

SINOLINK REIT MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINOLINK RIET MANAGEMENT COMPANY LIMITED**Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of SinoLink RIET Management Company Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, 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, Statement of comprehensive income, the statement of changes in equity 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), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the Profit, the changes in equity and its cash flows for the year 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 company 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

Management is responsible for the other information. The other information comprises the information in the annual report but does not include the financial statements and the audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance 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 Board of Directors 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 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 Company'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 company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company'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 Company'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 company'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 Company 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 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 Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, statement of 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 year were for the purpose of the Company'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 Mohammad Ghalib.


Chartered Accountants

Karachi

UDIN: AR202310161jHsKwgucr

Dated: August 3, 2023

SINOLINK REIT MANAGEMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023	2022
		RUPEES	
SHARE CAPITAL & RESERVE			
AUTHORISED SHARE CAPITAL			
25,000,000 Ordinary Shares of Rs 10/- each		250,000,000	250,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
5,000,000 (2022 :5,000,000) Ordinary Shares of Rs 10/- each		50,000,000	50,000,000
Accumulated Loss		1,380,799	(1,445,203)
		51,380,799	48,554,797
CURRENT LIABILITIES			
Accrued and Other payables	5	125,000	100,000
Provision for tax	11	1,115,516	196,603
		1,240,516	296,603
		52,621,316	48,851,400
ASSETS			
NON CURRENT ASSETS			
Diminishing Musharika finance Facility to associated Company	6	46,000,000	-
CURRENT ASSETS			
Short term Loan to Associated Company	7	-	46,000,000
Interest Recivable on loan to associated Company		1,966,027	1,966,027
Rental Reciveable on diminishing Musharika facility of Associated Compa	10	4,600,000	-
Advances and Deposit		10,000	-
Cash and Bank Balances	8	45,289	885,373
		6,621,316	48,851,400
		52,621,316	48,851,400

NOTE: The annexed notes form an integral part of these accounts.


Chief Executive


Director

SINOLINK REIT MANAGEMENT COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		RUPEES	
Income		-	-
Administrative Expenses	9	(854,750)	(3,213,500)
		<u>(854,750)</u>	<u>(3,213,500)</u>
Other income	10	4,600,000	1,966,027
Financial charges		(334)	(1,128)
Profit/(Loss) Before tax		<u>3,744,916</u>	<u>(1,248,601)</u>
Taxation	11	(918,913)	(196,603)
Profit/(Loss) for the year		<u><u>2,826,003</u></u>	<u><u>(1,445,203)</u></u>
Earning per Share - Basic		0.57	(0.54)

NOTE: The annexed notes form an integral part of these accounts.

Muhammad Ali Ahmed
Chief Executive

Asad Ali Ahmed
Director

SINOLINK REIT MANAGEMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees)	
Profit/(Loss) after Taxation	2,826,003	(1,445,203)
Other comprehensive Income	-	-
Total Comprehensive Income for the Year	2,826,003	(1,445,203)

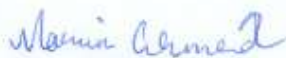
The annexed notes form an integral part of these financial statements.


Chief Executive


Director

SINOLINK REIT MANAGEMENT COMPANY LIMITED
STATEMENT OF CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		RUPEES	
Loss for the year		3,744,916	(1,248,601)
Changes in working capital			
Increase / (Decrease) in Current Liabilities			
Accrued and other payables		25,000	100,000
(Increase) / Decrease in Assets			
Loan to Associated Undertaking		-	(46,000,000)
Advance and Deposits		(10,000)	
Rental Receivable on diminishing Musharika facility of Associated Company		(4,600,000)	(1,966,027)
		(4,585,000)	(47,866,027)
Net cash generated from operating activities		(840,084)	(49,114,628)
Taxes Paid		-	-
		(840,084)	(49,114,628)
Cash flow from financing activities			
Paid-Up Capital issued during the period		-	50,000,000
Net(Decrease)/Increase in cash equivalent		(840,084)	885,373
Cash & cash equivalent at the beginning of the year		885,373	-
Cash & cash equivalent at the end of the year		45,289	885,373


