



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

Arif Habib Centre, 23, M.T.Khan Road, Karachi.

021-111-245-111

www.arifhabibdolmenreit.com

GLOBE RESIDENCY REIT

HALF YEARLY REPORT
DEC 31, 2024



MANAGED BY



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

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Globe Residency REIT

Scheme's Information

Management Company

Arif Habib Dolmen REIT Management Limited

Board of Directors

Mr. Arif Habib	Chairman
Mr. Nadeem Riaz	Director
Mr. Naeem Ilyas	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Muhammad Noman Akhter	Independent Director
Mr. Abdus Samad A. Habib	Director
Mr. Faisal Nadeem	Director
Mr. Sajid Ullah Sheikh	Director
Mr. Muhammad Ejaz	Chief Executive Officer

Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Noman Akhter	Member

Human Resource & Remuneration Committee

Ms. Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Ejaz	Member

Other Executives

Mr. Razi Haider	CFO & Company Secretary
Mr. Muhammad Hassan	Head of Internal Audit & Compliance

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi.

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block "B" S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi.

Bankers

Dubai Islamic Bank
Meezan Bank Limited
Askari Bank Limited
Bank Alfalah Limited
United Bank Limited

External Auditor

A.F. Fergusons and Co. Chartered Accountants, State Life Building
No, 1-C, I.I Chundrigar Road, Karachi.

Internal Auditor

Junaidy Shoaib Asad & Co. Chartered Accountants,
1/6-P, P.E.C.H.S., Mohtarma Laeeq Begum Road,
Off Shahrah-e-Faisal, Karachi.

Legal Advisor

Ahmed & Qazi 4th Floor, Clifton Centre, Clifton, Karachi.

Development Advisor

Arch Vision Plus, Suit #103, Ruffi Trade Centre, SB-29 Block 13-C, Main
University Road, Gulshan-e-Iqbal, Karachi.

Arif Habib Development and Engineering Consultatnts (Private) Limited
Arif Habib Centre, 23, M.T. Khan Road, Karachi.

Property Valuer

MYK Associates (Pvt.) Limited MYK HOUSE, 52-A, Block 'B', Street #5,
Muslim Cooperative Housing Society (S.M.C.H.S.), Karachi.

REIT Accountant

Junaidy Shoaib Asad & Co. Chartered Accountants,
1/6-P, P.E.C.H.S., Mohtarma Laeeq Begum Road,
Off Shahrah-e-Faisal, Karachi.

Rating Agency

VIS Credit Rating Company Limited
VIS House, 128/C, 25th Lane Off
Khayaban-e-Ittehad, Phase VII, DHA, Karachi.

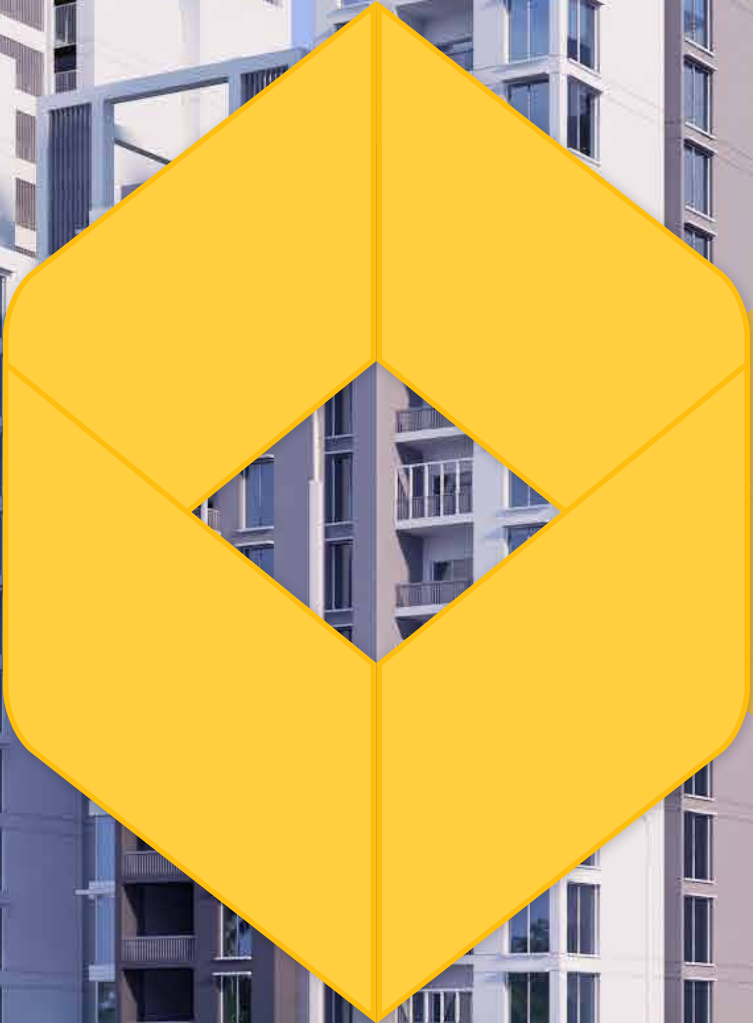
Current Ratings

RFR2 (dr)

Registered Office of Management Company

Arif Habib Centre, 23, M.T. Khan Road, Karachi.





DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Unitholders of Globe Residency REIT

We are pleased to present the Directors' Review report of Globe Residency REIT (GRR) - the Scheme, for the half year ended on December 31, 2024, on behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited

Project Overview

Globe Residency REIT (GRR) is Pakistan's first developmental REIT scheme, dedicated to constructing and selling Globe Residency Apartments—a premium residential project comprising apartment units across nine towers on FL-sites spanning 40,500 square yards.

The project offers modern, well-ventilated apartments with spacious layouts, large balconies, and strategically designed windows, ensuring a superior living experience.

Expansion of Project Scope

A significant development during this period is the management's recognition of the impact of recent amendments made to the Karachi Building & Town Planning Regulations, 2002 by the Sindh Building Control Authority. These amendments have allowed for an increase of 409,098 square feet in saleable area, thereby expanding our inventory size from 1,344 to 1,639 apartments—an addition of 295 units.

This expansion is expected to increase the project's topline by PKR 5.24 billion, significantly enhancing overall profitability, as the cost of the additional units are expected to remain relatively lower due to shared base costs, including land and infrastructure costs.

Financial and Operational Performance

Description	31-Dec-24	31-Dec-23
	Rupees in thousands	
Revenue from customers	1,133,477	1,767,819
Cost of Sales	(911,454)	(1,511,360)
Administrative and Operating Expenses	(51,872)	(53,612)
Net Operating Income	170,151	202,847
Profit After Tax	172,138	185,918
Earnings per unit (Rupees)	1.23	1.33

For the six-month period ended December 31, 2024, revenue from customers stood at PKR 1,133.5 million, while the cost of sales was PKR 911.5 million, maintaining a stable gross margin. Administrative and operating expenses were PKR 51.9 million, reflecting controlled operational costs.

Net operating income for the period was PKR 170.2 million, while profit after tax reached PKR 172.1 million. Earnings per unit (EPS) stood at PKR 1.23, ensuring consistent returns to investors.

