

Image REIT is a publicly traded company  
The following information is for informational purposes only  
and should not be used as a basis for investment decisions.

# IMAGE REIT

## FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Statement of Assets and Liabilities

The following table presents the Statement of Assets and Liabilities for the year ended June 30, 2023. The assets are presented in the order of their liquidity, with cash and cash equivalents being the most liquid assets. The liabilities are presented in the order of their maturity, with accounts payable and accrued liabilities being the most current liabilities. The total assets are equal to the total liabilities plus equity.

### Statement of Operations

The following table presents the Statement of Operations for the year ended June 30, 2023. The revenue is derived from the operations of the REIT, and the expenses are the costs incurred in the process of generating the revenue. The net income is the difference between the revenue and the expenses.

The following table presents the Statement of Cash Flows for the year ended June 30, 2023. The cash flows are categorized into three main activities: operating activities, investing activities, and financing activities. The net change in cash is the difference between the cash flows from operating activities and the cash flows from investing and financing activities.

**Independent Auditor's Report  
To the Unit holders of IMAGE REIT  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of the **IMAGE REIT (the "Scheme")** which comprise the statement of financial position as at 30 June 2023 and the statement of profit or loss and other comprehensive income, the statement of changes in unitholders fund, the statement of cash flows from the period March 07, 2023 to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in unitholders' fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) and Real Estate Investment Regulations, 2022 in the manner so required and respectively give a true and fair view of the state of the scheme's affairs as at 30 June 2023 and of its loss and other comprehensive loss, the changes in unitholders' fund and its cash flows for the period then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.





In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and the REIT Regulations, 2022 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.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

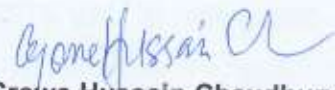
We communicate with the board of directors of management company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Scheme as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Scheme's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

  
**Crowe Hussain Chaudhury & Co.**  
Chartered Accountants

Karachi  
Date: 06 OCT 2023  
UDIN: AR2023102074VeRoC5zy

**IMAGE REIT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 -----Rupees-----
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment Property	4	<u>1,717,960,000</u> 1,717,960,000
<b>Current assets</b>		
Bank Balances	5	<u>10,000</u> 10,000
<b>TOTAL ASSETS</b>		<u><u>1,717,970,000</u></u>
<b>UNIT HOLDERS' FUND AND LIABILITIES</b>		
<b>Unit holders' fund</b>		
Issued, subscribed and paid-up units (171,796,000 units of Rs.10 each)	6	1,717,960,000
Accumulated losses		(250,000)
<b>TOTAL UNIT HOLDERS' FUND</b>		<u>1,717,710,000</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payable to REIT Management Company	7	10,000
Accrued expenses		<u>250,000</u> 260,000
<b>TOTAL LIABILITIES</b>		260,000
<b>CONTINGENCIES AND COMMITMENTS</b>		-
<b>TOTAL UNIT HOLDERS' FUND AND LIABILITIES</b>		<u><u>1,717,970,000</u></u>
<b>NET ASSETS VALUE PER UNIT</b>		<u><u>9.999</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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**For Sinolink REIT Management Limited**  
**(REIT Management Company)**

Muhammad Aslam  
**CHIEF EXECUTIVE**

Asad Ali  
**DIRECTOR**

**IMAGE REIT**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM MARCH 07, 2023 TO JUNE 30, 2023**

		For the period from March 07, 2023 to June 30, 2023
	Note	---Rupees---
Revenue		-
Administrative expenses	8	(250,000)
<b>Net operating loss</b>		<u>(250,000)</u>
Other income		-
Management fee		-
Loss before change in fair value of Investment property		<u>(250,000)</u>
Unrealised gain on remeasurement of fair value of Investment property		-
<b>Loss before tax</b>		<u>(250,000)</u>
Taxation		-
<b>Loss for the period</b>		<u><u>(250,000)</u></u>
Other comprehensive income		-
<b>Total comprehensive income for the period</b>		<u><u>(250,000)</u></u>
<b>Loss per unit - Basic and diluted</b>	9	<u><u>(0.001)</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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**For Sinolink REIT Management Limited**  
**(REIT Management Company)**

*Muhammad Ahmed*  
**CHIEF EXECUTIVE**

*Asif Ahmed*  
**DIRECTOR**



**IMAGE REIT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM MARCH 07, 2023 TO JUNE 30, 2023**

For the period from  
March 07, 2023 to  
June 30, 2023

-----Rupees-----

**CASH FLOW FROM OPERATING ACTIVITIES**

Loss for the period	(250,000)
Operating loss before working capital changes	(250,000)
<b>Increase in current liabilities</b>	
Payable to the REIT management company	10,000
Accrued expenses	250,000
Cash inflow from operating activities	10,000
Net cash generated from operating activities	10,000

**CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of investment property	-
Net cash (used in) investing activities	-

**CASH FLOW FROM FINANCING ACTIVITIES**

Issue of units	-
Net cash inflow from financing activities	-
<b>Net increase in cash and cash equivalents</b>	10,000
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	10,000

The annexed notes 1 to 12 form an integral part of these financial statements.

