

Interim Financial Information form for Kuwaiti companies

نموذج نتائج البيانات المالية المرحلية للشركات الكويتية

Interim Financial Information for the <u>First Quarter Period</u> Ended <u>31/01/2018</u> Form in KD			نموذج نتائج البيانات المالية المرحلية عن فترة الربع الأول المنتهية في <u>2018/01/31</u> (د.ك.)
شركة أركان الكويت العقارية ش.م.ك.ع.			اسم الشركة
<u>Arkan Al- Kuwait Real Estate Company K.S.C.P</u>			Company's Name
<u>الأربعاء الموافق 14 مارس 2018</u>			تاريخ اجتماع مجلس الإدارة
<u>Wednesday 14Th March 2018</u>			The Date of Board of Directors Meeting
نسبة التغير Change Percentage	الفترة المقارنة Comparative Period 31/01/2017	الفترة الحالية Current Period 31/01/2018	البيان Statement
% (64)	903,458	321,232	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% (64)	3.65	1.30	ربحية / (خسارة) السهم الأساسية والمخفضة - فلس Diluted Earnings per share- Fils
% 48	1,548,748	2,284,448	الموجودات المتداولة Current Assets
% 13	50,582,079	57,219,731	إجمالي الموجودات Total Assets
% 20	19,063,839	22,932,108	المطلوبات المتداولة Current Liabilities
% 19	19,324,940	22,966,659	إجمالي المطلوبات Total Liabilities
% 10	31,257,139	34,253,072	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
% (35)	1,267,646	830,131	اجمالي الإيرادات التشغيلية Total Operating Revenue
% (64)	945,039	337,291	صافي الربح / (الخسارة) التشغيلي Net Operating Profit (Loss)
% (64)	% 3.6	% 1.3	صافي الربح (الخسارة) / رأس المال المدفوع Net Profit (Loss)/ Paid-up Share Capital

• يعود سبب الارتفاع / (الانخفاض) في صافي الربح / (الخسارة) إلى:

عدم وجود أرباح بيع العقارات الإستثمارية

• The increase (decrease) in the net profit/(loss) is due to the followings:

There is no gain on sale of investment properties.

• بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة مبلغ 0 دينار كويتي.

• Total revenues realized from dealing with related parties amounting to KD. 0

• بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة مبلغ 0 دينار كويتي.

• Total expenditures incurred from dealing with related parties amounting to KD. 0

ختم الشركة	التوقيع	المسمى الوظيفي	الاسم
		نائب رئيس مجلس الإدارة والرئيس التنفيذي	عبدالرحمن حمد التركيت





Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18-21st Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ARKAN AL-KUWAIT REAL ESTATE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arkan Al-Kuwait Real Estate Company K.S.C.P. (“the Parent Company”) and its subsidiary (collectively “the Group”) as at 31 January 2018 and the related interim condensed consolidated statements of comprehensive income, cash flows and changes in equity for the three-month period then ended. Management is responsible for the preparation and presentation of this 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 this 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 is 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 Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association during the three-month period ended 31 January 2018 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

14 March 2018
Kuwait

Arkan Al-Kuwait Real Estate Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 January 2018

	<i>Three months ended</i>	
	<i>31 January</i>	
	<u>2018</u>	<u>2017</u>
<i>Notes</i>	<i>KD</i>	<i>KD</i>
INCOME		
Real estate rental income	905,333	650,193
Real estate expenses	(94,831)	(91,025)
Net real estate income	<u>810,502</u>	<u>559,168</u>
Gain on sale of investment properties	-	705,477
Management and incentive fees	16,775	2,797
Other income	2,854	204
	<u>830,131</u>	<u>1,267,646</u>
EXPENSES		
Staff costs	(163,381)	(115,082)
Finance costs	(257,484)	(162,168)
General and administrative expenses	(71,975)	(45,357)
	<u>(492,840)</u>	<u>(322,607)</u>
PROFIT BEFORE TAX	<u>337,291</u>	<u>945,039</u>
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	(3,285)	(8,505)
National Labor Support Tax ("NLST")	(9,124)	(23,626)
Zakat	(3,650)	(9,450)
PROFIT FOR THE PERIOD	<u>321,232</u>	<u>903,458</u>
Other comprehensive income for the period	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>321,232</u>	<u>903,458</u>
BASIC AND DILUTED EARNINGS PER SHARE	<u>4</u>	<u>1.30 fils</u>
		<u>3.65 fils</u>

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

Arkan Al-Kuwait Real Estate Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

As at 31 January 2018

		<i>(Audited)</i>	
	<i>31 January</i>	<i>31 October</i>	<i>31 January</i>
	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Notes</i>			
ASSETS			
Non-current assets			
Furniture and equipment	594,489	179,931	151,655
Investment properties	5 51,964,464	51,897,000	46,284,749
Available-for-sale investments	2,376,330	2,376,330	2,596,927
	<u>54,935,283</u>	<u>54,453,261</u>	<u>49,033,331</u>
Current assets			
Advance payment on acquisition of investment properties	394,000	-	-
Accounts receivable and other assets	227,713	358,833	106,677
Cash and bank balances	1,662,735	972,479	1,442,071
	<u>2,284,448</u>	<u>1,331,312</u>	<u>1,548,748</u>
TOTAL ASSETS	<u><u>57,219,731</u></u>	<u><u>55,784,573</u></u>	<u><u>50,582,079</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	25,114,998	25,114,998	25,114,998
Share premium	77,200	77,200	77,200
Treasury shares	7 (182,758)	(182,758)	(182,758)
Treasury shares reserve	68,734	68,734	68,734
Statutory reserve	3,435,048	3,435,048	3,053,714
Retained earnings	5,739,850	5,418,618	3,125,251
Total equity	<u>34,253,072</u>	<u>33,931,840</u>	<u>31,257,139</u>
Non-current liabilities			
Islamic finance payables	-	5,000,582	-
Employees' end of service benefits	34,551	123,265	261,101
	<u>34,551</u>	<u>5,123,847</u>	<u>261,101</u>
Current liabilities			
Islamic finance payables	8 22,297,106	15,920,066	16,596,590
Accounts payable and other liabilities	635,002	808,820	2,467,249
	<u>22,932,108</u>	<u>16,728,886</u>	<u>19,063,839</u>
Total liabilities	<u>22,966,659</u>	<u>21,852,733</u>	<u>19,324,940</u>
TOTAL EQUITY AND LIABILITIES	<u><u>57,219,731</u></u>	<u><u>55,784,573</u></u>	<u><u>50,582,079</u></u>

Fahad Abdulrahman Al-Mukhaizem
Chairman

Abdulrahman Hamad Al Terkait
Vice Chairman and Chief Executive Officer

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