



*The
Investment Dar*

*In The
Name Of Allah,*

The Most Gracious, The Most Merciful

*But Allah hath
permitted trade and
forbidden usury*



Mabkhar

Incense burner where fragrant smelling incense is placed for enjoying its odour, used at social occasions, weddings and holidays.



His Highness Sheikh Jaber Al Ahmed Al Jaber Al Sabah
Amir of the State of Kuwait

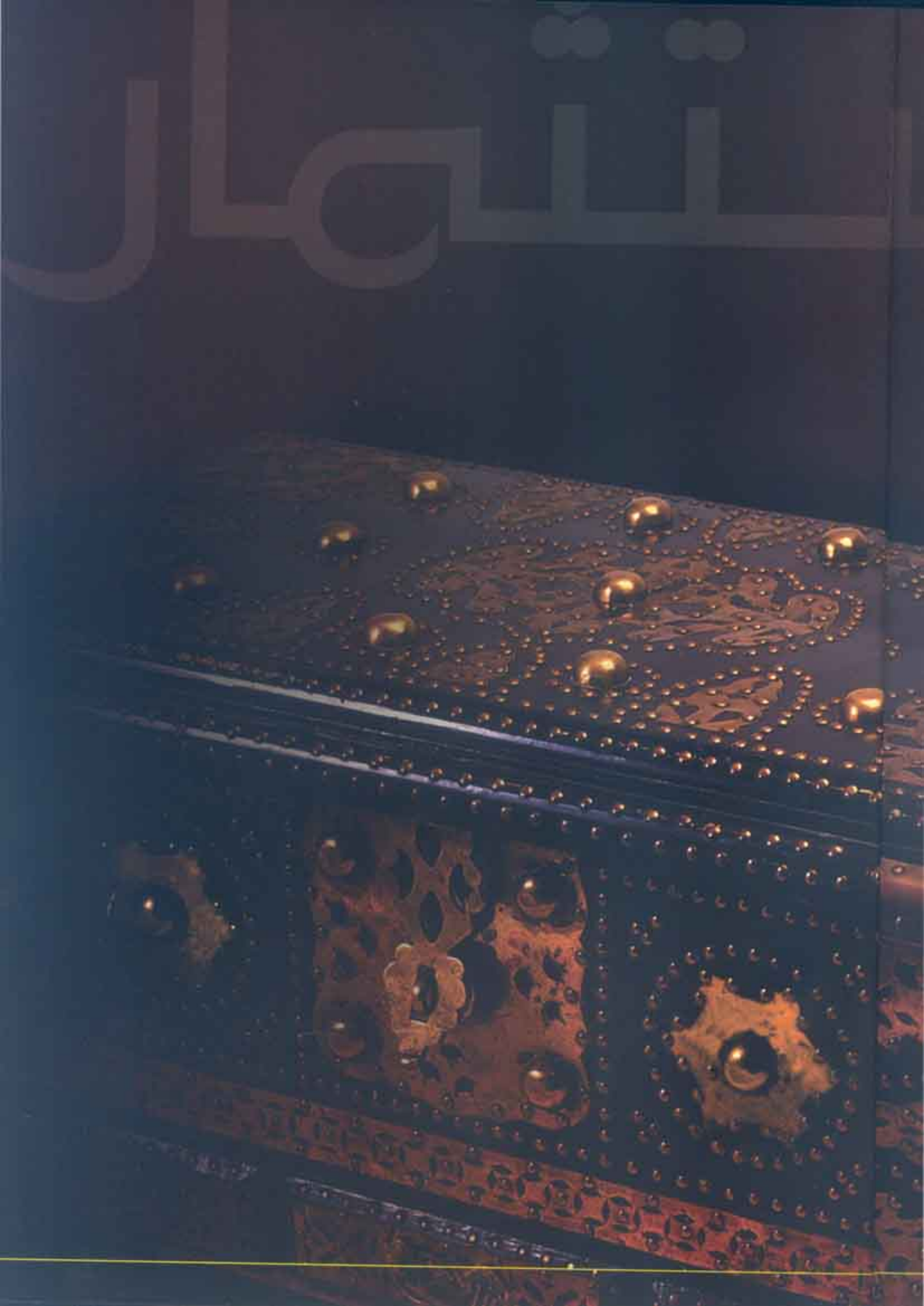



Marash

A container in which sweet smelling rose water is placed for spraying and evaporating its fragrance used at social occasions, weddings and holidays.



