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**AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED)
AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2012
(UNAUDITED)
WITH**

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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AND SUBSIDIARIES
STATE OF KUWAIT**

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CONTENTS

Report on review of interim consolidated financial information

	<u>Pages</u>
Interim condensed consolidated statement of financial position (unaudited)	2
Interim condensed consolidated statement of income (unaudited)	3
Interim condensed consolidated statement of comprehensive income (unaudited)	4
Interim condensed consolidated statement of changes in equity (unaudited)	5
Interim condensed consolidated cash flows statement (unaudited)	6
Notes to interim consolidated financial information (unaudited)	7 – 15



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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Argan International Real Estate Company - K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Argan International Real Estate Company - K.S.C. (Closed) (the Parent Company) and subsidiaries (the Group) as of March 31, 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the books of account. 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 period ended March 31, 2011 that might have had a material effect on the business of the Group or on its financial position.

Ali Owaid Rukh Hayes
Licence No. 72-A
Member of the International Group
of Accounting Firms

Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

State of Kuwait
May 11, 2011

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	<u>Note</u>	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u> <u>(Audited)</u>	<u>March 31,</u> <u>2011</u>
Current assets:				
Cash and cash equivalents		906,013	586,592	484,200
Murabaha investments		805,867	805,867	805,867
Due from customers for contract works		866,652	714,921	566,759
Accounts receivable and other debit balances		4,487,714	4,015,969	2,907,595
Due from related parties - current portion	3	9,489,135	6,973,451	7,133,560
Land held for trading		7,931,142	7,953,978	7,901,840
Inventory		272,896	264,501	278,800
Total current assets		24,759,419	21,315,279	20,078,621
Due from related parties- non-current portion	3	7,302,659	7,062,632	9,309,657
Investment in associates	4	22,291,085	28,710,556	21,407,296
Investment in unconsolidated subsidiaries	5	67,090	-	-
Investments available for sale		757,589	772,423	892,555
Investment properties		54,705,321	54,674,344	51,766,782
Right of utilization of land for development		134,181	137,401	146,951
Fixed assets		3,445,226	3,470,456	3,548,016
Total assets		113,462,570	116,143,091	107,149,878
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Due to banks		1,096,178	1,188,526	1,092,635
Short term loans installments		4,352,649	4,263,787	4,200,000
Short term Murabaha contracts installments	6	15,122,311	16,874,663	11,399,844
Due to customers for contract works		48,002	57,223	34,483
Accounts payable and other credit balances	7	7,385,953	5,029,325	3,981,152
Dividend payables		35,687	36,498	41,742
Total current liabilities		28,040,780	27,450,022	20,749,856
Long term loans installments		13,588,000	13,588,000	17,088,000
Long term Murabaha contracts installments	6	101,435	95,629	-
Due to related parties	3	1,923,714	2,443,516	2,086,322
Advance payments on partial sale of associates	8	-	4,139,732	4,139,732
Provision for indemnity		862,239	773,376	641,911
Total liabilities		44,516,168	48,490,275	44,705,821
Equity:				
Capital		26,500,000	26,500,000	26,500,000
Share premium		15,811,095	15,811,095	15,811,095
Statutory reserve		4,558,871	4,558,871	4,025,419
Voluntary reserve		3,829,901	3,829,901	3,296,449
Treasury shares	9	(3,420,920)	(3,420,920)	(3,420,920)
Cumulative changes in fair value		73,828	71,549	93,976
Foreign currency translation adjustments		(837,495)	(783,693)	(972,714)
Group's share of other comprehensive income of associates		(4,702)	(4,136)	(8,628)
Retained earnings		21,759,836	20,405,368	16,533,194
Equity attributable to shareholders of the Parent Company		68,270,414	66,968,035	61,857,871
Non-controlling interests		675,988	684,781	586,186
Total equity		68,946,402	67,652,816	62,444,057
Total liabilities and equity		113,462,570	116,143,091	107,149,878

