GENERAL GULF HOLDINGS S.P.C.

FINANCIAL STATEMENTS

31 DECEMBER 2006

Commercial registration	:	56359-1
Shareholder	:	Aktor Constructions International Limited
Address	:	Flat 341, Block 304 Manama Kingdom of Bahrain Tel : 17530082
Bankers	:	HSBC
Auditors	:	KPMG

GENERAL GULF HOLDINGS S.P.C.

FINANCIAL STATEMENTS
for the year ended 31 December 2006

CONTENTS

REPORT OF THE DIRECTOR
for the year ended 31 December 2006

Bahraini dinars

In accordance with Article 286 of the Bahrain Commercial Companies Law 2001, I have pleasure in presenting the company's audited financial statements (pages 4 to 10) for the year ended 31 December 2006.

Financial highlights	**2006** (12 months)	2005 (8 months)
Net loss for the year/period	**(4,019)**	(1,194)
Total equity	**44,787**	48,806

Representations and audit

The company's activities for the year ended 31 December 2006 have been conducted in accordance with the Bahrain Commercial Companies Law 2001 and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 December 2006 which would in any way invalidate the financial statements on pages 4 to 10.

The company has maintained proper and complete accounting records and these, together with all other information and explanations have been made freely available to the auditors, KPMG, who have expressed their willingness to continue in office for the next accounting period.

Andreas Stephanides
Director

22 March 2007

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REPORT OF THE AUDITORS TO THE SHAREHOLDER
General Gulf Holdings S.P.C.
Manama, Kingdom of Bahrain

22 March 2007

Report on the financial statements

We have audited the accompanying financial statements of General Gulf Holdings S.P.C. ("the Company"), which comprise the balance sheet as at 31 December 2006, and the income statement, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the director for the financial statements

The director of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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 comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report of the auditors to the shareholder - continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2006, and its financial performance, its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In addition, in our opinion, the Company has maintained proper accounting records and the financial statements are in agreement therewith. We have reviewed the accompanying report of the director and confirm that the information contained therein is consistent with the financial statements. We are not aware of any violations of the Bahrain Commercial Companies Law 2001 or the terms of the Company's memorandum and articles of association having occurred during the year that might have had a material effect on the business of the Company or on its financial position. Satisfactory explanations and information have been provided to us by the management in response to all our requests.

KPMG

BALANCE SHEET
as at 31 December 2006

Bahraini dinars

	Notes	2006	2005
Assets			
Investment in associate company	4	101,107	-
Total non-current assets		**101,107**	-
Cash and cash equivalents		2,980	48,912
Prepaid expenses		-	544
Total current assets		**2,980**	49,456
Total assets		**104,087**	49,456
Equity and liabilities			
Share capital	1	50,000	50,000
Accumulated losses		(5,213)	(1,194)
Total equity (page 7)		**44,787**	48,806
Liabilities			
Accrued expenses		1,300	650
Loan from shareholder	3	58,000	-
Total current liabilities		**59,300**	650
Total equity and liabilities		**104,087**	49,456

Andreas Stephanides
Director

The director approved the financial statements consisting of pages 4 to 10 on 22 March 2007.

INCOME STATEMENT
for the year ended 31 December 2006 Bahraini dinars

	Notes	**2006** (12 months)	2005 (8 months)
General and administrative expenses	5	4,019	1,194
Net loss for the year/period		**4,019**	1,194

Andreas Stephanides
Director

The director approved the financial statements consisting of pages 4 to 10 on 22 March 2007.