On operational side, the demand for Globe Residency Apartments remains strong, reflecting the confidence of homebuyers and investors in the project. During the six-month period, 30 additional units were sold, bringing the total number of sold units to 837.

The total consideration for apartments sold during the period stood at PKR 625.41 million. When combined with discounts offered to customers who made upfront payments, the total cumulative consideration from all apartment sales has now reached PKR 12.842 billion as of December 31, 2024. Installment recovery rate remains high at 91.5%, reinforcing the project's strong cash flow position and financial stability.

Unit Performance

During the period under review, the unit opened at PKR 13.92 reached a high of PKR 15.12 and a low of PKR 12.12 per unit. As of December 31, 2024, GRR's Net Asset Value (NAV) was PKR 11.53 per unit, with the unit closing at PKR 14.61 indicating a 26.71% premium to its NAV.

The KSE-100 index fluctuated between 77,084.48 and 116,169.41 during this period, while GRR's units demonstrated low sensitivity to market movements, evidenced by a near-zero correlation to the index. This minimal correlation highlights GRR's stability and independence from broader market volatility.

Outlook

Fiscal changes such as advance tax on the sale of immovable property and tax brackets based on property values are expected to carry the subdued transaction volumes into the second half of the fiscal year. Positives such as real demand for real estate as a whole and housing in particular, along with monetary policy changes such as downward revisions of interest rates and a reduction in inflation rates are beacons of optimism.

We anticipate the market to start picking up towards the second half of the year as dormant capital is unlocked facilitating better fund circulation.

The anticipated decrease in interest rates is expected to boost investment and stimulate demand for real estate, particularly in residential units aimed at middle income segments.

Additionally, the real estate sector is set for transformation with the rise of fractional properties sales, reflecting changing market dynamics and consumer preferences. This will unlock a new wave of investors entering the real estate space and can emerge as a key driver of economic growth.


Acknowledgement

We extend our gratitude to our valued investors, the Securities and Exchange Commission of Pakistan (SECP), the Sindh Building Control Authority (SBCA), the management of Pakistan Stock Exchange (PSX), Central Depository Company of Pakistan Limited (CDC) - the Trustee, Arif Habib Development and Engineering Consultants (AHDECL) - the Project Manager, and our business partners for their continued cooperation and support. We also appreciate the effort put in by the management team and are proud of their commitment to ensuring the success of our business.

For and on behalf of the Board



Muhammad Ejaz
Chief Executive
27 February, 2025
Karachi.



Arif Habib
Chairman



INDEPENDENT AUDITORS' REVIEW REPORT



A.F. FERGUSON & Co.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of Globe Residency REIT

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Globe Residency REIT** ("the REIT") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in unit holders' fund, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2024.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Junaid Mesia**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: February 28, 2025

UDIN: RR202410611shSXrw3c5

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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM FINANCIAL STATEMENTS



GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property and equipment	4	26	141
Long term deposits		7,885	7,885
Contract cost assets	5	5,995	13,373
Total non-current assets		13,906	21,399
Current assets			
Inventory property	6	2,475,912	2,390,343
Current portion of contract cost assets	5	16,932	10,140
Contract assets	7	1,384,264	1,597,743
Receivable from joint operator	8	87,563	67,488
Advance for development expenditure		271,340	236,780
Advance, prepayments and receivables	9	527,439	457,320
Bank balances	10	623,929	8,754
Total current assets		5,387,379	4,768,568
Total assets		<u>5,401,285</u>	<u>4,789,967</u>
UNIT HOLDERS' FUND AND LIABILITIES			
REPRESENTED BY:			
Unit holders' fund			
Issued, subscribed and paid up units 140,000,000 (June 30, 2024: 140,000,000) units of Rs. 10 each		1,400,000	1,400,000
Revenue reserves		214,543	287,405
Total unit holders' fund		1,614,543	1,687,405
Non-current liabilities			
Long term loan / financing	11	2,083,333	1,216,666
		2,083,333	1,216,666
Current liabilities			
Current portion of long term loan / financing	11	416,667	266,667
Outstanding land consideration		-	250,000
Working capital finance	12	144,473	52,835
Contract liabilities	13	237,844	253,571
Trade and other payables	14	332,272	537,991
Payable to the REIT Management Company	15	8,422	19,984
Payable to the Central Depository Company of Pakistan Limited - Trustee	16	1,615	14,234
Payable to the Securities and Exchange Commission of Pakistan	17	2,617	5,449
Accrued expenses and other liabilities	18	446,091	397,533
Dividend Payable		18,360	13,128
Accrued mark-up		94,351	74,219
Commission payable		697	285
Total current liabilities		1,703,409	1,885,896
Total liabilities		3,786,742	3,102,562
Total unit holders' fund and liabilities		<u>5,401,285</u>	<u>4,789,967</u>
		(Rupees)	(Rupees)
Net asset value per unit		<u>11.53</u>	<u>12.05</u>

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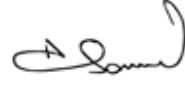
The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six months period ended December 31, 2024	(Restated) Six months period ended December 31, 2023	Three months period ended December 31, 2024	(Restated) Three months period ended December 31, 2023
----- (Rupees in '000) -----					
Revenue from contracts with customers	20	1,133,477	1,767,819	640,845	1,151,136
Cost of sales	21	(911,454)	(1,511,360)	(513,283)	(1,006,482)
Gross profit		<u>222,023</u>	<u>256,459</u>	<u>127,562</u>	<u>144,654</u>
Administrative and operating expenses	22	(51,872)	(53,612)	(28,207)	(46,016)
Net operating income		<u>170,151</u>	<u>202,847</u>	<u>99,355</u>	<u>98,638</u>
Other income		30,987	19,950	17,272	12,118
		<u>201,138</u>	<u>222,797</u>	<u>116,627</u>	<u>110,756</u>
Remuneration of the REIT Management Company	15.1	(14,000)	(14,000)	(6,942)	(6,942)
Sindh sales tax on remuneration of the REIT Management Company	15.2	(2,100)	(1,820)	(1,041)	(903)
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	16.1	(2,800)	(2,800)	(1,388)	(1,388)
Sindh sales tax on remuneration of the Trustee	16.2	(420)	(364)	(208)	(181)
Annual fee of the Securities and Exchange Commission of Pakistan	17.1	(2,617)	(2,781)	(1,290)	(1,369)
Marketing expense		(27)	(2,718)	-	(2,062)
		<u>(21,964)</u>	<u>(24,483)</u>	<u>(10,869)</u>	<u>(12,845)</u>
Credit loss allowance	23	(5,432)	-	(5,432)	-
Profit before levies and tax		<u>173,742</u>	<u>198,314</u>	<u>100,326</u>	<u>97,911</u>
Levies	24	-	(32,194)	-	(2,869)
Profit before tax		<u>173,742</u>	<u>166,120</u>	<u>100,326</u>	<u>95,042</u>
Taxation	25	(1,604)	19,798	(855)	19,798
Profit for the period		<u>172,138</u>	<u>185,918</u>	<u>99,471</u>	<u>114,840</u>
----- (Rupees) -----					
Earnings per unit - Basic and diluted	26	<u>1.23</u>	<u>1.33</u>	<u>0.71</u>	<u>0.82</u>

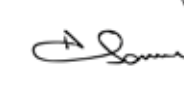
The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months period ended December 31, 2024	Six months period ended December 31, 2023	Three months period ended December 31, 2024	Three months period ended December 31, 2023
	------(Rupees in '000)-----			
Net profit for the period after taxation	172,138	185,918	99,471	114,840
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>172,138</u>	<u>185,918</u>	<u>99,471</u>	<u>114,840</u>

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.