His Highness Sheikh Saad Al Abdullah Al Salem Al Sabah
Crown Prince and Prime Minister





OUR 1997 ANNUAL REPORT FEATURES SOME HISTORICAL ARTIFACTS FROM KUWAITS' HERITAGE, OF WHICH THE PRICELESS ENLIGHTENMENT HAS CONTRIBUTED IMMENSELY TO OUR CONTINUED STRONG IDENTITY IN TODAY'S FINANCIAL WORLD. THE SELECTED ITEMS ARE COURTESY OF MR. ADEL AL-ABDUL MUGHNI, A RENOWNED RESEARCHER IN LOCAL HERITAGE.

Mubaiyet Chest

A wooden box which families in the past used to store clothes and belongings inside.



Jider Salar
Made of brass and used in preparing food
such as the traditional dish Harees.



Hav mut
Pond for Havas. It is used in the traditional Kashmiri kitchen to grind grains.

COMPANY PROFILE

- The Investment Dar Company is a Kuwaiti Shareholding Company (closed), incorporated by virtue of its Memorandum of Association notarized by the Ministry of Justice in Kuwait on 22 October 1994. The Company carries out its business activities under a license issued by the government of Kuwait in pursuance of the provisions of the Commercial Companies Law 15 of 1960, as amended, and in accordance with its Articles of Association. It was registered with the Investment Companies Register designated for this purpose at the Central Bank of Kuwait under No. (32).
- The objectives for which the Company was established should be in strict adherence to the provisions of the noble Islamic Sharia. Under no circumstances should any of the Company's objectives be interpreted to interest-based or usurious dealings or business activities contradicting to Islamic Sharia
- The main objectives and activities of the Company are: extending consumer credit facilities, conducting financial transactions, managing investment portfolios on behalf of its customers and conducting research and studies on capital investment.
- The Company's capital has been fixed at Kuwaiti Dinars 15.8 million, distributed into 158 million shares of 100 fils each. All shares are paid up cash shares .
- A number of government organizations were co-founders of the Company, including the Public Institution for Social Security, the Public Authority for Minors Affairs and Al Zakat House, in addition to major car agents, all Kuwaiti shareholding insurance companies, a number of public and private companies and a group of individual shareholders.

BOARD OF DIRECTORS



Naser Mohammad Al-Sayer
Chairman



Adnan Mohammad Al-Wazzan
Vice Chairman



Adnan Abdul Qadir Al-Musallem
Managing Director



Ali Mohammad Al-Ghanim
Board Member



Adel Mohammad Bebbehani
Board Member



Omar S. Al-Kazi
Board Member



Rezam Mohammad Al-Rouf
Board Member



Sheikh Ahmad Bazie Al - Yaseen - Chairman



Sheikh Dr. Khaled Al-Mathkour



Sheikh Dr. Ajeel J. Al - Nashmi



Sheikh Dr. Mohammad Fawzi Faidullah

Al-Mizan
Middle size scale and was used by
Bakalari (Groceries).



BOARD OF DIRECTORS' MESSAGE

*Praise be to Allah, the Lord of all People...
And Peace & Blessings be upon His Prophet
his pure family members and his apostles*

More than two years have passed since the inception of your esteemed company during which, it has gained the trust of its customers, the respect of its competitors, established a foothold in the market and consolidated its position vis-a-vis:

- Appointment of administrative and technical staff.
- Developing administrative, information technology and accounting systems.
- Introducing policies & procedure manuals covering various divisions of the company.
- Establishing the company's marketing and business relationship network.

