

Inovent B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2013 (UNAUDITED)

Inovest B.S.C.

Administration and contact details as at 30 September 2013

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Samir Yaqoob Al-Nafisi	- Chairman
Fareed Soud Al-Fozan	- Vice-Chairman
Ahmed Rashed Al-Qattan	- Managing Director
Abdul Rahman Yousif Fakhro	- Independent Director
Mohammed Ebrahim Al-Nughaimish	- Director
Jamal Abdul Rahman Al-Rowaiyeh	- Director
Bashar Naser Al-Tuwaijri	- Director
Dr. Mohammed Abdulla Fahad Al-Madi	- Director
Talal Khalid Al-Nesef	- Director

Board Secretary

- Riyadh Mahmood Mulla

Sharia'a Supervisory Board

Sheikh Dr. Mohamed Abdul Razzaq Al-Tabtabaei	- Chairman
Sheikh Dr. Anwar Shuaib Al-Abdulsalam	- Vice-Chairman
Sheikh Adnan Ali Al-Mulla	- Member

Executive Committee Members

Samir Yaqoob Al-Nafisi	- Chairman
Ahmed Rashed Al-Qattan	- Vice-Chairman
Talal Khalid Al-Nesef	
Abdul Rahman Yousif Fakhro	
Bashar Naser Al-Tuwaijri	

Audit Committee Members

Fareed Soud Al-Fozan	- Chairman
Mohammed Ebrahim Al-Nughaimish	- Vice-Chairman
Dr. Mohammed Abdulla Fahad Al-Madi	
Jamal Abdul Rahman Al-Rowaiyeh	

Nomination & Remuneration Committee Members

Samir Yaqoob Al-Nafisi	- Chairman
Fareed Soud Al-Fozan	- Vice-Chairman
Ahmed Rashed Al-Qattan	

Risk Committee Members

Mohammed Ebrahim Al-Nughaimish	- Chairman
Dr. Mohammed Abdulla Fahad Al-Madi	- Vice-Chairman
Fareed Soud Al-Fozan	
Jamal Abdul Rahman Al-Rowaiyeh	

Inovest B.S.C.

Administration and contact details as at 30 September 2013

Registered office

Bahrain Financial Harbour, East Tower,
PO Box 18334
Manama
Kingdom of Bahrain

Bankers

Bahrain Islamic Bank
Ithmaar Bank
Kuwait Finance House
Khaleeji Commercial Bank
Al Baraka Islamic Bank

Auditors

Ernst & Young
P.O. Box 140
14th Floor, The Tower
Bahrain Commercial Complex
Manama, Kingdom of Bahrain

Registrars

Fakhro Karvy Computershare W.L.L.
Al Zamil Tower, Manama Center
Manama
Kingdom of Bahrain

Kuwait Clearing Company S.A.K.
PO Box 22077
Safat 13081
State of Kuwait



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CBB regulated

Sharia Supervisory Board Report on the Activities of Inovest BSC For the Financial Period Ending on 30 September 2013

In the name of Allah, the Beneficent, the Merciful, Prayers and Peace Upon the Last Apostle and Messenger, Our Prophet Mohammed, His Relatives and Companions.

The Shari'a Supervisory Board "The Board" of INOVEST B.S.C. has reviewed the Company activities and compared them with the issued Fatwas and Rulings during the Financial Period Ending on 30 September 2013 and found them compatible with them.

The Board believes that he has expressed its opinion in respect of the activities carried out by INOVEST and it is the responsibility of the management to ensure the implementation of such decisions.

A representative of the company's management explained and clarified the contents of the Financial Period Ending on 30 September 2013. The report of the Board has been prepared based on the information provided by the company.

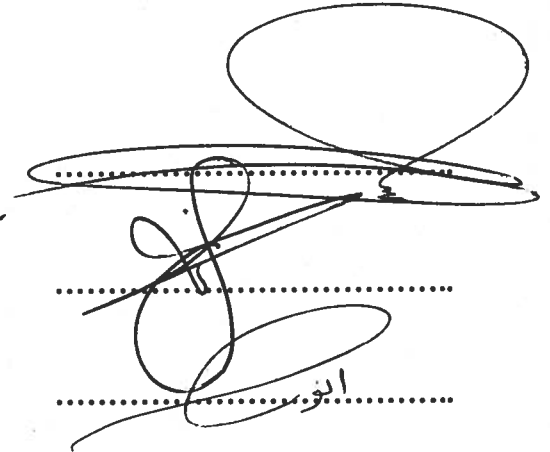
The Board is satisfied that the activities and services carried by INOVEST are in compliance with the Glorious Islamic Sharia'a.