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

Mr. Khaled Khudair Mashaan Khudair Al-Mashaan
Chairman and Managing Director

Hamad Abdullah Gasem Al Mudaf
Vice Chairman

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended March 31,	
		2012	2011
Net gains from projects		97,589	28,202
Net gains from rents		417,995	458,116
Net gains from resorts		860,599	816,918
Net (loss) gains from supervision and development		(45,256)	32,398
Net gains from other divisions		15,764	21,905
Group's share of results from associates	4	105,692	160,176
Gain from partial sale of an associate	4	1,421,491	-
Operating gross profit		2,873,874	1,517,715
General and administrative expenses		(851,295)	(743,928)
Depreciations and amortization		(36,156)	(71,048)
Operating profit		1,986,423	702,739
Net losses of investments		(13,774)	(26,315)
Interest income		4,853	12,940
Finance charges		(567,790)	(316,273)
Provision for doubtful debts		(1,186)	(13,000)
Foreign exchange translation difference		16,911	(1,345)
Gain on sale of fixed assets		4,824	6,395
Other revenues		2,280	1,751
Profit for the period before contribution to KFAS, National Labor Support Tax, and contribution to Zakat		1,432,541	366,892
KFAS		(2,535)	-
National Labor Support Tax		(67,225)	(11,270)
Zakat		(16,293)	-
Net profit for the period		1,346,488	355,622
Attributable to:			
Shareholders of the Parent Company		1,354,468	360,823
Non-controlling interest		(7,980)	(5,201)
Net profit for the period		1,346,488	355,622
Earnings per share related to the shareholders of the parent company (fils)	10	5.29	1.41

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012
 (All amounts are in Kuwaiti Dinars)

	Note	For the three months ended March 31,	
		2012	2011
Net profit for the period		<u>1,346,488</u>	<u>355,622</u>
Other comprehensive income:			
Cumulative change in fair value		2,279	117,558
Reversal of foreign currency translation adjustments due to a partial sale of an associate	4	114,962	-
Foreign currency translation adjustments		(168,764)	(335,380)
Share of other comprehensive income of associates	4	(1,379)	(4,380)
Other comprehensive loss for the period		<u>(52,902)</u>	<u>(222,202)</u>
Total comprehensive income for the period		<u><u>1,293,586</u></u>	<u><u>133,420</u></u>
Attributable to:			
Shareholders of the parent company		1,302,379	140,855
Non-controlling interests		(8,793)	(7,435)
Total comprehensive income for the period		<u><u>1,293,586</u></u>	<u><u>133,420</u></u>

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the parent company						Group's share of other comprehensive income of associates equity			Sub Total	Non-controlling interests	Total
	Capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Cumulative changes in fair value	Foreign currency translation adjustments					
Balance at December 31, 2011	26,500,000	15,811,095	4,558,871	3,829,901	(3,420,920)	71,549	(783,893)	(4,136)	20,405,368	66,988,035	684,781	67,652,816
Total comprehensive income												
(loss) for the period	-	-	-	-	-	2,279	(53,802)	(566)	1,354,468	1,302,379	(8,793)	1,293,586
Balance at March 31, 2012	26,500,000	15,811,095	4,558,871	3,829,901	(3,420,920)	73,828	(837,495)	(4,702)	21,759,836	68,270,414	675,988	68,946,402
Balance at December 31, 2010	26,500,000	15,811,095	4,025,419	3,296,449	(3,420,920)	(23,582)	(637,334)	(6,482)	16,172,371	61,717,016	593,621	62,310,637
Total comprehensive income												
(loss) for the period	-	-	-	-	-	117,558	(335,380)	(2,146)	360,823	140,855	(7,435)	133,420
Balance at March 31, 2011	26,500,000	15,811,095	4,025,419	3,296,449	(3,420,920)	93,976	(972,714)	(8,628)	16,533,194	61,857,871	586,186	62,444,057

