,383	22,223,915
Mudaraba investments		25,455,479	25,455,479	27,989,032
Cash and cash equivalent		1,219,672	4,226,702	2,652,952
		<u>100,352,036</u>	<u>100,761,562</u>	<u>81,122,778</u>
<b>Total assets</b>		<u>224,807,677</u>	<u>217,206,503</u>	<u>198,290,978</u>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital		36,384,130	36,384,130	30,320,108
Share premium		24,708,688	24,710,977	24,724,855
Statutory reserve	7	6,032,791	6,032,791	3,861,981
Voluntary reserve	7	6,032,791	6,032,791	3,861,981
Treasury shares		(229,218)	(229,218)	(234,792)
Profit on sale of treasury shares	7	101,100	101,100	98,252
Foreign currency translation reserve	7	(88,336)	(110,471)	-
Accumulated changes in fair value	7	77,873	40,052	-
Stocks purchasing option reserve	7	262,148	267,013	296,505
Company's shares in associate reserves	7	(212,456)	(216,399)	-
Retained earnings		31,546,568	25,549,980	23,840,431
<b>Equity available for parent company owners</b>		<u>104,616,079</u>	<u>98,562,746</u>	<u>86,769,321</u>
Minority interests		29,492,296	26,352,559	15,446,672
<b>Total Equity</b>		<u>134,108,375</u>	<u>124,915,305</u>	<u>102,215,993</u>
<b>Non-Current Liabilities</b>				
End of service indemnity		78,865	89,125	50,507
Islamic debt instruments	8	3,866,577	3,710,398	7,847,691
		<u>3,945,442</u>	<u>3,799,523</u>	<u>7,898,198</u>
<b>Current Liabilities</b>				
Islamic debt instruments	8	47,328,328	50,740,438	43,533,027
Accounts payable and other credit balances	9	39,425,532	37,751,237	44,643,760
		<u>86,753,860</u>	<u>88,491,675</u>	<u>88,176,787</u>
<b>Total liabilities</b>		<u>90,699,302</u>	<u>92,291,198</u>	<u>96,074,985</u>
<b>Total liabilities and equity</b>		<u>224,807,677</u>	<u>217,206,503</u>	<u>198,290,978</u>

  
**Mohammad Abdul Salam Shuaib**  
**Chairman and Managing Director**

The accompanying notes are an integral part of the interim condensed consolidated financial information.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Exhibit - B**

**Condensed consolidated statement of income for the Three months ended March 31, 2008**  
**(Unaudited)**

*“All amounts are in Kuwaiti Dinars”*

	Note	Three months ended March 31	
		2008	2007
Change in fair value of real investment properties		<b>9,114,178</b>	2,612,188
Profit from sale of real estate investment		<b>13,413</b>	-
Profit from sale of property held for sale		<b>105,192</b>	-
Net losses of investment in marketable securities	10	<b>(112,096)</b>	(4,308,317)
Profit from investment in mudarabat		<b>761,572</b>	483,806
(losses) profit from sale of share in associates		<b>(901,769)</b>	1,217,971
Profit from sale of investments available for sale		-	79,970
Negative goodwill		-	7,176,339
Management and consultants fees		-	51,175
Other income		<b>141</b>	798
General and administrative expenses		<b>(597,305)</b>	(527,121)
Financial charges		<b>(730,971)</b>	(215,753)
Contribution to Kuwait Foundation for the Advancement of Sciences		<b>(68,871)</b>	(59,139)
National labor support tax		<b>(156,251)</b>	(164,276)
Zakat		<b>(62,501)</b>	-
<b>Net profit for the period</b>		<b>7,364,732</b>	6,347,641
<b>Attributable to:</b>			
Shareholders of the parent Company		<b>5,996,588</b>	5,614,029
Minority interests		<b>1,368,144</b>	733,612
<b>Net profit for the period</b>		<b>7,364,732</b>	6,347,641
<b>Earnings per share available to parent company shareholders (Fils)</b>	11	<b>16.51</b>	15.45

The accompanying notes are an integral part of these interim condensed consolidated financial information.