Praise be to Allah, Lord of the Worlds. Prayers be upon Prophet Mohammed Peace Be Upon Him, Relatives and Companions.

Shaikh Dr. Mohammed A. Razaiq Al Tabtabae
Chairman

Shaikh Adnan Ali Mulla
Vice Chairman

Shaikh Anwar Shuaib Abdul Salam
Member



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REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE DIRECTORS OF INOVEST B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Inovert B.S.C. (c) (the "Company") and its subsidiaries (together the "Group") comprising the interim consolidated statement of financial position as at 30 September 2013, and the related interim consolidated statements of income, changes in owners' equity and cash flows for the nine-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 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 statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.

**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE DIRECTORS OF INOVEST B.S.C. (continued)**

Other matters

The consolidated financial statements of the Group for the year ended 31 December 2012 were audited by another auditor who expressed an unmodified audit opinion dated 6 February 2013 on those consolidated financial statements. In addition, the interim condensed consolidated financial statements of the Group for the period ended 30 September 2012 were reviewed by another auditor who expressed an unmodified review conclusion dated 7 November 2012 on those interim condensed consolidated financial statements.

Ernst + Young

11 November 2013
Manama, Kingdom of Bahrain

Inovest B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013 (Unaudited)

		<i>Unaudited</i> 30 September 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
ASSETS			
Cash and cash equivalents		17,960	6,109
Mudaraba and Murabaha investments		3,182	3,760
Trade and other receivables	4	63,380	67,946
Available-for-sale investments	5	27,749	26,611
Investment in joint venture and associates	6	106,710	90,811
Investment in real estate	7	88,802	89,598
Property, plant and equipment	8	7,177	7,706
TOTAL ASSETS		314,960	292,541
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Trade and other payables	9	107,264	82,052
Ijara and Murabaha financing	10	39,551	39,268
TOTAL LIABILITIES		146,815	121,320
OWNERS' EQUITY			
Share capital	11	114,604	114,604
Less: Treasury shares		(651)	(651)
		113,953	113,953
Share premium		30,760	30,760
Statutory reserve		21,473	21,473
Share option reserve		34	28
Retained earnings		1,925	5,007
TOTAL OWNERS' EQUITY		168,145	171,221
TOTAL LIABILITIES AND OWNERS' EQUITY		314,960	292,541


Samir Yaqoob Al-Nafisi
Chairman


Ahmed Rashed Al-Qattan
Managing Director


The attached explanatory notes 1 to 18 form part of these interim condensed consolidated financial statements.

Inovest B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2013 (Unaudited)

	Note	Unaudited Three month period ended		Unaudited Nine month period ended	
		30 September 2013 US\$ '000	30 September 2012 US\$ '000	30 September 2013 US\$ '000	30 September 2012 US\$ '000
Income					
(Loss) / Income from investment in real estate	12	919	1,305	(244)	3,165
Income from investments		227	237	732	713
Income from advisory services		324	179	5,401	1,531
Net income from construction contracts		392	704	575	2,313
Share of (loss) / profit from investment in joint venture and associates	6	(75)	436	(391)	2,925
Other income	13	30	155	1,377	412
Total operating income		1,817	3,016	7,450	11,059
Operating expenses					
Staff costs		(1,117)	(1,163)	(3,639)	(3,882)
General and administrative expenses		(709)	(832)	(2,029)	(2,984)
Ijara and Murabaha financing costs		(751)	(924)	(2,410)	(3,148)
Property related expenses		87	(33)	(100)	(96)
Depreciation	8	(180)	(244)	(558)	(717)
Provision - net	14	(2,311)	-	(1,796)	-
Total operating expenses		(4,981)	(3,196)	(10,532)	(10,827)
Net income / (loss) for the period		(3,164)	(180)	(3,082)	232
Basic and diluted earnings per share (cents)		(1.20)	(0.06)	(1.17)	0.08


 Samir Yaqoob Al-Nafisi
 Chairman


 Ahmed Rashed Al-Qattan
 Managing Director

The attached explanatory notes 1 to 18 form part of these interim condensed consolidated financial statements.