		
Chief Financial Officer	Chief Executive Officer	Director

GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	December 31, 2024	(Restated) December 31, 2023
		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		173,742	166,120
Adjustments for non-cash items:			
Depreciation expense	22	115	116
Levies (fixed tax)	24	-	32,194
Interest / profit charged during the period		161,883	168,536
Credit loss allowance	23	5,432	-
Profit on bank deposit		(5,531)	(5,071)
		<u>335,641</u>	<u>361,895</u>
Decrease / (increase) in assets			
Inventory property		(85,569)	39,951
Contract cost assets		586	8,195
Contract assets		214,452	(314,223)
Advance, prepayments and receivables		(75,850)	(38,889)
Advance for development expenditure		(34,560)	57,668
		<u>19,059</u>	<u>(247,298)</u>
(Decrease) / increase in liabilities			
Contract liabilities		(15,727)	33,324
Commission payable		412	(56)
Trade and other payables		(205,719)	223,630
Payable to the REIT Management Company		(11,562)	8,048
Payable to the Central Depository Company of Pakistan Limited - Trustee		(12,619)	3,164
Payable to the Securities and Exchange Commission of Pakistan		(2,832)	(2,819)
Accrued expenses and other liabilities		49,039	166,960
Outstanding land consideration		(250,000)	-
		<u>(449,008)</u>	<u>432,251</u>
Interest / profit paid		(141,751)	(169,619)
Profit on deposit received		4,857	4,881
Development expenditures (paid on behalf of) / received from joint operator	8	(184,349)	52,288
Tax paid		(2,085)	(36,545)
Net cash (used in) / generated from operating activities		<u>(417,636)</u>	<u>397,853</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal paid on long term loan		(83,333)	(83,333)
Proceeds from long term loan	11	1,000,000	-
Proceeds from working capital loan		91,638	-
Proceeds from diminishing musharakah facility		100,000	-
Proceeds from Joint operation	8	164,274	100,000
Dividend paid during the period		(239,768)	(407,611)
Net cash generated / (used in) from financing activities		<u>1,032,811</u>	<u>(390,944)</u>
Net increase in cash and cash equivalents during the period		<u>615,175</u>	<u>6,909</u>
Cash and cash equivalents at the beginning of the period		8,754	7,307
Cash and cash equivalents at the end of the period	30	<u>623,929</u>	<u>14,216</u>

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.

		
Chief Financial Officer	Chief Executive Officer	Director

GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF CHANGES IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up units	Revenue reserves	Total unit holders' fund
		Unappropriated profit	
(Rupees in '000)			
Balance as at July 1, 2023	1,400,000	455,490	1,855,490
Total comprehensive income for the period	-	185,918	185,918
Transactions with owners recorded directly in equity:			
Final cash dividend for the year ended June 30, 2023 at Rs. 3.00 per unit declared on September 15, 2023	-	(420,000)	(420,000)
Balance as at December 31, 2023	<u>1,400,000</u>	<u>221,408</u>	<u>1,621,408</u>
Balance as at July 1, 2024	1,400,000	287,405	1,687,405
Total comprehensive income for the period	-	172,138	172,138
Transactions with owners recorded directly in equity:			
Final cash dividend for the year ended June 30, 2024 at Rs. 1.75 per unit declared on September 7, 2024	-	(245,000)	(245,000)
Balance as at December 31, 2024	<u><u>1,400,000</u></u>	<u><u>214,543</u></u>	<u><u>1,614,543</u></u>

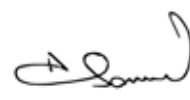
The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

GLOBE RESIDENCY REIT
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Globe Residency REIT (the REIT) is established under the Trust Deed dated December 24, 2021, executed between Arif Habib Dolmen REIT Management Limited (AHDRML), as the REIT Management Company (RMC) and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee; and is governed under the repealed Real Estate Investment Trust Regulations, 2015 (REIT Regulations, 2015) [now Real Estate Investment Trust Regulations, 2022], promulgated and amended from time to time by the Securities & Exchange Commission of Pakistan (SECP).
- 1.2** The Trust Deed of the REIT was registered on December 24, 2021 whereas approval of the registration of the REIT has been granted by the SECP on December 14, 2021. The REIT is established with the objective of construction of the acquired Real Estate into residential units under the project named "Globe Residency Apartments" (the Project), in the vicinity of Naya Nazimabad, Karachi, for generating income for Unit Holders. The Project has been acquired from Javedan Corporation Limited and as per the approval received by the REIT Management Company from the SECP vide their letter number SECP/SCD/PRDD/REIT/GRR/2021/51, the Project has been transferred on as-is-where-is basis to the REIT structure. The effective date of the transfer of the Project from the structure of Javedan Corporation Limited to the REIT structure was April 1, 2022. The REIT is a limited life (5 years), Close-end, Developmental REIT. The registered office of the REIT Management Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.
- 1.3** The Globe Residency REIT / the Project is registered with the Federal Board of Revenue (FBR) as a builder / developer by virtue of which the taxability of the REIT / the Project will be determined under Section 100D and Eleventh Schedule of Income Tax Ordinance, 2001.
- The FBR, through the Finance Act 2020, has introduced Section 100D and Eleventh Schedule which later became part of Income Tax Ordinance, 2001. Section 100D introduced a fixed tax scheme for builders and developers from tax year 2020 (and onwards) whereby tax payable by a builder or a developer earning profits and gains derived from the sale of buildings or sale of plots, who opts for assessment under this section, shall be computed and paid in accordance with the rules in the Eleventh Schedule on a project-by-project basis.
- 1.4** In the year 2023, the REIT has been listed on the Pakistan Stock Exchange Limited (PSX) with the approval of the SECP on December 28, 2022 under the REIT Regulations, 2022. The units of the REIT were "offered for sale" by the sponsors upon listing.
- 1.5** The VIS Credit Rating Company Limited (VIS) maintained the RMC rating of the REIT Management Company to AM2+ on December 11, 2023 [2022: AM2+ on October 25, 2022]. The rating reflects the REIT Management Company's experienced management team, structured investment process and sound quality of systems and processes.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the REIT Regulations, 2022 and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, and the REIT Regulations, 2022 have been followed.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'. These condensed interim 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 published audited financial statements of the REIT for the year ended June 30, 2024.

2.1.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance.

2.2 Basis of measurement

These condensed financial statements have been prepared under the 'historical cost convention'.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the functional and presentation currency of the REIT.

3 MATERIAL ACCOUNTING POLICY INFORMATION, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The material 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 audited annual financial statements of the REIT for the year ended June 30, 2024.

3.2 The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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 judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods. In preparing these condensed interim 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 published audited financial statements of the REIT for the year ended June 30, 2024.