**Grand Real Estate Projects Company K.S.C. (Closed)  
and its subsidiaries  
State of Kuwait**

**Exhibit - C**

**Condensed consolidated statement of cash flows for the Three months ended March 31, 2008  
(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	<b>Three months ended March 31</b>	
	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities:</b>		
Net profit for the period	<b>7,364,732</b>	6,347,641
<b>Adjustments</b>		
Depreciation of property and equipment	<b>11,473</b>	3,826
Profit from investment in mudarabat	<b>(761,572)</b>	(483,806)
Change in fair value of investments at fair value - income statement	<b>26,363</b>	3,343,050
Losses from sale of investments at fair value - income statement	<b>85,733</b>	965,267
Gains from sale of investments available for sale	-	(79,970)
Gains from sale of Property held for sale	<b>(105,192)</b>	-
Change in fair value of real estate investments	<b>(9,114,178)</b>	(2,612,188)
Increasing in associate's assets than acquisition cost (Negative Goodwill)	-	(7,176,339)
Gains from sale of real estate investments	<b>(13,413)</b>	-
Gains (losses) from sale of share in subsidiary	<b>901,769</b>	(1,217,971)
Operating losses before changes in working capital	<b>(1,604,285)</b>	(910,490)
Investments at fair value - income statement	<b>(2,006,568)</b>	737,161
Proceeds from sale of property held for sale	<b>242,887</b>	-
Projects in progress	-	(908,987)
Accounts receivable and other debit balances	<b>(205,981)</b>	(1,013,841)
Accounts payable and other credit balances	<b>(131,160)</b>	35,445,699
Cash used in operating activities	<b>(3,705,107)</b>	33,349,542
End of service indemnity benefit	<b>(10,260)</b>	(172)
<b>Net cash (used in) generated from operating activities</b>	<b>(3,715,367)</b>	33,349,370
<b>Cash flows from investing activities:</b>		
Investment in associates	-	(16,361,107)
Proceeds from sale of real investment properties	<b>2,171,274</b>	-
Paid for purchase of real estate investments	-	(21,384,223)
Paid for purchase of property and equipment	<b>(734)</b>	(7,441)
Paid for purchase of investments available for sale	-	(100,000)
Proceeds from sale of investments available for sale	-	505,658
<b>Net cash generated/ ( used in) investing activities</b>	<b>2,170,540</b>	(37,347,113)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(150,008)
Proceeds from sale of treasury shares	-	76,890
Net movement in minority equity	<b>1,771,593</b>	11,225,922
Islamic debt instruments	<b>(3,255,931)</b>	20,000,000
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,484,338)</b>	31,152,804
Foreign currency translation exchange	<b>22,135</b>	5,031
Net changes in cash and cash equivalents	<b>(3,007,030)</b>	27,160,092
Cash and cash equivalents at the beginning of the period	<b>29,682,181</b>	3,481,892
Cash and cash equivalents at the end of the period	<b>26,675,151</b>	30,641,984

The accompanying notes are an integral part of these interim condensed consolidated financial information.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Exhibit - D**

**Statement of changes in shareholders' equity**  
**For three months ended 31 March 2008**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