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

	For the three months ended March 31,	
	2012	2011
Cash flows from operating activities:		
Profit for the period before contribution to KFAS, NLST and contribution to Zakat	1,432,541	366,892
Adjustments:		
Depreciations and amortization	159,612	152,941
Group's share of results from associates	(105,692)	(160,176)
Gain from partial sale of an associate	(1,421,491)	-
Impairment loss of investment available for sale	17,113	30,560
Dividend income from investment available for sale	(3,339)	(4,245)
Provision for doubtful debts	1,186	13,000
Finance charges	567,790	316,273
Gain on sale of fixed assets	(4,824)	(6,395)
Interest income	(4,853)	(12,940)
Provision for indemnity	95,690	97,982
Foreign currency translation adjustments	(5,880)	(7,240)
	<u>727,853</u>	<u>786,652</u>
Changes in operating assets and liabilities:		
Due from (to) customers for contract works	(160,952)	140,029
Accounts receivable and other debit balances	(472,931)	(268,880)
Due from related parties	(778,919)	10,707
Inventory	(8,395)	7,690
Accounts payable and other credit balances	1,108,498	207,417
Net cash generated from operations	<u>415,154</u>	<u>883,615</u>
Indemnity paid	(6,827)	(32,255)
NLST paid	-	(90,188)
Net cash generated from operating activities	<u>408,327</u>	<u>761,172</u>
Cash flows from investing activities:		
Paid for purchase of land held for trading	-	(3,517)
Paid for investment in unconsolidated subsidiaries	(67,090)	-
Paid for purchase of investment properties	(30,977)	(611,130)
Paid for purchase of fixed assets	(131,168)	(150,215)
Proceeds from sale of fixed assets	4,830	15,905
Proceeds from partial sale of an associate	2,951,317	-
Dividend income received from investment available for sale	3,339	4,245
Interest income received	4,853	12,940
Net cash generated from (used in) investing activities	<u>2,735,104</u>	<u>(731,772)</u>
Cash flows from financing activities:		
Net movement in due to banks	(92,348)	(1,608)
Net movement in loans installments	88,862	-
Net movement in Murabaha contracts installments	(1,934,892)	41,815
Paid to dividend payables	(811)	-
Net movement in due to related parties	(521,807)	51,161
Finance charges paid	(363,014)	(316,273)
Net cash used in financing activities	<u>(2,824,010)</u>	<u>(224,905)</u>
Net increase (decrease) in cash and cash equivalents	<u>319,421</u>	<u>(195,505)</u>
Cash and cash equivalents at beginning of the period	<u>586,592</u>	<u>679,705</u>
Cash and cash equivalents at end of the period	<u>906,013</u>	<u>484,200</u>

The accompanying notes (1) to (15) form an integral part of the interim consolidated financial information

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AS OF MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

1. Nature and activities of the company

Al Argan International Real Estate Co. - K.S.C. (Closed), was incorporated as per Articles of Association of a Kuwaiti Shareholding Company (Closed) authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 819/Volume 1 dated March 5, 2002. The incorporation General Assembly for the Company was held on April 8, 2002 and declared the final incorporation of the Company. The Parent Company was registered in the commercial register under Ref. No. 88093.

The Company's registered address is P.O. Box 8904, Al-Salmiya 22060, State of Kuwait.

The interim consolidated financial information were authorized for issue by the Board of Directors on May 14, 2012.

2. Basis of preparation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2011.

The interim consolidated financial information do not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. 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 period ended March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2011.

The interim consolidated financial information include the financial information of Al Argan International Real Estate Company - K.S.C. (Closed) (Parent Company) and the following subsidiaries:

Name of the subsidiaries	Country of incorporation	Percentage of holding		
		March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
1. Al Argan National General Trading and Contracting Co.- W.L.L. and its following subsidiaries:	Kuwait	99%	99%	99%
1A. Al Argan National Contracting Co. – O.P.C.	Bahrain	100%	100%	100%
1B. Al Argan for Swimming Pools Co. – W.L.L.	Kuwait	99.80%	99.80%	99.80%
1C. Al Argan for Heavy Equipments Co. – W.L.L.	Kuwait	99.80%	99.80%	99.80%
2. Argana for Resorts and Hotels Co. – K.S.C.(Closed) and its following subsidiary:	Kuwait	99.95%	99.95%	99.95%
2A. Coast Hotel Co. – W.L.L.	Kuwait	99.99%	99.99%	99.99%
3. Abyar Al Khaleej Real Estate Co. – W.L.L.	Saudi Arabia	-	-	99.99%
4. Al Jood Holding Co. – B.S.C.	Bahrain	99%	99%	99%
5. Al Argan Real Estate Investment Co. – E.S.C.	Egypt	98%	98%	98%
6. Al Argan Holding Co.- K.S.C.(Holding) and its following subsidiary:	Kuwait	99%	99%	99%
6A. Health Plus Trading Co. – W.L.L.	Kuwait	55%	55%	55%
7. Al Argan International Real Estate Limited Company	United Kingdom	100%	100%	100%
8. Al Argan Landscaping Company – W.L.L.	Kuwait	99.67%	99.67%	99.67%
9. Al Argan Gulf Real Estate Services – K.S.C. (Closed)	Kuwait	50%	50%	50%
10. Al Argan Real Estate Projects Management Company – K.S.C. (Closed)	Kuwait	50%	50%	50%
11. Shams Al Fouz Real Estate Co. – W.L.L.	Bahrain	99%	99%	99%

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AS OF MARCH 31, 2012
 (All amounts are in Kuwaiti Dinars)

3. Related parties' transactions

In the normal course of business, the Group entered into various transactions with related parties (i.e. associates, unconsolidated subsidiaries and other related parties) concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions are as follows:

Balances in interim condensed consolidated statement of financial position:

March 31, 2012			
	Associates	Unconsolidated subsidiaries	Other related parties
			Total
Due from related parties-current portion	9,469,918	-	19,217
Due from related parties-non-current portion	7,302,659	-	-
Due to related parties	693,886	28,908	1,200,920
			1,923,714
December 31, 2011 (Audited)			
	Associates	Other related parties	Total
Due from related parties-current portion	6,928,750	44,701	6,973,451
Due from related parties-non-current portion	7,062,632	-	7,062,632
Due to related parties	946,345	1,497,171	2,443,516
March 31, 2011			
	Associates	Other related parties	Total
Due from related parties-current portion	6,606,937	526,623	7,133,560
Due from related parties non-current portion	9,309,657	-	9,309,657
Due to related parties	956,913	1,129,409	2,086,322

Transactions in interim condensed consolidated statement of income:

		For the three months ended	
		March 31,	
		2012	2011
Rental revenue		-	22,877
Revenue of supervision and development		162,650	179,657
Total revenue		162,650	202,534
Supervision and development costs		(143,454)	(148,176)
Total cost		(143,454)	(148,176)
		19,196	54,358

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AS OF MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

Compensation to key management personnel:

	For the three months ended March 31,	
	2012	2011
Salaries and other benefits	158,196	173,009
Leave	14,467	10,528
Indemnity	8,660	1,033
	<u>181,323</u>	<u>184,570</u>

4. Investment in associates

Investment in associates comprises the following:

	Country of incorporation	Percentage of ownership %			March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
		March 31, 2012	December 31, 2011 (Audited)	March 31, 2011			
Saar Gate Real Estate Co. – W.L.L.	Bahrain	20	20	20	1,132,459	1,137,036	1,133,155
Al Argan Towell Investment Co. – W.L.L.	Oman	50	50	50	5,647,703	5,658,834	5,678,069
Al Argan Bahrain Co. – W.L.L.	Bahrain	50	50	50	66,244	58,508	55,698
Al Argan Homes Co. – W.L.L.	Saudi Arabia	-	-	48.34	-	-	10,253,293
Al Argan Projects Company – S.S.C.	Saudi Arabia	27.58	48.34	48.34	12,248,077	18,669,690	1,163,984
Barka City Real Estate Co. – W.L.L.	Oman	25	25	25	27,172	27,172	27,172
Real Estate Finance Facilities Co. – K.S.C.C.	Kuwait	10.29	10.29	10.29	2,910,904	2,895,096	2,818,100
Saji Real Estate Co. – K.S.C.C.	Kuwait	10	10	10	166,950	172,147	184,839
Delmon Residence Co. – W.L.L.	Bahrain	10	10	10	5,658	5,498	5,797
Al Argan Towell National Trading and Contracting Co. – W.L.L.	Oman	25	25	25	26,100	26,100	26,100
Sorouh AlQurom Bahrain Co. – W.L.L.	Bahrain	28.48	28.48	28.48	59,818	60,475	61,089
					<u>22,291,085</u>	<u>28,710,556</u>	<u>21,407,296</u>