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

There are certain amendments to the standards and new interpretations that are mandatory for the REIT's accounting period beginning on July 01, 2024 but are considered not to be relevant or do not have any significant effect on the REIT's operations and are, therefore, not detailed in these condensed interim financial statements except the following:

Interpretation on IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

The Institute of Chartered Accountants of Pakistan has issued application guidance on accounting for minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 (the Guidance), whereby unrecoverable tax u/s 100D in excess of normal tax deducted at source under final tax regime are out scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Accordingly, effective from July 1, 2023 the REIT has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'Income Tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures in the statement of profit or loss and statement of other comprehensive income and statement of cash flows has been restated. The change has no impact on profit after tax or earnings per unit of the REIT.

EFFECT ON THE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND STATEMENT OF COMPREHENSIVE INCOME

Had there been no change in the accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
----- (Rupees in '000) -----		

For the period ended December 31, 2024

There is no impact on the current period due to retrospective application of the change in accounting policy.

For the period ended December 31, 2023

Levies - (u/s 100D)	-	(32,194)	(32,194)
Profit before tax	198,314	(32,194)	166,120
Taxation	(12,396)	32,194	19,798

The related changes to the condensed interim statement of cash flows with respect to the amount of profit before tax have been made as well.

3.4 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments that are mandatory for the REIT's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or will not have any significant effect on the REIT's operations and are, therefore, not detailed in these condensed interim financial statements.

4	PROPERTY AND EQUIPMENT	Note	December 31, 2024	June 30, 2024
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	Operating fixed assets	4.1	26	141

4.1 The following is a statement of property and equipment:

----- December 31, 2024 -----			
	Computer equipment	Office equipment	Total
----- (Rupees in '000) -----			
At July 1, 2024			
Cost	638	55	693
Accumulated depreciation	(509)	(43)	(552)
Net book value	129	12	141
For the period ended December 31, 2024			
Opening net book value	129	12	141
Additions	-	-	-
Disposals	-	-	-
Cost	-	-	-
Depreciation	-	-	-
Depreciation charge for the period	(106)	(9)	(115)
Net book value	23	3	26
At December 31, 2024			
Cost	638	55	693
Accumulated depreciation	(615)	(52)	(667)
Net book value	23	3	26
Depreciation rate: % per annum (straight line basis)	33.33	33.33	
----- June 30, 2024 -----			
	Computer equipment	Office equipment	Total
----- (Rupees in '000) -----			
At July 1, 2023			
Cost	638	55	693
Accumulated depreciation	(296)	(25)	(321)
Net book value	342	30	372
For the year ended June 30, 2024			
Opening net book value	342	30	372
Additions	-	-	-
Disposals	-	-	-
Cost	-	-	-
Depreciation	-	-	-
Depreciation charge for the year	(213)	(18)	(231)
Net book value	129	12	141
At June 30, 2024			
Cost	638	55	693
Accumulated depreciation	(509)	(43)	(552)
Net book value	129	12	141
Depreciation rate: % per annum (straight line basis)	33.33	33.33	

5	CONTRACT COST ASSETS	Note	December	June
			31, 2024 (Un-audited)	30, 2024 (Audited)
			----- (Rupees in '000) -----	
	Current portion		16,932	10,140
	Non-current portion		5,995	13,373
	Total contract cost assets		<u>22,927</u>	<u>23,513</u>

5.1 Movement in contract cost assets

Carrying amount at beginning of the period / year		23,513	38,402
Additions during the period / year		21,293	3,018
Amortisation for the period / year (recognised in cost of sales)	21	<u>(21,879)</u>	<u>(17,907)</u>
		<u>22,927</u>	<u>23,513</u>

5.2 The REIT capitalised the sales commissions paid or payable to its brokers for contracts obtained to sell apartments as they represent incremental costs of obtaining a contract. The capitalised costs are amortised on a systematic basis that is consistent with the revenue recognition policy. Contract cost assets are apportioned between current and non-current portion on the basis of Management's best estimate in respect of future construction projections.

6	INVENTORY PROPERTY	Note	December	June
			31, 2024 (Un-audited)	30, 2024 (Audited)
			----- (Rupees in '000) -----	
	Carrying amount at beginning of the period / year		2,390,343	2,055,904
	Net additions during the period / year			
	Land		-	-
	Land transfer duties and taxes		-	-
	Development expenditures		536,515	951,374
	Borrowing cost capitalised	6.1	167,573	324,855
	Construction materials utilised		455,405	1,848,508
	Share of Joint Operator	8	<u>(184,349)</u>	<u>(161,200)</u>
			975,144	2,963,537
	Transfers to Cost of sales	21	<u>(889,575)</u>	<u>(2,629,098)</u>
			<u>2,475,912</u>	<u>2,390,343</u>

6.1 This relates to borrowing cost incurred on long term loan obtained from Bank Alfalah Limited and United Bank Limited, long term musharakah facility from Meezan Bank Limited and working capital finance from Arif Habib Corporation Limited and Mr. Haji Abdul Ghani (related parties).

6.2 The revenue is measured using an input method. By using the costs incurred method as a measure of progress for its contracts, the REIT's cumulative performance has been measured at 74.84% as at December 31, 2024 (June 30, 2024: 68.39%). The cumulative performance percentage of the total costs capitalised with respect to inventory properties that have been contracted to be sold, have been recognised in cost of sales cumulatively.

6.3	Break-up of inventory property	Note	December	June
			31, 2024 (Un-audited)	30, 2024 (Audited)
			----- (Rupees in '000) -----	
	Musharakah Asset		1,337,603	1,121,679
	Other inventory property		1,138,309	1,268,664
			<u>2,475,912</u>	<u>2,390,343</u>

7 CONTRACT ASSETS

At beginning of the period / year		1,599,920	1,223,926
Receipts during the period / year		(1,036,524)	(1,912,621)
Recorded as revenue		891,845	2,755,631
Transferred to receivable		<u>(69,773)</u>	<u>(467,016)</u>
	7.1	1,385,468	1,599,920
Credit loss allowance	23	<u>(1,204)</u>	<u>(2,177)</u>
		<u>1,384,264</u>	<u>1,597,743</u>

7.1 Contract assets are initially recognised for revenue earned from property under development but yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to customer receivables.

8 RECEIVABLE FROM JOINT OPERATOR

Receivable from the Bank

8	Note	December	June
		31, 2024 (Un-audited)	30, 2024 (Audited)
		----- (Rupees in '000) -----	
		67,488	148,540
	Opening balance		
	Development expenditures during the period / year	6	184,349
	Bank's share of cumulative tax charge during the period / year		-
	Amount received from the Bank		4,748
		<u>(164,274)</u>	<u>(247,000)</u>
	Closing receivable	<u>87,563</u>	<u>67,488</u>

8.1 On September 26, 2022, the REIT and Meezan Bank Limited (the Bank) entered into a 'Shirkat-ul-Aqd' arrangement for construction and development of residential Towers 2, 3 and 4 (the Musharakah Asset) of the Project. The Musharakah Asset is currently being owned by the REIT. The total estimated construction and development expenditures for the Musharakah Asset is Rs. 3,745 million (June 30, 2024: Rs. 3,745 million). As per the framework agreement, both the REIT and the Bank (collectively referred as 'the Partners') have agreed to be jointly develop the Musharakah Asset under an equal partnership whereby each party shall invest 50% of the amount required for construction and development expenditures (including the value of land). Under the framework agreement, the Partners have agreed to jointly own the Musharakah Asset in such a manner that each Partner will have equal undivided ownership. During the Musharakah period, legal title to the Musharakah Asset so purchased by the Bank will be held by the REIT on the behalf of the Bank. All decisions with respect to development and sale of the Musharakah Asset would be made only with unanimous consent of the Partners. The Partners have agreed to share the operating profits generated from the sale of the Musharakah Asset in accordance with the agreed profit-sharing ratio of 50:50 and in case of loss will also share in the ratio of 50:50. During the Musharakah period, the Partners may make provisional profit payments in such manner and at such time as may be mutually agreed between the Partners.

