



نموذج رقم (4)

Form No. (4)

نموذج إعلان البيانات المالية السنوية للشركات المدرجة في سوق الكويت للأوراق المالية

Annual Financial Statements Disclosures form of the Companies Listed in
Kuwait Stock Exchange

End of fiscal year in : 2016 / 10 / 31 : السنة المالية المنتهية في
اسم الشركة : شركة أركان الكويت العقارية
Company's Name : Arkan AL-Kuwait Real Estate
رمز الشركة : أركان
Company's code : Arkan
رقم الشركة : 429
Company's Number

النشاط الرئيسي / الأنشطة الرئيسية للشركة : عقارى

Activity/ Main activities of the company: Real Estate

نود إفادتكم بأن مجلس إدارة الشركة قد اجتمع يوم الثلاثاء الموافق 2016/12/13 في تمام الساعة 01:00 ظهراً ، و اعتمد البيانات المالية السنوية للشركة للسنة المالية المنتهية في 2016/10/31 ، وفقاً لما يلي :-
We would like to inform you that the Company's board of directors has held a meeting on Tuesday, 13/12/2016 at 01:00 PM (Hour), and has approved the Company's annual financial statements for the fiscal year ended at 31/10/2016 in accordance to the following:

البيان Statement	الربع الرابع - فترة الثلاثة أشهر المتتالية 2016 / 10 / 31 في (الفترة الحالية) المبالغ بالدينار الكويتي Fourth quarter - three month period ended at 31/10/2016 (Current period) Amounts in Kuwaiti Dinars	الربع الثالث - فترة الثلاثة أشهر المتتالية 2015 / 10 / 31 في (الفترة المقارنة) المبالغ بالدينار الكويتي Fourth quarter - three month period ended at 31/10/2015 (Comparative period) Amounts in Kuwaiti Dinars	نسبة التغير Change %	السنة المالية المنتهية 2016 / 10 / 31 في (السنة الحالية) المبالغ بالدينار الكويتي Fiscal year ended at 31/10/2016 (current year) Amounts in Kuwaiti Dinars	السنة المالية المنتهية 2015 / 10 / 31 في (السنة المقارنة) المبالغ بالدينار الكويتي Fiscal year ended at 31/10/2015 (Comparative year) Amounts in Kuwaiti Dinars	نسبة التغير Change %
• بيان الدخل المجمع • Consolidated Statement of Income	(333,289)	126,907	% (362.6)	2,436,949	4,153,700	% (41.3)
صافي الربح / (الخسارة) * Net profit/(loss) *	(1.35)	0.48	% (381.3)	9.85	16.78	% (41.3)
• بيان الإيرادات و الأرباح التشغيلية • Statement of Revenue & Operating Profit	597,518	825,282	% (27.6)	4,291,859	5,674,417	% (24.4)
إجمالي الإيرادات التشغيلية Total operating revenue	(339,532)	195,510	% (273.7)	2,558,206	4,407,636	% (42)
صافي الربح / (الخسارة) التشغيلي Net operating profit (loss)						

بيان المركز المالي		Statement of Financial Position	
	الموجودات المتداولة		Current Assets
% 470	643,073	3,668,022	
	إجمالي الموجودات		Total Assets
% 15.3	40,659,368	46,872,837	
	المطلوبات المتداولة		Current liabilities
% 66.3	8,587,193	14,280,403	
	إجمالي المطلوبات		Total liabilities
% 59.5	9,113,065	14,539,390	
	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم		Total equity attributable to the owners of the parent Company
% 2.5	31,546,303	32,333,447	

*صافي الربح (الخسارة) هو الخاص بمساهمي الشركة الأم.