The movement during the period / year is as follows:

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Balance at beginning of the year	28,710,556	21,479,304	21,479,304
Group's share of results from associates	105,692	3,935,395	160,176
Transferred from due from related parties – non-current portion	-	3,334,697	-
Disposals	(6,370,712)	-	-
Foreign currency translation adjustments	(153,072)	(41,314)	(227,804)
Group's share from change in other comprehensive income of associates	(1,379)	2,474	(4,380)
Balance at end of the period / year	<u>22,291,085</u>	<u>28,710,556</u>	<u>21,407,296</u>

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AS OF MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

- a- During the period ended March 31, 2012, the Group completed the transaction of selling 9,963,360 shares from its owned shares in the associate Al Argan Projects Co. - S.S.C. - Kingdom of Saudi Arabia (which represents 20.76% of the associate capital) and all risks and rewards related to the sold shares was transferred to the buyer. The sale value amounted to KD 9,052,812, and the gain resulted from the sale transaction amounted to KD 1,421,491 which recognized as a gain from partial sale of an associate in the statement of income for the period ended March 31, 2012.

The aforementioned gain on sale includes an estimate of related tax expense which was estimated by the parent company's management until the final determination of the tax amount by the Saudi Tax authorities.

The gain on partial sale of share in an associate is calculated as follows:

	Value KD
Total sale value of share in an associate	9,052,812
(Deduct) estimated tax provision – (Note 7)	(1,145,647)
Net sale value of share in an associate	7,907,165
Cost of disposal:	
Carrying value of sold shares as of December 31, 2011	(6,370,712)
Foreign currency translation adjustments	(114,962)
Total cost of disposal	(6,485,674)
Net gain from sale of share in an associate	1,421,491

Accordingly, the group's percentage of holding in Al Argan Projects Co.- S.S.C. will be 27.58% after the sale transaction.

5. Investment in unconsolidated subsidiaries

	Country of incorporation	Percentage ownership %	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Support Real Estate Co. – W.L.L.	Kuwait	99	30,000	-	-
Masaken National Co. – W.L.L.	Kingdom of Saudi Arabia	95	37,090	-	-
			67,090	-	-

During the period ended March 31, 2012, the Group established the following new subsidiaries:

- a- Support Real Estate Co. – W.L.L. – Kuwait with a capital of KD 30,000.
b- Masaken National Real Estate Co. – W.L.L. – Kingdom of Saudi Arabia with a capital of Saudi Riyal 500,000 (equivalent to KD 37,090).

The Group did not consolidate the above mentioned subsidiaries, since such subsidiaries were newly established and the first financial statements will be issued for the year ending December 31, 2013, and hence the investments were stated at cost.

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AS OF MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

6. Short and long term Murabaha contract installments

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Current:			
Short term Murabaha contract installments	15,320,866	17,244,576	11,631,691
Less: Deferred finance cost	(198,555)	(369,913)	(231,847)
Net short term Murabaha contract installments	15,122,311	16,874,663	11,399,844
Non current:			
Long term Murabaha contract installments	111,150	105,928	-
Deduct: Deferred finance costs	(9,715)	(10,299)	-
Net long term Murabaha contract installments	101,435	95,629	-
	15,223,746	16,970,292	11,399,844

a) The Group was granted Murabaha contracts by an amount of KD 11,004,936 from one of the local banks against mortgage of certain group assets and is due on installments and the last installment is due on August 27, 2013. Such mortgage are as follows:

- Murabaha Investment amounted to KD 755,000 as of March 31, 2012.
- Land held for trading amounted to KD 7,931,142, as of March 31, 2012.
- Building erected on leased land in investment properties category amounted to KD 715,500 as of March 31, 2012.
- Freehold land in investment properties category amounted to KD 1,952,047 as of March 31, 2012.

b) The Group was granted Murabaha contracts amounted to KD 3,235,901 from one of the local banks secured by a first class collateral on the building erected on the real estate located in Al Bedaa and represented in plan No. 30050, 27617 and is payable in one installment on May 6, 2012.