The above arrangement falls within the purview of 'Joint Operations' in accordance with IFRS - 11 since both Partners jointly control the development and construction of the Musharakah Asset and have rights to the assets and obligations for the liabilities relating to the Musharakah Asset.

As at December 31, 2024 the Bank has contributed a total sum of Rs. 1,300 million (June 30, 2024: Rs. 1,135.725 million) which includes the consideration of Rs. 485.270 million for land. All of the expenses incurred till September 26, 2022 have been adjusted from the carrying amount of the Musharakah Asset. Any amount left is to be adjusted from future development expenditures.

Subsequent to the Musharakah Agreement date, any development expenditures pertaining to the Bank's share of Musharakah Asset incurred by the REIT shall be adjusted against the balance payable / receivable to / from the joint operator.

8.2 The cost of Musharakah asset upto December 31, 2024 allocated to Meezan Bank Limited amounts to Rs. 1,387.562 million (June 30, 2024: 1,203.213 million).

9	ADVANCE, PREPAYMENTS AND RECEIVABLES	Note	December	June
			31, 2024 (Un-audited)	30, 2024 (Audited)
			----- (Rupees in '000) -----	
	Advance tax	9.1	4,664	4,664
	Mark-up receivable on bank balances		1,737	1,063
	Prepaid expenses		845	-
	Advance to CDCPL	9.2	5,971	739
	Receivable from Customers	9.3	536,789	467,016
			<u>550,006</u>	<u>473,482</u>
	Credit loss allowance against receivables	23	<u>(22,567)</u>	<u>(16,162)</u>
			<u>527,439</u>	<u>457,320</u>

9.1 This amount has been paid against tax demand under the provisions of Section 4C of the Income Tax Ordinance, 2001.

9.2 This represents advance to Central Depository Company of Pakistan Limited (CDCPL) for processing of unclaimed dividend payments to unit holders.

9.3 This represents amount initially recognised as contract assets and subsequently reclassified to customer receivables when the right to consideration became unconditional.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
10 BANK BALANCES			
Savings accounts	10.1	623,929	8,754
10.1	These saving accounts carry mark-up at rates ranging from 5.87% to 13.50% (June 30, 2024: 11.01% to 20.50%) per annum. Mark-up on bank deposits recognised during the period amounted to Rs. 5.53 million (December 31, 2023: Rs. 5.07 million).		
		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
11 LONG TERM LOAN / FINANCING			
Term finance facility from:			
Bank Al Falah Limited	11.2	1,150,000	1,233,333
United Bank Limited	11.3	1,000,000	-
Diminishing musharakah facility from:			
Meezan Bank Limited	11.4	350,000	250,000
		<u>2,500,000</u>	<u>1,483,333</u>
11.1 Break-up of long term loan / financing			
Long term loan / financing		2,500,000	1,483,333
Less: current portion of long term loan / financing		(416,667)	(266,667)
Non-current portion of long term loan / financing		<u>2,083,333</u>	<u>1,216,666</u>
11.2	This long term financing facility has been availed from Bank Alfalah Limited (the Bank) to facilitate in meeting financing requirements for purchase of land and construction thereon of residential apartments under REIT project. The Bank has approved a facility of Rs. 1,400 million at a mark-up rate of 6 months KIBOR + 1.25% spread. The loan was repayable in six equal half-yearly instalments starting from October 1, 2023. The facility requires to create, register, where applicable, and maintain, throughout the tenor, a mortgage on the Real Estate in favour of the Bank for a maximum secured amount of Rs. 1,866.67 million. The tenor of financing is 4 years from the date of disbursement (including 1 year grace period). Principal and mark-up to be paid on semi-annual basis.		
	On September 26, 2023 amendment was made in respect of the facility obtained from the Bank. As per the amendment, the loan is repayable in eight half-yearly instalments starting from October 1, 2023. The revised tenor of financing is 5 years from the date of disbursement (including 1 year grace period) and the principal repayment is to be made on step-up basis. All other terms and conditions shall remain unchanged.		
11.3	This long term financing facility has been availed from United Bank Limited (the Bank) to facilitate in meeting financing requirements for construction of its residential apartments project. The Bank has approved a facility of Rs. 1,000 million at a mark-up rate of 3 months KIBOR + 2.25% spread. The tenor of financing is 4 years (including eighteen months grace period) which is repayable in ten equal quarterly instalments following grace period. The financing is secured against equitable mortgage charge over project land and any shortfall at each payment date is guaranteed by Mr. Arif Habib.		
11.4	The long term diminishing musharakah financing facility has been availed from Meezan Bank Limited (the Bank) on February 23, 2024 to finance the contribution share in the REIT for the development and construction of grey structure in Tower 2,3 & 4 of FL 05 at Naya Nazimabad (the "Project").The Bank has approved a long-term Islamic finance facility of up to Rs.650 million, of which Rs. 350 million has been availed, at a profit rate of 3 months KIBOR + 1.50% spread. The tenor of financing is 4 years from the date of disbursement (including 2.5 years grace period) which is repayable in six quarterly installments. The financing is secured against equitable mortgage charge over project land and building and any shortfall at each payment date is guaranteed by Javedan Corporation Limited.		
		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
12 WORKING CAPITAL FINANCE			
Working capital loan from associates	12.1	144,473	52,835

12.1 Arif Habib Corporation Limited and Mr. Haji Abdul Ghani jointly, with an investment of 50%-50%, booked FL-03 with agreed payment plan. Consequently, on May 20, 2024 Arif Habib Corporation Limited (AHCL) and Mr. Haji Abdul Ghani jointly entered into an agreement. Through the agreement AHCL and Abdul Ghani authorised the REIT through RMC to market, sell the apartments and collect proceeds on behalf of AHCL and Mr. Haji Abdul Ghani. The proceeds from the sale of apartments will first be used to offset Mr. Haji Abdul Ghani and AHCL's installment liabilities in relation to the apartments. Moreover, the REIT may deduct the necessary selling expenses from sale proceeds as mutually acceptable to the parties.