*Net profit (loss) represents the amount attributable to the owners of the parent Company

**ربحية (خسارة) السهم الأساسية.

**Basic Earnings per Share



- يعود سبب الارتفاع / (الانخفاض) في صافي الربح / (الخسارة) إلى :
 - انخفاض أرباح بيع العقارات الإستثمارية
 - خسائر انخفاض القيمة من استثمارات متاحة للبيع
- The increase (decrease) in the net profit/(loss) is due to the followings:
 - Decrease from sale of investment properties.
 - Impairment loss on available for sale investments
- 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

2) الإيرادات التشغيلية للشركة : Company's Operating Revenues

الربع الرابع - فترة الثلاثة أشهر المنتهية في 31 / 10 / 2015 (الفترة المقارنة) Fourth quarter- three month period ended at 31/10/2015 (Comparative period)		الربع الرابع - فترة الثلاثة أشهر المنتهية في 31 / 10 / 2016 (الفترة الحالية) Fourth quarter- three month period ended at 31/10/2016 (Current period)		النشاط activity
النسبة إلى إجمالي الإيرادات Percentage to total revenues	المبلغ بالدينار الكويتي Amount in Kuwaiti Dinars	النسبة إلى إجمالي الإيرادات Percentage to total revenues	المبلغ بالدينار الكويتي Amount in Kuwaiti Dinars	
66.4 %	548,311	94.6 %	565,100	صافي إيرادات عقارات Net real estate rental income
15.4 %	127,485	% -	-	أرباح من بيع عقارات استثمارية Gain on sale of investment properties
9.1 %	75,762	% -	-	أرباح من بيع استثمارات متاحة للبيع Gain on sale of available for sale investments
1.2 %	10,339	2.1 %	12,820	أتعاب إدارة وحوافز Management and incentive fees
% -	-	% -	-	إيرادات توزيعات أرباح Dividend income
7.9 %	63,385	3.3 %	19,598	إيرادات أخرى Other income



السنة المالية المنتهية 2015 / 10 / 31 في (السنة المقارنة) Fiscal year ended at 31/10/2015 (Comparative year)		السنة المالية المنتهية 2016 / 10 / 31 في (السنة الحالية) Fiscal year ended at 31/10/2016 (Current year)		النشاط Activity
النسبة إلى إجمالي الإيرادات Percentage to total revenues	المبلغ بالدينار الكويتي Amount in Kuwaiti Dinars	النسبة إلى إجمالي الإيرادات Percentage to total revenues	المبلغ بالدينار الكويتي Amount in Kuwaiti Dinars	
% 33	1,871,629	% 52.3	2,244,981	صافي إيرادات عقارات Net real estate rental income
% 63.4	3,599,207	% 39.5	1,697,089	أرباح من بيع عقارات استثمارية Gain on sale of investment properties
% 1.8	102,310	% 3.3	141,013	أرباح من بيع استثمارات متاحة للبيع Gain on sale of available for sale investments
% 0.3	19,559	% 0.7	28,963	أتعاب إدارة وحوافز Management and incentive fees
% 0.1	3,504	% 1.4	59,736	إيرادات توزيعات أرباح Dividend income
% 1.4	78,208	% 2.8	120,077	إيرادات أخرى Other income

يقصد بالإيرادات التشغيلية جميع الإيرادات الناتجة عن الأنشطة الرئيسية للشركة و ذلك وفقاً لمعايير المحاسبة الدولية.

Operating revenues represents all revenues resulting from the Company's main activities recognized in accordance with the International Accounting Standards.

(3) تفاصيل (التحفظات / التأكيدات على بعض الجوانب / الفقرات توضيحية) الواردة في تقرير مراقبي الحسابات :

----- لا يوجد تحفظات -----

Details of: (qualifications, emphases of matters, and explanatory paragraphs) included in the auditors' report.

----- No Qualifications -----

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Board of director's recommendations : توصيات مجلس الإدارة : (4)

أوصى مجلس إدارة الشركة بإجراء التوزيعات التالية عن السنة المالية المنتهية في **2016/10/31** . علماً بأن هذه التوصية تخضع لموافقة الجمعية العامة و الجهات الرقابية المختصة.

The Company's board of directors recommended to proceed with the following distributions for the fiscal year ended **31/10/2016** These recommendations are subject to the approval of the shareholder's at the annual general assembly and the specialized regulating authority.

توزيع أرباح نقدية Distribution of cash dividends	8% من القيمة الإسمية للسهم 8% of par value	8 فلس كويتي لكل سهم 8 Kuwaiti fils per share
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• مصدر التوزيعات : صافي الأرباح

• Source of distributions: Net Profit

توقيع وختم الشركة

Company's signature and seal

A.H.T





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working world

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARKAN AL-KUWAIT REAL ESTATE COMPANY K.S.C.P.