*etc*

**For Sinolink REIT Management Limited**  
**(REIT Management Company)**

*Muhammad Usman*

**CHIEF EXECUTIVE**

*Azeem Ahmad*

**DIRECTOR**

**IMAGE REIT**  
**STATEMENT OF CHANGES IN UNIT HOLDERS' FUND**  
**FOR THE PERIOD FROM MARCH 07, 2023 TO JUNE 30, 2023**

	Issued, subscribed and paid-up units	Accumulated loss	Total
-----Rupees-----			
<b>Transaction with owner</b>			-
Units Issued during the year	1,717,960,000	-	1,717,960,000
Total comprehensive loss for the period	-	(250,000)	(250,000)
<b>Balance as at June 30, 2023</b>	<b><u>1,717,960,000</u></b>	<b><u>(250,000)</u></b>	<b><u>1,717,710,000</u></b>

The annexed notes 1 to 12 form an integral part of these financial statement

**For Sinolink REIT Management Limited**  
**(REIT Management Company)**

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Muhammad Ahmed  
**CHIEF EXECUTIVE**

Aamir Ahmed  
**DIRECTOR**



**IMAGE REIT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM MARCH 07, 2023 TO JUNE 30, 2023**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal status and operations**

Image REIT ("the Scheme") was established under Trust Deed, dated 1 July 2022, executed between SINOLINK REIT Management Limited, as the REIT Management Company (RMC) and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee. The Scheme is governed under the Real Estate Investment Trust Regulations, 2022 (Previously REIT Regulations, 2015), promulgated and amended from time to time by the Securities & Exchange Commission of Pakistan (SECP).

The Trust Deed of the Scheme was registered on 1 July 2022 whereas approval of the registration of the REIT Scheme was granted by the SECP on 7 March 2023. The Scheme is a perpetual, closed-ended, shariah compliant rental REIT.

The registered office of the REIT Management Company is situated at 6th Floor, Image Tower, A/33, Central Commercial Area, Block 7/8, Karachi Co-operative Housing Societies Union, Karachi. The object of the REIT Scheme is making investments in real estate, which comprises constructed premises as well as land acquiring with the objective of initially development and construction of building on it and then letting on rent and / or selling them for the purpose of generating income of the scheme.

These financial statements have been prepared and presented for the period from March 07, 2023 to June 30, 2023. Since this is the first year of the REIT, there are no comparative in these financial statements.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives Issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies
- The Real Estate Investment Trust Regulations 2022 (REIT Regulations, 2022).

Where the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984 and REIT Regulation, 2022 differ from the IFRS Standards, the provision of and directives Issued under Companies Act, 2017 and REIT Regulations, 2022 have been followed.

- 2.1.1** On 28 November 2022, Securities and Exchange Commission of Pakistan vide S.R.O 2067/2022 has replaced REIT Regulation, 2015, with REIT Regulation, 2022 which came into force with immediate effect.

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## **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for investment property, which has been measured at the fair value.

## **2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of the Scheme. All figures have been rounded off to nearest thousand of rupees unless otherwise stated.

## **2.4 Key judgements and estimates**

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Scheme's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements and estimates with a significant risk of material adjustment in judgments which are significant to the financial statements and estimates with a significant risk of material adjustment in future years:

- Investment property

## **2.5 Changes in accounting standards, interpretations and pronouncements**

### **a) Standards and amendments to approved accounting standards that are effective**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Scheme annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Scheme financial reporting.

### **b) Standards and amendments to approved accounting standards that are not yet effective**

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Scheme's annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the Scheme's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below. The Scheme has consistently applied the following accounting policies to all periods presented in these financial statements

#### **3.1 Investment Property**

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in statement of profit or loss.

The Scheme determines the fair value of its investment property after every six months through an independent qualified valuer fulfilling the minimum criteria stated by the REIT Regulations, 2022. The valuer under REIT Regulations, 2022 is required to carry out valuation on three approaches and explicitly state the approach adopted that is most appropriate for the Scheme. The valuer has stated that Income Capitalization Approach - "Projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area" is the most appropriate / relevant approach used for income producing properties i.e. rental properties.

Subsequent costs are included in the carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Scheme and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss in the period in which they are incurred.

#### **3.2 Cash and cash equivalents**

Cash and cash equivalents consist of balances with banks and term deposit receipts having maturity of not more than three months.

#### **3.3 Trade and other payables**

Liabilities for trade and other amounts payable are recognized and carried at cost which is the fair value of the consideration received, whether or not billed to the REIT.

#### **3.4 Financial instruments**

##### **3.4.1 Classification and Initial Measurement**

The REIT classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

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### **Financial assets at FVOCI**

A financial asset is classified as at fair value through other comprehensive income when either:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the REIT to at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

### **Financial assets measured at amortized cost**

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

### **Financial assets at FVTPL**

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

## **3.4.2 Subsequent Measurement**

### **(a) Financial assets at FVOCI**

These assets are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

### **(b) Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in profit or loss.

### **(c) Financial assets measured at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

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### **3.4.3 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Scheme of similar financial assets) is primarily derecognized (i.e., removed from the Scheme's statement of financial position) when the rights to receive cash flows from the asset have expired; or the Scheme has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Scheme has transferred substantially all the risks and rewards of the asset, or (b) the Scheme has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Scheme has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Scheme continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Scheme also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Scheme has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Scheme could be required to repay.