Inovest B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 2013 (Unaudited)

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Share option reserve US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000
At 1 January 2013	114,604	(651)	30,760	21,473	28	5,007	171,221
Net profit for the period	-	-	-	-	-	(3,082)	(3,082)
Stock option charge (net)	-	-	-	-	6	-	6
At 30 September 2013	114,604	(651)	30,760	21,473	34	1,925	168,145
At 1 January 2012	114,604	(651)	30,760	21,473	474	14,031	180,691
Net income for the period	-	-	-	-	-	232	232
Stock option charge (net)	-	-	-	-	(417)	-	(417)
At 30 September 2012	114,604	(651)	30,760	21,473	57	14,263	180,506

Inovest B.S.C.

INTERM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2013 (Unaudited)

	Note	Unaudited Nine month period ended	
		30 September 2013 US\$ '000	30 September 2012 US\$ '000
OPERATING ACTIVITIES			
Net (loss) / profit for the period		(3,082)	232
Adjustments for non-cash items:			
Depreciation	8	706	901
Stock option charge		6	(417)
Share of loss / (profit) from investment in joint venture and associates	6	391	(2,925)
Profit on sale of property, plant and equipment		-	(58)
Realised gains on sale of investment in real estate		(258)	(1,900)
Unrealised fair value losses on investment in real estate		-	19
Recoveries		2,311	-
Operating profit / (loss) before changes in operating assets and liabilities		74	(4,148)
Changes in operating assets and liabilities:			
Trade and other receivables		2,255	(3,920)
Trade and other payables		25,212	(847)
Net cash from / (used in) operating activities		27,541	(8,915)
INVESTING ACTIVITIES			
Purchase of available-for-sale investments	5	(1,138)	(40)
Net movement in Mudaraba and Murabaha investments		578	3,659
Proceeds from sale of investment in real estate - net		1,054	7,580
Proceeds from sale of investment in joint venture and associates		676	752
Purchase of property, plant and equipment	8	(177)	(666)
Purchase of investment in joint venture and associates		(16,966)	-
Proceeds from sale of property, plant and equipment		-	53
Net cash (used in) / from investing activities		(15,973)	11,338
FINANCING ACTIVITY			
Net movement in Murabaha financing		283	(10,785)
Net cash from / (used in) financing activity		283	(10,785)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		11,851	(8,362)
Cash and cash equivalents at beginning of the period		6,109	11,139
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		17,960	2,777
Cash and cash equivalents comprise of:			
Cash and bank balances		5,225	2,777
Murabaha receivables		12,735	-
		17,960	2,777

The attached explanatory notes 1 to 18 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

1 INCORPORATION AND ACTIVITIES

a) Incorporation

Inovest BSC (the "Company") is a public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 48848 obtained on 18 June 2002. The Company commenced commercial operations on 1 October 2002. Under the terms of its Memorandum and Articles of Association, the duration of the Company is for 50 years, renewable for further similar periods unless terminated earlier by the operation of law or as provided in the Memorandum and Articles of Association. The registered office of the Company is Bahrain Financial Harbour, East Tower, 20th floor, Manama, Kingdom of Bahrain.

The Company is listed on the Bahrain Bourse and cross-listed on the Kuwait Stock Exchange.

The Company has been issued an Investment Business Firm License – Category 1 (Islamic Principles) by the Central Bank of Bahrain (CBB), to operate under the Islamic Sharia'a principles, and is supervised and regulated by the CBB.

b) Activities

The principal activities of the Company together with its subsidiaries (the "Group") include:

- Engaging directly in all types of investments, including direct investment and securities, and various types of investment funds.
- Establishing and managing various investment funds.
- Dealing in financial instruments in the local, regional and international markets.
- Providing information and studies related to different types of investments for others.
- Providing financial services and investment consultations to others.
- Establishing joint ventures with real estate, industrial and services companies inside or outside the Kingdom of Bahrain and committing to operate under the Islamic Sharia'a principles.
- Engaging in contracting activities.
- Engaging in the management of commercial and industrial centers and residential buildings, property leasing, development and their maintenance.
- Having interest or participating in any way with companies and other entities engaged in similar activities that may work and co-operate to achieve the Company's objectives inside and outside the Kingdom of Bahrain, and also merge its activities with the above mentioned entities and/or buy or join with them.

