

التاريخ: 2018/07/29

السادة / شركة بورصة الكويت
المحترمين
الكويت
تحية طيبة وبعد،،،

الموضوع: البيانات المالية المرحلية عن الربع الثاني

للفترة المنتهية في 2018/06/30

نود إفادتكم بأن مجلس إدارة الشركة قد انعقد اليوم الأحد الموافق 2018/07/29 واعتمد البيانات المالية المرحلية عن الربع الثاني للفترة المنتهية في 2018/06/30 وفقا للنموذج المرفق.
وتفضلوا بقبول فائق الاحترام والتقدير،،،



علي إبراهيم معرفي

نائب رئيس مجلس الإدارة

URC شركة العقارات المتحدة
United Real Estate Co

Quarterly Financial Statement Results Form (Q2)
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية المرحلية (الربع الثاني)
الشركات الكويتية (د.ك.)

Financial Quarter Ended on	2018-6-30	الفترة المرحلية المنتهية في
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Company Name	اسم الشركة
United Real Estate Company S.A.K.P	شركة العقارات المتحدة ش.م.ك.ع.
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2018-7-29	

البيان Statement	فترة الستة أشهر الحالية Current 6-Month Period	فترة الستة أشهر المقارنة 6-Month Comparative Period	التغيير (%)
	30/6/2018	30/6/2017	
صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	(1,696,214)	1,439,643	(217.82 %)
ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)	(1.58)	1.34	(217.82 %)
الموجودات المتداولة Current Assets	133,715,515	117,224,432	14.07 %
إجمالي الموجودات Total Assets	601,953,930	581,211,555	3.57 %
المطلوبات المتداولة Current Liabilities	161,417,213	129,284,816	24.85 %
إجمالي المطلوبات Total Liabilities	376,613,691	348,456,946	8.08 %
إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company	181,713,424	187,775,644	(3.23 %)
إجمالي الإيرادات التشغيلية Total Operating Revenue	43,794,036	40,039,848	9.38 %
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	6,025,024	7,048,636	(14.52 %)
أرباح (خسائر) مرحلة / رأس المال المدفوع Retained Profit (Loss) / Paid-Up Share Capital	(1.428 %)	1.212 %	(217.82 %)

البيان Statement	الربع الثاني الحالي Second Quarter Current Period	الربع الثاني المقارن Second Quarter Comparative Period	التغير (%) Change (%)
	30/6/2018	30/6/2017	
صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	(2,460,725)	280,281	(977.95 %)
ربحية/خسارة السهم الأساسية والمخففة (فلس) Basic & Diluted Earnings per Share (fils)	(2.29)	0.26	(977.95 %)
إجمالي الإيرادات التشغيلية Total Operating Revenue	23,071,070	19,316,749	19.44 %
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	2,521,366	3,401,998	(25.89 %)

سبب ارتفاع/انخفاض صافي الربح/الخسارة	Increase/Decrease in Net Profit/(Loss) is due to
<ul style="list-style-type: none"> زيادة مخصصات مقابل ذمم مدينة. زيادة تكاليف التمويل نتيجة زيادة تمويل مشاريع وأنشطة الشركة. مقابل زيادة الأرباح من الشركات زميلة. 	<ul style="list-style-type: none"> Increase in provisions against receivables. Increase in financing costs as a result of increased funding for the company's projects and activities. Set off against increase profits from associates.
بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Revenue realized from dealing with related parties (value, KWD)
1,303,525	1,303,525
بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Expenditures incurred from dealing with related parties (value, KWD)
344,683	344,683

الاسم Name	المسمى الوظيفي Title	التوقيع Signature	ختم الشركة Company Seal
علي إبراهيم معرفي Ali Ibrahim Marafi	نائب رئيس مجلس الإدارة Vice Chairman		

• Auditor Report Attached

• مرفق تقرير مراقب الحسابات

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF UNITED REAL ESTATE COMPANY S.A.K.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Real Estate Company S.A.K.P. (the "Parent Company") and its subsidiaries (the "Group") as at 30 June 2018, and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months period then ended. The management of the Parent Company 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 the 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.