Shareholders' Equity Available for Parent Company Shareholders								
	Share Capital	Share Premium	Reserves Note (7)	Treasury shares	Retained earnings	Total Parent company shareholders' equity	Minority Interest	Total
Balance as on 31 December, 2007	36,384,130	24,710,977	12,146,877	(229,218)	25,549,980	98,562,746	26,352,559	124,915,305
Group's share from subsidiary's share premium	-	(2,289)	-	-	-	(2,289)	-	(2,289)
Foreign currency translation reserve	-	-	22,135	-	-	22,135	-	22,135
Stocks purchasing option reserve	-	-	(4,865)	-	-	(4,865)	-	(4,865)
Accumulated changes in fair value	-	-	37,821	-	-	37,821	-	37,821
Group's share from associates's reserves	-	-	3,943	-	-	3,943	-	3,943
Total revenues registered directly in ownership equity	-	(2,289)	59,034	-	-	56,745	-	56,745
Net profit for the period	-	-	-	-	5,996,588	5,996,588	1,368,144	7,364,732
Total revenues recognized during the period	-	(2,289)	59,034	-	5,996,588	6,053,333	1,368,144	7,421,477
Minority interests	-	-	-	-	-	-	1,771,593	1,771,593
<b>Balance as on 31 March 2008</b>	<b>36,384,130</b>	<b>24,708,688</b>	<b>12,205,911</b>	<b>(229,218)</b>	<b>31,546,568</b>	<b>104,616,079</b>	<b>29,492,296</b>	<b>134,108,375</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Continue exhibit - D**

**Statement of changes in shareholders' equity**  
**For three months ended 31 March 2008**  
**(Unaudited)**  
*"All amounts are in Kuwaiti Dinars"*

	Shareholders' Equity Available for Parent Company Shareholders							
	Share Capital	Share Premium	Reserves Note (7)	Treasury shares	Retained earnings	Total Parent company shareholders' equity	Minority Interests	Total
Balance as on 31 December, 2006	30,320,108	24,719,900	8,102,209	(166,614)	18,106,302	81,081,905	3,487,138	84,569,043
Previous years errors adjustments	-	-	-	-	120,100	120,100	-	120,100
Balance as on 31 December, 2006 ( Adjusted)	30,320,108	24,719,900	8,102,209	(166,614)	18,226,402	81,202,005	3,487,138	84,689,143
Treasury shares purchasing	-	-	-	(150,008)	-	(150,008)	-	(150,008)
Sale of treasury shares	-	-	-	81,830	-	81,830	-	81,830
Group's share from subsidiary's share premium	-	4,955	-	-	-	4,955	-	4,955
Profit from sale of treasury shares	-	-	(4,940)	-	-	(4,940)	-	(4,940)
Foreign currency translation reserve	-	-	5,031	-	-	5,031	-	5,031
Stocks purchasing option reserve	-	-	10,531	-	-	10,531	-	10,531
Accumulated changes in fair value	-	-	5,888	-	-	5,888	-	5,888
Total revenues registered directly in ownership equity	-	4,955	16,510	-	-	21,465	-	21,465
Net profit for the period	-	-	-	-	5,614,029	5,614,029	733,612	6,347,641
Total revenues recognized during the period	-	4,955	16,510	-	5,614,029	5,635,494	733,612	6,369,106
Minority interests	-	-	-	-	-	-	11,225,922	11,225,922
Balance as on 31 March 2007	30,320,108	24,724,855	8,118,719	(234,792)	23,840,431	86,769,321	15,446,672	102,215,993

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information for the three months ended March 31, 2008**  
**(Unaudited)**

*“All amounts are in Kuwaiti Dinars unless stated otherwise”*

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**1- Incorporation and activities**

Grand Real Estate Projects Company K.S.C. (Closed) was incorporated on June 20, 1989 as per Articles of Association No. 29 volume 216 under the name of Nour Al Sharq Real Estate Company K.S.C (Closed).

Based on the resolutions of the Extraordinary General Assembly, it was approved at the Commercial register in the Ministry of Commerce and Industry to amend Article (2) of the Articles of Association and Article (1) of the Memorandum of Association to change the name of the Company several times to reach to the current name (Grand Real Estate Projects Co. K.S.C. (Closed)).