The number of staff employed by the Group as at 30 September 2013 was 541 (31 December 2012: 552).

The interim condensed consolidated financial statements were approved on 11 November 2013.

2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 2013 have been prepared in accordance with the guidance given by International Accounting Standard 34 - "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012. These interim condensed consolidated financial statements are presented in US dollars, which is the functional currency of the Group. All values are rounded to US dollar thousands unless otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

2 ACCOUNTING POLICIES (continued)

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany balances and transactions are eliminated in full on consolidation.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012, which were prepared in accordance with the Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial ("AAOIFI"), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, the Bahrain Commercial Companies Law, Central Bank of Bahrain ("CBB") and the Financial Institutions Law and the CBB Rule Book (Volume 4). In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, including interim financial reporting, the Group uses the relevant International Financial Reporting Standards ("IFRS").

The following FAS has been adopted since the date of the last audited consolidated financial statements at 31 December 2012.

Financial Accounting Standard (FAS 26) "Investment in Real Estate"

The Group has adopted FAS 26 issued by AAOIFI which is mandatorily applicable effective 1 January 2013. FAS 26 prescribes rules in respect of the recognition, measurement, presentation and disclosure of investment in real estate that is acquired for the purpose of earning periodical income or held for future capital appreciation or both.

The adoption of FAS 26 did not have any material effect on the classification and measurement of the Group's direct investment in real estate.

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the nine months ended 30 September 2013 may not represent a proportionate share of the annual net profit or loss due to the variability of income and operating expenses.

4 TRADE AND OTHER RECEIVABLES

	<i>Unaudited</i> 30 September 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Trade receivables	27,488	32,418
Amounts due from related parties (Note 15)	34,943	35,033
Prepayments and other receivables	4,885	4,761
Rents receivable	396	399
Advances to contractors and suppliers	619	737
	68,331	73,348
Less: provision for impaired receivables	(4,951)	(5,402)
	63,380	67,946

Amounts due from related parties are unsecured, bear no profit and have no fixed repayment terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

5 AVAILABLE-FOR-SALE INVESTMENTS

	<i>Unaudited</i> 30 September 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance (before impairment provision)	32,369	32,329
Purchases during the period/year	2,500	40
Transferred to Investment in Joint Venture and Associates	(340)	-
	34,529	32,369
Less: provision for impairment	(6,780)	(5,758)
Closing balance	27,749	26,611

6 INVESTMENT IN JOINT VENTURE AND ASSOCIATES

	<i>Unaudited</i> 30 September 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance	90,811	90,999
Purchases during the period/year (Note 6.1)	16,966	-
Dividends received during the period/year	-	(319)
Disposals during the period/year	(676)	(752)
Share of (losses)/profits	(391)	883
Closing balance	106,710	90,811

- 6.1 An investor who invested in a project managed by the Group has filed a lawsuit against the Group claiming an amount of either US\$ 18.98 million or US\$ 23.7 million which includes the invested amount, compensation and lawyer fees. The Court has issued an order for the Group to pay the investor an amount of US\$ 17.39 million covering the invested amount along with the compensation and other fees on a number of installments over a year. Accordingly, the Group has booked a provision for the awarded compensation of US\$ 1.47 million in its consolidated financial statements.

The Group has paid the first installment to the investor on 1 September 2013 amounting to US\$ 2.90 million. The remainder of the balance to be paid of US\$ 14.49 million is reported under Trade and other payables. Accordingly, the payments to be made to the investor will be treated as an investment acquisition in the concerned Project Company. Despite the fact, that the Group have a 50% stake in the concerned Project Company, the Group will continue to treat this investment as a Joint Venture to be accounting for under the Equity Method as the Group has a joint control agreement with other Shareholders/Partners.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

7 INVESTMENT IN REAL ESTATE

	<i>Unaudited</i> 30 September 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance	89,598	97,716
Transferred to property, plant and equipment	-	(1,939)
Purchases during the period/year	6,597	947
Disposals during the period/year	(7,393)	(5,441)
Unrealised fair value losses on investment in real estate	-	(1,685)
Closing balance	88,802	89,598

Investment in real estate is stated at fair value determined based on valuations performed by independent property valuers. This includes investment in real estate currently under development amounting to US\$ 4.8 million (2012: NIL) which is carried at cost.