Furthermore, the company has strengthened its relationship with all its business partners such as its clientele, suppliers, car agents, associate companies, media and others.

During 1997, the company's activities centered around:

- 1- Continuing the current strategy adopted in the field of car purchase and sale and financing car sector for individuals.
- 2- Launching the service of purchase and sale and financing of building and construction materials.
- 3- Launching investment portfolios managed on behalf of third parties with a view to finance the company's activities.

- 4- Concluding financing facilities and investment agreements with local financial institutions.

Following the completion of the company's infrastructure, we shall during the next year capitalize on this by:

- 1- Expanding in the field of purchase and sale and financing of buildings and construction materials.
- 2- Initiating Ijara financing schemes for cars.
- 3- Introducing residential real estate murabaha financing.
- 4- Marketing other islamic financial institutions products and services to our customers.
- 5- Participating in establishing and managing similar companies.

The company is also interested in the off-balance sheet portfolios, being one of the important investment instruments for maximizing the shareholders' funds and financing the company's operations.

The company has achieved considerable success in local market. Its good reputation crossed the borders, which is a sufficient evidence of the efforts exerted by the board of directors and the high level of professionalism attained by the management.

From the first day of inception, the company

was adamant in abiding by Sharia rules. In this context, the eminent members of Sharia Supervisory Board played a pivotal role. In fact, the company is proud of its strict compliance with the resolutions of the Sharia Supervisory Board.

Dear Shareholders'

The Board of Directors, while submitting to you the second Annual Report for 1997, would like to brief you on the major financial indicators achieved compared to 1996.

- The company's assets leaped by 74% to KD 65,728,912.
- The net profit soared by 71%, to KD 2,660,697.
- The shareholder's equities increased by 15% to KD 19,047,087.

Based on the above, it is obvious that the company, thanks to Allah Almighty, increased its sales, assets, profits and shareholders' equities at high ratios indicating the efficiency of the management, an objective which we attempted to attain from the first day of the company's incorporation.

The Board of Directors would like to extend its sincere thanks and gratitude to His Highness the Amir of Kuwait and H.H. the Crown Prince and Prime Minister for their kind patronage and directives towards implementing the rules of Islamic Sharia in the

State of Kuwait, and also for the encouragement they extended to the establishment of Islamic financial and investment institutions. We pray to Allah to bring their efforts to success.

We also appreciate the efforts of the members of the company's Sharia Supervisory Board. The Board of directors would also like to thank the executive management and all the company's staff for all the efforts exerted by them to achieve these good results.

We also express our deep appreciation for our valued customers without whom the company would not have been in existence. May Allah help us in maintaining their loyalty and patronage. The Board of Directors would also like to extend its gratitude to the company's General Assembly for the trust it placed in the Board. We pray to Allah to grant success and prosperity to the company's staff and clientele.

May Allah grant us success.

Naser Mohammad Al-Sayer
Chairman of
the Board of Directors

Dallah Al-Ghawab
The Arabic coffee pot, used to prepare the bitter Arabic coffee, the traditional drink of Arab hospitality, served with dates.




THE STRATEGIC OBJECTIVES

The company's optimum objective is to pursue God Almighty's blessings, then to maximize shareholders' interests and safeguard the community's interests.

The company's strategy is outlined in the following broad directives :

1- Capitalize on benefits generated from investing in the company's infrastructure through expanding its dealings with the retail market through :

-  Introducing new products.
-  Selling products of financial institutions engaged in the wholesale markets to the retail markets.
-  Participating in establishing and managing similar companies.

2- In pursuing its objectives, the company believes in specialization. Hence, it seeks to benefit from the expertise of other companies specialized in executing certain businesses and projects.

3- Customer satisfaction is the underpinning of success and continuity. Therefore, the best services must be provided at the right price while maintaining quality and quick performance.