The Company's main objectives are to conduct activities according to Islamic Sharia' including:

- Acquisition, buying, improving and selling real estate and land, and importing their necessary materials, with the intention of selling or leasing them, as well as managing others' properties without violating the law.
- Investing surplus funds of the company in real estate and financial portfolios managed by the Company or specialized companies and institutions.
- Providing real estate studies and researches and other technical services connected with real estate investment operations.
- Performing real estate brokerage and consultancy operations.
- Performing real estate investment operations with the intention of development and promotion of land, residential and commercial complexes, for the purpose to manage or sell them in cash or by installments or leasing them.
- Acquisition and managing hotels, health clubs and touristic utilities to lease or rent.
- Performing maintenance works related to buildings and properties owned by the company or by others including the civil, mechanical, electrical, elevators and air-conditioning works in order to maintain buildings and their safety.
- Managing, operating, investing and renting of hotels, clubs, motels, guest houses, rest houses, parks, gardens, exhibitions, residential complexes, entertainment and health resorts and recreational and sport projects in different classes and levels including all utilities and all their services.
- Conducting real estate auctions.
- Establishing and managing real estate investment funds according to the law and the approval of related authorities.

The Company can conduct the above objectives inside and outside Kuwait, by representing itself or by an agent.

The Company may have an interest in, or may participate in any form with the institutions that have similar activities or that will assist the Company to achieve its objectives inside or outside Kuwait. Also it may establish or participate in or acquire these bodies or join them.

- The registered address of the Company is P.O. Box 2734 - Safat - 13028 Kuwait.
- The interim condensed consolidated financial Information for the Three months ended March 31, 2008 were authorized for issue by the chairman on 18 May 2008.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information for the three months ended March 31, 2008**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars unless stated otherwise"*

**2- Significant accounting policies**

**2/1) Basis of presentation**

The interim condensed consolidated financial Information have been prepared in compliance with the International Accounting Standard (No. 34) related to the financial reports and the guidelines issued by the Kuwait Stock Exchange. Accordingly, they do not include all of the information and footnotes required for complete financial information prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim condensed consolidated financial Information. The operating results for the interim period ended March 30, 2008 are not necessarily indicative of the results that may be expected for the year ended December 31, 2008. For further information, refer to the financial statements and notes thereto in the annual report for the year ended December 31, 2007.

The interim condensed consolidated financial information have been prepared in accordance with the same accounting policies and methods of computation followed in the most recent audited financial statements for the year ended December 31, 2006. and prepared accordingly to International Financial Statements Report.

**2/2) Consolidated financial statements and subsidiaries**

The consolidated financial statements comprise the financial statements of Grand Real Estate Projects Company K.S.C. (Closed) and its followings subsidiaries:

	Country	Activity	Share percentage		
			March 2008	December 2007	March 2007
Investors Holding Group Co. (Grand Real Estate and Touristic Development Company K.S.C. (Closed)	Kuwait	Real Estate	<b>77.1%</b>	78.533%	90.87%
Esdarat Holding Co. K.S.C. (Closed)	Kuwait	Consultative	<b>95%</b>	95%	-
Lagoon Egypt Real Estate and Touristic Investment – E.S.C.	Egypt	Real Estate	<b>88.55%</b>	89.26%	95.43%
Grand Real Estate Projects Co. (Grand) Jordan – S.C. Private Limited	Jordan	Real Estate	<b>100%</b>	100%	-
IDG International Property Group Co. W.L.L.	Kuwait	Properties management	<b>100 %</b>	100 %	100 %
Sakani Housing Projects Co. K.S.C.C.	Kuwait	Real Estate	<b>100 %</b>	100 %	100 %
Arabian Family Leisure Co. W.L.L .	Kuwait	Tourism marketing	<b>95 %</b>	95 %	95 %

The Parent company use interim condensed consolidated financial statements (unaudited) for Investors Holding Group Co. (Grand Real Estate and Touristic Development Company K.S.C. (Closed) Subsidiary company total assets amounting to K.D 131,169,864 as at 31 March, 2008, and net profit of subsidiary is K.D 5,975,051 as at the end of the three months ended 31 March, 2008.

