

**Aref Energy Holding Company K.S.C.  
(Closed) and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**30 JUNE 2009 (UNAUDITED)**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF  
AREF ENERGY HOLDING COMPANY K.S.C. (CLOSED)**

***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Aref Energy Holding Company K.S.C. (Closed) ("the company") and its subsidiaries ("the group") as at 30 June 2009 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the six month period then ended. The management of the company is responsible for the preparation of the interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on the interim condensed 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 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 are not prepared, in all material respects, in accordance with IAS 34.

***Report on other Legal and Regulatory Requirements***

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the company. We further report that, 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 six month period then ended 30 June 2009 that might have had a material effect on the business of the company or on its financial position.



WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
OF ERNST & YOUNG



DR. SAUD AL HUMAIDI  
LICENCE NO. 51 A  
AL-HUMAIIDI & PARTNERS  
INDEPENDENT MEMBER OF BAKER  
TILLY INTERNATIONAL

5 August 2009  
Kuwait

Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)

At 30 June 2009

	Notes	30 June 2009 KD	(Audited) 31 December 2008 KD	30 June 2008 KD
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property and equipment		18,676,017	21,766,408	24,126,300
Investment property		4,838,834	5,051,446	4,411,352
Intangible assets		15,831,597	13,521,110	18,830,113
Investment in associates	3	5,367,183	5,674,051	8,952,804
Financial assets available for sale		3,375,259	3,404,244	3,412,891
		<u>48,088,890</u>	<u>49,417,259</u>	<u>59,733,460</u>
<b>CURRENT ASSETS</b>				
Inventories		5,285,452	6,580,928	6,527,776
Financial assets at fair value through income statement		32,400,000	32,400,000	36,900,000
Accounts receivable and other assets	4	28,122,901	21,879,652	21,568,923
Bank balances, deposits and cash	5	6,448,840	6,343,851	6,438,008
		<u>72,257,193</u>	<u>67,204,431</u>	<u>71,434,707</u>
<b>TOTAL ASSETS</b>		<u>120,346,083</u>	<u>116,621,690</u>	<u>131,168,167</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY</b>				
Share capital		75,000,000	75,000,000	75,000,000
Share premium		193,550	193,550	193,550
Statutory reserve		314,957	314,957	314,957
Voluntary reserve		314,957	314,957	314,957
Foreign currency translation (Accumulated losses) / retained earnings		(1,851,929) (2,128,764)	(1,331,866) (1,977,473)	(427,539) 10,281,590
		<u>71,842,771</u>	<u>72,514,125</u>	<u>85,677,515</u>
Non-controlling interests		11,037,203	11,847,361	11,913,650
<b>TOTAL EQUITY</b>		<u>82,879,974</u>	<u>84,361,486</u>	<u>97,591,165</u>
<b>NON-CURRENT LIABILITIES</b>				
Employees' end of service benefits		278,716	225,226	240,648
Murabaha payables	6	-	504,209	3,153,924
		<u>278,716</u>	<u>729,435</u>	<u>3,394,572</u>
<b>CURRENT LIABILITIES</b>				
Accounts payable and other liabilities	7	21,536,344	15,607,139	14,732,460
Murabaha payables	6	15,651,049	15,923,630	15,449,970
		<u>37,187,393</u>	<u>31,530,769</u>	<u>30,182,430</u>
<b>TOTAL LIABILITIES</b>		<u>37,466,109</u>	<u>32,260,204</u>	<u>33,577,002</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>120,346,083</u>	<u>116,621,690</u>	<u>131,168,167</u>