We have reviewed The Investment Dar Company activities during the year ended 31 December 1997, we certify that all activities were practiced in compliance with Islamic Sharia and no violations have occurred, to the best of our knowledge.

Sheikh Ahmad Bazir Al-Yaseen
Chairman



Sheikh Dr. Khaled Mathkour Al-Mathkour



Sheikh Dr. Ajeel Jasem Al-Nashmi



Sheikh Dr. Mohammad Fawzi Faidullah



Ootfi Al-Fahm
Heated by burning charcoals stuffed in its charcoal compartment, and used to iron clothes.



**Auditors' Report to the Shareholders of
The Investment Dar Company K.S.C. (Closed)
Kuwait**

Auditors' Report

We have audited the accompanying balance sheet of the Investment Dar Company K.S.C. (Closed), Kuwait as at 31 December 1997 and the related statements of income and appropriation and cash flows for the year then ended. These financial statements are the responsibility of The Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We obtained all the information and explanation which we deemed necessary for the purpose of our audit. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 1997, and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards. The financial statements incorporate all information that is required by the Commercial Companies Law and the Company's Articles of Association.

Also in our opinion, proper books of accounts have been kept, physical inventory was duly carried out and the financial information contained in the directors' report agrees with the books of account. To the best of our knowledge and belief no violations of the Commercial Companies Law and the Company's Articles of Association having a material effect on the business of the Company or its financial position have occurred during the year.

We further report that, during the course of our audit, we have not become aware of any violations of the provision of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the year ended 31 December 1997.



Bader A. Al-Wazzan
Licence No. 62A
Of Bader & Co. Coopers & Lybrand

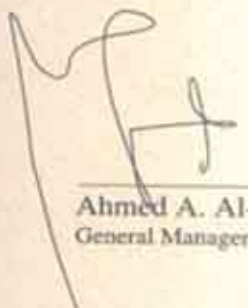
Kuwait, 12 January 1998


KUWAIT


BALANCE SHEET AS AT 31 DECEMBER 1997

Assets	Note	1997 KD	1996 KD
Cash in hand and banks		1,260,155	1,126,889
Murabaha investments	4	6,191,596	5,615,372
Debtors and other debit balances	5	55,441,724	30,054,604
Inventory	6	58,051	677,631
Investments in shares and funds	7	2,182,000	-
Property, Plant and equipment	8	595,386	177,340
Total assets		<u>65,728,912</u>	<u>37,651,836</u>
Liabilities and shareholders' equity			
Liabilities			
Creditors and other credit balances	9	2,041,772	2,056,961
Murabaha payables	10	44,640,053	17,306,754
Shareholders' dividends		-	1,738,000
Total liabilities		<u>46,681,825</u>	<u>21,101,715</u>
Shareholders' equity			
Share capital	11	15,800,000	15,800,000
Bonus Shares		1,422,000	-
Statutory reserve	12	531,214	265,144
Voluntary reserve	13	531,214	265,144
Retained earnings-Exhibit B		762,659	219,833
Total Shareholders' equity		<u>19,047,087</u>	<u>16,550,121</u>
Total liabilities and Shareholders' equity		<u>65,728,912</u>	<u>37,651,836</u>

The accompanying notes form an integral part of these financial statements.


