

Zakat Guide

For Shareholders and Investors
of Gulf Investment House

2017

**Gulf Investment House and Affiliate Companies
Zakat Report
Ramadhan 1438 - May 2017**

GIH Shari'a Board's Resolution

GIH Shari'a Board has reviewed the basis of Zakat calculation. The Board confirms that the explanation under Section 1 and 2 below are in conformity with the rules of Islamic Shari'a principles.

Sha'aban 1438 H
May 2017

1) Zakat Payable by Shareholders of GIH

According to GIH's Shari'a Board, Zakat should be calculated annually. Moreover, Zakat obligations that result from changes in GIH's assets and liability positions are to be carried entirely by GIH's shareholders. GIH only pays Zakat on reserves and retained earnings which remain for one fiscal year. Zakat calculation method changes as investment objectives change as illustrated below:

- **Held for Trade:** if shares are held for trade, investors must pay Zakat based on the market value of their investments as on the Zakat date. The Zakat rate is 2.5% for Hijri calendar or 2.5775% for Gregorian calendar.
- **Held for Income Producing:** if shares are held for income producing purposes, Zakat obligation will equal to the number of shares held by a shareholder multiplied by the Zakat per share.

GIH's Zakat per share is the residual amount of GIH's net Zakatable assets divided by the number of outstanding shares.

As on Dec 31, 2016, GIH Zakat per share was KD 0.00094 (0.94 fils per share)

History GIH Zakat			
	<u>2016/12/31</u>	<u>2015/12/31</u>	<u>2014/12/31</u>
Zakat amount	154,350	232,472	302,742
Zakat paid on Reserves	0	0	0
Net Zakat	154,350	232,472	302,742
Shares Outstanding	164,202,440	134,379,460	161,220,142
Zakat per Share	0.00094	0.00173	0.00188

2) Zakat Payable by Shareholders of Affiliate Companies

Companies Subsidiaries and Associated				
Company	Listed / Unlisted	Zakat per Share	Original Currency	
		KD	Zakat per Share	Currency
Mada'in Real-Estate Co	Unlisted	-	-	-
Afkar Holding	Unlisted	0.003405	-	
Gulf Real-Estate	Unlisted	-	-	
Majan Development	Unlisted	0.0146	0.01842	OR

Additional Notes

1. Gulf Real Estates pays the entire Zakat on behalf of its shareholders.
2. There is no zakat payable for Mada'in Real-Estate Co shares.

Example

A shareholder of GIH holds 100,000 shares as on Dec 31st 2016. The purpose of his/her investment is to make capital appreciation and receive dividends. The Zakat per share for this investor should be calculated as follows:

$$\begin{aligned} \text{Total Zakat payable} &= \text{Number of Shares held} * \text{Zakat per share} \\ &= 100,000 * 0.00094 = \text{KD } 94 \end{aligned}$$