CHIEF EXECUTIVE


DIRECTOR

SINOLINK REIT MANAGEMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued Subscribed & Paid up Capital	Accumulated Profit/(Loss)	Total
	Rupees		
Opening balance as on July 1, 2021	-	-	-
Share Capital issued during the year	50,000,000	-	50,000,000
Profit/(Loss) for the Period	-	(1,445,203)	(1,445,203)
Balance as on June 30, 2022	50,000,000	(1,445,203)	48,554,797
Profit for the Year		2,826,003	2,826,003
Balance at June 30, 2023	50,000,000	1,380,799	51,380,799

Masum Ahmed
CHIEF EXECUTIVE

Asad Ahmed
DIRECTOR

SINOLINK REIT MANAGEMENT COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2023

1 Status and Nature of the company

Sinolink REIT Management Company Limited (the Company) was incorporated in Pakistan on December 10, 2021 as unlisted Public Company. The Principal line of business of the company shall be to carry on all or any business permitted to be carried out by a "REIT Management Services" in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (as amended, replaced or supplemented from time to time) and all rules, regulation etc. framed pursuant to the same or generally applicable to a "REIT management company" under the applicable laws.

The company obtained license from SECP valid for three years from February 7, 2022 and shall be renewable after three years as specified in the Rules, as non banking Finance company (NBFC) under non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (as amended, replaced or supplemented from time to time) and all rules by Securities and Exchange Commission of Pakistan and launch Real Estate Investment Trust (REIT) under Real Estate Investment Trust Regulations, 2015.

The principle activities of the Company is to form, launch and manage Real Estate Investment Trust (REITs) under RIET Regulations, 2015 amended as REIT Regulation 2022 on November 28, 2022.

The Management of the company authorised by SECP vide their letter no SCB/PRDD/REIT/IR/ 2022/ 109 dated June 10, 2022 issued interms of Regulation 3C of RIET Regulations to Constitute Trust under the name of Image REIT the Company has signed a Trust Deed and registered under the name of Image REIT vide registration No. KAR/ST/045/2022 dated July 1, 2022 by the REIT Management Company (Sinolink REIT Management Company Limited)

Further The Company has registered Image REIT Scheme with SECP has been and the approval given by the SECP vide their letter no. SCB/PRDD/REIT/IR/ 2022/154 dated March 7, 2022.

The Company has also appointed Shariah Adviser for the **Image REIT** as instructed by the SECP on April 28,

The geographical location and address of the Company business unit is as under:

The registered office of the company is located at A/33, Central Commercial Area, Block 7/8, Main Sharah-e-Faisal, KCHSU, Karachi.

1.1 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period in the relevant notes to the financial Statements.

2 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 Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- The Non Banking Finance Companies Establishment and Regulation) Rules 2003 (the NBFC Rule 2003)
- and the Real Estate Investment Regulations 2015

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 **Basis of Measurement**

The financial statements have primarily been prepared on the historical cost basis, unless an accounting policy herein states otherwise. The financial statements, except for the cash flow statement, have been prepared under the accrual basis of accounting.

The Preparation of these financial statements in conformity with the Approved Accounting standards require the management exercise the judgment and process Applying the Company's Policies and use of Certain accounting Estimates. The areas involving higher degree of judgments critical Accounting estimates and significant assumptions are disclosed in note 3.1.

3.1 **Significant accounting judgments and Estimates**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting Policies. Estimates and judgments are continually evaluated and are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

3.1.1. **Income Taxes**

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax departments at the assessment stage and where the company Considers that its view on items of material nature is in accordance with the law, the amounts are shown as contingent liabilities. Furthermore, the company may be able to avail the benefit of the payment of turnover tax, provided sufficient taxable profits are available in in next five years when this credit can be utilized. Significant management judgment is required to determine the amount of Deferred tax assets that can be

3.1.2 **Provision for ECL**

Receivables are assessed on a regular basis and if there is any doubt about recoverability of these receivables , provision for doubtful debts is made as per Company policy.