 Ahmed A. Al-Dosari
 General Manager


 Adnan A. Al Musallem
 Managing Director


 Naser M. Al-Sayer
 Chairman

KUWAIT

STATEMENT OF INCOME AND APPROPRIATIONS
FOR THE YEAR ENDED 31 DECEMBER 1997

Revenue	Note	1997 KD	From 27 August 1995 To 31 December 1996 KD
Gross profit for the year/period	14	5,138,413	2,758,870
Income from Murabaha Investments		319,731	1,026,280
Management fees and other income		176,275	-
		<u>5,634,419</u>	<u>3,785,150</u>
Expenses and other charges			
General and administrative		1,514,843	1,266,860
Provision for doubtful debts		1,355,000	875,000
Depreciation		103,879	56,253
		<u>2,973,722</u>	<u>2,198,113</u>
Net profit for the year/period		2,660,697	1,587,037
Pre-incorporation profit		-	1,064,399
Retained earnings-beginning of the year		219,833	-
Net distributable profit		<u>2,880,530</u>	<u>2,651,436</u>
Appropriations:	18		
Statutory reserve	12	266,070	265,144
Voluntary reserve	13	266,070	265,144
Kuwait Foundation for Advancement of Sciences		119,731	119,315
Bonus shares - 9%		1,422,000	-
Shareholders' cash dividends - 11% - 1996		-	1,738,000
Board of Directors' remuneration		44,000	44,000
Retained earnings - (Exhibit A)		762,659	219,833
		<u>2,880,530</u>	<u>2,651,436</u>

The accompanying notes form an integral part of these financial statements.

KUWAIT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 1997

	Note	1997 KD	From 27 August 1995 To 31 December 1996 KD
Cash flows from operating activities			
Net profit		2,660,697	2,651,436
Adjustment for :			
Depreciation		103,879	56,253
Provision for end of service benefits		55,026	42,000
Provision for doubtful debts		1,355,000	875,000
Income from Murabaha investments		(319,731)	(2,090,679)
		<u>3,854,871</u>	<u>1,534,010</u>
Changes in operating assets/liabilities			
Increase in trade debtors and other debit balances		(26,742,194)	(33,240,736)
Decrease / (Increase) in inventory		619,580	(677,631)
(Decrease) / increase in creditors and other credit balances		(318,946)	1,851,646
Net cash used in operating activities		<u>(22,586,689)</u>	<u>(30,532,711)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(436,925)	(233,593)
Purchase of investments in shares and funds		(2,182,000)	-
Income from Murabaha investments		319,805	2,067,197
Net cash (used in) from investing activities		<u>(2,299,120)</u>	<u>1,833,604</u>
Cash flows from financing activities			
Paid up capital		-	15,800,000
Receipt from Murabaha payables		35,681,531	19,641,368
Payments for Murabaha payables		(8,348,232)	-
Dividends paid		(1,738,000)	-
Net cash from financing activities		<u>25,595,299</u>	<u>35,441,368</u>
Net increase in cash and cash equivalents		709,490	6,742,261
Cash and cash equivalents at the beginning of the year		6,742,261	-
Cash and cash equivalents at the end of the year	15	<u>7,451,751</u>	<u>6,742,261</u>

The accompanying notes form an integral part of these financial statements.

KUWAIT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 1997

1. Constitution & Activities

The Investment Dar Co. is a Kuwaiti Shareholding Company (Closed) registered in Kuwait in 1994 as per contract No. 8 Vol. 603 dated 22 October 1994 and registered as Investment Company at the Central Bank of Kuwait on 27 August 1995. The Company is engaged in the following activities :

1. Mediation and brokerage;
2. All financial transactions in accordance with Islamic Shariaa and regulation;
3. Providing consumers with credit facilities;
4. Participating in establishing companies and dealing in purchasing and selling shares of these companies and others;
5. Stock exchange transactions;
6. Managing financial portfolios, investing and developing its customers' funds;
7. Investing in real estate, manufacturing, agriculture and other sectors of economy;
8. Investing in real estate for the purpose of development of residential lands and construction of commercial residential complexes with the intention of sale or rent;
9. Carrying out research and studies of capital employment rendering different relevant services to others.

All previous mentioned activities should be carried out in compliance with the Islamic Shariaa and regulations.

The Company's main activity during the year was selling motor vehicles to consumers based on Musawama agreements alongwith Murabaha Investments with local Islamic financial institutions.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Accounting Standards under the historical cost convention.

