

**IMAGE REIT
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
DECEMBER 31, 2024**

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

Opinion

We have audited the financial statements of the **IMAGE REIT (the Scheme)** which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in Unit Holders' Fund, for the period then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2024 and its profit and other comprehensive income, its cash flows, and changes in equity 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.

Emphasis of Matter

We draw our attention to Note 2.3 to the financial statements, which describe that these financial statements have been prepared voluntarily for submission to the concerned departments in connection with the listing of the Scheme and are therefore not suitable for any other purpose. These financial statements are not general purpose financial statements of the Scheme.

We further draw attention to Note 2.4 to the financial statements, which describe that these financial statements are prepared for the period covering six months ended on December 31, 2024. Since the audited comparative figures are available for the year ended June 30, 2024, the same have been disclosed as comparatives and balances in statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in Unit Holders' fund and notes to the financial statements are not comparable

Our opinion is not modified in respect of the above matters.

Responsibilities of Management and Those Charged with Governance for the special purpose Financial Information

Management is responsible for the preparation and fair presentation of the financial information in accordance with the Note 2 to the financial statements and for such internal

control as management determines is necessary to enable the preparation of the 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 Modaraba 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.
- 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 special purpose financial information, including the disclosures, and whether the special purpose financial information represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance 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.

A handwritten signature in blue ink, appearing to read 'Imran Shaikh', written over the printed name.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Engagement Partner: Imran Shaikh

Place: Karachi

Date: **04 MAR 2025**

UDIN: AR202410207KY42gVtLQ

**IMAGE REIT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

		December 2024	June 2024
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Investment Property	4	2,252,634,000 2,252,634,000	2,050,995,000 2,050,995,000
Current assets			
Other receivables and deposits		131,451	29,158
Receivables		1,140,048	19,503,520
Bank Balances	5	91,659 1,363,158	11,160,372 30,693,050
TOTAL ASSETS		2,253,997,158	2,081,688,050
UNIT HOLDERS' FUND AND LIABILITIES			
Unit holders' fund			
Represented By:			
Issued, subscribed and paid-up units (183,843,033 units of Rs.10 each)	6	1,838,430,330	1,838,430,330
Capital Reserve	7	369,845,239	199,944,920
Revenue Reserve		28,480,387	34,389,268
TOTAL UNIT HOLDERS' FUND		2,236,755,956	2,072,764,518
LIABILITIES			
Current liabilities			
Payable to REIT Management Company- Related Party	8	3,881,170	3,105,555
Accrued expenses		113,000	3,317,977
Other Liabilities		9,747,032	-
Security deposit		3,500,000	2,500,000
		17,241,202	8,923,532
TOTAL LIABILITIES		17,241,202	8,923,532
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL UNIT HOLDERS' FUND AND LIABILITIES		2,253,997,158	2,081,688,050
NET ASSETS VALUE PER UNIT		12.167	11.275

The annexed notes 1 to 14 form an integral part of these financial statements.

CHC

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


CHIEF EXECUTIVE


DIRECTOR

IMAGE REIT
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2024

		For the period from July 1, 2024 to December 31, 2024	June 30, 2024
	Note	-----Rupees-----	
Revenue		32,362,176	41,340,320
Administrative expenses		(6,180,481)	(6,601,301)
Net operating profit		26,181,695	34,739,019
Other income		81,954	126,249
Management fee	8	-	-
Trustee fee		-	(226,000)
Profit / (Loss) before change in fair value of investment property		26,263,649	34,639,268
Unrealised gain on remeasurement of fair value of investment		169,900,319	199,944,920
Profit / (Loss) before tax		196,163,968	234,584,188
Taxation		-	-
Profit / (Loss) for the year / period		196,163,968	234,584,188
Other comprehensive income		-	-
Total comprehensive income for the year / period		196,163,968	234,584,188
 Profit / (Loss) per unit - Basic and diluted		 1.067	 1.276

The annexed notes 1 to 14 form an integral part of these financial statements.

MC

For Sinolink REIT Management Limited
(REIT Management Company)

Muhammad Ali Ahmed

CHIEF EXECUTIVE

Qasim Ahmed

DIRECTOR

IMAGE REIT
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2024

For the period
from July 1, 2024
to December 31,
2024 June 30, 2024
-----Rupees-----

CASH FLOW FROM OPERATING ACTIVITIES

Profit / (Loss) for the period / year	196,163,968	234,584,188
Adjustment for non-cash and other items:		
Unrealised gain on remeasurement of fair value of investment property	(169,900,319)	(199,944,920)
	<u>26,263,649</u>	<u>34,639,268</u>

Working Capital Changes:

(Increase) / Decrease in current assets:

Other receivables and deposits	(102,293)	(29,158)
Receivables	18,363,472	(19,503,520)

Increase / (Decrease) in current liabilities:

Payable to the REIT management company	775,615	3,095,555
Accrued expenses	(3,204,977)	3,067,977
Other Liabilities	9,747,032	-
Security Deposit	1,000,000	2,500,000
Cash generated / (used in) from operating activities	<u>26,578,849</u>	<u>(10,869,146)</u>