Furthermore, any surplus amount will be held by the REIT after the sale of the apartments on behalf of Mr. Haji Abdul Ghani and AHCL as working capital, with a quarterly markup of 3 months KIBOR + 1.50% spread.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
13 CONTRACT LIABILITIES			
At beginning of the period / year		253,571	178,044
Receipts		223,492	20,060
(Revenue recognised) / reversal of revenue	6.2	(239,219)	55,467
		<u>237,844</u>	<u>253,571</u>

13.1 Contract liabilities include instalments received from customers subject to cancellation charges in the event where a customer plans to cancel their contract. This gives the REIT protection if the customer withdraws from the conveyancing transaction. If this were to happen, total cost incurred by the REIT till the date of cancellation of apartment along with reasonable surcharge.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
14 TRADE AND OTHER PAYABLES			
Payable to supplier		274,597	483,586
Payable to Javedan Corporation Limited		47,495	46,532
Payable to Signature Residency REIT		2,765	2,765
Payable to Rahat Residency REIT		7,415	5,108
		<u>332,272</u>	<u>537,991</u>

15 PAYABLE TO THE REIT MANAGEMENT COMPANY

Remuneration payable to the REIT Management Company	15.1	7,000	17,500
Sindh Sales Tax payable on remuneration of the REIT Management Company	15.2	1,050	2,275
		<u>8,050</u>	<u>19,775</u>
Others		372	209
		<u>8,422</u>	<u>19,984</u>

15.1 The RMC is entitled to a remuneration for services rendered to the REIT, as stated in the Offering Document and Information Memorandum, under the provisions of REIT Regulations, 2022. The management company charges fee at the rate of 1.00% (June 30, 2024: 1.00%) of the REIT Fund.

15.2 The Sindh Government has levied Sindh Sales Tax on the remuneration of the RMC through Sindh Sales Tax on Services Act 2011, effective from July 1, 2014. The current applicable tax rate is 15% (June 30, 2024: 13%) being effective from July 1, 2024. During the period, an amount of Rs. 2.1 million (December 31, 2023: Rs. 1.82 million) was charged on account of sales tax on remuneration of the RMC.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
16 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable to Trustee	16.1	1,404	12,596
Sindh Sales Tax payable on remuneration of the Trustee	16.2	211	1,638
		<u>1,615</u>	<u>14,234</u>

16.1 The Trustee is entitled to an annual remuneration for services rendered to the REIT under the provisions of the Trust Deed. Accordingly, the REIT has charged Trustee remuneration at a rate of 0.2% (June 30, 2024: 0.2%) per annum of initial REIT fund.

16.2 The Sindh Government has levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act 2011, effective from July 1, 2015. The current applicable rate is 15% (June 30, 2024: 13%) being effective from July 1, 2024. During the period, an amount of Rs. 0.42 million (December 31, 2023: Rs. 0.364 million) was charged on account of sales tax on remuneration of the Trustee.

17	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December	June
			31, 2024 (Un-audited)	30, 2024 (Audited)
			----- (Rupees in '000) -----	
	Annual fee payable	17.1	<u>2,617</u>	<u>5,449</u>

17.1 Under the provisions of the REIT Regulations, 2022, the REIT is required to pay monitoring fee to SECP at an amount equal to 0.20% (June 30, 2024: 0.20%) of the REIT's average fund size per annum.

18	ACCRUED EXPENSES AND OTHER LIABILITIES	December	June
		31, 2024 (Un-audited)	30, 2024 (Audited)
		----- (Rupees in '000) -----	
	Payable to Project Manager	338,985	308,357
	Retention money	33,722	28,075
	Auditor's remuneration payable	4,444	5,738
	Payable to REIT accountant	250	250
	Unit registrar's fee payable	443	127
	Sales tax and withholding income tax	14,743	15,067
	Tax payable	875	1,356
	Other liabilities	<u>52,629</u>	<u>38,563</u>
		<u>446,091</u>	<u>397,533</u>

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

On March 30, 2023, the Additional Commissioner Inland Revenue [ACIR] passed an order under Section 122(5A) of the Income Tax Ordinance, 2001 (ITO), amending the assessment for tax year 2022 and raised demand of Rs. 54.057 million.

ACIR demanded tax aggregating to Rs. 37.571 million under Section 100D of the ITO and contended that the said tax should have been paid for the tax year starting from July 2021, instead from the Project start date / date of registration with the Federal Board of Revenue (FBR). The above demand was raised under clauses (b) and (c) of sub-rule (2) of rule 2 of the Eleventh Schedule to the ITO despite the fact that these clauses already stand deleted through the Finance Act, 2021, causing this impugned order to be void ab-initio.

Furthermore, the above order also included a demand aggregating to Rs. 16.486 million under Section 4C of the ITO i.e. by levying Super Tax at the slab rate of 4%. The matter of application of Super Tax for the tax year 2022 has already been declared as void / illegal by the Honorable Sindh High Court (SHC) through its judgment dated December 22, 2022, and the same matter is presently subjudice before the Honorable Supreme Court of Pakistan (SCP).

The management, based on the advice of its tax advisor, made payment under protest of Rs. 4.664 million against the aforesaid demand of Super Tax at the applicable slab rate of 2%, despite concerns over legality / jurisdiction to pay Super Tax for the tax year 2022. This amount has been recorded as receivable as disclosed in note 9. The REIT reserves the right to claim refund of Super Tax in case the matter is decided by the SCP in favor of the taxpayers.

The management filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the impugned order of the ACIR, which was decided by the CIR(A) against the REIT through Appellate Order dated July 24, 2023, making no changes on all the issues raised therein.

Management filed an appeal with the Appellate Tribunal against the Appellate Order dated July 24, 2023. The Appellate Tribunal subsequently ruled in favor of the REIT on April 3, 2024.

The ACIR filed an appeal before the SHC against the Appellate Order dated April 3, 2024, which was decided by the SHC in favour of the REIT through Order dated December 2, 2024.

However, the payment amounting to Rs. 4.664 million has not yet been released by FBR.

19.2 Commitments

There were no commitments outstanding as at December 31, 2024 and as at June 30, 2024.

20	REVENUE FROM CONTRACTS WITH CUSTOMERS	Note	Six months period ended	
			December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
			----- (Rupees in '000) -----	
	Revenue recognised	6.2	<u>1,133,477</u>	<u>1,767,819</u>
20.1	This includes Rs. 2.414 million in apartment cancellation penalties.			
21	COST OF SALES			
	Transfers from inventory property	6	889,575	1,501,050
	Amortisation of contract cost assets	5.1	<u>21,879</u>	<u>10,310</u>
			<u>911,454</u>	<u>1,511,360</u>
22	ADMINISTRATIVE AND OPERATING EXPENSES			
	Project management fee	22.1	40,269	40,474
	REIT Accountant Fees		1,500	1,500
	Fees and subscriptions		840	387
	Legal and professional charges		1,486	3,207
	Depreciation expense	4.1	115	116
	Auditors' remuneration		4,473	3,875
	Printing and stationery		625	1,808
	Back office accounting fee		1,725	1,695
	Other charges		<u>839</u>	<u>550</u>
			<u>51,872</u>	<u>53,612</u>

22.1 These represent project management fee accrued for the six months period ended December 31, 2024. In accordance with the regulation 15 (viii) of the REIT Regulations, 2022, the REIT Management Company is obliged to appoint a development advisor with the consent of the Trustee. For this purpose, Arif Habib Development & Engineering Consultants (Private) Limited (the Project Manager) has been engaged to manage and supervise the Project, effectively from March 31, 2022. The responsibilities of the Project Manager include material procurement, sales and marketing, collections from customers, contracts preparation, and coordination and supervision of the Project. The Project Manager is entitled to receive fees equivalent to 15% of the profit before tax generated by the REIT. The fee shall be payable, on a monthly basis, to the Project Manager at the higher of 1.5% of monthly sales collection and Rs. 5 million.