3. Significant accounting policies

a) Trade debtors

Trade debtors are stated net of deferred profit, specific and general provisions for any probable losses. The general provision covers the risk of expected doubtful debts which may exist in general. The specific provision is created when the risk of uncollectable customers' debts arises. Provisions are made with the guidance of Central Bank of Kuwait instructions.

b) Investments in Funds

Investments in funds are carried at fair value which is determined based on the funds' net asset value at the balance sheet date as reported by the funds managers.

c) Investments in shares

Investment in unquoted shares are carried at the lower of cost and fair value on an aggregated basis, the fair value is determined based on the latest available audited financial statements.

d) Property, plant and equipment

These are stated at the cost net of accumulated depreciation, and depreciated on a straight line method over their estimated useful lives.

e) Revenue recognition

- Sales income is recognised on transfer of the legal title of goods sold to the buyers. Credit sales to customers are collected on installments over the period in the sale contract.
- Profit on installment sales is recognised when earned. This profit is recognised over the relevant collection period on a time proportion basis. Profit on Murabaha investments is recognised on an accrual basis.

f) Murabaha cost

Murabaha costs is distributed over the period of its related agreements. This cost is recognised on a time proportion basis.

g) End of service benefits

End of service benefits are calculated in accordance with the Kuwait Labour Law for the private sector and the company's by-laws.

h) Foreign currencies

Monetary assets and liabilities in foreign currency at the balance sheet date are translated to Kuwaiti Dinars at the rate of exchange prevailing at that date. Foreign currency transactions are translated to Kuwaiti Dinars at the rate of exchange prevailing at the date of the transaction. Exchange differences thus arising are taken to the statement of income.

Al-Kamal
A navigational tool used by Nakhfathu (Captain) to locate the ship's destination and distance from land.



i) Cash equivalents

Cash equivalents, for the purpose of preparing the statement of cash flows, represent Murabaha investments due within a period not exceeding three months from the date of deposit.

4. Murabaha investments

The balance of KD 6,191,596 (1996 - KD 5,615,372) represents Murabaha investments managed by local Islamic financial institutions.

5. Debtors and other debit balances

	1997 KD	1996 KD
Trade debtors	71,966,694	33,626,356
Deferred profit	(15,264,560)	(7,102,695)
	<u>56,702,134</u>	<u>26,523,661</u>
Provision for doubtful debts	(2,230,000)	(875,000)
Net trade debtors	<u>54,472,134</u>	<u>25,648,661</u>
Suppliers - advance payments	896,179	-
Murabaha balance due from customers	-	4,361,383
Accrued income on Murabaha investments	23,408	23,482
Prepaid expenses	27,750	7,165
Other debit balances	22,253	13,913
	<u><u>55,441,724</u></u>	<u><u>30,054,604</u></u>

Advance payments to suppliers of KD 896,179 represent payments under purchase contracts with the option of return by the buyer only.

6. Inventory

Inventory as of 31 December 1997 represents Motor vehicles for resale and are valued at lower of cost and net realisable value. Cost is determined on specific identification basis.

7. Investments in shares and funds

	1997 KD	1996 KD
Investments in shares	2,080,000	-
Investments in funds	102,000	-
	<u>2,182,000</u>	<u>-</u>

Investments in shares represent unquoted shares of Kuwaiti companies and are valued at cost.

8. Property, plant and equipment

	Land KD	Furniture KD	Office Equipment KD	Computer KD	Total KD
Cost					
As at 1 January 1997	-	116,043	20,269	97,281	233,593
Additions	350,000	43,206	6,111	122,963	522,280
Disposals	-	-	-	(745)	(745)
As at 31 December 1997	<u>350,000</u>	<u>159,249</u>	<u>26,380</u>	<u>219,499</u>	<u>755,128</u>
Accumulated depreciation					
As at 1 January 1997	-	23,117	6,184	26,952	56,253
Depreciation for the year	-	45,752	7,602	50,525	103,879
Related to disposals	-	-	-	(390)	(390)
As at 31 December 1997	<u>-</u>	<u>68,869</u>	<u>13,786</u>	<u>77,087</u>	<u>159,742</u>
Net book value					
As at 31 December 1997	<u>350,000</u>	<u>90,380</u>	<u>12,594</u>	<u>142,412</u>	<u>595,386</u>
As at 31 December 1996	<u>-</u>	<u>92,926</u>	<u>14,085</u>	<u>70,329</u>	<u>177,340</u>
Estimated useful life in years	-	3	3	3	

Al-Munlakh
It is used to blow the wood fire.