### **3.4.4 Impairment - expected credit loss (ECL) of financial assets**

The REIT recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through statement of profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the REIT expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the REIT applies a simplified approach in calculating ECLs. Therefore, the Scheme does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Scheme has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### **3.4.5 Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

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A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### 4 INVESTMENT PROPERTY

	Note	2023 ----Rupees----
Carrying amount at the beginning of the year		-
Purchased during the year	4.1	<u>1,717,960,000</u>
Carrying amount at the end of the year		<u>1,717,960,000</u>

- 4.1 a) The investment property comprises of Open Resident Plot No 24-A/19 comprises of (500 square yards) situated in Block 7 & 8 of Delhi Mercantile Muslim Cooperative Housing Society Karachi consists of amount of Rs.450,000,000.
- b) The investment property comprises of Basement having gross covered area 2,874 square feet, showroom with loft and services area on the ground floor having gross covered area on 1st floor having gross covered area of 2,840 square feet, office on 2nd floor having gross covered area of 2,840 square feet, office on 3rd floor having gross covered area of 2,840 square feet, commercial plot no A/33, Survey No C.C 8 A, Survey sheet no 35-P/1, "Karachi Co Operative Housing society Ltd, Karachi consists of amount of Rs.841,960,000.
- c) The investment property comprises of Three office on 4th floor having gross covered area 2,840 square feet b) office on 5th floor having gross covered area of 2840 square feet, (c) office on 6th floor having gross covered area of 2,840 square feet , commercial plot No A/33, Survey No CC 8A, Survey sheet NO 35-P/1, "Karachi Co Operative housing society Ltd, Karachi consists of amount of Rs.426,000,000.

	2023 ----Rupees----
5 BANK BALANCE	
Cash at bank - current account	<u>10,000</u>
	<u>10,000</u>
6 ISSUED, SUBSCRIBED AND PAID-UP UNITS	
171,796,000 units of Rs.10 each against property	<u>1,717,960,000</u>

#### 6.1 Pattern of unit holding

	2023	
Name of unit holder	Percentage	Unit Held
Mr. Asad Ahmed	75.2%	129,196,000
First Tri Star Modarba	24.8%	42,600,000
	<u>100.0%</u>	<u>171,796,000</u>

- 6.2 These fully paid ordinary units carry one vote per unit and equal right to dividend.

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		2023 ----Rupees----
7	<b>PAYABLE TO REIT MANAGEMENT COMPANY</b>	
		10,000
		<u>10,000</u>

For the period from  
March 07, 2023 to  
June 30, 2023

		----Rupees----
8	<b>ADMINISTRATIVE EXPENSES</b>	
	Audit fees	250,000
		<u>250,000</u>
9	<b>LOSS PER UNIT - BASIC AND DILUTED</b>	
	Loss for the period (Rupees)	(250,000)
	Weighted average number of ordinary units (Numbers)	171,796,000
	Loss per unit- basic and diluted (Rupees)	<u>(0.001)</u>

- 9.1 There is no impact of dilution on loss per unit as the Scheme did not have any convertible instruments in issue as at 30 June 2023 which would have had any effect on the loss per unit if the option to convert had been exercised.

#### 10 **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The Scheme's activities are exposed to a variety of financial risks namely credit risk, liquidity risk, and market risk. The Scheme manages these risks through monitoring and controlling activities which are primarily set up to be performed based on limits established in the Scheme's constitutive documents and REIT Regulation, 2022 and directives of the SECP. The Board of Directors of RMC supervises the overall risk management approach within the Scheme.

##### 10.1 **Credit risk**

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Scheme attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties that arises principally from the Scheme's deposits with banks.

##### **Exposure to credit risk**

The carrying amount of the financial assets represents maximum exposure to credit risk as at 30 June:

		2023 ----Rupees----
Bank Balances		10,000
<i>CHL</i>		

## 10.2 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

Financial Liabilities	2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
-----Rupees-----				
Payable to REIT Management Company	10,000	10,000	10,000	-
	10,000	10,000	10,000	-

## 10.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price. Market risk comprise of three types of risks: currency risk, interest rate risk and other price risk.

### 10.3.1 Foreign currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises where receivables and payable exist due to transactions in foreign currency. The Scheme is not exposed to currency risk as of reporting date. There are no foreign currency denominated financial instruments held by the Scheme.

### 10.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash owes of a financial instrument will fluctuate because of changes in market interest rates. The scheme has no long term interest bearing financial assets and liabilities whose fair value or future cash owes will fluctuate because of changes in market interest rates.

### 10.3.2 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Scheme is not exposed to other price risk.

## 11 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 06 OCT 2023 by the Board of Directors of the REIT Management Company.

## 12 GENERAL

Figures have been rounded off to nearest rupee.

CNC

For Sinolink REIT Management Limited  
(REIT Management Company)

  
CHIEF EXECUTIVE

  
DIRECTOR