Walid K. AlHashash  
Chairman

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 30 June 2009

	Notes	Three months ended 30 June		Six months ended 30 June	Ten months ended 30 June
		2009	2008	2009	2008
		KD	KD	KD	KD
<b>Continuing operations</b>					
Contract revenue		12,040,298	11,698,272	23,566,169	11,698,272
Rental income from investment property		47,955	149,928	264,721	149,928
Share of results of associates	3	(136,612)	(168,550)	(243,695)	(168,550)
Unrealised gain on financial assets at fair value through income statement		-	6,096,201	-	8,100,000
Foreign exchange gain		35,998	2,910	317,421	278,376
Other (loss) / income		(60,466)	104,999	92,460	107,792
<b>Income</b>		<b>11,927,173</b>	<b>17,883,760</b>	<b>23,997,076</b>	<b>20,165,818</b>
Contract cost		10,666,016	10,383,531	20,549,089	10,383,531
Finance cost		168,346	47,066	530,010	282,987
Amortisation of intangible assets		67,057	24,792	133,846	60,018
Staff cost		326,692	554,432	922,137	736,696
General and administration expenses		501,499	804,245	982,127	917,803
<b>Expenses</b>		<b>11,729,610</b>	<b>11,814,066</b>	<b>23,117,209</b>	<b>12,381,035</b>
<b>Profit before taxation</b>		<b>197,563</b>	<b>6,069,694</b>	<b>879,867</b>	<b>7,784,783</b>
Taxation	8	(348,322)	(275,888)	(634,224)	(404,460)
<b>(Loss) / profit for the period after taxation from continuing operations</b>		<b>(150,759)</b>	<b>5,793,806</b>	<b>245,643</b>	<b>7,380,323</b>
(Loss) / gain on sale of discontinued operation	9	-	-	(25,543)	1,444,015
<b>(Loss) / profit for the period</b>		<b>(150,759)</b>	<b>5,793,806</b>	<b>220,100</b>	<b>8,824,338</b>
<b>Attributable to:</b>					
Equity holders of the company		(240,007)	5,586,157	(151,291)	8,618,019
Non-controlling interests		89,248	207,649	371,391	206,319
<b>(Loss) / profit for the period</b>		<b>(150,759)</b>	<b>5,793,806</b>	<b>220,100</b>	<b>8,824,338</b>
Basic and diluted (loss) / earnings per share attributable to equity holders of the company	10	(0.3) fils	9.7 fils	(0.2) fils	26.4 fils
Basic and diluted (loss) / earnings per share from continuing operations attributable to equity holders of the company	10	(0.3) fils	9.7 fils	(0.2) fils	22.0 fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 30 June 2009

	<i>Three months ended 30 June</i>		<i>Six months ended</i>	<i>Ten months ended</i>
	<i>30 June</i>		<i>30 June</i>	<i>30 June</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
(Loss) / profit for the period	<u>(150,759)</u>	<u>5,793,806</u>	<u>220,100</u>	<u>8,824,338</u>
Foreign currency translation adjustment	<u>(2,724,531)</u>	<u>(674,144)</u>	<u>(1,432,363)</u>	<u>(674,144)</u>
Other comprehensive loss for the period	<u>(2,724,531)</u>	<u>(674,144)</u>	<u>(1,432,363)</u>	<u>(674,144)</u>
<b>Total comprehensive (loss) / income for the period</b>	<u><b>(2,875,290)</b></u>	<u><b>5,119,662</b></u>	<u><b>(1,212,263)</b></u>	<u><b>8,150,194</b></u>
Attributable to:				
Equity holders of the company	<u>(2,052,238)</u>	<u>5,158,618</u>	<u>(671,354)</u>	<u>8,190,480</u>
Non-controlling interests	<u>(823,052)</u>	<u>(38,956)</u>	<u>(540,909)</u>	<u>(40,286)</u>
<b>Total comprehensive (loss) / income for the period</b>	<u><b>(2,875,290)</b></u>	<u><b>5,119,662</b></u>	<u><b>(1,212,263)</b></u>	<u><b>8,150,194</b></u>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

**Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the period ended 30 June 2009

	<i>Notes</i>	<i>Six months ended 30 June 2009 KD</i>	<i>Ten months ended 30 June 2008 KD</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		220,100	8,824,338
Adjustments for:			
Rental income from investment property		(264,721)	(149,928)
Share of results of associates		243,695	168,550
Unrealised gain on financial assets at fair value through income statement		-	(8,100,000)
Amortisation of intangible assets		133,846	60,018
Depreciation		2,098,640	1,206,845
Provision for employees' end of service benefits		131,870	111,956
Finance costs		530,010	282,987
Loss on disposal of property & equipment		-	479
Loss/(gain) from discontinued operations		25,543	(1,444,015)
		3,118,983	961,230
Working capital changes:			
Inventories		1,295,476	(1,598,497)
Accounts receivable and other assets		(6,243,249)	4,218,778
Accounts payable and other liabilities		5,929,205	(724,259)
		4,100,415	2,857,252
End of service benefits paid		(73,216)	(207,656)
		4,027,199	2,649,596
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries, net of cash acquired		-	(27,320,760)
Purchase of property and equipment		(799,346)	(539,246)
Sale of property and equipment		-	60,568
Rental income from investment property		264,721	149,928
Acquisition of intangible assets		(2,088,923)	(11,183,893)
Purchase of financial assets available for sale		-	(2,715,600)
Acquisition of an associate		-	(6,869,750)
Purchase of financial assets at fair value through income statement		-	(28,800,000)
Decrease / (increase) in restricted cash and cash equivalents	5	407,910	(506,384)
Proceeds from disposal of discontinued operation	9	242,161	7,371,647
		(1,973,477)	(70,353,490)
<b>FINANCING ACTIVITIES</b>			
Issue of share capital		-	71,431,050
Finance costs paid		(530,010)	(282,987)
Net movement in murabaha payables		(776,790)	(645,005)
		(1,306,800)	70,503,058
<b>Net increase in cash and cash equivalents</b>		<b>746,922</b>	<b>2,799,164</b>
Net foreign exchange difference		(234,023)	(1,448,482)
Cash and cash equivalents at the beginning of the period		937,495	128,353
<b>Cash and cash equivalents at the end of the period</b>	5	<b>1,450,394</b>	<b>1,479,035</b>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

**Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the period ended 30 June 2009

*Attributable to equity holders of the parent company*

	Share capital KD	Share Premium KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation KD	(Accumulated losses) / retained earnings KD	Total KD	Non-controlling interest KD	Total equity KD
Balance at 1 January 2009	75,000,000	193,550	314,957	314,957	(1,331,866)	(1,977,473)	72,514,125	11,847,360	84,361,485
(Loss) profit for the period	-	-	-	-	-	(151,291)	(151,291)	371,391	220,100
Other comprehensive (loss)	-	-	-	-	(520,063)	-	(520,063)	(912,300)	(1,432,363)
Total comprehensive (loss) for the period	-	-	-	-	(520,063)	(151,291)	(671,354)	(540,909)	(1,212,263)
Discontinued operation (Note 9)	-	-	-	-	-	-	-	(269,248)	(269,248)
<b>Balance at 30 June 2009</b>	<b>75,000,000</b>	<b>193,550</b>	<b>314,957</b>	<b>314,957</b>	<b>(1,851,929)</b>	<b>(2,128,764)</b>	<b>71,842,771</b>	<b>11,037,203</b>	<b>82,879,974</b>
Balance at 1 September 2007	3,568,950	193,550	314,957	314,957	-	1,663,571	6,055,985	-	6,055,985
Profit for the period	-	-	-	-	-	8,618,019	8,618,019	206,319	8,824,338
Other comprehensive loss	-	-	-	-	(427,539)	-	(427,539)	(246,605)	(674,144)
Total comprehensive (loss) income for the period	-	-	-	-	(427,539)	8,618,019	8,190,480	(40,286)	8,150,194
Issue of share capital	71,431,050	-	-	-	-	-	71,431,050	-	71,431,050
Arising on acquisition	-	-	-	-	-	-	-	11,953,936	11,953,936
Balance at 30 June 2008	75,000,000	193,550	314,957	314,957	(427,539)	10,281,590	85,677,515	11,913,650	97,591,165

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

# Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2009

### 1 ACTIVITIES

Aref Energy Holding Company K.S.C. (Closed) ("the company") is a Kuwaiti shareholding company registered in Kuwait on 1 October 1996 and is listed on the Kuwait Stock Exchange. The registered office of the company is located at P.O. Box 21909, Safat 13080, Kuwait. The company carries out its activities as per Islamic Shari'ah. The principal activities of the company and its subsidiaries (the "group") are explained in Note 13.