8 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings on leasehold</i> US\$ '000	<i>Machinery, equipment and fixtures</i> US\$ '000	<i>Computer hardware and software</i> US\$ '000	<i>Motor vehicles</i> US\$ '000	<i>Capital work-in-progress</i> US\$ '000	<i>Total</i> US\$ '000
Cost						
At 1 January 2013	4,284	4,586	1,267	1,138	2,071	13,346
Additions	-	35	25	170	-	230
Disposals	-	-	(8)	(45)	-	(53)
At 30 September 2013	4,284	4,621	1,284	1,263	2,071	13,523
Accumulated						
At 1 January 2013	384	3,306	1,145	805	-	5,640
Charge for the period	130	445	42	89	-	706
At 30 September 2013	514	3,751	1,187	894	-	6,346
Net book amount						
At 30 September 2013	3,770	870	97	369	2,071	7,177
At 31 December 2012	3,900	1,280	122	333	2,071	7,706

Depreciation on property, plant and equipment charged to the interim consolidated statement of income is as follows:

	<i>Unaudited</i> 30 September 2013 US\$ '000	<i>Unaudited</i> 30 September 2012 US\$ '000
Depreciation charged to expenses	558	717
Depreciation charged to contract costs	148	184
	706	901

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

9 TRADE AND OTHER PAYABLES

	<i>Unaudited</i> 30 September 2013 <i>US\$ '000</i>	<i>Audited</i> 31 December 2012 <i>US\$ '000</i>
Lease rent payables	50,105	50,105
Accruals and other payables	21,868	18,694
Amounts due to related parties (Note 15)	15,339	5,748
Trade payables (Note 6)	18,676	6,455
Retentions payable	1,275	1,049
Advances received	1	1
	<hr/> 107,264 <hr/>	<hr/> 82,052 <hr/>

Trade payables are generally payable within 60 to 90 days of the suppliers' invoice date.

Lease rent payables represent amounts payable to the Ministry of Industry and Commerce by one of the subsidiaries of the Group. This amount is non-current in nature.

Amounts due to related parties are unsecured, bear no profit and have no fixed repayment terms. During the period, an amount of US 10 million have been returned from a Project company which was not reduced from the Investment in Joint venture and associates due to pending legal documents to update the memorandum of article and association.

10 IJARA AND MURABAHA FINANCING

	<i>Unaudited</i> 30 September 2013 <i>US\$ '000</i>	<i>Audited</i> 31 December 2012 <i>US\$ '000</i>
Ijara payable	2,947	2,947
Murabaha payable	36,321	36,321
Accrued profit	283	-
Total Ijara and Murabaha financing	<hr/> 39,551 <hr/>	<hr/> 39,268 <hr/>

The Group has obtained Ijara and Murabaha financing to fund the acquisition of investments, purchase of properties and to meet working capital requirements. These liabilities bear market rates of profit and are repayable in accordance with the repayment terms agreed with the respective bankers.

The above financial facilities are secured against the following assets:

	<i>Unaudited</i> 30 September 2013 <i>US\$ '000</i>	<i>Audited</i> 31 December 2012 <i>US\$ '000</i>
Trade receivables (Note 4)	15,125	15,125
Available-for-sale investments (Note 5)	5,305	5,305
Investment in joint venture and associates (Note 6)	-	10,557
Investment in real estate (Note 7)	44,475	57,287
	<hr/> 64,905 <hr/>	<hr/> 88,274 <hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

11 SHARE CAPITAL

	<i>Unaudited 30 September 2013 US\$ '000</i>	<i>Audited 31 December 2012 US\$ '000</i>
Authorised		
375,000,000 (31 December 2012: 375,000,000) ordinary shares of US\$0.40 each	150,000	150,000
Issued and fully paid-up		
Opening balance		
286,511,225 (31 December 2012: 286,511,225) ordinary shares of US\$0.40 each	114,604	114,604
Treasury shares		
Less: 1,627,825 (31 December 2012: 1,627,825) treasury shares of US\$0.40 each	(651)	(651)
Closing balance		
284,883,400 (31 December 2012: 284,883,400) ordinary shares of US\$ 0.40 each	113,953	113,953

Treasury shares represent shares issued to Tameer for Private Management WLL, a subsidiary of the Company, for the employees' stock option plan.