The Parent company use financial statements prepared by the subsidiaries managements which have been taken from unaudited condensed consolidated financial information for the period of three months ended March 31, 2008. Subsidiary companies total assets amounting to KD 39,285,550 as of March 31, 2008 and their total profits amounting to KD 6,886,998 for the three months ended March 31, 2008.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
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**State of Kuwait**

**Notes to the interim condensed consolidated financial information for the Three months ended March 31, 2008**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars unless stated otherwise"*

**3- Investment properties**

The movement on the investments are as follows:

	<b>March 31, 2008</b>	December 31, 2007 (Audited)	March 31, 2007
Balance at beginning of period/year	<b>58,066,174</b>	22,451,902	22,451,902
Additions during the period/year	-	26,870,963	21,978,304
Disposal during the period	<b>(2,157,861)</b>	(5,501,773)	-
Change in fair value	<b>9,114,178</b>	14,245,082	2,612,188
Balance at the end of the period/year	<b>65,022,491</b>	58,066,174	47,042,394

Investment properties included property mortgaged against credit murabahat, the value of the property as at 31 March 2008 amounted to K.D 10,817,426 .

**4- Investments of associates**

The associated companies have been recorded at cost as no financial statements for these companies where available for the three months ended as at 31 March 2008.

**5- Accounts receivable and other debit balances**

	<b>March 31, 2008</b>	December 31, 2007 (Audited)	March 31, 2007
Trading receivables	<b>7,548,878</b>	7,157,018	4,052,121
Due from related party	<b>20,154,395</b>	21,330,031	6,946,069
Advance payments for purchasing investments	<b>14,641,101</b>	13,389,154	13,095,975
Prepaid expenses	<b>4,000</b>	235,996	26,246
Accrued revenues	<b>3,912,577</b>	3,539,021	544,283
Other debit balances	<b>493,079</b>	262,083	3,243,897
	<b>46,754,030</b>	45,913,303	27,908,591

**6- Investments at fair value – income statement**

	<b>March 31, 2008</b>	December 31, 2007 (Audited)	March 31, 2007
Local securities - quoted	<b>26,829,034</b>	24,911,283	22,202,180
Foreign securities - quoted	<b>93,821</b>	117,100	1,430
Foreign securities – unquoted	-	-	20,305
	<b>26,922,855</b>	25,028,383	22,223,915

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
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**Notes to the interim condensed consolidated financial information for the Three months ended March 31, 2008**  
**(Unaudited)**

*“All amounts are in Kuwaiti Dinars unless stated otherwise”*

**7- Reserves**

	Shareholders' Equity Available for Parent Company Shareholders							Total
	Statutory reserve	Voluntary reserve	Profit from sale of Treasury Shares	Foreign currency translation reserve	Accumulated changes in fair value	Stocks purchasing option reserve	Group's share from associate's reserves	
Balance as on 1 January, 2007	3,861,981	3,861,981	103,192	(5,031)	(5,888)	285,974	-	8,102,209
Profit from sale of treasury shares	-	-	(4,940)	-	-	-	-	(4,940)
Foreign currency translation reserve	-	-	-	5,031	-	-	-	5,031
Stocks purchasing option reserve	-	-	-	-	-	10,531	-	10,531
Accumulated changes in fair value	-	-	-	-	5,888	-	-	5,888
Balance as on 31 March 2007	<u>3,861,981</u>	<u>3,861,981</u>	<u>98,252</u>	<u>-</u>	<u>-</u>	<u>296,505</u>	<u>-</u>	<u>8,118,719</u>
Balance as on 1 January 2008	6,032,791	6,032,791	101,100	(110,471)	40,052	267,013	(216,399)	12,146,877
Foreign currency translation reserve	-	-	-	22,135	-	-	-	22,135
Stocks purchasing option reserve	-	-	-	-	-	(4,865)	-	(4,865)
Accumulated changes in fair value	-	-	-	-	37,821	-	-	37,821
Group's share from associate's reserves	-	-	-	-	-	-	3,943	3,943
<b>Balance as on 31 March, 2008</b>	<b><u>6,032,791</u></b>	<b><u>6,032,791</u></b>	<b><u>101,100</u></b>	<b><u>(88,336)</u></b>	<b><u>77,873</u></b>	<b><u>262,148</u></b>	<b><u>(212,456)</u></b>	<b><u>12,205,911</u></b>