3.1.3. **Impairment**

The carrying amounts of the company's assets are reviewed at each Statement of Financial Position date to determine whether there is an indication of impairment loss. If such indication exists the recoverable amounts of assets is estimated. Impairment is recognized wherever the carrying amounts of the assets exceeds its recoverable amounts. Impairment losses are charged to Statement of Profit or loss.

3.1.4. **Contingencies**

existence of which will Confirmed only by occurrence or non -occurrence of one or more uncertain future events not wholly within the Control of the Company; or the Company has a resent legal or constructive obligation that arises from Past events, but it is not probable that an out flow of resources embodying economic benefits will be required to settle the obligation, or the amounts of the obligation cannot be measured with sufficient reliability.

4 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the presentation of these financial Statements are set out below. These policies have been consistently applied to all periods presented in the financial

4.1 **Accrued and other Payables**

Trade and other Payables are recognized initially at fair value plus directly attributable cost, if any and subsequently measured at amortized Cost. Accounts payable are classified as current liabilities if a payment is due within one year, if not they are presented as non current liabilities.

4.2 **Taxation**

The tax expense comprises current and deferred tax. Tax is recognized in statement of Profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity respectively.

a **Current taxation**

Provision for current taxation is higher of taxable income or accounting income at the current rates of taxation after taking into account tax credits and tax rebates, if any, of the company. The charge for the current year tax also includes prior year adjustments arising due to assessments framed during the year.

b **Deferred taxation**

Deferred tax is accounted for using the statement of financial Position liability method in respect of all temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the Corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are recognized for all taxable temporary differences in full and deferred tax assets are recognized for all deductible timing differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, un used tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted.

Deferred tax assets and liabilities are set off only when the company has right and intention to set off current tax assets and liabilities.

4.3 **Revenue Recognition**

Revenue comprises of the fair value of the consideration received or receivable from the provision of services in the ordinary course of the Company's activities.

Revenue is recognized at point when it is probable that the economic benefit associated with the transactions will flow to the Company. The Company performs its obligation and the amount of revenue can be measured reliably. The revenue arising from different activities of the Company is recognized on the Following basis

Rental income from Company's property is recognized on straight line basis over the term of the rent agreement
Income from bank Deposit recognized on time proportion basis.
any other income is recognized on accrual basis.

4.4 **Provisions**

provisions for legal disputes, onerous contracts or other claims are recognized in statement of financial position when the company has a legal or constructive obligation as a result of past events and is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are measured at the estimated expenditure required to settle the present obligations, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligations. In those cases where the possible out flow of economics resources as a result of present obligations is considered improbable or remote, no liability is recognized.

4.5 Financial instruments

Financial Assets

The company classifies the financial assets in the following categories : at fair value through profit or loss, fair value through other comprehensive income and amortized cost . The classifications depends on the purpose for which the financial assets were acquired, management determines the classification of its financial assets at initial recognition.

Amortized Cost

A financial assets is measured at amortized cost if it meets both the following conditions and is not designated asset fair value through profit or loss:

- (1) it is held with in a business model whose objective is too hold assets to collect contractual cash flow ; and
- (2) its contractual terms give rise on specified dates to cash flow that are solely payments of principal and interest on the principle amount out standing.

Equity Investment at FVOCI

These assets are initially measured at cost plus transaction cost that are directly attributed to its acquisition subsequently, these are measured at fair value. Dividend are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial Assets at FVPL

These assets are recognized at cost, subsequently, these are measured at fair value. Net gains and losses, including any interest / markup or dividend income , are recognized in statement of profit and loss .

Impairments

The company recognized loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost. The company measures loss allowance at an amount equal to life time ECLs.

Life time ECLs are those that result from all possible default events over the expected life of a financial instruments , The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

At each reporting date, the company assesses weather the financial assts carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact of the estimated future cash flows of the financial Assets have occurred.

Loss allowances for the Financial assets measured at amortized Cost are deducted from the gross carrying amount of the assets. The gross carrying amounts of the financial assets is written off when company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition

Financial assets are derecognized when the right to receive cash flows from the financial assets have expired or have been transferred and the company has transfer and the company has transferred substantially all risks and rewards of owner ship.