12 INCOME FROM INVESTMENT IN REAL ESTATE

	<i>Unaudited Nine month period 30 September 2013 US\$ '000</i>	<i>Unaudited Nine month period ended 30 September 2012 US\$ '000</i>
Realised gains on sale of investment in real estate	337	1,900
Property related facilities income	578	1,004
Rental income	315	280
Unrealised fair value losses on investment in real estate	-	(19)
Reversal of sales - net (Note 12.1)	(1,474)	-
	(244)	3,165

12.1 During the period, an investor who has bought 5 plots of land, has agreed to settle his account by returning 3 plots and counting the contribution paid already against the remaining 2 plots which which resulted in reduction of Trade receivables (US\$ 5 million), reversal of sales (US\$ 1.6 million), and provision recoveries amounting (US\$ 2 million) against the receivable balance.

13 OTHER INCOME

	<i>Unaudited Nine month period 30 September 2013 US\$ '000</i>	<i>Unaudited Nine month period ended 30 September 2012 US\$ '000</i>
Provision for brokerage fees reversed (Note 13.1)	1,114	-
Others	263	412
	1,377	412

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

13 OTHER INCOME (continued)

- 13.1 This represents reversal of the excess accrual with respect to brokerage fees required to be paid for the sale of the remaining lands in accordance with an assessment made by the management during the period.

14 PROVISION - NET

	<i>Unaudited Nine month period 30 September 2013 US\$ '000</i>	<i>Unaudited Nine month period ended 30 September 2012 US\$ '000</i>
Provision for case compensation (Note 6)	(1,475)	-
Provision for impaired receivables (Note 14.1)	(1,289)	-
Provision for impaired investments (Note 14.1)	(1,022)	-
Recoveries (Note 14.2)	1,990	-
	<u>(1,796)</u>	<u>-</u>

- 14.1 During the period ended 30 September 2013, the Group management decided to provide fully for an amount invested in a related company project along with the related outstanding receivables due to the remote possibility of recovering these amounts from the investee company.

- 14.2 This represent recoveries on settlement of receivable from investors by reacquiring assets.

15 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group. The Group's transactions with related parties are authorised by the management.

The following are the transactions entered into with the related parties during the Nine months ended 30 September:

	<i>Unaudited Nine month period ended 30 September 2013</i>				<i>Unaudited 30 September 2012 US\$ '000</i>
	<i>Associates / Jvs US\$ '000</i>	<i>Key management personnel US\$ '000</i>	<i>Other related parties US\$ '000</i>	<i>Total US\$ '000</i>	
Income					
Income from advisory services	371	29	4,329	4,729	1,504
Income from construction contracts	(25)	34	797	806	1,255
Other income	133	-	-	133	254
Share of (losses)/profits from investment in joint venture and associates	(169)	-	-	(169)	2,925
Expenses					
General and administrative expenses	58	-	36	94	233

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

15 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

A summary of the amounts due from / to related parties as at 30 September 2013 and 31 December 2012 is as follows:

	<i>Unaudited</i>			<i>Audited</i>	<i>31 December</i>	
	<i>30 September 2013</i>					<i>2012</i>
	<i>Associates / Jvs</i>	<i>Key management personnel</i>	<i>Other related parties</i>			
<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>		
Available-for-sale investments	-	-	13,420	13,420	6,794	
Investment in joint venture and associates	106,710	-	-	106,710	90,811	
Trade and other receivables	29,892	309	4,742	34,943	35,033	
Murabaha receivables	-	-	-	-	4	
Trade and other payables	11,471	66	3,802	15,339	5,748	

16 SEGMENTAL INFORMATION

Operating segments

The Group's operating segments are:

- Investment and related services - This division is involved in investment and other related services. This division contributes 54% of the Group's revenue, net of eliminations.
- Construction contracts - This division is involved in undertaking construction contracts and contributes 11% of the Group's revenue, net of eliminations.
- Development and sale of industrial plots - This division is involved in sale and development of industrial plots and contributes 30% of the Group's revenue, net of eliminations.
- Property and facility management services - This division is involved in facility management of the properties. The division is the smallest of the Group's four divisions and contributes 5% of the Group's revenue, net of eliminations.