23	CREDIT LOSS ALLOWANCE	Note	Six months period ended	
			December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
			----- (Rupees in '000) -----	
	Reversal against contract assets		(973)	-
	Charge against receivables		<u>6,405</u>	-
		23.1	<u>5,432</u>	-

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
23.1 Movement of credit loss allowance		
At the beginning of the period / year	18,339	-
Charge against receivables during the period / year	6,405	2,177
(Reversal) / Charge against contract assets during the period / year	(973)	16,162
	<u>23,771</u>	<u>18,339</u>

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited) (Restated)
	----- (Rupees in '000) -----	
24 LEVIES		
Tax u/s 100D	-	35,812
Default Surcharge	-	1,130
Joint operator's share of tax charge	-	(4,748)
	<u>-</u>	<u>32,194</u>

24.1 This represents tax under section 100D of the Income Tax Ordinance, 2001, representing levy in terms of the requirements of IFRIC 21.

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited) (Restated)
	----- (Rupees in '000) -----	
25 TAXATION		
Current		
For the period	1,604	1,471
Prior period	-	(21,269)
	<u>1,604</u>	<u>(19,798)</u>

25.1 During the period, the REIT has charged tax at the rate of 29% on profit on bank balances.

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
	----- (Rupees in '000) -----	
26 EARNINGS PER UNIT - BASIC AND DILUTED		
Total earnings for the period	<u>172,138</u>	<u>185,918</u>
	----- (Number in Units) -----	
Weighted average number of ordinary units during the period	<u>140,000,000</u>	<u>140,000,000</u>
	----- (Rupees) -----	
Earnings per unit - basic and diluted	<u>1.23</u>	<u>1.33</u>

27 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons and related parties include Arif Habib Dolmen REIT Management Limited being the REIT Management Company, Central Depository Company of Pakistan Limited being the Trustee, Arif Habib Development & Engineering Consultants (Private) Limited being the Project Manager and an associate due to common directorship, other REITs managed by the REIT Management Company and other entities under common management and / or directorship and the directors and their close family members and officers of the REIT Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units / net assets of the REIT.

Transactions with related parties are in the normal course of business, at contracted rates and terms determined in accordance with commercial rates. There are no potential conflicts of interest of the related party with respect to the REIT.

There are no related parties incorporated outside Pakistan with whom the REIT had entered into transactions during the period.

Details of the transactions with related parties and balances with them, if not disclosed elsewhere in these financial statements are as follows:

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
	----- (Rupees in '000) -----	
27.1 Transactions during the period:		
Arif Habib Dolmen REIT Management Limited - (Management Company)		
- Remuneration of the REIT Management Company	14,000	14,000
- Sindh sales tax on remuneration of the REIT Management Company	2,100	1,820
- Remuneration paid	24,500	7,000
- Sindh sales tax on remuneration paid	3,325	2,273
- Development & other expenditure	163	262
Central Depository Company of Pakistan Limited - (Trustee)		
- Remuneration of the Central Depository Company of Pakistan Limited	2,800	2,800
- Sindh sales tax on remuneration of the Trustee	420	364
- Remuneration paid	13,992	-
- Sindh sales tax on remuneration paid	1,847	-
Arif Habib Development & Engineering Consultants (Private) Limited - (Associate due to common directorship)		
- Expenses incurred on behalf of the REIT	30,000	106,520
- Project management fee	40,269	40,474
- Advance against expenditures	13,779	10,000
- Reimbursement of expenses paid on behalf of REIT	25,860	-
Javedan Corporation Limited - (Sponsor of the REIT / associate due to common directorship)		
- Amounts received in respect of apartments sold	213,041	458,690
- Revenue in respect of apartments sold	210,211	356,230
- Payment for partial land consideration	250,000	-
- Amounts received from customers on behalf of the REIT	-	1,691
- Proceeds of scrap sales received by REIT on behalf of the JCL	963	-
- Payment made in respect of expenses incurred by JCL on behalf of the REIT	-	35,639
Safe Mix Concrete Limited - (Associate due to common directorship)		
- Purchase of construction material	190,187	275,149
- Payments made in respect of construction material	284,410	218,856
Rahat Residency REIT (RRR) - (Associate due to common directorship)		
- Customer advances received on behalf of RRR	300	500
- Scrap sales made on behalf of RRR	2,007	1,481

	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	December 31, 2023 (Un-audited)
Signature Residency REIT (SRR) - (Associate due to common directorship)		
- Customer advances received on behalf of SRR	-	309
NN Maintenance Company (Private) Limited - (Associate due to common directorship)		
- Electricity charged during the year	15,635	4,825
- Amount paid in respect of electricity charges	19,000	6,765
Power Cement Limited - (Associate due to common directorship)		
- Purchases of cement bags	19,644	14,255
- Payments made in respect of cement bags	26,259	5,058
Aisha Steel Mills Limited - (Associate due to common directorship)		
- Transportation charges for of G.I sheets	-	21
Haji Abdul Ghani - (Associate due to sponsor of the REIT)		
- Amounts received in respect of apartments sold	135,975	182,075
- Revenue in respect of apartments sold	113,787	125,303
- Markup due on excess installment received	3,574	-
- Working capital loan to REIT	44,301	-
- Adjustment of expenses incurred by the REIT on their behalf	5,752	-
Muhammad Arif Habib - (Director of Management Company)		
- Amounts received in respect of apartments sold	-	77,977
- Revenue in respect of apartments sold	-	125,303
Arif Habib Limited - (Associate due to common control)		
- Revenue in respect of apartments sold	-	39,406
- Transfer to Arif Habib Corporation Limited	77,160	-
Arif Habib Corporation Limited - (Associate due to common control)		
- Amounts received in respect of apartments sold	135,975	-
- Revenue in respect of apartments sold	106,080	-
- Markup due on excess installment received	2,568	-
- Working capital loan to REIT	47,339	-
- Adjustment of expenses incurred by the REIT on their behalf	5,752	-
- Transfer from Arif Habib Limited	77,160	-
Muhammad Kashif Habib - (Close relative of a director)		
- Revenue in respect of apartments sold	2,417	3,732
- Amounts received in respect of apartments sold	3,571	4,564
Abdus Samad A. Habib - (Director of Management Company)		
- Amount transferred to Anna Samad's contract	5,638	-
- Revenue in respect of apartments sold	-	2,208
- Reversal of revenue due to transfer	12,406	-