9. Creditors and other credit balances

	1997	1996
	KD	KD
Trade payables	1,354,339	1,591,642
Accrued expenses	208,603	219,382
Accrued leave payments	51,573	36,000
End of service benefits	97,025	42,000
Kuwait Foundation for Advancement of Sciences	119,731	119,315
Board of Directors' remuneration	44,000	44,000
Accrued profit on portfolios management	160,959	-
Others	5,542	4,622
	<u>2,041,772</u>	<u>2,056,961</u>

10. Murabaha payables

	1997	1996
	KD	KD
Motor Vehicles Murabaha agreements payable by installments	18,318,874	17,352,751
Deferred cost	(1,991,585)	(2,045,997)
	<u>16,327,289</u>	<u>15,306,754</u>
Due on Wekala in investment agreements	32,529,453	2,288,617
Deferred cost	(4,216,689)	(288,617)
	<u>28,312,764</u>	<u>2,000,000</u>
	<u>44,640,053</u>	<u>17,306,754</u>

- The balance of KD 18,318,874 represents liabilities resulted from purchases of motor vehicles by Murabaha on Installments (Wekala agreement to purchase and sell motor vehicles with right to sell to oneself). The purchase amount is payable over a period varies from 6 months to 4 years.

- The balance of KD 32,529,453 represents amounts received under wekala agreements to purchase and sell with right to sell to oneself (Wekala in investment agreements) from government authorities and financial institutes. This is repayable over a period varies from 2 to 4 years.

11. Share capital

The authorised, issued and paid up capital of KD 15,800,000 is divided into 158,000,000 shares of 100 fils each.

12. Statutory reserve

	1997	1996
	KD	KD
Balance at the beginning of the year	264,144	-
Transferred this year	266,070	265,144
	<u>531,214</u>	<u>265,144</u>

As required by the Commercial Companies Law and the Company's Articles of Association, 10% of net profit for the year ended 31 December 1997 has been transferred to statutory reserve. The Company may resolve to discontinue such annual transfer when the reserve reaches 50% of the capital. This reserve is not available for distribution except as stipulated by law.

13. Voluntary reserve

	1997	1996
	KD	KD
Balance at the beginning of the year	265,144	-
Transferred this year	266,070	265,144
	<u>531,214</u>	<u>265,144</u>

As required by the Company's Articles of Association, 10% of annual net profit for the year ended 31 December, 1997 has been transferred to voluntary reserve. Such annual transfer may be discontinued by resolution at the General Assembly based on directors' suggestion.

Surray
A lantern made of brass, used for lighting purposes at night.



14. Gross profit for the period

It represents the gross sales profit for the year net of deferred profit related to these sales.

15. Cash and Cash equivalents

	1997	1996
	KD	KD
Cash in hand	36,840	24,552
Cash at banks and financial institutions	1,223,315	1,102,337
Murabaha investments	6,191,596	5,615,372
	<u>7,451,751</u>	<u>6,742,261</u>

16. Related parties transactions

In the normal course of business, the company's transactions during the year included transactions conducted with companies and establishments related to particular directors of the company. These transactions amounted to KD 22,745,269 (1996 - KD 12,722,947) and represented purchases of motor vehicles for resale. Balance due to these related parties amounted to KD 776,354 (1996 - KD 975,943) in addition to advance payments to suppliers as at 31 December 1997 amounting to KD 896,179 (1996 - Nil). Related parties transactions are subject to the approval of the shareholders' annual general assembly.

