

## INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

### INTERIM STATEMENT OF FINANCIAL POSITION As at 30 September 2011

	(Unaudited) 30 September 2011 US\$	(Audited) 31 December 2010 US\$
<b>ASSETS</b>		
Cash and balances with banks	127,418	411,444
Investments	15,169,481	16,677,570
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	18,580,536	20,020,445
Other assets	1,591,844	1,594,222
Property and equipment	3,056,913	3,843,948
<b>TOTAL ASSETS</b>	<b>42,206,395</b>	<b>46,227,832</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Due to a financial institution	3,670,202	3,670,202
Murabaha payable	3,229,064	3,229,064
Other liabilities	486,408	465,184
<b>Total liabilities</b>	<b>7,385,674</b>	<b>7,364,450</b>
<b>Equity</b>		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	2,855,104	2,644,604
Accumulated losses	(55,443,898)	(51,190,737)
<b>Total equity</b>	<b>34,820,721</b>	<b>38,863,382</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>42,206,395</b>	<b>46,227,832</b>
<b>OFF-BALANCE SHEET ITEMS: EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>16,613,309</b>	<b>16,424,155</b>

### INTERIM STATEMENT OF INCOME For the nine months ended 30 September 2011 (Unaudited)

	Three months ended		Nine months ended	
	30 September 2011 US\$	30 September 2010 US\$	30 September 2011 US\$	30 September 2010 US\$
Income from investments at fair value through statement of income	-	-	-	5,902
Gain on disposal of investments at fair value through equity	-	131,423	21,904	130,933
Fair value loss on investments at fair value through statement of income	(397,617)	(748,276)	(385,804)	(2,944,782)
Other income	240,942	245,879	381,227	692,952
<b>Total net (loss) / income</b>	<b>(156,675)</b>	<b>(370,974)</b>	<b>17,327</b>	<b>(2,114,995)</b>
<b>Expenses</b>				
Staff cost	249,101	331,222	737,355	885,472
Administrative and general expenses	100,941	154,268	352,216	447,536
Depreciation	199,204	265,850	599,273	875,442
<b>Operating expenses</b>	<b>549,246</b>	<b>751,340</b>	<b>1,688,844</b>	<b>2,208,450</b>
<b>Net loss before net provision for impairment</b>	<b>(705,921)</b>	<b>(1,122,314)</b>	<b>(1,671,517)</b>	<b>(4,323,445)</b>
Net provision for impairment	(358,501)	(1,918,814)	(2,581,644)	(14,563,702)
<b>LOSS FOR THE PERIOD</b>	<b>(1,064,422)</b>	<b>(3,041,128)</b>	<b>(4,253,161)</b>	<b>(18,887,147)</b>

### INTERIM STATEMENT OF CASH FLOWS For the nine months ended 30 September 2011 (Unaudited)

	Nine months ended	
	30 September 2011 US\$	30 September 2010 US\$
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(4,253,161)	(18,887,147)
Adjustments for:		
Depreciation	599,273	875,442
Gain on disposal of property and equipment	-	(2,520)
Provision for impairment	2,816,579	14,563,702
Gain on disposal of investments at fair value through equity	(21,904)	(130,933)
Fair value loss on investments at fair value through statement of income	385,804	2,944,782
<b>Operating loss before changes in operating assets and liabilities:</b>	<b>(473,409)</b>	<b>(636,674)</b>
Changes in operating assets and liabilities:		
Other assets	2,378	33,848
Other liabilities	21,224	40,213
<b>Net cash used in operating activities</b>	<b>(449,807)</b>	<b>(562,613)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(4,510)	-
Proceeds from disposal of investments at fair value through equity	170,291	288,854
Proceeds from disposal of property and equipment	-	2,520
<b>Net cash from investing activities</b>	<b>165,781</b>	<b>291,374</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(284,026)</b>	<b>(271,239)</b>
Cash and cash equivalents at beginning of the period	411,444	612,263
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>127,418</b>	<b>341,024</b>

### INTERIM STATEMENT OF CHANGES IN EQUITY For the nine months ended 30 September 2011 (Unaudited)

	Share capital US\$	Statutory reserve US\$	Investments fair value reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2011	80,000,000	7,409,515	2,644,604	(51,190,737)	38,863,382
Loss for the period	-	-	-	(4,253,161)	(4,253,161)
Fair value gain during the period	-	-	210,500	-	210,500
<b>Balance as at 30 September 2011</b>	<b>80,000,000</b>	<b>7,409,515</b>	<b>2,855,104</b>	<b>(55,443,898)</b>	<b>34,820,721</b>
Balance at 1 January 2010	80,000,000	7,409,515	3,411,701	(23,912,862)	66,908,354
Loss for the period	-	-	-	(18,887,147)	(18,887,147)
Fair value loss during the period	-	-	(1,502,293)	-	(1,502,293)
<b>Balance as at 30 September 2010</b>	<b>80,000,000</b>	<b>7,409,515</b>	<b>1,909,408</b>	<b>(42,800,009)</b>	<b>46,518,914</b>

These statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report dated 26 October 2011.

The interim condensed financial statements were authorised for issue in accordance with approval of the Board of Directors on 26 October 2011.



**Dr. Abdulaziz Al Bader**  
Chairman



**Hamad Abdulla Al Ghanim**  
Vice Chairman and Chairman of the Audit Committee