	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	December 31, 2023 (Un-audited)
Anna Samad - (Spouse of Director of Management Company)		
- Amount transferred from Abdus Samad A. Habib's contract	5,638	-
- Revenue in respect of apartments sold	1,152	4,025
Razi Haider - (CFO & Company Secretary of Management Company)		
- Revenue in respect of apartments sold	802	994
- Amounts received in respect of apartments sold	373	1,513
Alamgir A Shaikh - (Director of sponsor)		
- Revenue in respect of apartments sold	802	373
- Amounts received in respect of apartments sold	1,244	1,513
27.2 Amounts outstanding as at period / year end	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited)
Arif Habib Dolmen REIT Management Limited - (Management Company)		
- Remuneration of the REIT Management Company payable	7,000	17,500
- Sindh Sales Tax payable on remuneration of the REIT Management Company	1,050	2,275
- Payable in respect of development & other expenditure	372	209
Central Depository Company of Pakistan Limited - (Trustee)		
- Remuneration of the Trustee payable	1,404	12,596
- Sindh Sales Tax payable on remuneration of the Trustee	211	1,638
Arif Habib Development & Engineering Consultants (Private) Limited - (Associate due to common directorship)		
- Payable in respect of expenses incurred on behalf of the REIT	126,272	135,911
- Payable in respect of project management fee	212,715	172,446
Javedan Corporation Limited - (Sponsor of the REIT / associate due to common directorship)		
- Payable in respect of expenses incurred on behalf of the REIT	327,155	327,155
- Net receivable in respect of scrap sales	21,581	22,544
- Receivable in respect of amounts received from customers on behalf of the REIT	258,079	258,079
- Outstanding land consideration	-	250,000
- Contract liability outstanding	195,961	193,131
Safe Mix Concrete Limited - (Associate due to common directorship)		
- Payable in respect of purchases of construction material	32,588	126,811
NN Maintenance Company (Private) Limited - (Associate due to common directorship)		
- Payable in respect of electricity charges	-	3,365
Power Cement Limited - (Associate due to common directorship)		
- Payable in respect of purchase of cement bags	-	6,615

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
Rahat Residency REIT (RRR) - (Associate due to common directorship)		
- Payable in respect of scrap sales	6,175	4,168
- Payable in respect of advances received on behalf of RRR	1,240	940
Signature Residency REIT (SRR) - (Associate due to common directorship)		
- Payable in respect of scrap sales	1,453	1,453
- Payable in respect of advances received on behalf of SRR	1,312	1,312
Haji Abdul Ghani - (Associate due to sponsor of the REIT)		
- Contract asset outstanding	114,944	131,380
- Working capital finance	70,718	26,417
- Accrued markup on working capital finance	4,075	501
Arif Habib Limited - (Associate due to common control)		
- Contract asset outstanding	-	131,380
- Contract liability outstanding	-	27,302
- Working capital finance	-	26,417
- Accrued markup on working capital finance	-	501
Arif Habib Corporation Limited - (Associate due to common control)		
- Contract asset outstanding	114,944	-
- Contract liability outstanding	35,009	-
- Working capital finance	73,756	-
- Accrued markup on working capital finance	3,069	-
Razi Haider - (CFO & Company Secretary of Management Company)		
- Contract asset outstanding	2,217	1,788
Muhammad Kashif Habib - (Close relative of a director)		
- Contract asset outstanding	6,993	8,147
Abdus Samad A. Habib - (Director of Management Company)		
- Contract asset outstanding	-	6,768
Anna Samad - (Spouse of Director of Management Company)		
- Contract asset outstanding	1,695	6,181
Alamgir A Shaikh - (Director of sponsor)		
- Contract asset outstanding	2,465	2,907

28 OPERATING SEGMENTS

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the RMC has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the REIT's portfolio and considers the REIT to have a single operating segment. The REIT's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the REIT's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of the accounting and reporting standards as applicable in Pakistan.

The REIT is domiciled in Pakistan and all of its income is generated in Pakistan.

The REIT functions as a single operating segment. Income is derived from the sale of apartments under development that meets the over time criteria of revenue recognition, the REIT's performance is measured using an input method, by reference to the input towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the project.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

29.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the REIT to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

29.2 Accounting classifications and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	December 31, 2024 (Un-audited)							
	Carrying amount				Fair value			
	Financial instruments 'at fair value through other comprehensive income'	Financial instruments 'at fair value through profit or loss'	Financial instruments 'at amortised cost'	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----							
Financial assets - not measured at fair value								
Long term deposits	-	-	7,885	7,885	-	-	-	-
Contract assets	-	-	1,384,264	1,384,264	-	-	-	-
Receivables	-	-	515,959	515,959	-	-	-	-
Receivable from joint operator	-	-	87,563	87,563	-	-	-	-
Bank balances	-	-	623,929	623,929	-	-	-	-
	-	-	2,619,600	2,619,600	-	-	-	-
Financial liabilities - not measured at fair value								
Term loan / financing	-	-	2,500,000	2,500,000	-	-	-	-
Working capital finance	-	-	144,473	144,473	-	-	-	-
Contract liabilities	-	-	237,844	237,844	-	-	-	-
Payable to the REIT Management Company	-	-	7,372	7,372	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	1,404	1,404	-	-	-	-
Trade and other payables	-	-	332,272	332,272	-	-	-	-
Accrued expenses and other liabilities	-	-	379,546	379,546	-	-	-	-
Dividend payable	-	-	18,360	18,360	-	-	-	-
Accrued mark-up	-	-	94,351	94,351	-	-	-	-
Commission payable	-	-	697	697	-	-	-	-
	-	-	3,716,319	3,716,319	-	-	-	-

June 30, 2024 (Audited)							
Carrying amount				Fair value			
Financial instruments 'at fair value through other comprehensive income'	Financial instruments 'at fair value through profit or loss'	Financial instruments 'at amortised cost'	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets - not measured at fair value

Long term deposits	-	-	7,885	7,885	-	-	-	-
Contract assets	-	-	1,597,743	1,597,743	-	-	-	-
Receivables	-	-	451,917	451,917	-	-	-	-
Receivable from joint operator	-	-	67,488	67,488	-	-	-	-
Bank balances	-	-	8,754	8,754	-	-	-	-
	-	-	2,133,787	2,133,787	-	-	-	-

Financial liabilities - not measured at fair value

Term loan / financing	-	-	1,483,333	1,483,333	-	-	-	-
Outstanding land consideration	-	-	250,000	250,000	-	-	-	-
Working capital finance	-	-	52,835	52,835	-	-	-	-
Contract liabilities	-	-	253,571	253,571	-	-	-	-
Payable to the REIT Management Company	-	-	17,709	17,709	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	12,596	12,596	-	-	-	-
Trade and other payables	-	-	537,991	537,991	-	-	-	-
Accrued expenses and other liabilities	-	-	346,431	346,431	-	-	-	-
Dividend payable	-	-	13,128	13,128	-	-	-	-
Accrued mark-up	-	-	74,219	74,219	-	-	-	-
Commission payable	-	-	285	285	-	-	-	-
	-	-	3,042,098	3,042,098	-	-	-	-

30 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following amounts appearing on the condensed interim statement of cash flows:

	Note	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
Bank balances	10	623,929	14,216

31 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

32 GENERAL

These condensed interim financial statements are presented in Pakistani Rupees, which is the REIT's functional and presentation currency. All figures have been rounded off to nearest thousand of rupees unless otherwise stated.

33 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the RMC on February 27, 2025.

Chief Financial Officer

Chief Executive Officer

Director