4.6 Receivable and deposit

Receivables include accounts receivables, deposits, other receivables and cash and bank balances. After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial, receivable are assessed on regular basis for impairment and if there is any doubt about the recoverability of these receivables, appropriate amount of provision is made.

4.7 Financial liabilities

Financial liabilities are measured at amortized cost or 'at fair value through profit or loss' (FVPL). A financial liability is classified as at FVPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FPLV are measured at fair value and net gains and losses, including interest expense, are recognized using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Subsequent to initial recognition borrowings are measured at amortized cost using the effective interest method. Finance costs are accounted for on an accrual basis and reported under accrued mark up on borrowings to the extent of the amount remain unpaid.

4.8 Accrued and other payables

Accrued and other payables include accrued mark up and deposits. Subsequent to initial recognition accrued and other payables are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

4.9 Account Receivables

Account Receivables are recognized and carried at original invoiced amount which is fair value of the consideration to be received in future. An estimated provision for doubtful debts is made when collection for the full amount is no longer probable. Debts considered irrecoverable are written off.

4.10 Other receivable

Other receivables are recognized at fair value of the consideration to be received in future.

4.11 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts, bank overdrafts /short term borrowings and other short term highly liquid investment that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value during the year the company only cash and bank balance available to show cash and cash equivalent.

4.12 Cash and Bank Balances

Cash in hand and at bank are carried at nominal amount

4.13 Related party transaction

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation methods as admissible.

4.14 Share capital

Share capital represents the nominal value of shares that have been issued.

4.15 Earning per Share

The company presents earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the Profit or loss attributable to Ordinary shareholders of the company by weighted average number of shares outstanding during the year. Diluted EPS is determined by adjusting profit or loss attributable to ordinary Shareholders and the weighted average number of ordinary Shares outstanding for the effects of all dilutive

	2023	2022
	RUPEES	
5 Accrued and Other Payables		
Audit fee	125,000	100,000
	<u>125,000</u>	<u>100,000</u>

6 Diminishing Musharika finance Facility to associated Company	<u>46,000,000</u>	
Facility disclosed in note 7 below transferred to Islamic mode of financing to related Party as per the Agreement dated July 1, 2022 the amount of Rs. 46 million paid to Sino Link Properties (Private) Limited as diminishing Mausharika Facility tenure of Financing from July 1, 2022 to June 30, 2026 for 4 year with a balloon payment due on June 30, 2026 with rental @ 10% payable at end of each year.		

7 Short term Loan to associated Company	<u>--</u>	<u>46,000,000</u>
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The company have given loan to associated Company Carrying Mark up @ 10% per annum. During the year on July 1, 2022 the company has transferred the same loan as Islamic mode of financing above as disclosed in note 6 above.

	2023	2022
	RUPEES	
8 Cash and Bank Balances		
Cash in hand	29,215	536,380
Cash at Bank	16,074	348,993
	<u>45,289</u>	<u>885,373</u>

8.1 The Company operates two bank Accounts one in shariah Compliant bank and other is Conventional.

9 Administrative Expenses		
Fees and Subscription	728,080	1,130,850
Consultancy Charges	-	1,977,500
Stationery and Printing	-	3,500
Postage	1,670	1,650
Audit fee	125,000	100,000
	<u>854,750</u>	<u>3,213,500</u>

10 Other Income		
Rental charge on diminishing Musharika Loan from Associated Company	4,600,000	-
Interest Charged to Loan to associated Company	-	1,966,027
	<u>4,600,000</u>	<u>1,966,027</u>

11 Taxation		
Current		
for the period	1,086,026	196,603
Prior year	(167,112)	
Deferred tax	11.1 --	--
	<u>918,913</u>	<u>196,603</u>

11.1 No transaction/ timing differences available in the company during the year therefore the Deferred tax not applica

	2023	2022
	RUPEES	
12 Earning Per Share- Basic		
Loss for the year/period	2,826,003	(1,445,203)
Weighted no of ordinary shares	5,000,000	2,698,630
Loss Per Share	0.57	(0.54)
13 Financial Instruments		
13.1 Financial Instruments by Category		
Financial Assets		
Diminishing Musharika finance Facility to associated Company	46,000,000	
Short term Loan to Associated Company	--	46,000,000
Interest Receivables on Loan from Associated company	1,966,027	1,966,027
Rental Reciveable on dimishing Musharika facility of Associated Company	4,600,000	--
Advances and Deposits	10,000	--
Cash and Bank Balances	45,289	885,373
	<u>52,621,316</u>	<u>48,851,400</u>
Financial Liabilities		
Accrued and Other liabilities	125,000	100,000
	<u>125,000</u>	<u>100,000</u>

