

## INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

### INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2012 (Unaudited)

	(Unaudited)	(Audited)
	30 June 2012 US\$	31 December 2011 US\$
<b>ASSETS</b>		
Cash and balances with banks	336,411	158,912
Investments	14,907,044	15,859,440
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	18,105,372	18,474,757
Other assets	1,479,438	1,385,874
Property and equipment	2,779,987	2,963,735
<b>TOTAL ASSETS</b>	<b>41,288,455</b>	<b>42,522,921</b>
<b>LIABILITIES AND OWNERS' 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	690,759	640,175
<b>Total liabilities</b>	<b>7,590,025</b>	<b>7,539,441</b>
<b>Owners' Equity</b>		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	2,921,778	3,679,690
Accumulated losses	(56,632,863)	(56,105,725)
<b>Total owners' equity</b>	<b>33,698,430</b>	<b>34,983,480</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>41,288,455</b>	<b>42,522,921</b>
<b>OFF-BALANCE SHEET ITEMS:</b>		
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>16,489,766</b>	<b>16,546,150</b>

### INTERIM STATEMENT OF INCOME

For the six months ended 30 June 2012 (Unaudited)

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	30 June 2012 US\$	30 June 2011 US\$	30 June 2012 US\$	30 June 2011 US\$
Gain on disposal of investments at fair value through equity	-	-	-	21,904
Fair value (loss) / gain on investments at fair value through statement of income	(28,357)	472,555	(9,253)	11,813
Other income	380,517	119,495	784,120	140,285
<b>Operating income</b>	<b>352,160</b>	<b>592,050</b>	<b>774,867</b>	<b>174,002</b>
<b>EXPENSES</b>				
Staff cost	238,068	273,891	432,550	488,254
Administrative and general expenses	163,321	158,955	287,233	251,275
Depreciation	197,864	199,978	396,991	400,069
<b>Operating expenses</b>	<b>599,253</b>	<b>632,824</b>	<b>1,116,774</b>	<b>1,139,598</b>
<b>Net loss before provision for impairment</b>	<b>(247,093)</b>	<b>(40,774)</b>	<b>(341,907)</b>	<b>(965,596)</b>
Provision for impairment, net	-	(1,728,539)	(185,231)	(2,223,143)
<b>NET LOSS FOR THE PERIOD</b>	<b>(247,093)</b>	<b>(1,769,313)</b>	<b>(527,138)</b>	<b>(3,188,739)</b>

### INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012 (Unaudited)

Unaudited  
Six months ended

	30 June 2012 US\$	30 June 2011 US\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(527,138)	(3,188,739)
Adjustments for non-cash items:		
Depreciation	396,991	400,069
Provision for impairment, net	185,231	2,427,465
Gain on disposal of investments at fair value through equity	-	(21,904)
Gain on disposal of investment property	(30,117)	-
Fair value loss / (gain) on investments at fair value through statement of income	9,253	(11,813)
Operating gain / (loss) before changes in operating assets and liabilities:	<b>34,220</b>	<b>(394,922)</b>
Working capital adjustments:		
Other assets	(93,564)	(1,317)
Other liabilities	50,584	115,259
Net cash used in operating activities	<b>(8,760)</b>	<b>(280,980)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investments at fair value through equity	-	170,291
Proceeds from disposal of investment property	190,606	-
Purchase of equipment	(4,347)	(1,326)
Net cash from investing activities	<b>186,259</b>	<b>168,965</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>177,499</b>	<b>(112,015)</b>
Cash and cash equivalents at beginning of the period	<b>158,912</b>	<b>411,444</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>336,411</b>	<b>299,429</b>

### INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2012 (Unaudited)

	Share capital US\$	Statutory reserve US\$	Investments fair value reserve US\$	Accumulated losses US\$	Total Owners' equity US\$
Balance at 1 January 2012	80,000,000	7,409,515	3,679,690	(56,105,725)	34,983,480
Net loss for the period	-	-	-	(527,138)	(527,138)
Other comprehensive loss during the period	-	-	(757,912)	-	(757,912)
<b>Balance as at 30 June 2012</b>	<b>80,000,000</b>	<b>7,409,515</b>	<b>2,921,778</b>	<b>(56,632,863)</b>	<b>33,698,430</b>
Balance at 1 January 2011	80,000,000	7,409,515	2,644,604	(51,190,737)	38,863,382
Net loss for the period	-	-	-	(3,188,739)	(3,188,739)
Other comprehensive income during the period	-	-	76,092	-	76,092
Balance as at 30 June 2011	80,000,000	7,409,515	2,720,696	(54,379,476)	35,750,735

These statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report dated 30 July 2012.

The interim condensed financial statements were authorised for issue in accordance with approval of the Board of Directors on 30 July 2012.

  
Mr. Ghassan Al Sultan  
Chairman

  
Mr. Ebrahim Al Shaikh  
Director