**Grand Real Estate Projects Company K.S.C. (Closed)**  
**and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information for the Three months ended March 31, 2008**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars unless stated otherwise"*

**8- Islamic debt instruments**

	<b>March 31, 2008</b>	<b>December 31, 2007 (Audited)</b>	<b>March 31, 2007</b>
Murabahat – Long term portion	<b>3,866,577</b>	3,710,398	7,847,691
Murabahat – Short term portion	<b>3,866,577</b>	7,288,060	3,925,999
Investment Agencies – Short term	<b>43,461,751</b>	43,452,378	39,607,028
	<b>51,194,905</b>	54,450,836	51,380,718

The actual average cost equal to (5.5% : 7.5 %) as at March 31, 2008.

The murabahat has been geared against mortgaging of investment property (Note 3).

Contracts of Investment Agencies are contracted with related parties (Note 12).

**9- Accounts payable and other credit balances**

	<b>March 31, 2008</b>	<b>December 31, 2007 (Audited)</b>	<b>March 31, 2007</b>
Payables	<b>14,967,032</b>	12,998,805	13,572,724
Due to related parties	<b>18,373,813</b>	19,248,582	27,143,882
Accrued expenses	<b>4,280,428</b>	3,334,096	1,328,376
National labor support tax	<b>1,234,931</b>	1,399,095	964,770
Kuwait Foundation for the Advancement of Sciences	<b>450,344</b>	511,188	212,675
Other credit balances	<b>118,984</b>	259,471	1,421,333
	<b>39,425,532</b>	37,751,237	44,643,760

**10- Net losses on investments in securities**

	<b>Three months ended March 31</b>	
	<b>2008</b>	<b>2007</b>
(Losses) from sale of investments at fair value - income statement	<b>(85,733)</b>	(965,267)
Changes fair value of investments at fair value - income statement	<b>(26,363)</b>	(3,343,050)
	<b>(112,096)</b>	(4,308,317)

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**11- Earnings per share**

Earnings per share is calculated by dividing net profit for the period by the weighted average for the number of shares outstanding during the period as follows:

	<b>Three months ended March 31</b>	
	<b>2008</b>	<b>2006</b>
Net profit for the period	<b>5,996,588</b>	5,614,029
Weighted average number of company's shares issued and paid up in full (share)	<b>363,841,296</b>	363,841,296
Less: weighted average number of company's purchased shares (share)	<b>(668,620)</b>	(380,517)
Weighted average of outstanding shares (share)	<b>363,172,676</b>	363,460,779
Earnings per share available for parent company shareholders (Fils)	<b>16.51</b>	15.45

The weighted average of outstanding shares for the current and previous period has been adjusted to reflect the issue bonus shares of 60,640,215 for the year ended 31 December 2006 which was approved by the shareholders' general assembly held on June 9, 2007.

**12- Transaction with related parties**

Related parties represent company's shareholders who have representation in the Board of Directors, members of the Board of Directors and Senior management individual. In the normal course of business, subject to the company's management approval, there were transactions with related parties during the period ended March 31, 2008, and these transactions and balances which are related to this parties are as follows:

	<b>March 31, 2008</b>	<b>December 31, 2007 (Audited)</b>	<b>March 31, 2007</b>
<b>Transactions</b>			
Profit (losses) from investments in marketable securities	<b>10,994</b>	(872,234)	(2,287,440)
Financial charges	<b>(730,971)</b>	(1,756,145)	(215,753)
Mudaraba revenue	<b>761,572</b>	(3,599,396)	483,806
Management fees	-	-	(30,000)
Salaries and remunerations of senior management	<b>(45,900)</b>	(776,418)	15,000
<b>Balances</b>			
Due from related parties	<b>24,780,207</b>	21,330,031	6,946,069
Advanced payment to purchasing investments	<b>10,000,000</b>	10,000,000	10,000,000
Accrued revenues	<b>3,910,418</b>	3,148,846	483,805
Investments in mudarabat	<b>25,455,479</b>	25,455,479	27,989,032
Cash and cash equivalent	<b>428,970</b>	-	797,077
Islamic debt instruments	<b>43,461,751</b>	43,452,378	39,607,028
Due to related parties	<b>24,606,046</b>	19,248,582	27,143,882

Transactions with related parties are subject to the shareholder's General Assembly approval.

**Grand Real Estate Projects Company K.S.C. (Closed)**  
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**Notes to the interim condensed consolidated financial information for the Three months ended March 31, 2008**  
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**13- Segmental analysis**

The company's activities are in to divided two primary business segments which are real estate investments and direct investments. The company operates in two geographical regions which are G.C.C. (Kuwait and the other G.C.C. countries) and International area (rest of the world).

	<b>Direct investments</b>		<b>Real estate investments</b>		<b>Unallocated</b>		<b>Total</b>	
	<b>March 31</b>		<b>March 31</b>		<b>March 31</b>		<b>March 31</b>	
	<b>2008</b>	2007	<b>2008</b>	2007	<b>2008</b>	2007	<b>2008</b>	2007
<b>Primary segments</b>								
Operating revenues	<b>(252,293)</b>	4,700,944	<b>9,232,783</b>	2,612,188	<b>141</b>	798	<b>8,980,631</b>	7,313,930
Operating expenses	<b>(597,305)</b>	(527,121)	<b>(730,971)</b>	(215,753)	<b>-</b>	-	<b>(1,328,276)</b>	(742,874)
Other unallocated expenses	<b>-</b>	-	<b>-</b>	-	<b>(287,623)</b>	(223,415)	<b>(287,623)</b>	(223,415)
Net profit for the period	<b>(849,598)</b>	4,173,823	<b>8,501,812</b>	2,396,435	<b>(287,482)</b>	(222,617)	<b>7,364,732</b>	6,347,641
Assets	<b>156,992,929</b>	147,247,315	<b>66,406,252</b>	48,299,669	<b>1,408,496</b>	2,743,994	<b>224,807,677</b>	198,290,978
Liabilities	<b>76,802,596</b>	80,323,634	<b>7,733,154</b>	11,773,690	<b>6,163,552</b>	3,977,661	<b>90,699,302</b>	96,074,985

	<b>G.C.C.</b>		<b>International</b>		<b>Total</b>	
	<b>March 31</b>		<b>March 31</b>		<b>March 31</b>	
	<b>2008</b>	2007	<b>2008</b>	2007	<b>2008</b>	2007
<b>Geographic segments</b>						
Operating revenues	<b>(238,880)</b>	4,700,944	<b>9,219,511</b>	2,612,986	<b>8,980,631</b>	7,313,930
Operating expenses	<b>(597,305)</b>	(527,121)	<b>(730,971)</b>	(215,753)	<b>(1,328,276)</b>	(742,874)
Other unallocated expenses	<b>(287,623)</b>	(223,415)	<b>-</b>	-	<b>(287,623)</b>	(223,415)
Net profit for the period	<b>(1,123,808)</b>	3,950,408	<b>8,488,540</b>	2,397,233	<b>7,364,732</b>	6,347,641
Assets	<b>174,772,747</b>	172,413,349	<b>50,034,930</b>	25,877,629	<b>224,807,677</b>	198,290,978
Liabilities	<b>90,694,901</b>	96,069,472	<b>4,401</b>	5,513	<b>90,699,302</b>	96,074,985

**14- Comparative figures**

Certain comparative figures of previous year/period have been reclassified to conform with the current period presentation.