Net cash generated from operating activities	<u>52,842,498</u>	<u>23,770,122</u>
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CASH FLOW FROM INVESTING ACTIVITIES

Dividend Paid	(32,172,530)	-
Purchase of investment property	(31,738,681)	(133,090,080)
Net cash (used in) investing activities	<u>(63,911,211)</u>	<u>(133,090,080)</u>

CASH FLOW FROM FINANCING ACTIVITIES

Issue of units	-	120,470,330
Net cash generated / (used in) financing activities	<u>-</u>	<u>120,470,330</u>

Net increase in cash and cash equivalents	<u>(11,068,713)</u>	<u>11,150,372</u>
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Cash and cash equivalents at the beginning of the period	11,160,372	10,000
Cash and cash equivalents at the end of the period	<u>91,659</u>	<u>11,160,372</u>

The annexed notes 1 to 14 form an integral part of these financial statements.

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For Sinolink REIT Management Limited
(REIT Management Company)

Muhammad Asim

CHIEF EXECUTIVE

Asad Ahmed

DIRECTOR

**IMAGE REIT
STATEMENT OF CHANGES IN UNIT HOLDERS' FUND
FOR THE PERIOD ENDED DECEMBER 31, 2024**

	Reserves			Total Unit holders' fund
	Capital Reserve	Revenue Reserve		
Issued, subscribed and paid-up units	Fair Value Reserve (Note 7.1)	Accumulated profit/(loss)		
-----Rupees-----				
Transaction with owners:				
Balance as at June 30, 2023	1,717,960,000	-	(250,000)	1,717,710,000
Units issued during the year	120,470,330	-	-	120,470,330
Total comprehensive income for the period	-	-	234,584,188	234,584,188
Reclassification adjustment related to changes in fair value of investment	199,944,920	(199,944,920)		
Balance as at June 30, 2024	1,838,430,330	199,944,920	34,389,268	2,072,764,518
Profit for the period	-	-	196,163,968	196,163,968
Unrealised gain on remeasurement of fair value of investment property	-	169,900,319	(169,900,319)	-
Total comprehensive income for the period	-	169,900,319	26,263,649	196,163,968
Final dividend for the year ended June 30, 2024	-	-	(32,172,530)	(32,172,530)
Balance as at December 31, 2024	1,838,430,330	369,845,239	28,480,387	2,236,755,956

The annexed notes 1 to 14 form an integral part of these financial statements.

MC

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


CHIEF EXECUTIVE


DIRECTOR

IMAGE REIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF THE BUSINESS

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 Hybrid 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 objective of the REIT Scheme is making investments in real estate, which comprises constructed premises as well as land to be acquired with the objective of 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.

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 comprises 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 Ordinance 1984; and
- 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 Regulations, 2022 differ from the IFRS Standards, the provisions of and directives issued under Companies Act, 2017 and REIT Regulations, 2022 have been followed.

2.2 These financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the REIT for the year ended June 30, 2024.

2.3 These financial statements for the period from July 01, 2024 to December 31, 2024 have been prepared voluntarily for submission to the concerned departments in connection with the listing of the Scheme and are therefore not suitable for any other purpose. These financial statements are not general purpose financial statements of the Scheme.

2.4 These financial statements are prepared for the period covering six months ended on December 31, 2024. Since the audited comparative figures are available for the year ended June 30, 2024, the same have been disclosed as comparatives and balances in statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in Unit Holders' fund and notes to the financial statements are not comparable.

2.5 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.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani 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.

2.7 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Scheme annual accounting period beginning on or after July 01, 2024. However, these do not have any significant impact on the Scheme financial reporting and are, therefore, not disclosed in these condensed interim financial statements.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the REIT for the year ended June 30, 2024.

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- 3.2 The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan for financial reporting that requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the REIT's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and 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 revision and future periods if the revision affects both the current and future periods. In preparing these financial statements, the significant judgments made by the management in applying the REIT's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the annual audited financial statements of the REIT for the year ended June 30, 2024.

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024.

4 INVESTMENT PROPERTY

	Note	DEC 2024	JUN 2024
		-----Rupees-----	
Carrying amount- opening balance	4.1	2,050,995,000	1,717,960,000
Addition to investment property		31,738,681	133,090,080
		2,082,733,681	1,851,050,080
Unrealized gain on remeasurement of fair value of investment property		169,900,319	199,944,920
Carrying amount at the end of the year		2,252,634,000	2,050,995,000