7. Accounts payable and other credit balances

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Trade payable	1,447,325	1,466,170	1,088,526
Staff payable	100,744	121,677	136,204
Accrued leave	482,227	410,245	357,721
Rent deposits for others	392,732	355,285	358,950
Subcontractors' retentions	435,252	448,238	527,177
Revenues and payments received in advance	2,087,439	1,227,647	720,197
Accrued expenses	765,851	557,380	348,047
Estimated tax provision (Note 4)	1,145,647	-	-
KFAS payable	86,462	83,927	83,927
NLST payable	272,757	205,532	207,179
Zakat payable	129,517	113,224	113,224
Board of Directors' remuneration payable	40,000	40,000	40,000
	7,385,953	5,029,325	3,981,152

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

AS OF MARCH 31, 2012

(All amounts are in Kuwaiti Dinars)

8. Advance payment on partial sale of an associate

This item for the comparative year represents the amount collected as an advance payment against partial sale of 20.76% of shares owned in the associate Al Argan Projects Co. – S.S.C. During the period ended March 31, 2012 the sale transaction was completed and all risks and rewards related to the sold shares were transferred to the buyer (Note 4).

9. Treasury shares

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Number of shares	8,730,000	8,730,000	8,730,000
Percentage to paid up shares	3.2944%	3.2944%	3.2944%
Market value (KD)	1,519,020	1,099,980	1,763,460
Cost (KD)	3,420,920	3,420,920	3,420,920

The treasury shares includes 1,682,563 share pledged against loans. During the subsequent period the group settled the full loan amount and release the mortgaged shares.

10. Earnings per share attributable to the parent company shareholders (Fils)

The information necessary to calculate the basic earnings per share based on the weighted average number of outstanding shares during the period are as follows:

	For the three month ended March 31,	
	2012	2011
Net profit for the period attributable to the parent company's shareholders	1,354,468	360,823
Number of outstanding shares:		
Weighted average number of issued shares	265,000,000	265,000,000
Less: Weighted average number of treasury shares	(8,730,000)	(8,730,000)
Weighted average number of outstanding shares	256,270,000	256,270,000
Earnings per share attributable to the parent company's shareholders (Fils)	5.29	1.41

11. General Assembly

The Parent Company's General assembly to approve the consolidated financial statements for the year ended December 31, 2011 has not been held until the date of issuing the accompanying interim consolidated financial information, since it will be held on May 15, 2012. Accordingly, the consolidated financial statements for the year ended December 31, 2011 have not yet been approved by the General Assembly. The interim consolidated financial information for the period ended March 31, 2012 does not include any adjustments, which might have been required, in case the General Assembly of the Parent Company did not approve the consolidated financial statements for the year ended December 31, 2011.

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

12. Segment analysis

A. Segment analysis by activities:

The Group's activities are represented primarily in real estate investment activity, contracting activities and Hotels and resorts activity as follows:

	Real estate investment		Contracting		Hotels and resorts		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	1,845,977	475,290	1,831,148	390,089	2,300,211	2,132,191	5,977,336	2,997,570
Expenses	(1,610,172)	(1,013,944)	(1,779,542)	(419,423)	(1,241,134)	(1,208,581)	(4,630,848)	(2,641,948)
Net profit (loss) for the period	235,805	(538,654)	51,606	(29,334)	1,059,077	923,610	1,346,488	355,622
Total assets	61,060,418	63,287,155	3,960,808	2,463,200	48,441,344	41,399,523	113,462,570	107,149,878
Total liabilities	(38,153,333)	(41,244,031)	(4,287,481)	(1,515,497)	(2,075,354)	(1,946,293)	(44,516,168)	(44,705,821)
	22,907,085	22,043,124	(326,673)	947,703	46,365,990	39,453,230	68,946,402	62,444,057

B. Geographical segments:

The Company primarily operates inside and outside Kuwait (Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, Arab Republic of Egypt, Sultanate of Oman and Republic of Lebanon) as follows:

	Inside Kuwait		Outside Kuwait		Total	
	2012	2011	2012	2011	2012	2011
Revenue	4,456,329	2,849,858	1,521,007	147,712	5,977,336	2,997,570
Expenses	(4,602,874)	(2,609,939)	(27,974)	(32,009)	(4,630,848)	(2,641,948)
Net (loss) profit for the period	(146,545)	239,919	1,493,033	115,703	1,346,488	355,622
Total assets	66,389,266	61,510,341	47,073,304	45,639,537	113,462,570	107,149,878
Total liabilities	(43,643,761)	(39,645,050)	(872,407)	(5,060,771)	(44,516,168)	(44,705,821)
	22,745,505	21,865,291	46,200,897	40,578,766	68,946,402	62,444,057

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

Revenue and expenses analysis are as follows:

	March 31, 2012			March 31, 2011		
	Revenue	Expense	Net profit	Revenue	Expense	Net profit
Net gains from projects	1,704,896	(1,607,307)	97,589	285,125	(256,923)	28,202
Net gains from rents	484,576	(66,581)	417,995	495,192	(37,076)	458,116
Net gains from resorts	1,832,282	(971,683)	860,599	1,670,452	(853,534)	816,918
Net (loss) gains from supervision and development	273,366	(318,622)	(45,256)	264,829	(254,834)	9,995
Net gains from other divisions	114,725	(98,961)	15,764	91,616	(69,711)	21,905
Group's share of results from associates	113,793	(8,101)	105,692	165,025	(4,849)	160,176
Gain from partial sale of an associate	1,421,491	-	1,421,491	-	-	-
General and administrative expenses	-	(851,295)	(851,295)	-	(721,525)	(721,525)
Depreciations and amortization	-	(36,156)	(36,156)	-	(71,048)	(71,048)
Net losses of investments	3,339	(17,113)	(13,774)	4,245	(30,560)	(26,315)
Interest income	4,853	-	4,853	12,940	-	12,940
Finance charges	-	(567,790)	(567,790)	-	(316,273)	(316,273)
Provision for doubtful debts	-	(1,186)	(1,186)	-	(13,000)	(13,000)
Foreign exchange translation difference	16,911	-	16,911	-	(1,345)	(1,345)
Gain on sale of fixed assets	4,824	-	4,824	6,395	-	6,395
Other revenues	2,280	-	2,280	1,751	-	1,751
KFAS, National Labour Supported Tax, and Zakat	-	(86,053)	(86,053)	-	(11,270)	(11,270)
Net profit for the period	5,977,336	(4,630,848)	1,346,488	2,997,570	(2,641,948)	355,622

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C. (CLOSED) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2012
(All amounts are in Kuwaiti Dinars)

13. Contingent liabilities

The Group is contingently liable against the following:

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Letters of credits	632,827	1,116,956	5,000
Letters of guarantees	5,216,881	5,487,778	2,107,672
	5,849,708	6,604,734	2,112,672

Contingent liabilities arising from the Parent Company's share in associates are as follows:

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Letters of guarantees	9,902	9,931	9,883
	9,902	9,931	9,883

Capital expenditure contracted for at the date of interim condensed consolidated statement of financial position but not yet incurred is as follows:

	March 31, 2012	December 31, 2011 (Audited)	March 31, 2011
Against right of utilization of land	1,199,139	1,202,591	1,196,774
	1,199,139	1,202,591	1,196,774

14. Subsequent events

During the subsequent period, the parent company completed marketing, selling and issuing bonds amounted to KD 26,500,000. Bonds were issued on April 11, 2012 on two tranches due on April 11, 2017. Bonds were fully covered as follows:

First Tranche : KD 23,200,000 fixed rate bonds bearing fixed interest rate of 6.25% per annum.

Second Tranche : KD 3,300,000 floating rate bonds bearing floating interest rate of 3.50% over the central bank of Kuwait discount rate per annum.

And hence the issued bonds will be recognized in the interim consolidated financial information for the six month period ended June 30, 2012.

15. Comparative figures

Certain prior year / period figures have been reclassified to conform with the current period presentation.