

Zakat Guide

for Shareholders
and Investors of
Gulf Investment House

2010

بيت الاستثمار الخليجي
Gulf Investment House



Fatwa and Shari'a Supervisory Board Opinion

The Fatwa and Shari'a Supervisory Board has reviewed the basis of Zakat calculation. Based on this review, the Board confirms that the explanations under section 1 and 2 below, and the supporting notes are in conformity with the rules of Islamic Shari'a as directed by the Board.

Ramadan 1431 H
August 2010

Zakat on the share capital of Gulf Investment House

According to the Shari'a Fatwa & Supervisory Board's decision, GIH is required to calculate the Zakat annually; GIH has to pay Zakat on the reserves and retained earnings which remain for one complete fiscal year. Shareholders should pay the remaining amount of Zakat according to the Zakat date applicable to them on their investment in the share capital of GIH.

- **Held for Trading**

If the shareholder holds his GIH's shares for the purpose of trading and generating capital gains, the shareholder is required to pay Zakat based on the market value of his shares on the Zakat date. The Zakat rate is 2.5% for Hijri calendar or 2.5775% for Gregorian calendar.

- **Income producing**

If the shareholder holds his GIH's shares for the purpose of investment and receiving dividends, he is required to calculate the Zakat per share of GIH's net Zakat assets.

The Zakat payable on each share held during the year as of Dec. 31, 2009 is KD 0.0009 (0.9 fils).



Calculation of GIH Zakat

(in Kuwaiti Dinar)	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007
Total Zakat Amount	475,299	1,143,166	1,454,176
Zakat paid on Reserves and Retained Earnings	(113,362)	(611,170)	(569,132)
Net Zakat Amount	361,937	531,996	885,044
Outstanding No. of Shares	421,655,945	421,655,945	400,777,160
Zakat due per share (KD)	0.0009	0.0013	0.0022

Zakat on investments through Gulf Investment House

(A) Subsidiaries and Associated Companies

- **Inovent (previously Khaleej Development Co.) (Bahrain)**

A listed company, therefore, if shares are held for investment purposes, then shareholder should pay Zakat of U.S \$ 0.0087 (0.87 cent) (KD 0.0025 or 2.50 fils) as of Dec. 31, 2009.

- **Arkan Al-Kuwait Real-Estate Co. (Kuwait)**

A listed company, therefore, if shares are held for investment purposes, then shareholder should pay Zakat of KD 0.0014 (1.4 fils) as of October 31, 2009.

- **Amar Finance and Leasing Co. (Kuwait)**

A listed company, based on the Zakat pool of Amar's net assets; the Zakat per share as of Dec. 31, 2009 is KD 0.0016 (1.6 fils).

- **Gulf Real-Estate Co. (Saudi Arabia)**

Unlisted company. The Company is totally paying the annual Zakat on behalf of investors. Therefore, shareholders are not required to pay Zakat on their shares.

- **Mada'in Real-Estate Co. (United Arab Emirates)**

Unlisted company, therefore, based on the Zakat pool of Mada'in's net asset: the Zakat per share as of Dec. 31, 2009 is AED 0.0198 which is equal to KD 0.0015 (1.5 fils).

- **Capivest (previously Khaleej Finance & Investment Co.) (Bahrain)**

Unlisted company, therefore, based on the Zakat pool of Capivest's net assets; the Zakat per share as of Dec. 31, 2009 is U.S \$ 0.01043 (1.04 cent) (KD 0.0029 or 2.9 fils).

- **Afkar Holding Co. (Kuwait)**

Unlisted company, therefore, based on the Zakat pool of Afkar's net assets; the Zakat per share as of Dec.31, 2009 is KD 0.0026 or 2.6 fils.

- **Majan Development Co. (Oman)**

Unlisted company, therefore, based on the Zakat pool of Majan's net assets; the Zakat per share as of Dec.31, 2009 is RO 0.025 (25 baisa) (KD 0.0184 or 18.4 fils).

(B) Zakat on Private Equity Investments

- **Stronghaven, Inc.**

Unlisted company, therefore, based on the Zakat pool of Stronghaven's net assets; the Zakat per share as of Dec 31, 2009 is U.S \$ 0.183 (18.30 cent) (KD 0.052 or 52 fils).

(C) Zakat on Real Estate Investments

- **The Care Fund "U.S Medical Office Buildings Fund"**

Currently, the funds have been invested in developing lands and medical office buildings, therefore, these participations are not subject to Zakat until such investments produce income* or to be sold, just then, each investor should pay Zakat on amounts received as income or capital gain in which to be added to his Zakat assets.

*From Q3 2009 - Q2 2010, the Care Fund investors received 4 cash distributions for the quarters ending on Sep. 09, Dec. 09, Mar.10 and Jun.10 consequently. Therefore, investor should include the income received to their Zakat assets.



- **The Care Fund 2 “U.S Medical Office Buildings Fund”**

Currently, the funds have been invested in developing lands and medical office buildings, therefore, these participations are not subject to Zakat until such investments produce income* or to be sold, just then, each investor should pay Zakat on amount received as income or capital gain in which to be added to his Zakat assets.

*From Q3 2009 - Q2 2010, the Care Fund investors received 4 cash distributions for the quarters ending on Sep. 09, Dec. 09, Mar.10 and Jun.10 consequently. Therefore, investor should include the income received to their Zakat assets.

- **U.S Residential Condominium Fund II**

Amounts invested in this fund should be treated as investments made for the purpose of generating capital gains; therefore, based on the Zakat pool of the fund's net assets, the Zakat per unit as of Dec. 31, 2009 is U.S \$ 0.93 (93 cent) (KD 0.26 or 260 fils).