As at and for the Nine month period ended 30 September 2013 (Unaudited)

	<i>Investments and related services</i>	<i>Construction contracts</i>	<i>Development and sale of industrial plots</i>	<i>Property and facility management services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net revenues from external customers	4,927	575	(440)	670	-	5,732
Inter-segment transactions	-	175	21	65	(261)	-
Income from investments	530	196	4	2	-	732
Share of (losses)/profits from investment in joint venture and associates (Note 6)	(493)	-	102	-	-	(391)
Other income	145	67	1,165	-	-	1,377
Total revenue	5,109	1,013	852	737	(261)	7,450
Segment profit	(5,409)	135	2,235	132	(175)	(3,082)
Reportable segment assets	292,421	30,475	64,774	2,938	(75,648)	314,960
Reportable segment liabilities	185,378	9,541	61,306	1,675	(111,085)	146,815

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

16 SEGMENTAL INFORMATION (continued)

For the Nine month period ended, 30 September 2012 (Unaudited)

	<i>Investments and related services</i> US\$ '000	<i>Construction contracts</i> US\$ '000	<i>Development and sale of industrial plots</i> US\$ '000	<i>Property and facility management services</i> US\$ '000	<i>Eliminations</i> US\$ '000	<i>Total</i> US\$ '000
Net revenues from external customers	1,669	2,313	2,496	531	-	7,009
Inter-segment transactions	-	-	-	130	(130)	-
Income from investments	567	132	11	3	-	713
Share of profits/(losses) from investment in joint venture/associates (Note 6)	2,664	-	261	-	-	2,925
Other income	233	10	67	102	-	412
	<u>5,133</u>	<u>2,455</u>	<u>2,835</u>	<u>766</u>	<u>(130)</u>	<u>11,059</u>
Segment profit	<u>(3,393)</u>	<u>1,205</u>	<u>2,225</u>	<u>195</u>	<u>-</u>	<u>232</u>

As at 31 December 2012 (Audited)

Reportable segment assets	<u>273,640</u>	<u>31,843</u>	<u>63,266</u>	<u>2,107</u>	<u>(78,315)</u>	<u>292,541</u>
Reportable segment liabilities	<u>59,126</u>	<u>8,604</u>	<u>62,032</u>	<u>976</u>	<u>(9,418)</u>	<u>121,320</u>

17 CONTINGENT LIABILITIES AND COMMITMENTS

The Group's contingent liabilities and capital commitments are as follows:

	<i>Unaudited 30 September 2013 US\$ '000</i>	<i>Audited 31 December 2012 US\$ '000</i>
Contingent liabilities	<u>15,886</u>	<u>5,886</u>
Operating lease commitment	<u>3,557</u>	<u>3,818</u>
	<u>19,443</u>	<u>9,704</u>

Contingent liabilities

Contingent liabilities arise in the ordinary course of business and include acceptances and guarantees provided on behalf of related parties.

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<i>Unaudited 30 September 2013 US\$ '000</i>	<i>Audited 31 December 2012 US\$ '000</i>
Not later than 1 year	<u>849</u>	<u>961</u>
Later than 1 year but not later than 5 years	<u>2,708</u>	<u>2,857</u>
	<u>3,557</u>	<u>3,818</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013 (Unaudited)

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments includes trade and other receivables, mudaraba and murabaha investments, cash and cash equivalents, and certain liabilities of the Group. The carrying amount of financial instruments of the Group as of 30 September 2013 is not materially different from their fair value.

Financial instruments also include available-for-sale investments comprising of equity investments in unlisted companies which are not traded on active markets, and the fair value of which cannot be measured reliably, and are therefore stated at cost less impairment, if any. These investments are primarily in closely-held companies located in the Gulf Co-operation Council countries and the United States of America. In the opinion of the Group's management, the fair value of these investments is not significantly different from the carrying value as at 30 September 2013.