Report on the Financial Statements

We have audited the accompanying financial statements of Arkan Al-Kuwait Real Estate Company K.S.C.P. ("the Company"), which comprise the statement of financial position as at 31 October 2016, and the statement of income, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the auditors' 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, the auditors consider internal control 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 policies 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 October 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ARKAN AL-KUWAIT REAL ESTATE COMPANY K.S.C.P. (continued)**

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Company and the financial statements, together with the contents of the report of the Company's Board of Directors relating to those financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the financial statements incorporate all information that is required by the Companies Law No. 1 of 2016, and its executive regulations, and by the Company's Memorandum of Incorporation and Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulation, or of the Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 October 2016, that might have had a material effect on the business of the Company or on its financial position.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

MOHAMMAD HAMAD AL SULTAN
LICENSE NO. 100 A
AL SULTAN AND PARTNERS
**MEMBER OF BAKER TILLY
INTERNATIONAL**

____ 2016
Kuwait

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

STATEMENT OF INCOME

Year ended 31 October 2016

	<i>Notes</i>	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>
INCOME			
Real estate rental income		2,406,929	2,020,149
Real estate expenses		(161,948)	(148,520)
Net real estate rental income		<u>2,244,981</u>	<u>1,871,629</u>
Gain on sale of investment properties	4	1,697,089	3,599,207
Gain on sale of available for sale investments		141,013	102,310
Management and incentive fees		28,963	19,559
Dividend income		59,736	3,504
Other income		120,077	78,208
		<u>4,291,859</u>	<u>5,674,417</u>
EXPENSES			
Salaries expenses		(453,457)	(597,640)
End of service benefits and leave expense		(168,364)	(144,393)
Other staff costs		(52,533)	(55,261)
Finance costs		(332,120)	(204,097)
General and administrative expenses		(227,179)	(170,390)
Impairment loss on available for sale investments	5	(500,000)	(95,000)
		<u>(1,733,653)</u>	<u>(1,266,781)</u>
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOR SUPPORT TAX (NLST), ZAKAT AND DIRECTORS' REMUNERATION		2,558,206	4,407,636
Contribution to KFAS		(23,024)	(39,669)
NLST		(56,474)	(110,191)
Zakat		(25,659)	(44,076)
Directors' remuneration	6	(16,100)	(60,000)
PROFIT FOR THE YEAR		<u>2,436,949</u>	<u>4,153,700</u>
BASIC AND DILUTED EARNINGS PER SHARE	3	<u>9.85 fils</u>	<u>16.78 fils</u>

The attached notes 1 to 16 form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION

At 31 October 2016

	<i>Notes</i>	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>
ASSETS			
Non-current assets			
Property and equipment		156,181	171,892
Investment properties	4	40,451,707	36,347,473
Available for sale investments	5	2,596,927	3,496,930
		<u>43,204,815</u>	<u>40,016,295</u>
Current assets			
Advance payment on acquisition of investment properties	4	2,757,060	-
Accounts receivable		65,603	59,461
Cash and bank balances		845,359	583,612
		<u>3,668,022</u>	<u>643,073</u>
TOTAL ASSETS		<u><u>46,872,837</u></u>	<u><u>40,659,368</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	25,114,998	23,919,046
Share premium	6	77,200	77,200
Treasury shares reserve		68,734	68,734
Treasury shares	7	(182,758)	(182,758)
Statutory reserve	8	3,053,714	2,797,893
Retained earnings		4,201,559	4,866,188
Total equity		<u>32,333,447</u>	<u>31,546,303</u>
Non-current liabilities			
Employees' end of service benefits		258,987	525,872
Current liabilities			
Islamic financing payables	9	13,568,855	7,188,127
Accounts payable and other liabilities	10	711,548	1,399,066
		<u>14,280,403</u>	<u>8,587,193</u>
Total liabilities		<u>14,539,390</u>	<u>9,113,065</u>
TOTAL EQUITY AND LIABILITIES		<u><u>46,872,837</u></u>	<u><u>40,659,368</u></u>

Bashar Nasser Al-Tuwaijri
Vice Chairman

Abdulrahman Hamad Al Terkait
Board Member & Chief Executive
Officer

The attached notes 1 to 16 form part of these financial statements.