CASH FLOWS
for the year ended 31 December 2006

Bahraini dinars

	Notes	2006 (12 months)	2005 (8 months)
Operating activities			
Payments for general and administration expenses		(2,825)	(1,088)
Cash flows from operating activities		**(2,825)**	(1,088)
Investing activities			
Investment in associate company	4	(101,107)	-
Cash flow from investing activities		**(101,107)**	-
Financing activities			
Share capital introduced	1	-	50,000
Loan from shareholder	3	58,000	-
Cash flows from financing activities		**58,000**	50,000
Net (decrease) / increase in cash and cash equivalents		**(45,932)**	48,912
Cash and cash equivalents at beginning of the year		48,912	-
Cash and cash equivalent at 31 December		**2,980**	48,912

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2006

Bahraini dinars

2006 (12 months)	**Share capital**	**Accumulated losses**	**Total**
At January	50,000	(1,194)	48,806
Net loss for the year (page 5)	-	(4,019)	(4,019)
Total recognised income and expenses for the year	-	(4,019)	(4,019)
At 31 December	**50,000**	**(5,213)**	**44,787**

2005 (8 months)	Share capital	Accumulated losses	Total
Net loss for the period (page 5)	-	(1,194)	(1,194)
Total recognised income and expenses for the period	-	(1,194)	(1,194)
Share capital introduced	50,000	-	50,000
At 31 December	50,000	(1,194)	48,806

The financial statements consist of pages 4 to 10.

1 STATUS AND OPERATIONS

General Gulf Holdings S.P.C. was registered as a single person company in April 2005 with the Ministry of Industry and Commerce under commercial registration number 563591. The share capital is BD 50,000 consisting of 500 shares of BD 100 each, held as follows:

	Number of shares	Share capital BD
Aktor Constructions International Limited	500	50,000
	500	**50,000**

The principal activity of the company is to invest in shares, bonds and securities.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and in compliance with the Bahrain Commercial Companies Law 2001.

b) Basis of preparation

The financial statements have been drawn up from the accounting records of the company under the historical cost basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

c) Investment in associate

Associates are those enterprises in which the company has significant influence, but not control, over the financial and operating policies. The financial statements include the Company's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred obligations in respect of the associate.

d) Receivables

Other receivables are stated at their cost, being the fair value, less impairment allowances.

e) Provisions

A provision is recognised in the balance sheet when then the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

f) Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances.

g) Foreign currency transactions

(1) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Bahraini dinars, which is the company's functional and presentation currency.

2 *Significant accounting policies (continued)*

(2) *Transactions and balances*

Transactions in foreign currencies are translated to Bahraini dinars at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Bahraini dinars at the foreign exchange rate ruling at that date. All foreign exchange differences arising on conversion and translation are recognized in the income statement.

h) Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. All impairment losses are recognised in the income statement.

3 RELATED PARTY TRANSACTIONS

Related parties comprise the shareholder of the company, director and such other entities over which the company or its shareholder can exercise significant influence or can be significantly influenced by those entities.

Significant transaction with shareholder during the year is :

	2006	2005
Loan from shareholder	**58,000**	-

Loan from shareholder is repayable on demand and non-interest bearing.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The key management person is the director of the company whose compensation during the year was nil.

4 INVESTMENT IN ASSOCIATE COMPANY

The Company's investment in the associate represents a 50 percent equity share in Edraktor Construction Co. Limited, a company registered in Saudi Arabia. However, no audited financial statements of this company are available at 31 December 2006, and consequently the investment is carried at cost.

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2006	2005
Professional fee	1,300	650
Bank charges	483	-
Rent	2,236	544
Total	**4,019**	1,194

6 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the company consist of cash and cash equivalents and advance for investment. Financial liabilities of the company consist of accrued expenses and loan from shareholder.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company is exposed to credit risk on its bank balances.

Credit risk on cash and cash equivalents is limited as they are placed with banks having good credit ratings.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The company limits its liquidity risk by ensuring that funds are in excess of expected requirements.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Fair values

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. Differences can therefore arise between book values under the historical cost method and fair value estimates.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The fair values of financial assets and liabilities of the company are not materially different from their carrying values.

7 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following relevant new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2006, and have not been applied in preparing these financial statements:

IFRS 7 Financial instruments: Disclosures and *the Amendment to IAS 1 - Presentation of Financial Statements - Capital Disclosures* require extensive disclosure about the significance of financial instruments for a Company's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Company's 2007 financial statements, may require extensive additional disclosures with respect to the Company's financial instruments and share capital.