Basis for Qualified Conclusion

As at 30 June 2018, the interim condensed consolidated financial information include the carrying value and share of result of the Group's associate, Abdali Boulevard Company P.S.C. ("ABC"), amounting to KD 34,777,495 and KD 695,915 respectively based on management accounts due to unavailability of audited financial statements. We were unable to carry out any review procedures to satisfy ourselves as to the completeness and accuracy of share of results and the carrying value of ABC included in the Group's interim condensed consolidated financial information. Consequently, we were unable to determine whether any adjustment to the Group's investment in associates as at 30 June 2018 and share of results of the associates for the period ended 30 June 2018 was necessary.

Conclusion

Based on our review, except for the possible effect of the matter described in the Basis for Qualified Conclusion paragraph, 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.

EY ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS
See Our Report Dated

29 JUL 2018

INITIALLED FOR IDENTIFICATION
PURPOSES ONLY

**REPORT ON REVIEW OF INTERIM
CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF
DIRECTORS OF UNITED REAL ESTATE COMPANY S.A.K.P. (continued)**

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 violation of the Companies Law No. 1 of 2016, as amended, and its Executive Regulations, as amended, or of the Parent Company's the Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended 30 June 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

29 July 2018
Kuwait

EY ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS
See Our Report Dated

29 JUL 2018

INITIALLED FOR IDENTIFICATION
PURPOSES ONLY

United Real Estate Company S.A.K.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2018

		30 June 2018 KD	(Audited) 31 December 2017 KD	30 June 2017 KD
	Notes			
ASSETS				
Non-current assets				
Property and equipment		78,922,984	80,104,450	81,439,042
Investment properties		294,599,957	294,627,605	283,979,706
Investment in associates		78,464,979	77,960,687	82,788,338
Financial assets at fair value through other comprehensive income		4,374,130	-	-
Financial assets available for sale		-	14,452,576	13,948,155
Loan to an associate		9,034,192	-	-
Intangible assets		2,842,173	2,332,402	1,831,882
		<u>468,238,415</u>	<u>469,477,720</u>	<u>463,987,123</u>
Current assets				
Properties held for trading		58,723,858	58,639,720	56,526,253
Accounts receivable, prepayments and other assets	3	62,006,679	57,785,729	44,509,404
Cash and short term deposits	4	12,984,978	16,527,864	16,188,775
		<u>133,715,515</u>	<u>132,953,313</u>	<u>117,224,432</u>
TOTAL ASSETS		<u>601,953,930</u>	<u>602,431,033</u>	<u>581,211,555</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Non-current liabilities				
Interest bearing loans and borrowings		138,236,835	124,885,062	144,121,530
Deferred tax liabilities		16,959,643	16,740,732	15,050,600
Bonds		60,000,000	-	60,000,000
		<u>215,196,478</u>	<u>141,625,794</u>	<u>219,172,130</u>
Current liabilities				
Interest bearing loans and borrowings		97,975,591	107,779,324	75,395,070
Bonds		-	60,000,000	-
Accounts payable, accruals and other payables		63,441,622	61,890,933	53,889,746
		<u>161,417,213</u>	<u>229,670,257</u>	<u>129,284,816</u>
Total liabilities		<u>376,613,691</u>	<u>371,296,051</u>	<u>348,456,946</u>
EQUITY				
Share capital		118,797,442	118,797,442	118,797,442
Share premium		15,550,698	15,550,698	15,550,698
Statutory reserve		20,511,526	20,511,526	20,253,562
Voluntary reserve		2,582,767	2,582,767	2,582,767
Treasury shares	5	(14,478,743)	(14,478,743)	(14,478,743)
Treasury shares reserve		491,325	491,325	491,325
Other reserve		152,073	152,073	152,073
Cumulative changes in fair values		(1,074,709)	79,553	13,935
Foreign currency translation reserve		(14,614,688)	(14,445,961)	(12,553,084)
Retained earnings		53,795,733	57,485,872	56,965,669
		<u>Equity attributable to equity holders of the</u>		
Parent Company		181,713,424	186,726,552	187,775,644
Non-controlling interests		43,626,815	44,408,430	44,978,965
Total equity		<u>225,340,239</u>	<u>231,134,982</u>	<u>232,754,609</u>
TOTAL LIABILITIES AND EQUITY		<u>601,953,930</u>	<u>602,431,033</u>	<u>581,211,555</u>