17. Off balance sheet items

The Company manages portfolios on behalf of others, for which separate accounting records are maintained. These accounts are not included in the company's financial statements. The total value of the managed portfolios on behalf of others as at 31 December, 1997 amounted to KD 7,910,959 (1996 - Nil).

18. Appropriations

Proposed appropriations are subject to the approval of the shareholders' annual general assembly.

19. Financial instruments

In the normal course of business the company deals in financial instruments such as cash in hand and banks, investment in Murabaha, investment in shares and funds, trade debtors and creditors. The book value of these financial instruments as at 31 December 1997 is approximately equal to its fair value.

20. Geographical distribution and liabilities

As at 31 December 1997, all the Company's assets and liabilities were held in Kuwait.

21. Maturity analysis of assets and liabilities

	within 3 months	from 3 months to 1 year	from 1 year to 5 years	more than 5 years	Total
	KD	KD	KD	KD	KD
Cash in hand and at banks	1,260,155	-	-	-	1,260,155
Murabaha investments	6,191,596	-	-	-	6,191,596
Debtors and other debit balances	4,406,983	10,106,401	39,926,709	1,001,631	55,441,724
Inventory	58,051	-	-	-	58,051
Investments in shares and funds	-	2,182,000	-	-	2,182,000
Property, plant and equipment	20,449	61,347	163,590	350,000	595,386
Total	11,937,234	12,349,748	40,090,299	1,351,631	65,728,912
Creditors and other credit balances	1,893,174	-	-	148,598	2,041,772
Murabaha payables	4,080,479	10,274,016	30,285,558	-	44,640,053
Shareholders' equity	-	-	-	19,047,087	19,047,087
Total	5,973,653	10,274,016	30,285,558	19,195,685	65,728,912

22. Comparative figures

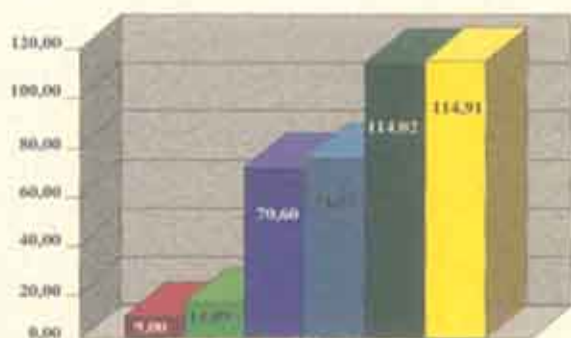
Certain comparative figures have been reclassified to conform with the current year presentation.

Al-Kersee, with the Gharshah,
Burmah and Hihb.
Pots made of clay used to keep
drinking water cool.

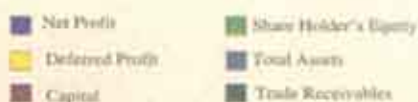


FINANCIAL HIGHLIGHTS

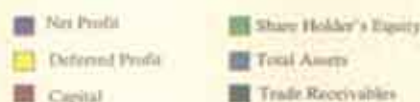
Comparison between the Year ended 1996 and 1997



% Increase (Decrease)



KD



	1997	1996	Rate of change
	K.D.	K.D.	%
Capital	*1 17,222,000	15,800,000	9.00%
Share Holders' Equity	19,047,087	16,550,121	15.09%
Total Assets	65,728,912	37,651,836	74.57%
Trade Receivables *2	71,966,694	33,626,356	114.02%
Deferred Profit	15,264,560	7,102,695	114.91%
Net Profit	2,660,697	1,559,571	70.60%

* 1 Includes proposed bonus shares

* 2 See note 5

Rate of operating efficiency in 1997 was 1.73 compared to 1.26 in the preceding period.

This indicates a growth of 37%



Al-Duwab
Heated by charcoal and is used for preparing tea, coffee and to keep the house warm.