13.2 Fair values of financial Assets and Liabilities

The carrying amounts of all the Financial Assets and Liabilities reflected in the Financial Statements approximate to their fair values. Fair values is determined on the basis of objective evidence at each reporting period. The financial instruments that are not traded in the active market are carried out at cost and tested for impairment according to IFRS-9. The carrying amounts of account receivables and payables are assumed to approximate their fair value.

13.3 Financial risk management objective and Policies

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The board of directors has the overall responsibility for the establishment and oversight of company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk

13.3.1. Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The company's credit risk is primary attributable to its receivables and balances with banks.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2023	2022
	(Rupees)	
Diminishing Musharika finance Facility to associated Company	46,000,000	-
Short term Loan to Associated Company	--	46,000,000
Rental Reciveable on dimishing Musharika facility of Associated Cor	4,600,000	--
Interest Receivables on Loan from Associated company	1,966,027	1,966,027
Cash and Bank Balances	45,289	885,373
	<u>52,611,316</u>	<u>48,851,400</u>

The company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The company believes that it is not exposed to any major concentration of credit risk as its customers are credit worthy and dealing banks

13.3.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. The following are the contractual maturities of the financial liabilities, including estimated markups:

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
(Rupee)						
2023						
Financial liabilities						
Accrued and other payables	125,000	125,000	125,000	--	--	--
	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
2022						
Financial liabilities						
Accrued and other payables	100,000	100,000	100,000	--	--	--
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>--</u>	<u>--</u>	<u>--</u>

All the financial liabilities of the company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effect

13.3.3 Market Risk

Market risk is the risk that the value of the future cash flows of financial instrument will fluctuate as a result of changes in market interest rate or the Market prices due to a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to interest rate risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has Exposed to interest rate risk due to Company interest bearing loan to associated Company till last year this year the company transfereed the loan on islamic Finance on Musharika basis therfore the Comapany generate Rental share on dimishing Musharika Facility

13.3.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of financial instruments reflected in these financial statements approximate their fair values.

14

Capital risk management

The company's prime objective when managing capital is to safe guard the company's ability to continue as a going concern and to maintain creditors and market continence.

The company monitors capital on the basis of the carrying amounts of the reserves as presented on the face of the Statement of Financial Position. There have been no changes to the company's approach to the capital management during the year.

The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, when necessary. In order to maintain or adjust the capital structure, the company may sell assets to reduce the debt and manage capital expenditures. The company is not subject to externally imposed capital requirements.

Consistent with the industry practice and the requirements of lender, the company monitors the capital structure on the basis of the gearing ratio. The ratio is calculated as borrowings divided by total

	2023	2022
	(Rupees)	
Capital for the reporting periods under review is summarized below:		
Borrowings	-	-
Total Capital	51,380,799	48,554,797
Gearing ratio:	0.00%	0.00%

15 **Related Parties Transaction**

Associated Company (related Parties by virtue of common directorship)

Sinolink Properties (Pvt) Ltd

Loan to Associated Company

Diminishing Musharika finance Facility to associated Company 46,000,000 46,000,000

Interest Charge to Associated Company

Rental charge on diminishing Musharika Loan from Associated Company 4,600,000 1,966,027

16 **Remuneration of Chief Executive, Directors and Executives**

No remuneration paid to the during the year to the Chief Executive, Directors and Executives of the Company.

17 **Date of Authorization for Issue**

03 AUG 2023

These financial statements have been authorized for issue on by the Board of Directors of the Company.

18 **Number of Employees**

Total number of employees at the end of year

Average number of employees

19 **Functional and Presentation Currency**

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupees has been rounded off to nearest rupee.


Chief Executive


Director