 Ali Ibrahim Marafi
 Vice Chairman

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

United Real Estate Company S.A.K.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(UNAUDITED)

For the period ended 30 June 2018

		Three months ended 30 June		Six months ended 30 June	
	Notes	2018 KD	2017 KD	2018 KD	2017 KD
REVENUE					
Gross rental income		5,147,000	5,330,461	10,300,850	10,743,852
Hospitality income		4,153,383	3,792,101	8,662,062	8,118,145
Contracting and services revenue		12,621,629	9,437,692	22,767,574	19,651,890
Other operating revenue		1,149,058	756,495	2,063,550	1,525,961
		<u>23,071,070</u>	<u>19,316,749</u>	<u>43,794,036</u>	<u>40,039,848</u>
COST OF REVENUE					
Properties operating costs		(2,006,750)	(897,038)	(3,166,681)	(1,906,384)
Rental expense on leasehold properties		(498,095)	(497,669)	(994,883)	(994,985)
Hospitality costs		(2,945,956)	(2,696,510)	(5,742,242)	(5,435,089)
Depreciation of hotels		(870,611)	(993,196)	(1,827,882)	(1,995,359)
Contracting and services cost		(12,207,643)	(9,099,661)	(22,067,554)	(18,951,005)
		<u>(18,529,055)</u>	<u>(14,184,074)</u>	<u>(33,799,242)</u>	<u>(29,282,822)</u>
GROSS PROFIT		4,542,015	5,132,675	9,994,794	10,757,026
Investment income (loss)		16,964	(5,805)	13,642	(3,412)
General and administrative expenses		(1,816,220)	(1,564,371)	(3,513,187)	(3,315,347)
Depreciation of property and equipment		(37,931)	(97,191)	(212,766)	(195,765)
Provision for maintenance of leasehold properties		(66,000)	(66,000)	(132,000)	(132,000)
(Loss) gain on disposal of investment property		(117,462)	2,690	(125,459)	(61,866)
OPERATING PROFIT		2,521,366	3,401,998	6,025,024	7,048,636
(Loss) gain from disposal of property and equipment		(71)	2,770	6,929	2,770
Share of results of associates		(18,953)	(506,416)	802,015	(593,723)
Interest income		75,642	57,861	165,726	119,061
Other income		286,082	58,951	465,711	591,704
(Charge) reversal of provisions for impairment		(1,712,495)	50,000	(1,916,358)	246,000
Finance costs		(4,107,294)	(3,607,356)	(7,868,156)	(6,931,949)
Foreign exchange gain (loss)		36,084	(9,506)	7,854	(38,818)
(LOSS) PROFIT BEFORE TAXATION		(2,919,639)	(551,698)	(2,311,255)	443,681
Taxation (expense) reversal	6	(109,057)	503,487	(201,545)	383,559
(LOSS) PROFIT FOR THE PERIOD		(3,028,696)	(48,211)	(2,512,800)	827,240
Attributable to:					
Equity holders of the Parent Company		(2,460,725)	280,281	(1,696,214)	1,439,643
Non-controlling interests		(567,971)	(328,492)	(816,586)	(612,403)
		<u>(3,028,696)</u>	<u>(48,211)</u>	<u>(2,512,800)</u>	<u>827,240</u>
(LOSS) EARNINGS PER SHARE:					
Basic and diluted – attributable to equity holders of the Parent Company (fils)	7	(2.29)	0.26	(1.58)	1.34

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.