- 4.1 a) It is a 500 square yards commercial plot having two basements consisting of parking, service area and water tank with a gross covered area of 4,207 square feet each, Ground floor consisting of retail space and service area having a gross covered area of 4,500 square feet, mezzanine floor consisting of storage and service area having a gross covered area of 800 square feet and first floor consisting of retail space and service area having a gross covered area of 4,500 square feet, on Plot No. 24-A/19, Delhi Mercantile Muslim Cooperative Housing Society, Block 7/8, Tipu Sultan Road, Karachi.
- b) It comprises of Basement having gross covered area 2,874 square feet, showroom with lift and services area on the ground floor having gross covered area on 1st floor of 2,840 square feet, office on 2nd floor having gross covered area of 2,840 square feet, office on 3rd floor, 4th floor, 5th floor & 6th floor having gross covered area of 2,840 square feet each, on commercial plot No A/33, Survey No C.C 8 A, Survey sheet no 35-P/1, "Karachi Co Operative Housing Society to Union Limited, Karachi.
- c) The investment property has been valued by Sadruddin Associates (Private) Limited (the Valuer) as at 31 December 2024, who are independent valuers. The Valuer is enlisted with Pakistan Bank's Association and Pakistan Engineering Council and have recent experience in the location and category of the property being valued.

5 BANK BALANCE

	Note	DEC 2024	JUN 2024
		-----Rupees-----	
Cash at bank - current account		7,881	7,881
Cash at bank - savings account	5.1	83,778	11,152,491
		91,659	11,160,372

- 5.1 This represents deposit held in rupee savings account (SA) with Meezan Bank Limited carrying expected profit rates ranging from 10.00% to 11.01% (2023: 8.5% to 10.00%) per annum.

6 ISSUED, SUBSCRIBED AND PAID-UP UNITS

	Note	DEC 2024	JUN 2024
		-----Rupees-----	
Ordinary units of Rs.10 each fully paid for consideration other than cash (against property) 183,843,033 (2024: 183,843,033)	6.1	1,838,430,330	1,838,430,330

6.1 Pattern of unit holding

Name of unit holder	DEC 2024		June 2024	
	Percentage	Units Held	Percentage	Units Held
Mr. Asad Ahmed	76.8%	141,243,033	76.8%	141,243,033
First Tri Star Modarba	23.2%	42,600,000	23.2%	42,600,000
	100.0%	183,843,033	100.0%	183,843,033

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

7 CAPITAL RESERVE

7.1 Fair value reserve

The fair value reserve pertains to cumulative net changes in fair value of investment property which is not free for distribution by way of dividend.

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8 **PAYABLE TO REIT MANAGEMENT COMPANY - Related party**

	Note	DEC 2024	JUN 2024
		-----Rupees-----	
Payable to REIT management company - related party	8.1 & 8.2	3,881,170	3,105,555
		<u>3,881,170</u>	<u>3,105,555</u>

8.1 Under the provisions of REIT Regulations, 2022 (previously REIT Regulations, 2015), RMC is entitled to a management fee as stated in the Offering Document, Business Plan and Information Memorandum. The management company has not charged management fees for the year to the Scheme.

8.2 This includes expenses incurred on behalf of Scheme by RMC.

9 **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties include Sinolink REIT Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee to the Scheme, Image Pakistan Limited being an associated company, Image Tech being an associated company, First Tri-Star being an associated company, directors and key executives of the RMC, trustee and promoter of RMC including their close relatives. Transactions with related parties are in the normal course of business, at agreed terms. There are no related parties incorporated outside Pakistan with whom the Scheme had entered into transactions during the year.

Name	Relationship	Nature of Transaction	Transactions		Balances	
			December 2024	June 2024	December 2024	June 2024
			-----Rupees-----			
Image Pakistan Limited	Director	Rental income	23,097,888	11,996,160	-	6,699,360
		Rent received	29,797,248	5,296,800		
Image Tech Ltd.	Director	Rental income	6,597,888	11,996,160	1,099,648	11,996,160
		Rent received	17,494,400	-		
First Tri-Star Modarba	Director	Rental income	2,666,400	4,848,000	40,400	808,000
		Rent received	3,434,000	4,040,000		
Sinolink REIT Management Company	REIT Management Company	Expenses incurred on behalf of scheme	1,334,708	1,138,327	3,881,170	-
		Reimbursement of expenses incurred on behalf of scheme	-	752,634	-	-
		Management fee	-	-	-	385,693
Central Depository Company of Pakistan Limited	Trustee	Trustee Fee Payable	321,602	226,000	321,602	-
					<u>5,342,820</u>	<u>19,889,213</u>

10 **CONTINGENCIES AND COMMITMENTS**

There has been no change in status of contingencies and commitments reported in the financial statements for the year ended June 30, 2024.

11 **FAIR VALUE OF FINANCIAL INSTRUMENTS**

The company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statement for the year ended June 30, 2024. There is no change in the nature and corresponding's hierarchies of fair value level of financial instrument from those as disclosed in the audited financial statement of the company for the year ended June 30, 2024.

12 **CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period.

13 **DATE OF AUTHORIZATION**

These financial statements were authorized for issue on 04 MAR 2025 by the Board of Directors of the REIT Management Company.

14 **GENERAL**

Figures have been rounded off to nearest rupee.

For Sinolink REIT Management Limited
(REIT Management Company)

CHIEF EXECUTIVE

DIRECTOR