The company is a subsidiary of Aref Investment Group S.A.K. (the "parent company"). The parent company is a subsidiary of Kuwait Finance House (the "ultimate parent company"). Both the parent company and the ultimate parent company are listed on the Kuwait Stock Exchange.

The interim condensed consolidated financial information of the group for the period ended 30 June 2009 are approved by the board of directors on 5 August 2009.

### 2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group is prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The articles of association of the company were amended in the Extraordinary General Assembly of the shareholders held on 15 August 2007 to change the annual financial year end of the company from 31 August to 31 December. Accordingly, the period to date comparatives for the operating results for the six months period ended 30 June 2009 in the interim condensed consolidated financial information provided is for ten months period ended 30 June 2008 and the same is not comparable.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2008.

During the period, the group has adopted the following standards effective for annual periods beginning on or after 1 January 2009.

#### *IAS 1 Revised presentation of financial statements - Revised*

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in shareholders' equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The group has elected to present two statements.

#### *IFRS 8 Operating segments*

This standard requires disclosures of information about the group's operating segments and replaces the requirement to determine primary (business) and secondary (geographic) reporting segments of the group. Adoption of this standard did not have any effect on the financial position or performance of the group. The group determined that operating segments were the same as the business segments previously identified under IAS 14 'Segment reporting'.

The interim condensed consolidated financial information do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2008. 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 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.



# Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2009

### 3 INVESTMENT IN ASSOCIATES

	<i>30 June</i> <i>2009</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2008</i> <i>KD</i>	<i>30 June</i> <i>2008</i> <i>KD</i>
Opening balance	5,674,051	-	-
Arising on acquisition of subsidiary	-	2,301,269	2,301,269
Additions	-	6,869,750	6,869,750
Share of results	(243,695)	(701,217)	(168,550)
Impairment loss	-	(2,704,080)	-
Foreign currency translation adjustment	(63,173)	(91,671)	(49,665)
	<u>5,367,183</u>	<u>5,674,051</u>	<u>8,952,804</u>

### 4 ACCOUNTS RECEIVABLE AND OTHER ASSETS

	<i>30 June</i> <i>2009</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2008</i> <i>KD</i>	<i>30 June</i> <i>2008</i> <i>KD</i>
Amounts due from customers under construction contracts	20,824,706	16,762,619	16,982,111
Other receivables	7,163,655	3,862,605	4,544,201
Amount due from related parties (Note 11)	134,540	1,254,428	42,611
	<u>28,122,901</u>	<u>21,879,652</u>	<u>21,568,923</u>

### 5 CASH AND CASH EQUIVALENTS

	<i>30 June</i> <i>2009</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2008</i> <i>KD</i>	<i>30 June</i> <i>2008</i> <i>KD</i>
Bank balances, deposits and cash	6,448,840	6,343,851	6,438,008
Less: restricted bank balances and deposits	(4,998,446)	(5,406,356)	(4,958,973)
Cash and cash equivalents	<u>1,450,394</u>	<u>937,495</u>	<u>1,479,035</u>

Restricted bank balances and deposits represent margin deposits that are held as security against letter of credit and letter of guarantees including those granted by a related party (Note 11 and 12).

### 6 MURABAHA PAYABLES

Murabaha payable includes facilities amounting to KD 2,752,025 (31 December 2008: Nil; 30 June 2008: Nil) taken from a related party (Note 11). These facilities are secured against financial assets at fair value through income statement amounting to KD 9,720,000 (31 December 2008: Nil; 30 June 2008: nil).

Of the murabaha payables, facilities amounting to KD 11,644,417 (31 December 2008: KD 13,273,393; 30 June 2008: KD 10,875,801) taken by a subsidiary (including murabaha taken from related parties – note 11) are secured against plant and equipment amounting to KD 7,741,252 (31 December 2008: KD 6,692,473; 30 June 2008: KD 4,348,025) and inventories amounting to KD 5,285,452 (31 December 2008: KD 6,580,928; 30 June 2008: KD 6,527,776).

# Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2009

### 7 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	<i>(Audited)</i>		
	<i>30 June</i> <i>2009</i> <i>KD</i>	<i>31 December</i> <i>2008</i> <i>KD</i>	<i>30 June</i> <i>2008</i> <i>KD</i>
Trade payable under construction contracts	15,559,247	10,002,877	10,221,085
Amount due to related parties (Note 11)	91,903	255,980	60,341
Other payables	5,885,194	5,348,282	4,451,034
	<u>21,536,344</u>	<u>15,607,139</u>	<u>14,732,460</u>

### 8 TAXATION

	<i>Three months ended 30 June</i>		<i>Six months</i> <i>ended</i> <i>30 June</i>	<i>Ten months</i> <i>ended</i> <i>30 June</i>
	<i>2009</i> <i>KD</i>	<i>2008</i> <i>KD</i>	<i>2009</i> <i>KD</i>	<i>2008</i> <i>KD</i>
Contribution to Kuwait Foundation for the Advancement of Sciences	-	54,189	-	82,633
National Labour Support Tax	(2,379)	150,528	-	229,539
Zakat	(4,049)	71,171	-	92,288
Taxation of subsidiaries	354,750	-	634,224	-
	<u>348,322</u>	<u>275,888</u>	<u>634,224</u>	<u>404,460</u>

### 9 DISCONTINUED OPERATION

During the period, the company sold one of its subsidiary "Intelligent Drilling Services Company" (IDS) which was engaged in the business of Drilling service contracting for a total consideration of KD 242,161 realising a loss of KD 25,543.

On 1 September 2007, the company sold the education business and its related assets and liabilities with a net carrying value of KD 6,055,985 for a total consideration of KD 7,371,647 (net of cash and cash equivalents KD 128,353) realising a gain of KD 1,444,015.

### 10 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Basic and diluted (loss) / earnings per share is calculated by dividing the (loss) / profit attributable to equity holders of the company for the period by the weighted average number of shares outstanding during the period, as follows:

	<i>Three months ended 30 June</i>		<i>Six months</i> <i>ended</i> <i>30 June</i>	<i>Ten months</i> <i>ended</i> <i>30 June</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
(Loss) / profit for the period attributable to equity holders of the company (KD)	<u>(240,007)</u>	<u>5,586,157</u>	<u>(151,291)</u>	<u>8,618,019</u>
Weighted average number of shares outstanding during the period	<u>750,000,000</u>	<u>577,176,592</u>	<u>750,000,000</u>	<u>326,010,405</u>
Basic and diluted (loss) / earnings per share	<u>(0.3) fils</u>	<u>9.7fils</u>	<u>(0.2) fils</u>	<u>26.4fils</u>

Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2009

**10 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (continued)**

**Basic and diluted (loss) / earnings per share from continuing operations**

	<i>Three months ended 30 June</i>		<i>Six months ended</i>	<i>Ten months ended</i>
	<i>2009</i>	<i>2008</i>	<i>30 June 2009</i>	<i>30 June 2008</i>
(Loss) / profit for the period attributable to equity holders of the company (KD)	(240,007)	5,586,157	(151,291)	8,618,019
Loss / (gain) on sale of discontinued operation (KD)	-	-	25,543	(1,444,015)
Profit for the period attributable to equity holders of the company from continuing operation (KD)	(240,007)	5,586,157	(125,748)	7,174,004
Weighted average number of shares outstanding during the period	750,000,000	577,176,592	750,000,000	326,010,405
Basic and diluted earnings per share	(0.3) fils	9.7 fils	(0.2) fils	22.0 fils

**11 RELATED PARTY TRANSACTIONS**

Related parties represent major shareholders, associates, directors and key management personnel of the group and entities controlled, jointly controlled or significantly influenced by such parties. The terms of these transactions are approved by the group's management. Transactions with related parties are as follows:

	<i>Ultimate parent/parent company</i>	<i>Other related parties</i>	<i>30 June 2009</i>	<i>(Audited) 31 December 2008</i>	<i>30 June 2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Consolidated balance sheet</b>					
Bank balances, deposits and cash	1,061,049	665,557	1,726,606	5,762,212	1,717,226
Accounts receivables and other assets	-	134,540	134,540	1,254,428	42,611
Murabaha payables secured against:					
-Financial assets	-	2,752,025	2,752,025	-	-
-Non-financial asset	-	5,926,549	5,926,549	11,016,208	2,103,186
Unsecured murabaha payables	1,253,763	-	1,253,763	1,190,875	-
Accounts payable and other liabilities	91,903	-	91,903	255,980	60,341

As at 30 June 2009, the group had outstanding letter of credit and letter of guarantee facilities obtained from a related party amounting to KD 4,926,388 (31 December 2008: KD 11,704,610; 30 June 2008: 5,702,069) (Note 12).

Accounts receivables/payables from/to related parties are unsecured, free of finance charges and are receivable/payable on demand.

	<i>Six months ended</i>	<i>Ten months ended</i>
	<i>30 June 2009</i>	<i>30 June 2008</i>
	<i>KD</i>	<i>KD</i>
<b>Consolidated income statement</b>		
Brokerage fees	27,200	-
Murabaha finance cost	424,698	265,766

Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2009

11 RELATED PARTY TRANSACTIONS (continued)

	<i>Six months ended 30 June 2009 KD</i>	<i>Ten months ended 30 June 2008 KD</i>
<b>Other transactions</b>		
Purchase of financial assets at fair value through income statement	-	28,800,000
Acquisition of subsidiaries	-	23,875,679

**Key management compensation**

Remuneration paid or accrued in relation to "key management" (deemed for this purpose to comprise Directors in relation to their committee service, the Chief Executive Officer and other Senior Officers) as follows:

	<i>Six months ended 30 June 2009 KD</i>	<i>Ten months ended 30 June 2008 KD</i>
Short term benefits	309,185	157,346
End of service benefits	18,346	14,819
	<u>327,531</u>	<u>172,165</u>

12 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>30 June 2009 KD</i>	<i>(Audited) 31 December 2008 KD</i>	<i>30 June 2008 KD</i>
<b>Capital expenditure commitments</b>			
<i>Financial assets</i>			
Financial assets available for sale	6,898,500	6,665,940	6,398,100
Purchase of additional shares in subsidiary	-	-	202,953
<i>Others</i>			
Property, plant and equipment	2,104,820	955,247	-
Intangible assets	733,836	1,996,793	928,200
	<u>9,737,156</u>	<u>9,617,980</u>	<u>7,529,253</u>

As at 30 June 2009, the group had contingent liabilities in respect of outstanding letters of credit and letters of guarantees amounting to KD 7,751,046 (31 December 2008: KD 11,704,610; 30 June 2008: KD 9,181,661) from which it is anticipated that no material liabilities will arise. These letters of credit and letter of guarantees are partially secured against bank balances and deposits (Note 5).

Aref Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2009

13 SEGMENTAL INFORMATION

For management purposes, the group is organised into two operating segments based on business units as follows:

- Energy : Exploration, drilling, development and production of oil and gas, alternate and renewable sources of energy, licensing and other activities related to the energy sector;
- Others : Investment and other related services.

	Continuing operations					
	Energy		Others		Total	
	Six months ended 30 June 2009	Ten months ended 30 June 2008	Six months ended 30 June 2009	Ten months ended 30 June 2008	Six months ended 30 June 2008	Ten months ended 30 June 2008
2009	2008	2009	2008	2008	2008	
	KD	KD	KD	KD	KD	KD
<b>Revenue</b>						
Segment revenues	23,639,895	19,908,098	357,181	257,720	23,997,076	20,165,818
<b>Results</b>						
Profit before taxation from continuing operations	522,686	7,527,063	357,181	257,720	879,867	7,784,783
	2009	2008	2009	2008	2009	2008
	Energy 30 June	Energy 30 June	Others 30 June	Others 30 June	Total 30 June	Total 30 June
<b>Assets</b>						
Segment assets	112,357,231	123,977,070	7,988,852	7,191,097	120,346,083	131,168,167
<b>Liabilities</b>						
Segment liabilities	37,265,056	33,051,148	201,053	525,854	37,466,109	33,577,002